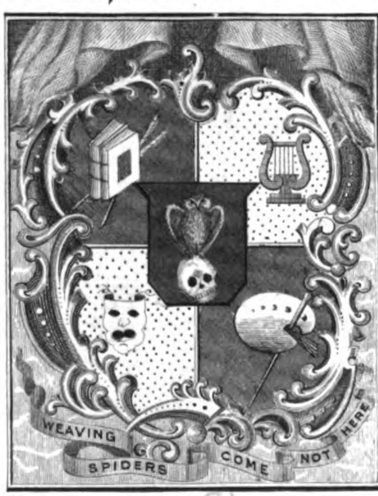
Rhodes' journal of banking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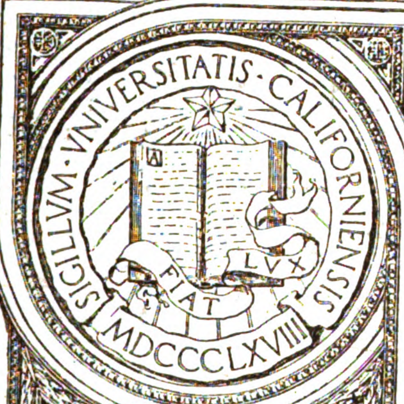
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WHAT IS A BANK?

A PAPER READ BEFORE THE FINANCE CLUB OF HARVARD UNIVERSITY, SESSION OF 1880.

BY EDWARD ATKINSON.

Public attention is very much devoted to the question of transportation. The importance of railroads and steamships is apparent to all, and every method that can be devised to promote the extension of their lines of traffic receives attention. From the dawn of history, commerce has been the measure of human progress. Upon the ancient caravan-routes of the Far East, over the Roman roads of a later period, across unknown seas, and by devious ways, commerce has from age to age extended its beneficent function. Even when nations have attempted to isolate themselves, by enacting excessive duties upon imports, the "fair trader," as the smuggler used to be called, has rendered the attempt of no avail. Men will exchange product for product, because there is no other way by which even a moderate degree of material welfare can be attained.

But in this, as in almost all branches of investigation, he who limits his thought or study to the purely physical side of the question will be misled.

In this apparently most material of all questions, how to subsist the human body, the work that is abstract or immaterial is of such essential consequence that railways, steamships, and canals would be shorn of more than one-half their beneficent power if not rightly coordinated and worked in perfect harmony with instruments of distribution of a purely abstract, or perhaps we might say metaphysical, order. In this category come the operations of the bank and the banker.

But before we begin the discussion of the function of banks and bankers, of bills of exchange, bank-notes, and all other instruments by means of which the title to commodities is passed from one man to another, while the things themselves are being carried over the railway, it becomes necessary to give precision to our language, and to define the meaning of the words that we must use.

I am satisfied that a vast deal of bad legislation would be avoided if the graduates of high schools and colleges had more complete command of the English language and more fully comprehended the exact meanings of common English words.

Before I can begin to consider the subject of banking, it first becomes necessary to define the word *money*. I shall assume that any young man who has had sufficient intelligence to pass the entrance examinations of Harvard University will know enough of the functions of money, and the qualities which it must possess in order that it may be entitled to the name, to warrant me in excluding stamped pieces of irredeemable paper, of late proposed to be issued by the government under the name of "fiat money," from the category of true or real money.

It is sometimes necessary, even for intelligent men, to consider the propositions in regard to what is called "fiat money," in order to prevent the uninstructed from being cheated by knaves, or misled by those whose intelligence on other subjects makes one hesitate to call them fools, but who must be classed among persons endowed with a kind of limited or perverted intelligence, for which the dictionary has not yet provided a suitable name. It is unfortunate that there should be even a few men among us whose influence has been established in the conflict through which we have lately passed, who do not perceive the baleful character of the measures which they advocate. We could well spare them if they would migrate to the country which Boccaccio describes as the "Land of Mendacity," where they "use only paper money."

For the purpose of this lecture, without entering upon a history of money, I will limit the meaning of the word to the pieces of coined gold and silver used by most nations, under various names. Therefore, for the present, when I use the word "money," I shall mean gold or silver coins—dollars, sovereigns, livres, francs, and the like. True money has been made of other substances in past ages, but at the present time nothing else is entitled to the name.

I am well aware that this limitation would not be admitted by many economists. It would be alleged that a law of the land makes the United States notes now in use "lawful money," as well as "legal tender," and that we must therefore accept the definition; but may not this very fact be cited as an example of the danger of corrupting the language?

If a word is perverted from its true meaning, it ceases to be an instrument of precise thought.

We have become so accustomed to the perversion of the term "money" from its strict application to the coined substance rightly so called, and its application to the promises of banks known as bank-notes, or to the promises of the nation known as legal tender notes, as to make it difficult even to begin to speak to you on the subject of banking

Another great and very mischievous perversion of the word "money" is to use it as synonymous with property.

We define a man's property by saying that he is worth a given sum of money, meaning only that his property would be measured by, or could be sold for, a certain sum.

It is from such perversions of the word that many men have been led to believe that welfare depends upon an abundance of money, and that "the times," as we say, are "easy" or "hard," just in proportion to the abundance or scarcity of money.

In point of fact, prosperity may be accompanied by a scarcity of what is meant when it is said that "money is scarce;" and the greatest depression and adversity may be upon a nation at a time when it can be alleged with perfect truth that "money is very abundant."

What is intended by the phrases "money scarce" and "money plenty," is more apt to be "capital scarce" and "capital plenty;" but there are also hard times when both money and capital are very plenty, and the real cause of adversity is that "confidence is scarce." We have lately passed through such a period.

One most potent cause of want of confidence is when money is bad. Then, the more abundant it becomes, the less it serves its purpose. Depression, adversity, and loss, we have suffered in full measure during late years. Men have talked with the wisdom of owls of over-production, and have imputed the difficulty under which great masses suffered in recent years in procuring food, fuel, clothing, and shelter, to the alleged fact that we were over-producing corn and meat, that our mines delivered too much coal, that our looms wove too many yards of cloth, and that too many houses existed. Could anything be more absurd? Surely nothing except the proposed remedy, namely, to issue yet more of the very kind of bad money that had been, all through this period, the most malignant cause of poverty, depression, and loss.

Since the passage of the legal tender acts in 1862 and 1863, the so-called lawful money of the United States in common use has been bad money. It is still bad, though in lesser degree; and it will continue to be bad, and to work subtle mischief, until coin only shall be lawful money and legal tender for debts incurred.

In order to prove these dogmatic propositions, and to make the use of money and the function of banks and banking perfectly clear, we must analyze the simplest transactions, then proceed from the simple to the complex; and last we shall see if we succeed in the analysis, that the metaphysical instruments of exchange which are known as bank-notes, bank-deposits, bank-credits, and bank-exchanges or clearances, are as essential to the quick and cheap distribution of corn, beef, pork, and cotton, as the railroad, the steamship, the butcher's wagon, or the baker's cart. It may, I trust, become very plain to you that, unless these instruments of exchange are convertible into the coin which they represent, their service is impaired or lost.

If we analyze the simplest exchange, we find that all tansactions are of the nature of barter. To go back to school-boy language, all trade, from the transaction in the proverbial jack-knife to Vanderbilt's great sale of twenty-five million dollars' worth of railway stock, is nothing but "swapping." Why do we swap? In order to get more than we give, i. e., something of more use to us than what we give; here begin the metaphysics. The exchange occurs because there is a mental conception that the things bought will be of more service to the buyer than the things sold; hence the conception of value. Each person buys and sells. The man who sells corn buys money; the man who buys cloth sells money. The equation may be formulated in words as "service for service," in which the conception of prices arises as the mean of the equation. The dollar is the common factor.

When the mental conception of service is applied to substance, then the equation takes the form of "product for product." Carry the mental conception a little further, and we at once perceive that, in order that any exchange shall happen, another formula must be conceived, and that is "effort for effort."

We may use these words rather than "labor for labor," because the word "labor" has become limited to muscular or bodily work upon material substances, while effort includes that, and also in addition the mental functions or efforts that are serviceable to others, and for which something will be given in exchange. No one but a fool sells something for nothing. The mistake which the labor reformers make is in not admitting mental effort as one of the highest forms of service.

The process which must occur in order that any exchange, barter, swap, or other dealing between men shall happen, must be a purely mental consideration of the effort exerted in the production of the thing parted with, and the effort saved by becoming possessed of the thing obtained. It may be unconscious cerebration; but even in the proverbial knife-trade, each boy swaps his knife because he thinks that he gets a better knife than he gives. In the boy's case there is usually a misconception on one side or the other; but in the great commerce or swapping of the world, whether among men or between nations, each does obtain that which is more serviceable than that which is parted with, or else traffic ceases.

In the last analysis all commerce is an exchange of reproductive forces.

All consumption is a conversion of forces. In the end it is a chemical re-action; and, the wider the distribution, the more perfect the conversion. All this is elementary, but yet necessary to the further treatment of the subject.

Exchange is necessary to the subsistence of the human race; and some kind of money is necessary to facilitate exchange.

The point most commonly overlooked in commerce is that two and two make five—sometimes six, and even more—and the units over are divided sometimes in equal portions, sometimes unequal, between the parties to the transaction. The force of the grain stacked upon the wheat-field, and the cotton on the plantation, are both passive. Convert them in the factory, and an active force is developed which serves to clothe the bodies of men. Two measures of wheat and two measures of cotton make five measures of cloth. The cotton on the field is useless to the producer, the wheat may rot upon the prairie. Bring them together, add the work of the factory, and by their conversion the new force is developed that is measured by a higher price in money than the prices of all the elements of which this new force consists. You will observe that money does not constitute one of these forces, or one of the elements of the new force. It is only an instrument used in their conversion.

Let us now assume that the nation has had the intelligence to adopt the best kind of money yet discovered, namely, coined gold, as its standard of value and single legal tender, and coined gold and silver as its instruments of exchange or its money.

Into the somewhat abstruse question of the bi-metallic theory, and the ratio of gold and silver to each other, I do not propose to enter. Let us assume that the legal tender acts, whereby United States notes have been made lawful money and legal tender, have been repealed by Congress or annulled by the Supreme Court. We then stand ready to begin the consideration of the subject of banks and their relation to the railroad as the agents of exchange.

In order to be sure of our ground, we must begin *ab initio*. For this purpose, we will consider the traffic in black pepper. Pepper is produced in the Island of Sumatra. Down to a comparatively recent period, the natives of the island had not developed wants in respect to the products of civilized countries to a sufficient extent to balance the traffic in pepper without the inclusion of a considerable amount of money—I mean of course real money—in the transaction. And here you will observe that in all international trade there must be an exact balance. No nation can sell unless it buys, or buy unless it sells: and what is called the balance of trade is and must be only the balance of gold or silver coin that is bought or sold. These coins are commodities, products of labor, concrete forms of capital, of precisely the same kind as beef, pork, wheat, corn, and cotton, and subject to the same laws. In the year 1879 we bought of foreign nations about eighty-four million dollars' worth of gold in the form of coins; that is to say, we bought English, French, and American coins made of gold, weighing a certain number of ounces, of which weight the stamps on the coins were the certificates. A true statement of our foreign traffic, taking for the moment no consideration of credit or payment deferred on either side, would be that

We sold *so many* bales of cotton,
—— bushels of wheat,
—— gallons of oil,
—— and pounds of meat.

We bought *so many* yards of cloth,
—— tons of sugar,
—— bales of hemp
—— and ounces of gold,

Assuming all transactions to be on a cash basis, there can be no balance of trade. The exchange is an exchange of equivalents, but each party assumes, and on the whole does make, a profit; that is, each nation parts with that which it could not use with as much advantage to itself as that which it receives. There is an exchange of forces, but in this exchange two and two make five, and the one over is shared by the two parties. Sometimes one nation makes a larger profit than the other; but both must gain something, or else the trade wiil stop.

Let me call your attention to one point. After a nation has coin enough for bank reserves and for use as pocket-money, the most unprofitable thing it can import is more coin. The only use you can make of the excess of coin is to send it off out of the country again. You cannot consume it. All other goods and wares you can convert into some other useful form, but gold can only be made into jewelry, and silver into table-ware.

When there is no balance of trade, so called, that is, when our cotton, grain, and oil are equivalent to dry goods, sugar, and spice, then the conditions are very sound and healthy. If on the other hand we sell what is worth a million to us, and in exchange appear to get what is entered at the custom-house at a million and a quarter, then we may be borrowing the excess. Or if we export more in value than we import, we are either paying our debts or losing by the traffic, and yet this last state of the account is commonly called a trade that shows "a favorable balance." The coin we imported last year we needed; but this year we need iron, salt, sugar, &c., and the import of coin has ceased. The so-called favorable balance has diminished; our demand for these things is gfving our best customers for our grain and meat more ability to buy; they can pay in iron when they could not pay in gold; but I do not hear any complaint of adversity because the balance of trade has changed. We bought gold when we needed it, and paid with cotton, wheat, and oil; now we want iron, wool, and tin, and we are buying them in the same way.

Let us return to the pepper. The natives of Sumatra could not use all their pepper, there was an over-production of pepper there;

they had very little use for American goods, but they could use good money. These people, however, wanted a particular kind of money. They had learned in some rude way, that whatever faults the Spanish nation had committed, their coined dollars, known as "Carolus" or "Pillar dollars," always contained the same amount of silver: therefore these dollars they would take; they would swap pepper only for Pillar dollars. And hence it happened that the American merchant could only get pepper by sending his ship partly loaded with goods, and the rest in ballast, with Pillar dollars for the balance in order to buy pepper. How the pepper traffic is now carried on, I do not know; this was the way when I was a boy. This is still the rule in respect to a large part of our traffic with China. For a very long period we settled our balance of trade, so-called, with China in Mexican dollars. That is, we bought silver in Mexico, and sold it in China by the measure of the dollar. Here is another curious anomaly: Mexico stands as the example of all misgovernment, anarchy, and confusion, but Mexico never debased her coin. Is there not hope for her? We, however, at length obtained the confidence of a small portion of the Chinese so that they were willing to take our trade dollars, and now we sell China a good deal of silver in that form.

You will observe the most costly method of commerce in these two examples: special kinds of coined money to be gathered up, packed, and shipped across the seas, subject to all dangers of loss by Malay pirates but a little while ago, and to all the constant dangers of storm and shipwreck for all time; the ship perhaps making a voyage half round the world almost empty in order to bring home the pepper or the tea. You can readily see how limited such commerce must be.

Transfer these conditions to our own land; suppose that the Louisiana purchase had never been made, and that Iowa, Nebraska, Kansas, and that all that vast Mississippi valley belonged to a foreign nation, and were separated from New England by a line of custom-houses more costly and difficult to pass than the Hoosac Mountain or the ridges of the Alleghanies; assume that there was no mutual confidence, and that each nation watched the other with jealousy and suspicion from behind ramparts guarded by five hundred thousand armed men with a yet greater number in reserve, wasting even in the reserve as much time in drill with rifle and sabre as they would spend in work at the plough, the loom, and the anvil. When you have assumed these conditions, you have only made a comparison with what are called the civilized nations of Europe, omitting Russia and Turkey; who, with only four times our population, thus stand facing each other with two million men in camp and barracks, a larger number in reserve, bound in the fetters of sixteen billion dollars of national debts, secured by mortgage upon a territory only one-half as large as ours, omitting Alaska. Study the history of these countries, and you will find that, in former times, commerce could only be carried on between them by the actual movement of the coin; and that most of their wars have been incurred, and their great debts imposed, because the beneficent function of commerce was denied, and because each tried to gain a special advantage over the other without rendering a service in return.

But you will say, these obstacles to mutual service do not exist on this territory: What have they to do with banking? I only refer to them to make the contrast greater. Even these contests of race and differences of institutions and language would not restrict the exchange of corn for cotton, of beef for iron, of wheat for fabrics of every kind, would not be as great obstacles to commerce as those that are removed by the existence and use of banks, and by the service of bills of exchange, bank-notes and checks, and bank clearing-houses.

Suppose you could not get a barrel of flour from the West without sending out a five or ten dollar gold coin to pay for it, and then you begin to see the function and use of banks and bankers.

By the use of a little slip of paper inscribed with a few words, signed by a responsible bank officer, the title of one barrel of flour passess from the farmer in Nebraska to the mechanic in Massachusetts; while the title passes from the mechanic of Massachusetts to the farmer of Nebraska, to a certain number of grains of gold minted into coined money in the works of the government at Philadelphia.

The coin may all the time be kept for safety in the vaults of the Sub-Treasury at New York, and the barrel of flour may be stored in a warehouse in Chicago for months before it is consumed; but the title is passed from the one to the other by the assignment of the little strip of paper inscribed, "The Merchants' National Bank promises to pay to the bearer five dollars on demand," signed by the president and cashier; or by another strip of paper in similar form:—

MERCHANTS' NATIONAL BANK.
Pay to the Iowa farmer five dollars on demand.
TO THE CASHIER. (Signed) JOHN SMITH.

This is an epitome of all transactions. The bank is the agent for assigning and transferring titles to property; that is the exact function of the bank or banker, nothing more or nothing less. The property assigned may either be its own capital in coin, or a title to some property of its depositors. A part of its capital is kept in reserve in the form of coin, in order that if any one wants actual money—true money, coined money—it may always have enough to meet that demand. It lends the rest of its own capital, and it acts as agent to transfer titles to the capital of others.

If these functions are carefully considered, it will be observed that the abundance of notes, checks, bank-deposits, bills of exchange, and other instruments of credit by which titles to actual property are passed from one to another, will be in exact ratio to the quantity of capital, that is, of commodities or property, thus being moved or assigned at any given time. This property, these commodities, constitute what is called the quick or active capital of the community, consisting of beef, pork, hay, corn, cotton, dry-goods, tin-ware, boots. Bear in mind, we are not now considering savings institutions, also called banks, that deal more in titles to fixed capital, buildings, works, and improved lands, but we are considering the functions of commercial banks and bankers who serve the purposes of merchants and manufacturers.

The interest which is paid, and which constitutes the profit of the bank or banker, is paid in a limited degree only for the use of money: no actual money has passed: the money is substantially all in the bank-vault, or in the vault of the Sub-Treasury; the interest is paid for the use of the property of which the bank-note or credit has passed the title from the lender to the borrower by the measure of money. This property is a product of labor: interest is therefore paid for the service of labor already done in the past, in order to enable the borrower to perform more work in the present.

When you mortgage a house to a savings bank, what do you borrow? is it not a part of your house? You are a mechanic and have saved five hundred days' work, for which you have a thousand dollars in gold coin; you spend that, but you want more house; you borrow a title to another thousand dollars, and buy with it five hundred days' work of other mechanics, to finish your house; and you owe the sum that you have spent until you can work it out yourself, but you have really borrowed half your house.

Prosperity consists in the rapid consumption of the goods and wares that I have named, meat, flour, pork, iron, cotton, and the like.

When the money in use is good money, such as gold coin, that only changes its value in relation to other products of labor in long generations, then confidence will be sufficient to promote the quick circulation of commodities, and then will follow the consequence so often mistaken for the cause—there will be a great abundance of bank-bills, bank-deposits, and bank-credits; every one will say "Money is very plenty;" but the real fact may be that the amount of real money held in reserve to meet emergencies, in the vaults of the banks, and the Sub-Treasury, may not have changed a single dollar; but, the money being good, productive and constructive enterprise will be active because confidence is assured.

In such periods it is capital that is plenty—iron, beef, cotton, potatoes, pepper and salt, milk, butter, and cheese (the annual value of our dairy product is greater than that of our cotton), and we work cotton into cloth in order to obtain butter, cheese, eggs. *De minimis curat economicus.* When capital is abundant, and confidence is great, the new railroad is projected, the new mill is constructed, the new house is planned, and we spend or consume the products of the year present in order to be able to provide for the wants of the years to come. We convert the perishable forces of the year present, that would otherwise decay, into the more permanent forces—into railroads, mills, and works that will assure more abundant production in future years.

When your money is bad, that is, when it is subject to the caprice of Congress, people live from hand to mouth, and the work that is necessary to be done by each generation to prepare for the increase of the next is stopped because the money that may be received in the future may not measure the effort of the present. For several years after the panic of 1873 we lived as if never another mile of railroad, or another mill, or another factory, or another house, would be wanted; the portion of the population usually employed in providing for future need was reduced to idleness, maybe five in a hundred; wages were depressed, the stock of goods piled up, and wise-acres talked of over-production; then in the next breath they would say we must save, and not spend. Why! the very thing needed was that we should spend our excess of iron and copper, of corn and pork; spend them in new work. That is just what we are doing now. Money was said to be plenty in State Street, and would not bring three per cent. per annum But what was this money! It was the title to these unspent commodities that no one had confidence enough in the future to use or spend, because the measure of spending, the money, was bad.

On the 1st of January men came to believe that the standard of value had become fixed, that specie payment was resumed, that gold coin had become once more the money of the nation. Confidence returned, and now what do we see. We are spending again in useful work; we are converting iron into railroads and machinery; brick and timber into mills and works. At the same time our stock of real money, held in reserve in gold coin, has increased more than one hundred million dollars.

As soon as we began to use good money, it flowed in upon us. We have ceased to hear of over-production, yet the products of 1879 were the most abundant ever known.

It is our mental condition only that has changed. Now that good money is even partially assured, we find our force is doubled; industry is resumed, and labor is well employed, because confidence is restored.

In order that we may more readily comprehend how these little strips of paper that I have described—these checks and bank-notes—really do their work, let me use a word very familiar to those who, like myself, have been book-keepers: the word "cash." If you asked me now, "Have you any money in your pocket?" and I followed my own rule, I should confine my answer to the coin in my vest pocket; but if you asked me if I had any "cash," I should also include the bank-notes in my pocket-book.

In book-keeper's parlance, "cash" consists of checks, bank-notes, United States notes, and coin. A book-keeper never says his money is short, when he cannot square his accounts; it is always, "My cash is short."

I suppose none of you know what it is to be short of cash; if you do, you are probably not very particular what word designates the instrument by which the deficiency is covered.

The cashier used to be the guardian or keeper of the "caisse," or chest; he was the chest-keeper, in which coined money was kept by each merchant when banks were few or none. Now his chest has disappeared, and he keeps a cash book, in which titles to money are registered; and, in place of coin, he balances his account by means of the notes and checks by which the titles to money or to other property measured in money are passed from man to man.

How do we use this "cash" as a substitute for money?

The other day I wanted some smoked venison-hams, such as are brought into St. Paul, Minnesota, from Pembina, where deer and Indians abound. I knew no one in St. Paul who would sell me hams, unless he had "cash" in hand. What did I send him? Not a piece of gold; that would have been foolish, although I had three ten dollar pieces of gold in my pocket, that I had withdrawn from a banker, in recompense for a lecture given to this club last winter and afterwards published in an English review; that is to say, I had some true money—some capital in gold coin.

I took that money to a bank, and obtained a cashier's check on a bank in New York. I parted with my three coins, and obtained a title to, or draft for, other three coins of same denomination; that is, containing the same exact weight of gold. I sent that title to the provision dealer in St. Paul, and by the next train of cars came back the smoked venison hams, cured by the Indians of Pembina. Money might have been said to be plenty in St. Paul, to the exact amount of the three ten dollar gold coins; but the coins themselves were in the vault of the bank in Boston, to whose cashier I paid them for the draft. The Indian had brought in the hams to the shop-keeper in St. Paul, and had exchanged them for blankets, gunpowder, bullets, and probably some whiskey, for which the shop-keeper owed the manufacturers of whom he had bought his stock. In this transaction you have an epitome of all commerce: the shop-keeper in St. Paul received the title from me to three gold coins—not the money itself—and sent me hams; he swaps hams for a title to gold; he deposits that title to gold in his own bank in St. Paul, with other "cash" received for goods; then he draws his own check on that bank, and pays his own debt for blankets or gunpowder; and so the title passes from hand to hand, and from bank to bank, until, in the clearing-house of New York, one check is balanced against another, and a little specie or real money passes from one to another to settle the balance.

My small mental effort procured the gold for me, and the Indian's gun procured the ham for him. In the consumption of the ham the substance of my brain was restored, after the effort which found its expresion in the English review, so as to enable me to make this effort to explain the science of banking to you; while, in the consumption of the whiskey, the Indian obtained a gratification, and, in the use of the blanket and gunpowder, he was fitted out for another hunting expedition.

The circulation of the commodities called the bank-check into existence. "Cash" was plenty in St. Paul to the extent of that check; it served its purpose in liquidating other transactions; but the only "money" transaction in the whole sequence, was the movement of three gold coins from the vault of Kidder, Peabody & Co., in State Street, to the vault of the Eliot National Bank, in Devonshire Street.

How did the coin get into the vault of Kidder, Peabody & Co.? Perhaps as a part of the $84,000,000 sent here from England in 1879, in exchange for Minnesota flour, ground in the mills of the same city of St. Paul; or perhaps it had come as a product of the labor of the miner in California, which he had parted with, in order that he might purchase the cowhide boots of East Brookfield, or the heavy woolen blankets made in some Massachusetts factory.

The elements of banking might be put in a formula, almost in a scale. They consist of:—

A little gold coin or true money.

An unmeasured amount of character, prudence, forethought and integrity, in the banker.

An unlimited amount of confidence, on the part of the community.

The scale cannot be given in adequate terms. For this country, it might now be stated something like this:—

Three hundred million dollars of gold coin suffices as the standard by which to measure three hundred thousand million dollars' worth of purchases and sales every year.

By the use of notes issued by, or checks upon, banks and bankers, more than 100,000,000 tons of food are moved in each year from the producer to the consumer, and thus the subsistence of 50,000,000 people is assured.

This is the power of true money; this is the money power. This is the work that knaves and sentimentalists denounce, obstruct, and retard. This is the measure of the integrity of men; the measure of the trust that each man reposes in his neighbor; the standing testimony that total depravity is but the gloomy dogma of the shallow thinker, whose insight into the great work of the world is but the depth of his own little mind.

The great crops of this country—grain and hay only—weigh 100,000,000 tons; they constitute food for man and beast—two tons to be moved from field and pasture to subsist each man, woman, and child; moved not once, but twice and thrice. The grain must be moved from field to railway, from railway to mill, from mill to warehouse, from warehouse to baker's oven. The hay and roots must be moved from field to stable, be turned into butter, cheese, and meat, be exchanged for sugar, tea, coffee, and spices; each kind must be distributed, worked over, converted from one form to another, and at last consumed. The mind cannot conceive the exchanges that take place each and every day.

The money lies safe in the vaults of the great cities, but the little slips of paper, by which a title to it is passed from hand to hand, serve all the purposes, provided only that the money is good, and that bank officers are honest and prudent men. There is no better measure of the character of a nation than the use it makes of banks.

We can only approximate the work that must be done in order that each of you may subsist a single year. Two tons of grain and hay to each one, partly used directly and partly converted into meat: each of you eats more meat than flour; then come the milk, the vegetable, the coal to cook the food and warm the house. All this conversion of force must take place that you may not starve—not less than three tons weight, six thousand pounds, moved at least three times; first, thousands of miles, then hundreds, and at last half a mile as to each small parcel. This work must be done every year for every one of you—too much work done for the value of a freshman, some of you sophomores may think.

All this dead weight must be moved and recombined, that each of you may subsist; and if the work stopped a single year, or even half a year, the world would be depopulated. A snow-storm in London reduces hundreds to the verge of starvation. And through all these changes the little strip of redeemable stamped paper, with a promise to pay upon it, and signed by one or two names, the book-keeper's "cash," has been a sufficient instrument to serve all this vast and complicated traffic; the bank-note, the bill of exchange, the bank-deposit, certified by a few figures in a book, with a little coin to make change and settle balances, has measured each change of ownership, and has passed the title of all this property from man to man; while the railway, the steamship, the butcher's cart, and the grocer's wagon have moved the property itself. There is not coin enough in the world to do this work alone; but, without the coin to serve as the standard by which to measure and gauge all this traffic, it would mainly cease. The whole mass of gold in the world, the painful accumulation of centuries, valued and sought by every race and every nation since the dawn of history, would not fill this hall. The one product of labor that neither moth nor rust corrupt, that neither air nor water will oxidize—who can tellwhen its service first began, or how it came to be used as money or the standard of value.

Can you find a deeper problem in metaphysics than the analysis of the conception of value—the estimation of gold—the two-fold process of the mind which seems so simple when we buy and sell, but is so subtle? If you can follow the course of the little slip of paper stamped with a promise to pay dollars, as it passes from hand to hand, and carries with it the title to the hundred million tons of food, until each daily ration reaches the mouth that is to consume it; if you perceive that as each ton moves by rail or river, the paper slip, the book-keeper's "cash," passes by mail and hand; if you can see that the volume of little slips and the sum of the figures on the ledgers of the merchants and the banks, mark as many dollars of promises and credits as there are dollars' worth of merchandise moving from producer to consumer—then you will have mastered the first lesson in banking; and I may tell you perhaps, privately, that you will know more about it than ninety-nine bank-directors in every hundred.

If you will try the experiment, you will find that nearly every practical man will tell you that banks borrow and lend money, and will be amazed at your audacity if you deny it; but at the same time they will admit that neither a bank-note nor a bank-check, nor a bank-deposit is money.

Does this not speak well for the general integrity of men, that more than ninety-five per cent. of all the transactions of life—the exchange of the hundred million tons of food that I have named; the conversion of this force into the thousand forms that make up the necessities, the comforts, and the luxuries of life; the whole traffic on which the subsistence of nations depends—are worked by means of little slips of paper that merely carry directions from one book-keeper to another how to make up the merchants' and the bankers' accounts, so as to show by the trial balances who is in possession of the property exchanged, or who is consuming it at any given time? You will observe that these transactions are world-wide. The bill of exchange that passes from nation to nation is but another slip of paper by means of which a title is passed. Even yet more wonderful is the telegraph. It almost passes comprehension when we witness its work. The tea-merchant in London sends one message to China ordering tea, and another to San Francisco for silver, and before the week is ended both substances are on their way from the producer to the consumer. Two clerks make their entries, two letters of advice are written, and in the London banker's office the transaction is ended.

It is important to impress upon your minds that banks and bankers transfer titles to consumable commodities from producer to consumer; and, further, that in the consumption of the commodity by the consumer, is developed the force to produce some other thing with which the first producer is paid. The title passes by a written or printed slip that is but the certificate of "cash" in the book-keeper's accounts. Nearly all the so-called money that passes is a direction from one clerk to another how to make an entry on his ledger. I have repeated this formula many times, and have tried to make it plain; it is the essential idea that must be comprehended.

It follows of necessity, if the system of banking is sound, and bankers are prudent, the sum of the bank-notes, bank-deposits, and other forms by which titles are transferred to property on its way to consumers, can never exceed the nominal value of the commodities: hence money is said to be plenty or otherwise. The danger to banks and bankers comes when prices have been carried to a very high point, and begin to decline slowly or quickly; then comes the doubt whether the men who have borrowed titles to cotton or wool or other merchandise, through the intervention of the banks, can convert these materials into cloth or the like, and obtain by its sale a title to as much as they have expended.

The doubt begins with cautious men, spreads slowly or quickly; if the activity has been very great, if the substance borrowed has been wasted in useless mines, or spent in constructing railways that are not yet wanted, then panic may ensue; each depositor fears that his title will be passed to some one who will not use it wisely; then a run is made upon the bank to convert the deposits into money, and withdraw gold from the bank. These crises come usually for good reason; they are the process of cure, not the disease itself; the disease has been the wasteful or injudicious expenditure of the substance long before borrowed; it has been the imprudent lending of titles to commodities to those who in consuming the commodities have not re-produced something that is salable; who have spent them without results.

Let us now consider the work of a national bank.

The process of organizing and working a bank is very easily comprehended when the fundamental idea is grasped, that a bank lends its own capital, and transfers titles to the capital or property of its depositors.

A portion of its capital it must always keep in its vaults in coin as a reserve. How much that reserve should be, depends upon the kind of business done by the bank, and the proportion of reserve is an indication of the prudence and skill of the manager.

Let us assume that the capital of a bank has been paid in by its stockholders in gold coin, say	$1,000,000
The bank proposes to become a national bank, and it at once lends one-half of its coin to the government at four per cent. interest, for which it receives bonds	500,000
It has left in coin	500,000
On the deposit of the bonds as collateral security for the notes it may issue, the government then authorizes it to issue national bank notes for the sum of	450,000

What is a national bank note? It is a promise of the bank to pay to the holder a certain number of coined dollars on demand. The notes of the bank when in its own possession are therefore unused evidence of its own debt, and are of no effect until issued. How do they get into circulation.

A manufacturer who has made ten thousand dollars' worth of cloth, and who has not paid for the wool or the labor, desires these notes to use for the purpose of such payments. You will observe that they are promises to pay coin, and the bank has in reserve half a million of coin. These notes are therefore transferable titles to a part of that coin.

The manufacturer has sold the ten thousand dollars' worth of cloth, for which he has not yet paid, to a jobber, for eleven thousand dollars' and has taken his note on four months for it. The jobber has the cloth ready to sell to the consumers: the consumers are in part wool-growers and mill-operatives. The note is a title to the equivalent of the cloth in coin; the sale of the cloth will enable the jobber to pay the note. Therefore the note of the jobber is a title or evidence of the existence of so much cloth on its way from the produ-er to the consumer.

The manufacturer takes the note, due in four months, to the bank, to be discounted; the president deducts interest at whatever the market rate may be, say at six per cent. or two per cent. for four months, and give the customer $10,780 in its own bills or promises to pay on demand. In that discount of interest is the profit to the bank; the manufacturer pays for the wool and the labor $10,000, and has $780 left in bills. He now wants some foreign wool, for which he must pay gold. He presents $780, bank-bills, and draws that amount from the bank's reseve of coin; the rest of the notes circulate from hand to hand; some of the farmers and operatives who received them from the manufacturer, buy goods of the same dealer who purchased the cloth; by the time his note is due he has received these bills, and has deposited them in the same bank that owns his note, and, when the note is due, draws his check, and thus pays, or off-sets his deposit-account against his note.

While the note has been in existence, the cloth has been in use; it has enabled those who wore it to do more work—to reproduce other capital to take its place.

All through the transaction the gold has been in the bank, ready to redeem the bank-note; the cloth has been reproducing capital, to assure the payment of the merchant's note. The bank-note and the merchant's note have divided the title to the gold and the cloth, and passed it to a hundred different hands: but the issue and redemption have been worked to the convenience and profit of each and all.

Confidence and credit and a few slips of paper have removed the need of weighing out gold for wool, and wool for cloth, and cloth for labor. The title has been passed, and all the work has been done, because men can trust each other; the slips of paper have carried the title, and enabled the book-keepers of the banks and merchants to keep their records of credits granted and obtained; and, in the clearing-house, one slip written off against another squares the account. Coined money has been the standard, convertible paper money has been the instrument, an entry in a ledger has been the conclusion.

In order that the conclusion may be just and true, the substance to which the title has been passed must have been rightly spent; more force must have been generated than has been consumed. The difference will have taken the concrete form of a new and useful railway or mill, a better house, a college gymnasium, or a Boylston Hall, in which students may be may be making preparation for more effective work in the future. Thus the world goes on, never more than one year removed from starvation, yet with always enough and to spare. Whether that which would suffice shall be where it is wanted, or not, is no longer a question of physical means; railroads and steamships can assure distribution to almost every part of the world. The conditions of prosperity are now peace, order and good-will among nations, good money, honest and prudent bankers. When the interdependence of nations is admitted, then, and only then, will commerce forbid war.

I have stated to you that our great crops of grain and hay weigh more than one hundred million tons. The hay is only a partial measure of the meat, the butter and the cheese; the roots add yet more. One hundred and fifty million tons of food is within the measure of what we consume ourselves, or send abroad to exchange for goods and wares of every sort—three tons to each man, woman and child, to be converted into power. Food is fuel for the human engine. "Going into business," which some of you may contemplate, means a share in the conversion or distribution of this force of three hundred thousand million food-pounds.

What was your share to-day? About sixteen and a half pounds; three consumed directly, the rest indirectly. Witness the power of money: that it must be an accurate measure of the division of three hundred thousand million food-pounds into daily rations of three pounds each. Legislators in Washington are now tampering with the standard of value, and attempting again to alter the measure by which all this vast traffic is to be conducted.

You may see how little we are governed—how much we may be misgoverned—when you attempt to conceive of the mischief that would be done if all the rules by which this work is accomplished needed to be established by statute. Do you not see that when any attempt is made to extend the function of statutes beyond the enforcement of justice and the collection of the necessary revenues, with right provision for education, it must almost of necessity raise barriers between men and nations that would have no existence in the nature of things? Honest men need no statutes for the conduct of their business: the statute intervenes only when some one tries to get an advantage over another; in other words, tries to obtain more service than he renders.

One by one all sumptuary laws have been repealed, or have fallen into disuse, because trade makes its own laws. If a tariff for taxation is assessed at rates beyond a certain point, the smuggler renders it inoperative. Attempt to collect two dollars a gallon on whiskey again, and the revenue from it would almost cease.

Issue fiat money, and who would exert himself to become possessed of it? Only the man who believed he could cheat his neighbor by inducing him to give something for it, or who would force him to take it, under the operation of a legal tender act, in place of the true dollars that he had promised. Show me an advocate of "fiat-money," and, in nine cases out of ten, I will show you a man who either desires to cheat his creditors, to grow rich by causing other men to become poor, or to live without work on the product of some other man's labor.

I shall now be obliged to lay aside my strict definition of "money," and the limitation of that word to coin, and fall into the customary way of treating convertible bank-notes and legal tender notes as money, or, in common speech, as "paper money;" better designations are, in respect to coin, "real money," and in respect to convertible paper, "representative money."

Notes serve the purposes often given as descriptive of money: they are instruments of exchange; and it would be almost a Quixotic attempt to strive now to change their common designation. We will call both classes of notes "money," in order that I may more fully explain why one is good paper money and the other is bad paper money. Both are promises of coined dollars on demand, but the redeemable bank-note is the symbol or measure of the cloth, meat, corn, cotton, or some other substance, on its way from producer to consumer. It can only get into circulation, as I have attempted to explain, as a representative, title, or evidence of substance, in the consumption of which will be given the power to redeem the note.

The legal tender United States note, on the other hand, is the symbol or evidence that the Government forced its citizens to lend it food and munitions of war fifteen to twenty years since, all of which were consumed without reproduction; it is evidence of capital destroyed, and of debt due and unpaid. Its convertibility into coin depends on the power of taxation. It has not the first attribute of good paper money, except so far as coin is held in reserve for its payment, nor has the Government any immediate means of payment, if any sudden distrust should cause the notes to be presented beyond the sum of its reserve in coin. In banking, the proportion of reserve can be determined by the nature of the business done, the condition of the crops, the state of the foreign exchange, and many other indications, a knowledge of which constitutes the skill of the banker; but the safe measure of reserve for a government note can never be less than dollar for dollar in coin, and, when that standard is established, the issue of the notes yields no profit or saving of interest.

In conclusion, let me indicate one other advantage which a national bank note possesses over the notes of the State banks, formerly used. The State bank notes depended entirely on the skill and judgment of the bank managers; when a bank failed, the holders of the bank notes had a lesson in the meaning of words: they found out to their cost that notes might cease to be *money*, either in fact or in semblance.

State banks often failed to pay their notes as well as their deposits.

The national bank note, or promise of the bank, cannot be issued unless the bank has first lent a part of its capital to the Government, for which the Government pays interest, and in evidence of which it has issued bonds. These bonds are deposited as security for the payment of the notes. The bank may fail, it may defraud all its depositors of every dollar of the title to capital which they deposited with it, but it cannot defraud the holder of a note; if the bank does not redeem the note at its own counter, the holder can present it to the Comptroller of the banks, cause the bonds deposited as security to be sold for coin, and draw the coin. The bank-note is secured first by all the other capital and profits of the bank not lent to the Government, by all the commodities in title to which it was first issued by the bank and obtained circulation in the community, and, second, by the collateral security of United States bonds bearing interest.

The United States note depends upon the power of future taxation, and is at the caprice of Congress, into which such men as B. F. Butler have more than once found an entrance by the votes of their dupes and their confederates in Massachusetts and elsewhere, It does not represent property in existence, but substance that has been destroyed.

Which of these notes best meets the conditions of safety?

May it not be affirmed that the national bank note leaves nothing to be desired, if paper money convertible into coin is to be used at all? It is secured beyond a reasonable doubt, and as it has the semblance of true money to masses of people who cannot appreciate the distinction between real money and its promise, it is eminently right that the Government should protect the holders of the notes, and assure their absolute convertibility on demand by requiring the deposit of the United States bonds as collateral security for the notes.

We have, indeed, brought United States notes to par in gold coin, and for the moment he who presents them for payment will receive the coin; but if the preceding statement of the function of banks and of bank-notes has any foundation in principle, the attempt of a Government to assume the functions of a bank of issue is an economic absurdity fraught with the gravest dangers.

The question is not yet determined, but is still at issue, whether the money of the nation shall be good or bad for the next few years.

The lawful money is now *good* money in gold coin, and *bad* money, or United States notes first issued for the purpose of collecting a forced loan, and made a legal tender for that purpose only.

During the war these notes depreciated to less than forty per cent. of their nominal value; they are now at par, and are nominally redeemed in coin; but although the lawfulness of their re-issue is contested by the ablest lawyers and the members of the Senate and House of Representatives most competent to decide the question, they are being re-issued even while the validity of the acts under which the re-issue takes effect is before the Supreme Court for adjudication, it being a question not yet decided. Their re-issue is not confined to the purposes for which the executive might feel obliged to use them under existing laws, but they are being forced into use again in the purchase of bonds not yet due, for the sinking fund, without reason or necessity.

This course is but a repetition of the disastrous policy followed under the administration of the Treasury Department by most of the predecessors of the present Secretary ever since the office was held by Hugh McCulloch. When these notes which have been paid in coin are re-issued in exchange for bonds, such notes being legal tender until otherwise decided by the Supreme Court, and therefore competent under existing laws to constitute a portion of the bank reserves in place of coin—they, in fact, constitute an element of the currency not called into use by the operation of the laws of trade.

They are, therefore, forced into use where they are not required, and may at any time work the same effect that they did before, to wit: inflate prices, and presently cause the export of the gold coin which will be displaced by them. Next may follow their depreciation, and possibly another suspension of coin redemption by the Treasury of the United States; or, what would be a yet greater misfortune, redemption in depreciated silver coin.

The first steps in this vicious sequence are now apparent, and the malignant effects of the attempt of the Treasury Department to do the work of a bank of issue, for which it is radically unfit, are now to be as plainly seen as they have been many times before.

Speculation waits upon the decision of the Secretary of the Treasury as to how much bad money he will inject into the currency in each week; and the eaves-droppers of the lobby listen for the corrupt whispers that shall enable them or their confederates to plunder the victims of a false monetary system.

The prices of the necessaries of life are rising (as they have before when the currency was tampered with) faster than the wages of those who do the work of producing them, and strikes are prevailing everywhere; the unwary are being again misled by the specious representations of those who live upon the credulity of their dupes, and the thousand evils of tampering with the money of the country are patent to those who look beneath the surface. Mining stocks are being sold at such prices that if the product of the mines would pay a dividend on the nominal sums given, silver would be depreciated at least one-half from its present ratio to gold; any thing that is called a railroad serves the purpose of the stock-jobber, and many of the other symptoms are becoming visible which constitute the disease of which a commercial crisis is the usual process of cure.

These are the symptoms of a false element in the finances of the country; of bad money again displacing that which is good.

Whether an inflation caused by the use of government legal-tender notes nominally redeemable in specie, and not canceled when thus redeemed or paid, but re-issued, will work as great a disaster as the inflation caused by the forced circulation of the same notes when irredeemable, is one of the problems not yet determined.

The enormous crops of the past few years, and the possibility of moving them which the railroad and the steamship have given us, have enabled the Treasury Department to meet the conditions of the resumption act, and to stand ready thus far to redeem the notes in gold coin when presented. A true statesman would be able even now to assure the stability of coin payments for all time to come; but, to the shame of our intelligence as a people, it is yet a question whether another financial disaster may not be needed, before the simple principle of finance is learned, to pay your debt due on demand first and finally, rather than to re-issue your own evidences of debt due on demand, and force them into circulation as lawful money in the purchase of long bonds not matured.

If we are saved from another disaster which may come because of the want of capacity, on the part of those who assume to govern and control the finances of the country to comprehend, or their unwillingness to accept, the simple principles that underlie the question, it will be from the same causes that have brought us into our present favorable condition in spite of previous mismanagement.

The enormous productive capacity of the country and the energies of the people, aided by the railway system, have enabled us to surmount financial incapacity, under previous administrations, equalled only by that charged on the present administration of Great Britain by the great leaders of the Liberal party.

Full credit may be given to the present Secretary of the Treasury for executive ability and administrative power. The conduct of affairs has been admirable during the period when the circumstances of the time—our great harvest, and the bad crops in Europe—gave us, for the time, the control of the gold of the world.

But the point of danger is near, or is already reached, the test of statesmanship is now being applied. Circumstances may again save us, but the re-issue of notes already paid, after the disastrous experience of years past caused by the same vicious policy, may fully warrant those who resisted that policy then, and foretold its malignant result, in again sounding a note of warning.

The danger of a debt currency must exist so long as the promise of coin is *forced* into use by an act of legal tender. Such a currency may for a time be redeemable, but it constantly tends to become irredeemable.

We have been saved from inflation and an increased issue of irredeemable paper money only by the veto of a President, the policy of whose financial secretary had led logically and directly to the vicious legislation which was stopped by his veto.

Great Britain has its land question; we have the money question to be determined, both appalling in the consequences that may ensue from a false policy.

May not the record of history in both cases be the same—that the principles of liberty and the sentiment of personal independence are so fully ingrained in the English race as to enable both branches to surmount the obstacles which their own legislators have placed in the way of their progress?

Whether the money be good or bad; whether the land be free or restricted; whether vested wrongs be sustained for a time, or vested rights promoted—the sentiment of personal independence and individual liberty may be depended upon as the great safeguards of the English race, and will ultimately assure righteous laws.

In the first lecture which I gave you this year, I endeavored to picture to you the beneficent function of the railroad and the steamship, in assuring a good subsistence to the people of many lands and far-distant places.

In this I have treated the more abstract method by which distribution is promoted.

In the merely material work of the railroad, skill and intelligence only may suffice; but the conduct of the bank calls also for character and integrity of the highest order. In the history of commerce the great banker may, perhaps, stand first among those who have guided the great exchanges of the world, and who have made civilization possible.

BANKING IN RUSSIA.

Even in the banking business there are many points of comparison between Russia and the United States, and they may be said to result naturally from the like conditions of immense territory, virgin lands, increase of population, and the growth which outruns as it were, the monetary wealth of both countries. The *role* played by the State in the creation of banks in Russia has, however, been a dominant one. There is, therefore, a radical difference as to the means of development employed in the two countries. The banking business in Russia may be said to possess a vast framework which will be rapidly filled up. The joint stock banks in France are few in number, and confined to a few of the principal cities. The whole financial life has been until recently almost monopolized by the Bank of France.

The first banks in Russia were established by Catherine II, in the Eighteenth Century, but the present system of banks owes its origin to the present Emperor, Alexander II. The original design of the banks was simply to aid the State in the emission of paper money. The issues of paper money from 1769 to 1817 amounted to the enormous sum of 836 millions of roubles. But this was the crucial period for Russia, and she was obliged to do what we also had recourse to. The Crimean war; the emancipation of the serfs, and the more recent politico-social events have all contributed to place the Russian banks on their present footing. The bank of Russia especially rendered important services to the Government during the war of 1870. It is managed by State functionaries, but the Council is composed to a great extent of merchants of St. Petersburg. The capital is 28,000,000 of roubles, which, with a reserve fund, is the property of the State. The profits arising from the bank operations are therefore paid into the Treasury, and these amounted in 1878 to 7,390,000 roubles. The totality of the bank movement was upwards of twelve milliards in 1877, or some six milliards of dollars. The purely commercial operations amounted to 11,700,000,000 roubles. The deposits in the bank on Jan. 5, 1879, were some $125,000,000, a sum superior to the deposits of the Bank of France. The discounts which were only 123,000,000 roubles in 1869, had reached 204,000,000 in 1878.

The number of branches of the bank is now 57, and they are scattered all over the empire from Tashkend in Boucharia, to Tomsk in Siberia, and from Archangel to Tiflis. The great work of the Russian Bank is to regulate the fiduciary circulation.

We now come to compare the paper regime in Russia with our own experiences. Since the time of Catherine the treasury has had to have recourse to every expedient. Since 1860, however, the Bank of Russia has the sole privilege of issuing notes payable to bearer. The Government only issues notes of credit in the form of bank notes. The circulation is at present as follows: *First.* 716,000,000 of notes of credit issued directly by the bank. *Second.* 415,000,000 issued for the account of the branch banks. To meet these obligations the bank holds only 188,000,000 in gold and silver. The great difference in the United States reserve and that of the Bank of Russia will be seen at once. The consequence is that the Russian notes have lost 30 per cent. of their face value. But while such a state of matters would be ruinous in France or England, it is quite otherwise in Russia, which has long been used to the depreciated rouble. But in addition to its numerous branch offices, the Bank of Russia is also in close connection with the communal loan and commercial banks. The communal banks number nearly 300, and have some 136,000,000 roubles deposits. There were 354 popular banks in 1874, with deposits of 500,000,000, and they are so completely suited to the genius of the Russian people that their future development will be very great. The commercial banks are 36 in number, with 50 branches. There are six in St. Petersburg and four in Moscow. The immense development of these 36 banks can best be seen from the following table:

	1865. Roubles.	1879. Roubles.
Capital and reserve	2,000,000	98,800,000
Deposits	1,450,000	256,650,000
Discounts and loans	2,300,000	248,680,000
Bills	1,591,000	144,100,000
Stocks bearing interest	400,000	52,600,000

The operation of these banks amounted in 1877 to 24,826,000,000 roubles—almost half as much again as those of the Bank of France. The average dividends was 9.07 per cent. The St. Petersburg banks gave 11.64 per cent.; Moscow, 8.47; Southern, 3.12; Centre, 9.18; Western, 8.92 per cent.

The loan banks are eleven in number. There are various other banking institutions, but enough has been said to show the great progress which the country is making in financial matters.

During the first half of the present year the immigration has been greater than ever before—greater, even, than the immense influx of 1872 by about 19,000 persons. The whole number arrived since January 1 is 177,362, nearly three times the number of the corresponding period of last year. It is very satisfactory to find no evidence whatever in any of our exchanges that these people are a burden upon the local authorities in those parts of the country whither they go. They have, most of them, evidently brought sufficient means to tide them along until they get work or get farms. The testimony of those around the Emigration Bureau is that those arriving this year are of a better class than heretofore, one-quarter being from Germany, and large numbers of them skilled workingmen of various kinds. This is the wealth that produces wealth, and we have plenty of room and plenty of work for many more of the same class.

NATIONAL BANK EXAMINATIONS.

"Do Bank Examiners examine?" is a question that naturally suggests itself in view of the recent failures of the First National Bank of Brattleboro, Vt., and the First National Bank of Newark, N. J. In both of these instances irregularities had existed for years, and had remained undetected notwithstanding the repeated visits of Bank Examiners.

Periodical examinations of the affairs of national banks are one of the most important means provided by the banking law to enable the Government to supervize the management of such banks, and protect the interests of stockholders and depositors. There is no doubt of the efficiency of this means if the limitations of the law permitted it to be fully developed and exercised.

The compensation of examiners is fixed by law and is graded on a wrong basis--that of capital. The capital of a bank is no criterion of the business done, but it is just the amount of business done which regulates the amount of work which is necessary in making an examination of the affairs of any particular bank.

The law provides that in banks located outside of the redemption cities, and the States of Oregon, California, and Nevada, and the Territories, the compensation of examiners shall be as follows: For banks with a capital less than $100,000, $20 each; for those with more than $100,000 and less than $300,000, $25; for those with more than $300,000 and less than $400,000, $35; with more than $400,000 and less than $500,000, $40; with more than $500,000 and less than $600,000, $50; with more than $600,000, $75.

This system of compensation is unfair both to the banks and to the examiners. It is unfair to the banks, in that while the examination of some occupies only an hour or two, that of others with the same capital often occupies a day or more; and notwithstanding this, the compensation of the examiner, and the consequent expense to the bank, is the same in each case. The work done in one bank is thus virtually paid for by another. It is unfair to the examiner, in that the tendency is to compel him to reduce the work done in each bank with the same capital to the same plane, without reference to the great difference that may exist in the amount of business of particular banks. The examination is thus apt, in some cases, to be unnecessarily slow, and in others too hasty. In banks doing a large business on a small capital, the scope of the examination is apt to be too small, although within that scope it may be complete.

In the case of the First National Bank of Newark the fraudulent proceedings of the cashier were concealed from the examiners by a number of fictitious accounts, by which various amounts were represented to be due from other banks and bankers. The test of the truth of these accounts could only be made by communicating with all the banks from which these accounts represented balances to be due. This would have been a matter of considerable additional labor for which the examiner could expect to receive no additional compensation, more especially as in ninety-nine cases out of one hundred the result of such examination would prove it unnecessary. This is only one instance out of a number showing the direction which fraud may take, and which the examination also must take to detect it.

A bank examiner, to afford perfect security for the real merit of his examination, has a disagreeable duty to perform. He enters a bank which by all the world is supposed to be well conducted and solvent, and to be managed by honorable men, respected and looked up to by the whole community. His position, however, is that of a censor, and it does not permit him to assume what the world supposes. On the contrary, to make a good examination he must take nothing for granted, and quietly act on the ground that something is wrong. "Suspicions are the sinews of the mind" in this case, and an examiner without them cannot expect to detect mismanagement or defalcation.

The position requires tact as well as technical skill—tact not to offend unnecessarily or disturb friendly relations, and skill to bring to light all that should be discovered—and undoubtedly requires a high class of mind in the one who fills it well. Its importance is such that if stockholders could be educated to the proper understanding of it, they would not grudge the payment of a compensation adequate to the labor and responsibility required. What objection would the stockholders of either of the banks alluded to have had to the payment of a fee to an examiner even of ten times the amount actually paid in vain, if that examiner, five years ago, had detected the true condition of the banks, and saved at least the chief part of their capital.

One remedy for the imperfections in the system of bank examinations which, although liable to some objection, would probably prove on all accounts most effectual, would be to change the present law fixing the compensation of examiners on the basis of capital, to one fixing it on the basis of the actual time taken in the examination. It might be objected that examiners would unnecessarily delay in their work to increase their pay. There would be a check, however, upon their doing this, and that would be the presence of the bank officers, who could certify as to the time necessarily occupied. Examiners would under such a law be induced to take sufficient time, where now they are inclined to hurry, and would be inclined to trace out the affairs of the bank to their minutest ramification. Cases of malfeasance on the part of bank officers could not then be covered up until the exhaustion of all resource made discovery inevitable.

MONETARY AFFAIRS IN ENGLAND.

[From our own Correspondent.]

LONDON, June, 19, 1880.

There is a somewhat better feeling this last week in financial and commercial circles, but whether it is destined to be of any long continuance remains to be seen. Since the great break in the iron market things have been looking decidedly blue. The "chemicals" which were so much vaunted by Disraeli as the most reliable weathercock of industry have been also in small demand, and finally, we have had a regular break in home and American railway securities. The latter have indeed, recovered greatly this week, and only the Philadelphia Reading collapse could at all justify the uneasiness which began to extend so rapidly to Trans-Atlantic paper.

There has been an immense business done of late in American securities, but the general public has only participated to a very limited extent. The same observation has been made with regard to the German Bourses, where speculating has been carried on for the most part by "professionals." The break-down in speculation has, of course, limited the demand for money, which is now both here, and abroad, exceedingly abundant. It is very evident that the capital of the future must seek "fresh fields and pastures new." The Russian and Swedish loans which were put on the market last week, fell flat—dead-born, in fact. The latter were too dear. As to the former there is still an ill-defined feeling of political jealousy and distrust, which have had much to do with the failure.

But, perhaps, of all the disappointments, at least of the unreasoning majority, is the failure of the advent of the Gladstone ministry to improve the general business situation.

There are great hopes of the success of the financial measures of Gladstone, but the county banks are unanimously up in arms against the amendments which he proposes to introduce in the savings bank law. One of the measures is to raise the amount of deposits in savings banks from £200 to £300, and the maximum of annual deposits from £30 to £100. The officials of the county banks assert that few of their deposits exceed £300, and that the passing of such a measure would be a heavy blow against them. The great *role* of country banks is, however, to afford credit, and although under the present condition of agriculture, and the restrictive influences of land tenure, yet if the British farmer ever requires a greater hold on his farm than he at present possesses, there is no doubt that the operations of local banks might be here enlarged most profitably. The project of a national insurance company is another of the intended innovations of the ministry.

Coming back, however, to the savings banks' extension of limits, there seems to be a really formidable opposition to the Governmental measure. The following incident in connection with one of the Manchester banks is cited. "A customer of that bank asked to borrow £200, and proposed to bring deeds of property as security for the loan, until, by giving three months' notice, he could withdraw that sum from the Manchester and Salford Savings Bank, where he had a total sum of £607 deposited, subject to the same notice, and for which he was receiving three and a half per cent. interest. On the banker asking him how the savings bank could afford to pay that high rate of interest, he said the savings bank had lent the money to the corporation of Manchester at four per cent., with power to call it in by giving three months' notice." The petition says "We submit that the savings bank in that transaction was exceeding its powers, as it was, in fact, taking upon itself the risk of investment, instead of making it, in the terms of the act, 'at the sole risk of the depositor.'" The petition further states that the class of persons who may have deposits of £300 are not proper customers of savings banks, and that many abuses will arise from the passing of such an act. This tendency of governments to transact the business of private individuals, is one of the great and not most reassuring signs of the times. The present measure, if passed, will eventually throw a large amount of money into the market, seeking exclusively governmental securities. Whether a lower rate of interest for the latter will be the eventual result remains to be seen. There are some points about the bill which must strike everybody, £100 or $500 per annum deposits in a savings bank must evidently come from quite another class than that for which savings banks were originally intended. The average wages of mechanics in England do not exceed eight dollars per week. The majority of the provincial banks pay only 2 or 2 3-4 per cent., and the savings banks paying more there would be an end to such deposits. From a report made to the House of Commons in 1875, it appears that of £23,000,000 deposits held by a bank doing the largest provincial business, nearly £8,000,000, consisted of sums not exceeding £300.

Another movement for the purpose of making investments in the National Debt, has followed close on the heels of Earl Derby's lecture on thrift, but I do not believe that the English people are so much in favor of a paternal government which meddles in everything, as are the French.

The proposed new Post Office Money Order Bill will, if passed, have the effect of giving us a small paper circulation. I do not regard this matter in itself as a great misfortune. The smallest bill issued by the Bank of England is for £5. The Irish banks have notes of £1, £2, and £3, and the system has been found to work well. Of course the great objection is about forgeries, and perhaps there is some reason in this, but is it not evident that there must be greater risk with less profit in palming off notes of a small denomination. These orders will be for the following sums: one shilling; half-a-crown; five shillings; seven shillings and six-pence; ten shillings; twelve shillings and six-pence; seventeen shillings and six-pencc; and twenty shillings—the cost orpoundage is from one-half-penny to two-pence.

One of the novelties of the day in the financial world has been the appearance of two French syndicates competing for the new Indian loan. And, in fact, they obtained the bulk of it. The recuperation of France is a matter of astonishment, and there can be little doubt that the country is about to make excursions in the financial sense. It has lately taken up a Canadian loan, and some large enterprises in Austria on the part of French houses are under way. The two syndicates mentioned above were composed, one of the Comptoir d'Escompte and Banque de Paris et des Pays Bas (Netherlands), and the other of the Banque d'Escompte (Soubeyran's), the chartered Mercantile Bank and Messrs. Samuel & Montagu. The price is considered too high, however, in Paris. The credit of the Government has so improved that one loan issued at 83 is now 120; and three per cents, which fell at one time to 50, are now 86.

The expected shipment of gold from New York has now been finally given up by our financiers. The fall in prices in the United States and the increased shipments from there have destroyed this hope.

The following table gives a comparative view of the bank returns, rates of discount, &c., during the past four years:

At corresponding dates with the present week.	June 8, 1870.	June 13, 1877.	June 12, 1878.	June 11, 1879.	June 9, 1880.
	£	£	£	£	£
Circulation (excluding bank post bills)	23,245,021	27,729,660	27,491,120	28,902,380	26,475,250
Public deposits	10,715,594	7,914,651	7,184,754	7,700,652	8,869,072
Other deposits	16,067,318	21,138,081	21,126,279	27,866,794	25,034,378
Government securities	13,018,575	15,214,859	16,207,691	14,678,635	15,786,248
Other securities	19,074,016	18,663,592	18,754,247	19,200,556	19,427,991
Reserve of notes and coin	12,789,389	13,031,796	11,246,297	19,620,047	16,613,783
Coin and bullion	20,643,314	25,761,456	23,737,417	33,522,427	28,089,033
Bank rate of discount	3 per cent.	3 per cent.	2½ per ct.	2 per cent.	3 per cent.
Price of consols	92¾ x d	94⅝	96½ x d	97⅛ x d	98⅛
Average price of wheat	45s. 3d.	65s. 0d.	49s. 0d.	41s. 7d.	45s. 7d.
Exchange on Paris (sht)	25 17½ 27½	25 17 22½	25 10 15	25 22½ 27½	25 30 35
— Amsterdam (sht)	11 18¼ 18¾	12 3½ 4	12 2 2½	12 0½ 1½	12 1¾ 2¾
— Hamburg (3 months)	13 10 10¾	20 68	20 58	20 58	20 68
Clearing-House return	64,751,000	84,092,000	79,978,000	81,489,000	94,653,000

The rates of discount in the principal continental cities have been as follows:

	Bank Rate. per cent.	Open Mak't per cent.
Paris	2½	2½@¼
Berlin	4	2⅝
Frankfort	...	2⅝
Hamburg	...	2⅝
Amsterdam	3	2½
Brussels	3½	2⅝
Vienna	4	3⅛
St. Petersburg	6	5

The discount market for paper has shown the following quotations:

Bank bills, two and three months	2¾	per cent.
do four months	2¾@ ⅞	do
do six months	2⅞	do
Trade bills, three months	3 @3¼	do
do four months	3 @3¼	do
do six months	3¼@3¾	do

The rates of interest given by the joint-stock banks for deposits at notice and call have been:

Private and joint-stock banks, at notice	2 per cent.
Discount house, at call	2¼ per cent.
do seven days' notice	2¼ per cent.
do fourteen days' notice	2¼ per cent.

There has been no export inquiry for gold during the last week. Silver is almost unchanged, but 52 5-16d. has been obtained, as against 52 3-16d. in my last letter. Mexican dollars have declined to 51 3-8d. per ounce.

We are not of those who believe that broken trusts, defalcations, etc., are of more frequent occurrence now than in the days of our fathers. On the contrary, we believe a higher order of morals prevails at present in the business world than ever before. But yet there is room for improvement, and it is the plain duty of leading business men—especially of officials, directors, and those entrusted with the conduct of corporations—to do their work so well that even the appearance of evil will be ferreted out. Supplemental to an article on another page of the JOURNAL, one should be written under the caption: "Do Bank Directors Direct?" And if not, why remain as stumbling-blocks in the way of honest, conscientious management. The Examiner, under instructions from Washington, or clothed with State authority, comes and goes at stated intervals, but the director has or should have a clearer insight into the bank's affairs by frequent personal examinations, or through a committee of his choosing. Not only the stockholders, as owners, but public morals demand that institutions dealing with the public should be properly guarded by those whose position gives them the opportunity of affording such protection.

[*LAW DEPARTMENT OF RHODES' JOURNAL.]

BANKING AND FINANCIAL LAW.

Where an account is opened with a bank for the benefit of a firm in the name of a bookkeeper employed by the latter, it is proper to debit the account with the note or draft of the parties beneficially interested.

So held in the case of Falkland, administratrix, v. *The St. Nicholas National Bank, decided June* 11, 1880, *by the General Term, N. Y. Supreme Court, First Department. The facts appear sufficiently in the following opinion:*

DANIELS, *J.*

This action was prosecuted for the recovery of a balance consisting of the sum of $2,000 of moneys deposited by the intestate with the defendant. The deposit account was opened on the 13th of July, 1866, and continued until the 15th of the following month, and it was in the usual form of debtor and creditor, containing no indications whatever that the funds deposited were received by the plaintiff or to be held for him or any other person, by the defendant, as trust moneys. It appeared upon the trial, and was found as a fact by the Judge, that the intestate himself had no interest whatever in the moneys so deposited, or the amount credited for the deposits. They were the result of collections made by a firm known as Ruger Bros., doing business as agents and brokers on account of ships and vessels arriving in and departing from the City of New York. The moneys deposited in the account were collected by Ruger Bros. in the course of this business on account of freights earned by the vessels, for which they acted as agents, and they were then liable to pay them over, as they might be required to do so, to the masters or the owners of the vessels on account of which the collections were made. They became embarrassed in their business and were apprehensive that they might be interfered with by efforts on the part of other creditors to collect debts

*The editor of the Law Department of RHODES' JOURNAL will be pleased to furnish, on application of subscribers, detailed information regarding any case referred to herein, or will answer questions in banking law. Address: *Law Department, RHODES' JOURNAL, 18 Spruce Street, New York.*

which they were unable to pay. For that reason and to protect these moneys against their possible seizure by ordinary creditors, they were delivered to the intestate, who was the bookkeeper of the firm, to be deposited by him in his name, and so held as not to be liable to seizure in suits which might be brought by such creditors of the firm. This was the relation existing between the firm and the intestate as to these moneys, and while they were in his hands he was accordingly obliged to appropriate and dispose of them as he might be directed by the firm for the purpose of discharging the obligations created by the collections, so far as at the time they remained unpaid. But no notice was given to the defendant that it was intended it should hold the moneys, or any portion of them, subject to the same obligation for the benefit of the persons on whose account the firm collected them. They were, on the contrary, deposited in the ordinary manner by which, under the laws of the State, they became its moneys, and the defendant became a debtor liable for the payment only of an equivalent sum to the person making the deposit or the firm on whose behalf he acted whenever a proper demand in the usual course should be made for this purpose. The defendant sustained the relation to the intestate, and through him to the firm in whose employment he was engaged and acted of a mere debtor. And the debt in substance was a debt due to this firm of Ruger Bros., for they were the parties in the transaction who were beneficially interested and had the right, through the intervention of the intestate, to require the payment of the moneys to them. And if that had been made and the moneys had been received by the firm, they would, as a matter of legal right afterwards, have been entitled to use it as they might deem proper. For such moneys would have been only the proceeds of a single debt due to themselves. It is true that if they used the money for purposes other than the extinguishment of debts incurred by the collection of those whose proceeds had been deposited, they would still be liable to the persons on whose account the collections were originally made. But that circumstance would not change the title to the indebtedness or the funds which might be received from the defendant for the purpose of extinguishing it. The ultimate liability of its members to account for the moneys collected by them would not change their title to the indebtedness existing in their favor against the bank. Notwithstanding the name in which the account was kept, it was still an indebtedness due to this firm. And this money drawn out on account of it would be the money of the firm. In this respect money differs from property of an ordinary description, for the title to it passes by delivery, and the course of trade is said to create a property in the holder. Salius *vs.* Everrett, 20 Wend., 268–277; Com. Bk. of Albany *vs.* Hughes, 17 Id., 94–100. The debt created by the deposits with the defendant, in fact belonging as it did to the firm, was subject to all the ordinary equities and claims of deposit accounts of this nature.

It appeared by the evidence that while the account was running, and before the 23d of July, a note made by Ruger Bros. was presented to and discounted by the bank, and afterwards and on or about the 16th day of August it was charged to this account as the account of Ruger Bros. This court in its decision found this to be a proper charge in favor of the bank on account of the fact that although the deposits were made in the name of the intestate, they were strictly for the benefit of Ruger Bros., and created an indebtedness on the part of the bank to them. It seems to have been understood by the bank that the account while in the name of the intestate was the account of the makers of this note, and for that reason it was deemed proper to charge it as a counter indebtedness, which should be deducted from the amount otherwise due on the account. It is not contended that this would have been an entirely proper charge had it not been for the circumstance that the firm collected the moneys which had been deposited in the course of their business as factors or agents of other persons; but it is claimed that in as much as that was the fact, that the title of these persons to the moneys was paramount to the right of the bank to charge the note against the indebtedness. If this account had been opened and continued with the bank as a trust account, or in any other manner indicating that these moneys were deposited as the moneys of the persons whose claims were extinguished in this collection, the result claimed would follow from that circumstance. But in the dealings had with the bank, no notice was given to it that the moneys were not in truth the absolute and unqualified property of the firm on whose account the deposits in fact were made. For that reason the bank had the right to deal with the indebtedness in the form it did. It had the right to assume from the account opened and its evident knowledge of the facts that the moneys deposited were at the time when the deposits were made the property of the firm in whose employment the intestate was engaged, and on whose behalf he acted in opening and continuing the account, and that the indebtedness was through the intestate an indebtedness to the firm of Ruger Bros., and acting upon those facts to discount their paper presented to it, and in case of non-payment to charge up the amount due upon it to the account. This seems to follow from the lien secured to bankers upon the accounts of their customers for the payment of any indebtedness which may be owing from the latter. Brandis *vs.* Barnett, 12 Clark & Finnelly, appeal case, 787; Currie *vs.* Misa, 10 Exchequer, L. R., 153; Misa *vs.* Currie, 1 Law Reps., appeal cases, 554.

An equally effectual principle has also been introduced in the statutes ofthis State providing in a case of this description that a debt owing by the real creditors may be set off in an action brought to recover a sum due to them in the name of a plaintiff having no real interest in the contract upon which the action is brought. 3d R. S., 5th ed., 635, sec. 12, sub. 10.

It is claimed that this result will produce injustice to those persons whose moneys were collected by the firm of Ruger Bros. and deposited in the name of the intestate with the defendant. But there is nothing in the case showing that any claims of this description remained in existence against Ruger Bros. It did not appear by anything proven upon the trial that they were still indebted to any persons for moneys on whose account these collections had in fact been made. No claimants of that nature appeared to contest the right of the bank to have its own demand deducted from the accounts standing upon its books; and it was not shown that creditors of this nature in any form made any claim whatever for payment of any debts out of this account. Without some proof of that nature it could not properly be presumed that demands of the character of those relied upon by way of answer to the claim made by the bank continued to have any existence, and surely if they did not there was no legal obstacle in the way of the application made by the bank of the discounted note to the account on its books. The case, however, did not depend upon the mere absence of proof, for it was shown as a matter of fact that this firm of Ruger Bros. became bankrupt in the summer of 1866, and obtained a discharge in bankruptcy about the 30th of April, 1869. This discharge under the bankrupt law relieved the firm from their liabilities to the persons whose debts had been collected in obtaining the money deposited, even if any of them did remain unpaid. For while it may have been received in a fiduciary character, there was no such defalcation on the part of the firm as would prevent the discharge granted from so far operating in its favor. U. S. R. S., 993, sec. 5111, 5119.

The bankrupt law of 1841 received substantially this construction in the case of Chapman *vs.* Forsyth, 2 How., U. S., 202, and the similarity of the provisions contained upon the subject in the present law would appear to require that the same construction should also be given to them. But it is evident from the facts appearing upon the trial that this deposit account was in fact, as well as in law, the property of the firm of Ruger Bros. If it had been collected by the intestate without deduction on account of their note, he would have been legally bound to have paid the full amount of it over to that firm, and they, under the circumstances, would not have been obligated to have distributed the particular money so collected among the persons from whose debts the moneys were obtained which went into the creation of the deposit account.

It was proper under the circumstances, therefore, for the bank to charge up the debt as it did, and all that the intestate, in whose name the account stood, was entitled to claim was the balance remaining after deducting the amount due upon the note. For this balance judgment was directed and entered in the case, and as this was all that could be rightfully claimed, the judgment appealed from should be affirmed.

The giving of a promissory note for an indebtedness merely operates as an extension of the time to pay such indebtedness.

It does not extend the time limited by the statute within which the creditor may proceed against the stockholders of a corporation individually for non-compliance with the statute.

The foregoing propositions are held in the case of the Jagger Iron Company *vs.* Walker, reported, 76 N. Y., p. 521.

A brief statement of the facts in that case is as follows: The defendant was a stockholder in the Hudson River Iron Company, which became indebted to the plaintiff for goods sold. The plaintiff took the note of the Hudson River Iron Company for these goods, and procured it to be discounted.

Upon its maturity a renewal note was given which was likewise discounted, and this process was repeated several times.

Finally suit was brought on the last note, and judgment recovered by the plaintiff against the Hudson River Iron Company. Upon return of execution unsatisfied upon this judgment plaintiff sued the above defendant upon the ground that he was personally liable, there having been a failure to file a certificate of the paying in of the capital stock of said corporation as required by the general manufacturing act.

Such an action by the terms of said act must be brought within one year after the debt becomes due.

The renewal notes had carried it over a year, and the question presented was whether the defendant, under these circumstances, was liable.

The Court held that there was no merger of the indebtedness in or satisfaction of it by the promissory note which was given. That the operation of such note was to extend the time of payment, when upon default the creditor could sue upon the original demand.

That the giving of the note was not the making of a debt, but a promise to pay an old one.

Remarks made in the opinion, at page 525, imply that the rule is otherwise where the note of a third party is taken.

The Court very justly remarks that it is fallacious to hold that a promise to pay is payment because it is put in writing, and that until the promise is in fact redeemed there is no payment.

The case of Fisher *vs.* Marvin, 47 Barb., 159, to the contrary, is overruled.

This decision is of the more interest and importance, because, as the Court says, although the foregoing is the result of previous adjudications in this State, "it has not in all of them been sharply presented and made the ground of judgment."

There can be no doubt of the meaning of the Court in this case, and the question may be regarded as settled for all time, as far as the courts of this State are concerned.

The foregoing conclusions having been reached, it very naturally followed that the Court found that the defendant was not liable, for the reason that the action was not begun within one year after the debt of the Hudson River Iron Company *became due.*

The rule as to the effect of taking the debtor's promissory note is almost uniform in England and this country. It does not discharge the debt for which it is given unless such be the agreement of the parties.

Four of the States, however, do not conform to it, and hold that the taking of a promissory note or bill is presumptive evidence of the satisfaction of the debt for which it is given, but even they allow parol evidence to rebut the presumption.

See Daniel on "Negotiable Instruments," vol. 2, p. 255, and cases there cited.

The States alluded to are Massachusetts, Maine, Vermont and Louisiana.

A bank president has by virtue of his office no authority to enter into an engagement as such to collect a dishonored draft.

Where the attorney nominated by such president collected the whole and retained one-half thereof under an agreement to that effect made by the president, held that the plaintiff, by accepting that amount, with knowledge of the facts and in the absence of misrepresentation by the president, was concluded by such acceptance.

The foregoing points are sustained in an opinion rendered by the General Term of the New York Common Pleas on the 7th day of June, 1880, in the case of Valentine P. Ryan, plaintiff and appellant, *vs.* the Manufacturers' and Merchants' Bank, defendant and respondent.

LARREMORE, *J.*

The complaint shows that on August 6th, 1878, plaintiff left with the defendant for collection a draft on the Imperial Bank of London for £1,000, made and endorsed by A. Brown. That the defendant collected and received thereon $4,848.42, and by a false representation that the collection thereof would involve great trouble and expense, induced plaintiff to accept $2,500 in full for the same, when in fact the full amount of said draft had then been paid to the defendant. The plaintiff demands judgment for the balance of such alleged collection, $2,648.42. The complaint was dismissed on the trial to which plaintiff excepted. It appears by the evidence that after the draft had been protested, plaintiff directed Mr. Pool, the president of the defendant to return it to London and sue upon it through a London solicitor, to be selected by Mr. Pool, fols. 20- 35.

Subsequently, and on June 23, 1879, Mr. Pool informed the plaintiff that the maker of the draft would not pay without suit, but might compromise for fifty per cent. of the claim, plaintiff thereupon signed the paper of January 23, 1879, offering to take $2,500 net., fols. 23—25.

Mr. Pool gave the draft to Mr. Wentworth, a New York lawyer, telling him he could have one-half of the amount if he collected the draft. Plaintiff drew his check for $300, for fees in the suit, fol. 23, and on May 27, 1879, after having been shown a full statement of the whole amount collected by Wentworth, fols. 29—31. gave to him a receipt for $2,800, fols. 31—32.

Plaintiff then had full knowledge of the amount collected, and of the agency of Mr. Wentworth therein. The testimony fails to show that the representations alleged to have been made by Mr. Pool, were known to him to be untrue. In any event it would be necessary that these facts should co-exist before he could be charged with liability personally, or the defendant through his agency.[1] But no liability on the part of the defendant is disclosed by the evidence. It was no part of its general business to act as an agent through its president in selecting attorneys and compromising claims for outside parties. The most that can be argued from the transaction between the plaintiff and Mr. Pool is that he acted as the agent of the plaintiff and not the defendant, who had not conferred upon him any special authority in the matter, and was not in any way benefitted by his acts.

I think the judgment appealed from should be affirmed.

The following General Statutes of New York are of interest to the banking community.

CHAPTER 202.

An act in relation to the deposit of stocks in the Bank Department.

Passed May 8, 1880; three-fifths being present.

The People of the State of New York represented in Senate and Assembly, do enact as follows:

SEC. 1. Every bank, banking association, and individual banker, not having given notice of intention to close the business of banking, is hereby required to keep on deposit in the bank department, in addition to the deposit now required to secure the circulating notes of said bank, stocks of this State of the United States bearing interest, to the amount of one thousand dollars, and the same shall be held by the Superintendent of the Bank Department as a pledge of good faith and guaranty of compliance with the banking laws of this State, on the part of such bank, banking association or individual banker, and the proceeds of such stock, or the interest thereof, or so

1. Atkins vs. Elwell, 46 N. Y., 760.
Marsh vs. Falker, 46 N. Y., 562.

much thereof as may be necessary, may be applied by the Superintendent to the payment of any penalty incurred by, or the assessment imposed upon the banking association or individual banker for whom such deposit is held. The Superintendent of the Banking Department may, in his discretion, maintain an action in his name of office against any bank, banking association, or individual banker for the recovery of any penalty incurred by, or lawful assessment imposed on any bank, banking association, or individual banker.

§ 2. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

§ 3. This act shall take effect immediately.

CHAPTER 170.

An Act to provide for the compilation, and revision of the Laws of the State of New York affecting banks, banking and trust companies.

Passed May 5, 1880; three-fifths being present.

The People of the State of New York represented in Senate and Assembly, do enact as follows.

SECTION. 1. Within twenty days after the passage of this act, the Governor, by and with the advice and consent of the Senate, is authorized to appoint three persons as commissioners to compile and revise all Statutes of the State of New York affecting banks, banking and trust companies, which shall be in force at the time such commissioners shall make their report, and in the execution of their duties, said commissioners shall have free access to any of the public records and papers of the State, and be permitted to examine the same without fee or reward.

§ 2. When the said commissioners shall have completed the compilation and revision of the statutes as aforesaid, they shall cause a printed copy of the same to be submitted to the Legislature for the year eighteen hundred and eighty-one, and at the same time they shall suggest to the legislature such omissions, contradictions, and other imperfections as may appear in the original text, with their reccommendations for amendment, either by repeal, or by supplementary or explanatory legislation, with their reasons for such reccommendations.

§ 3. Each of said commissioners shall serve without pay.

§ 4. The reasonable expenses of said commissioners, for clerical expenses and other incidental disbursements, providing the same does not exceed five thousand dollars, shall be paid to them from time to time upon their requisition therefore upon the Comptroller of the State, to be paid into the treasury by the banks, banking and trust companies in the same manner as other expenses of the banking corporations are now paid.

§ 5. In case the said commissions or either of them shall refuse to act in the premises or shall die, resign, or remove from the State before the completion of the duties assigned to them, it thall be the duty of the Governor to appoint others or another in their or his stead, who shall have the powers aforesaid.

§ 6. This act shall take effect imediately.

LIABILITY OF BANK STOCKHOLDERS—AN IMPORTANT DECISION AFFECTING THE LIABILITY OF STOCKHOLDERS IN INSOLVENT NATIONAL BANKS.

A writ of mandamus has been denied (June 30, 1880), by the United States District Court for the District of Columbia, upon the Comptroller of the Currency, upon the application of the Citizens' Bank of Louisiana, a creditor of the Crescent City National Banking Association, of New Orleans, in the hands of a receiver appointed under the following circumstances: The bank failed on March 18, 1873, having a capital of $500,000, and an indebtedness, including principal and interest, of $788,750. The amount realized from the assets of the bank was $555,233, leaving a deficiency including expenses of about $350,000. In order to cover this deficiency the Comptroller of the Currency ordered an assessment upon the shareholders of 70 per cent., and the net amount of $112,658 has been realized from this source.

Section 5,151 of the Revised Statutes provides that the shareholders of every national banking association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts and engagements of such association to the extent of the amount of their capital stock therein, at the par value thereof, in addition to the amount invested in such shares. The Comptroller held that under this section he is required to make an assessment upon the shareholders for any deficiency in the assets.

The amount of the assessment in the case of the Crescent City National Bank was sufficient to pay the creditors in full if the whole amount had been collected, but as only a portion of the amount was realized on account of the insolvency of many of the shareholders, a rule was taken to show cause why a mandamus should not issue compelling him to assess the other shareholders to the extent of the par value of their stock, or 30 per cent. in addition to the assessment of 70 per cent.

The Court denied the writ, holding that under section 5,151 solvent shareholders were not to be called upon, and could not be assessed to make good any deficiency arising from inability to collect from other shareholders on account of their insolvency. The Court also expressed a doubt as to their power to review the discretionary action of the Comptroller in the premises.

MONOPOLIES VS. COMPETITIVE TRADE.

It is an old saying that "competition is the life of trade," but, when competitive trade is choked off the public interests suffer. Some months ago RHODES' JOURNAL referred to the persistent efforts of the Western Union Telegraph Co. to hinder and prevent the new company—the American Union—in its work of constructing telegraphic lines. The monopoly dies hard, but there is comfort in the fact that its power is effectually broken.

The telegraph is coming to be as necessary to promote trade as the Post Office and the railways, and a monopoly of telegraphic communication would be a grievous public burden. We are not of those who believe that monopolies can flourish in this country; they may exist for a time, but our free institutions will not permit them to become deeply rooted.

An important decision touching this point has been rendered by the Supreme Court of Georgia, CRAWFORD *J.*, in the case of the Western Union Telegraph Co. against The American Union Co., in which the contracts for right of way of the former company with railroads purporting to grant *exclusive* rights for lines of telegraph upon their roadways, are decided to be illegal and void:

1. Because they conflict with the Act of July 24, 1866.
2. Because they are in *restraint of trade*, and tend to create monopolies.
3. Because they are are *Ultra vires*, and
4. Because it would take the right of *Eminent Domain* from the State.

The opinion of Judge Crawford contains points of direct interest to the business community, and is published in full herewith:

"The American Union Telegraph Company filed its bill in Richmond Superior Court to enjoin the Western Union Telegraph Company from interfering with it in erecting its lines of telegraph upon the several lines of railroad mentioned in the bill, and also to prevent said Western Union Telegraph Company from setting up certain contracts, which it claimed to have with those railroads, to the detriment of the American Union Telegraph Company.

Upon the hearing below the Chancellor refused to grant the injunction prayed for, on the ground that the Western Union had done nothing, and had made no threats to do anything to interfere with the American Union Company in building its lines. The Western Union made answer in the nature of a cross-bill to the bill of the American Union Telegraph Company, and to its cross-bill annexed copies of the various contracts it claimed to have with the various railroad companies named in the bill, and it claimed that such contracts were valid and could not be interfered with, and gave it exclusive telegraph facilities upon the rights of way of those companies, and it prayed that the American Union Telegraph Company be enjoined from erecting its lines upon such rights of way.

The Chancellor refused to grant such injunction, upon the grounds that the contracts so set up in said cross-bill and made exhibits thereto, are void, and of no effect as against the American Union Telegraph Company, in so far as they attempt to set up exclusive rights against it.

To this ruling the Western Union Telegraph Company excepted, and upon that exception they are at issue here.

The single question made, therefore, by this record is: Are the contracts between the Western Union Telegraph Company and the railroad companies, in so far as they grant the exclusive right to that Company of establishing lnes of telegraphic communication along their roadways valid or void? The defendant in error insists that they are void, because they contravene the act of Congress of July 24, 1866; second, because in general restraint of trade; third, they are *ultra vires;* fourth, the right of eminent domain would be lost to the State if these contracts can be maintained.

Whether the act of Congress passed in 1866 can affect these contracts, executed anterior to its passage, is immaterial thia issue, under the view we have taken of it.

The second ground upon which the defence relies, is that these contracts are in general restraint of trade and seek to create monopolies and therefore against the public policy. It is well known that rapid intercommunication between different points, by wire and rail, has created a wonderful revolution in commercial operations. Producers, consumers, manufacturers, merchants, buyers, sellers—all are brought in close proximity, and daily intelligence is given of the world's transactions. Trade is encouraged, industrial enterprise stimulated, and business in all its various branches builds itself up on knowledge. In war, the rapid communication of intelligence is almost incalcuable; in peace, it is scarcely less so. Shall the means by which it is transmitted be monopolized by a *contract* between two artificial beings, invisible intangible, and existing only in contemplation of law? When such exclusive rights exist, or such monopolies are established, the same should be done by a *legislative grant*, and not by an individual contract.

Our judgment, therefore, is that these contracts *are especially made and entered into to cripple and prevent competition*, and that they thereby enable the plaintiff in error to fix its tariff of rates at a maximum, governed alone by the necessities of its patrons. Such contracts are not favored by the law; they are against the public policy, because they tend to create monopolies and are in the general restraint of trade.

Code 2750. 40 Ga., 583, Oregon Steamship Navigation Co. *vs.* Winsor, 20 Wallace, 66, 68.
W. U. Tel. Co. *vs.* A. & P. Tel. Co., 5 Nevada, 103.
W. U. Tel. Co. *vs.* Central Union Tel. Co., Western Dist. of Mo.

What we have said upon the second ground is sufficient to show that our opinion upon the third ground is that such contracts are *ultra vires.*

The fourth ground is that if the right to exercise such power is admitted to be in the railroad companies, and can be, by contract, transferred to this (Western Union) Company, then the State's right of eminent domain is gone. This appears to us to be so clear a statement of the inevitable consequences of such a construction, that it is unanswerable. The exercise of the power of eminent domain, granted to railroad companies for certain specified uses, for the benefit of the general public, was never for a moment considered to imply the right, on their part, by contract, to convey this property, thus condemned to the public use, to another company for its exclusive interests, and in antagonism to the public interests. Their right to make a contract with the Western Union Telegraph Company to establish its line of wire upon their right of way is undoubted; but *when they go beyond that and undertake to prohibit and exclude all other lines therefrom*, then they seek to add an unlimited franchise to one which is itself limited, and this they are powerless to do.

The State right of eminent domain extends over every foot of its territory, and the same is held by its owners in subordination to that fixed and co-existing right, and may be taken for public uses upon just compensation.

It is to be remembered that this controversy does not arise upon any effort to displace the lines of wire established by the Western Union Telegraph Company, nor in any way to interfere, with the free use and enjoyment thereof; but arises upon an interference, as is claimed, with its *exclusive right* to occupy the entire right of way of each of these companies. So that the question of compensation cannot arise, unless, indeed, it is to be given for a right supposed to exist under an illegal contract—that is, that no other telegraph company, unless by its consent, shall ever use or occupy any part of the right of way of the several railroad companies. This being so, the Act of 1873 does not impair the violation of any contract made by the plaintiff in error with either of these companies, although it does provide the mode by which an unused and unoccupied portion of their roadway may be condemned.

It is, however, urged that the contract made with the Western and Atlantic Railroad is to be maintained because made whilst under State control.

We know of no power vested in the Governor nor Superintendent of that road authorizing them to convey any right of way, along its line, to any company, by which such exclusive rights as are here claimed could be maintained. To authorize the grant of such exclusive rights, either for a term of years or in perpetuity, would, as we have already said, require more than Executive consent; *it must come by legislative act.*

The law of the case, in our opinion, is as ruled by the Chancellor, and his judgment is affirmed.

RHODES' JOURNAL

ARBITRATED POINTS.

This department of the JOURNAL has been so well received by the banking community, that it will be continued as a permanent feature of the Magazine. We do not undertake, however, to publish opinions on such points as may be submitted, in every number, though it may be necessary to do so if the work accumulates on our hands.

A number of interesting points will be passed on in the next issue.

THE BANKERS' CONVENTION, 1880.

The following circular, referring to the annual Bankers' Convention, has been sent to all the banks and bankers in the United States:

THE AMERICAN BANKERS' ASSOCIATION,
NEW YORK, 17th June, 1880.

DEAR SIR: At a meeting of the Executive Council, held to-day at this office, a resolution was unanimously adopted that our Annual Convention shall be held at Saratoga Springs, N. Y., on the 11th, 12th and 13th of August next. Your bank is entitled, and is respectfully requested. to send one delegate to attend and vote at the various sessions of the Convention, and to take part in its discussions.

The work of the Association and the proceedings of its Conventions are of vital importance to every citizen connected with the Banking business, either as an officer, a shareholder, a director, or a dealer. The majority of our members prefer to meet at Saratoga this year, because it is particularly desirable to have a full attendance from the South and West, as well as from other parts of the United States. Recent contingencies have compelled the Banks and Bankers throughout the country to act together, and to seek a closer union, conducive alike to the stability of our Banking System, the harmonious working of our financial machinery, the prevention of panics, the revival of business, the improvement of public and private credit, and the industrial prosperity of the country. We shall prepare and lay before the Convention a report on Bank taxation, showing what has been done at Washington and elsewhere to relieve the Banking business from part of the burdens of taxation. The duty and the interest of Bankers and Bank officers in these matters are so plain, and the ruinous taxation of the Banks bears so closely upon the productive growth of the nation, that a conspicuous place will, no doubt, be given to the subject of tax repeal in the programme of our annual Convention. More full details will be announced as to the topics and speakers when the Committee of Arrangements have completed their plans. In introducing the discussions during our three days' sessions, addresses will probably be given upon the improvement of business during the year, the causes of industrial spasms and panics, the progress of railroad and telegraphic facilities for banking and commerce, the obligations of the country to the Banks for the continued success of resumption, and for the saving effected by the refunding of the public debt; also upon the growth of our Clearing-House system, the importance of ample capital and reserves in our Banks, the history and development of Banking in the United States, and upon other subjects illustrating the causes of economic growth and decadence, the influence of sound Banking upon credits, and the financial conditions which promote Banking stability, and thus develop the industry, commerce, and wealth of the country.

Much of the usefulness of our Association depends on its arrangements for promoting social feeling, and making its members better acquainted with each other. This important object will solicit special attention this year; and with a view to augment the personal interest of our meeting, reminiscences of Banking and Bankers will have a place allotted to them, and familiar addresses will be in order, as well as more elaborate sketches of institutions and their officers. Some practical questions as to the Bankruptcy Law will probably receive attention, with the judicial and legislative proceedings on the subject of taxation and usury in various States during the year. We shall be glad to hear from you upon any of the foregoing topics at your earliest convenience. The present circular is chiefly intended as a preliminary announcement of matters upon which we wish to consult you and the other representatives of State and National Banks, savings institutions, private banks, and trust companies throughout the United States.

Please send us the names of any gentlemen whom you desire to hear address the Convention, mentioning the subjects on which they should be invited to speak. It has been suggested that speeches should be limited to ten minutes, but without making so rigid a rule for the written papers, the torrid season suggests that the extempore addresses should be brief, so that as many of our members as possible may have an opportunity to speak during the limited time of the Convention.

We shall send you a copy of our Mortuary Record as soon as it is completed. It is larger than usual, and much care has been taken to ensure accuracy. Any information to be inserted in it should be mailed to us at your early convenience.

Yours truly, JAMES BUELL, Secretary.

BANKING AND FINANCIAL NEWS.

Iowa.—We note the opening of the First National Bank of Marengo, Iowa, with a paid capital of $50,000. Its officers are J. H. Branch, President; C. Baumer, Cashier.

The bank succeeds to the business heretofore conducted by the banking house of J. H. Branch, which has been established at this place for more than thirteen years.

Mr. Branch is an able and conservative banker, and in the new field which he has entered we wish him much success.

Raising A "Boom."—"The methods of the Stock Exchange, like the 'way of an eagle in the air, a serpent on a rock, or a man with a maid,' as old Solomon sententiously puts it, are sometimes 'past finding out.' The tricks, many of which have not been vain in a financial point of view for the insiders, which are resorted to in order to raise a boom, are numerous and almost of variety as infinite as the flowers of the field or the plumage of equatorial songsters. The songs of the sirens would probably be a more appropriate simile, for the operators who want to unload can sometimes talk so charmingly of large profits and advancing markets, that nothing short of the method resorted to by Ulysses can save them from being hopelessly attracted to Wall Street. This eminent traveler, as the classical scholar will recollect, had himself tied to the mast of his ship, that he might not be drawn to the fatal isle of Caprera. It would be a good thing if some of the country folk who expect to make a rapid fortune in Wall Street, when a fictitious boom is being engineered, would speak to some kind friends and have themselves securely tied down at home.

The present seems to be a time when this course would be highly judicious. The operators have been making a desperate but hitherto futile attempt for weeks past to draw the outside public, on whom they wish to unload their superfluous stocks. Of course, Wall street cannot be carried on without the outside public, and it is all right that they should come in and exercise their own judgment when there is a natural boom, but it is not right to take any unfair advantage of them, nor inveigle them by any specious misrepresentations. The circumstances that give occasion to these somewhat caustic observations were numerous reports on the street recently to the effect that several large and influential houses were telegraphing some of their customers to come in and purchase for a rising market. It is manifest that if any considerable number take this advice the market is bound to rise, but as we showed a few days ago it will not be on a permanent basis. How is it that these same houses did not advise their customers in this strain two weeks ago, when the natural causes to impel a rising market were stronger than at the present time?

Unlike the victims of the sirens, the victims of Wall street do not generally die in an ecstacy of delight, though many of them commit suicide by a variety of coarse and vulgar methods." So says the "Indicator," an ably conducted Wall street paper.

Wheat Statistics.—The wheat crop reported by the government for the fiscal year 1878-9 (grown principally during the calendar year 1878) was, as is generally known, the largest but one ever produced in this country, being 422,122,000 bushels, an increase of about 65 per cent. over that of 1870, 143 per cent. increase over that of 1860, and more than four times that of 1850. The quantity retained for home consumption has risen from 100,931,000 bushels in 1850, to 169,000,000 in 1860, 224,000,000 in 1870, and 298,000,000 in 1879; the quantity exported (both domestic and foreign) from 792,768 bushels in 1850 to 4,155,000 in 1860, 37,000,000 in 1870, and 124,000,000 in 1879, having nearly doubled in 1879 as compared with 1878. Relatively, though not absolutely, the increase in exports is vastly greater than in home consumption. Consumption per head shows no very marked increase; it was 4.35 bushels in 1850, 5.37 in 1860, 5.81 in 1870, 6.08 in 1879. The percentage of crop sent abroad on the other hand, was but 0.779 in 1850, was 2.40 in 1860, 14.18 in 1870, and 29.41 in 1879. In corn, production is more than three times that of wheat, but has nearly trebled since 1850; its consumption per capita is four times that of wheat, showing that we are a corn-eating people. Wheat exports during 1879 were not very much larger to Great Britain than in 1878, but those to France increased from 4,337,000 bushels to 42,147,000, this increase being the more notable in contrast with the fact that for some years previous our wheat exports to France had scarcely averaged a million bushels. A continuance of short crops abroad and ample ones at home is too much for rational expectation, and it is not at all impossible to overdo cereal culture; nevertheless, it can hardly be rash to assume that this country is to be the granary for the world. Certainly, its productive capacities seem as yet not only far from used, but far from measured. English capitalists are quietly acquiring estates in Minnesota, and it has been estimated that one-fourth of the present unoccupied portion of that State alone could produce, if in wheat, and averaging the ordinary yield of 13 bushels to the acre, 74,000,000 bushels, or more than one-half our present wheat exports. English, Irish, and Scotch are settling in that State; the march of Mennonites westward is a fixed fact; immigration this year is extraordinary; Minnesota's northern neighbor, Manitoba, is looking up as a wheat-growing region, and is looking toward an outlet by the Hudson Bay route, which is regarded as open long enough annually to let the crops through, and manifestly has the advantage in the distance. Whether we are seriously menaced by another northern waterway, as well as by the Welland, may be questionable; but to the development of the grain-growing North West there seems to be no present discoverable limit.

Our Foreign Commerce.—It hardly requires the over-enthusiastic American to announce that indications seem to point to this country as the future workshop, granary, and great producing centre for the civilized world. The strides made in foreign commerce during the past ten years have been truly amazing. In the time named our exports of agricultural implements have more than doubled, while those of our manufactures of copper and brass in the same time have increased five times over. The products of our cotton mills sent abroad in 1869 amounted to $5,800,000, while in 1878 they amounted to $11,400,000, and in 1879 to $10,800,000, the slight reduction in the latter year being due to reduced price, and not to a reduction in the quantity exported.

The progress of our foreign trade in iron and steel has been even more gratifying. In nearly every other branch of domestic production there has been during the past ten years a corresponding increase with respect to foreign demand. Our cotton cloth is being sold in the stores of Manchester and our cutlery in those of Sheffield. There is, moreover, hardly a country in Europe that is not to-day a large consumer of American provisions, our exports of which last year amounted in value to nearly $117,000,000. The growth of our foreign trade in live stock is both curious and interesting. This trade may be said to have had its origin in 1869, and our exports have grown in ten years to the enormous sum of $11,500,000. There can be no doubt that the tide of emigration from foreign countries to our shores has been greatly stimulated by our successful competition with other countries in manufactures and agricultural produce, and it is thought that this has had quite as much to do with it as the threatening aspect of political affairs, and the grinding taxation to which European peoples are at present subject.

The Bank of England.—A few steps further on was the powerful institution whose influence is felt in finance and trade all over the world—the Bank of England. Bounded on all four sides by the street, all its windows prudentially open into a central court, and since the riots of 1780 it has been occupied every night by a detachment of soldiers. Its business requires a working force of twelve hundred men. Its bank notes are printed within the building. The same note is never paid out over its counter twice. The new bill that is issued this morning is retired as soon as it returns, no matter if the same man pays it in again this afternoon without a wrinkle in it. It is allowed to issue notes to the amount of £15,000,000 on the security of its standing loan of a much larger amount to the government, which constitutes a part of the public debt. For every note issued above that—and it has a circulation of over £40,-

000,000—bullion of an equal amount must be paid into its treasury, and must be kept there for the redemption of the note when it returns. The traveler on the Continent often finds its notes at a premium in gold. No note is issued of a less denomination than £5. Every note is numbered, and the name of the party to whom it is paid out is carefully recorded. The practice of keeping a memorandum, which will show from whom he receives every bank note that passes through his hands, is common, also, with the pains-taking London tradesman. It proved fortunate for a friend of mine on one occasion. He had given his wife a £10 note. Their little child got hold of the porte-monnaie and destroyed the note, as they supposed, by throwing it on the open fire. There would have been no hope of realizing on a greenback under such circumstances. But $50 was worth trying for. The number of the note was ascertained from the parties through whose hands it came to my friend, a sworn statement of the facts was filed at the bank, and after a year or so had passed without its having been presented for redemption the bank paid over the money. The bank takes in and pays out its gold coin by weight. Sometimes it sends out a sealed package, and receives it again before the seal is broken, and yet deducts quite a sum from the amount at which it paid it out, to make good the loss—detected by the unerring scales —which occurred by the abrasion of the coins in transportation!—*Good Company.*

From Insurance to Banking.—Mr. John W. Steadman, Insurance Commissioner of Connecticut, during whose tenure of office two sad cases of insurance mismanagement in the State have been disclosed, has become Treasurer of the State Savings Bank at Hartford. He will continue to be Insurance Commissioner until the end of the year.

A Failure in St. Paul.—The Farmers' and Mechanics' Bank of St. Paul, Minn., suspended payment June 25th. The cause was its failure to realize on the security on hand. The immediate cause was the presentation of a check for $10,000, drawn by the City Treasurer, which the bank could not pay. The assets are said to be $102,000; liabilities $45,000. The suspension is believed to be only temporary.

This must not be confounded with the Farmers' and Mechanics' Savings Bank, located at Minneapolis, one of the soundest institutions for savings in the West.

A Duty of the Hour.—Some brave words were uttered by the Rev. Dr. Bevan, of this city, on a recent Sunday, in pleading for missionary work among the poor—words which, if heard more frequently in Fifth avenue churches, might rouse the Sir Judah Silversides of this city to a perception of the best method of rescuing the poorer classes from the Socialism, crime, and desperate rebellion against the existing order of things which sundry leaders are striving to foment. "If you neglect your duty," he said, "there will come surging against your luxurious homes and your magnificent churches by and by such a torrent of Socialism as you shall not be able to withstand and as shall overwhelm you in one common ruin." The scientific side of this prediction was well set forth in a paper by Dr. Charles R. Drysdale, of London, before the recent meeting of the American Medical Association, in an array of statistics showing the relation between poverty, low wages, bad physical conditions and nutrition, and the liability to premature death. Dr. Drysdale showed for England that, while for the gentry the liability to death from epidemic disease, as compared with the total mortality, is 6.5 per 1,000, among tradesmen it is 20.6 per 1,000 and among the working classes 22.2 per 1,000. Of children under 1 year old the total deaths are 1 to 10 among the gentry, 1 to 6 among tradesmen, and 1 to 4 among the working classes. In Great Britain, the death rate among children of the wealthier classes under 5 years old is, according to Dr. Drysdale, 46.84 per 1,000, while it is 113.69 per 1,000 in the whole population at large. Of every 100,000 births, 80,000 among the rich live to the age of 21, and 65,750 among the poor. These are some of the points presented by Dr. Drysdale which justify the foreboding of the Rev. Dr. Bevan. It is now well understood among scientific men that Socialism, crime, and disease are members of the same group of social phenomena, and must be classified together in the study of social science. In physiology, it is not always easy to say in how far fanatic Socialism is the exponent of physical disease—a neurosis arising from conditions of life that tend to the extinction of the organism. In jurisprudence it is often correspondingly difficult to determine where disease ends and the proper responsibility for crime begins. The group of phenomena is a very comprehensive one, and the fact is more easily stated than the remedy found. This, however, is certain, that so long as there are classes whose welfare is neglected by the rich, fortunate, and successful, just so long there will exist in our cities nests of disease, of pestilence, of vice, crime, Socialism, and dogged and unreasoning rebellion.—*N. Y. Times.*

Transfer of a Large Mortgage Loan.—The trustees of St. Patrick's Roman Catholic Cathedral in 1874 borrowed $300,000 from the Emigrant Industrial Savings Bank, and gave as security therefor a first mortgage on the cathedral and the ground upon which it is built, comprising the entire block bounded by Fifth and Madison avenues, Fiftieth and Fifty-first streets. Two years later the trustees borrowed on a second mortgage an additional $100,000 from the same bank, making $400,000 in all. Interest at the rate of 7 per cent. was required for the loan until a short time ago, when it was reduced to 6 per cent. On the 1st inst. both mortgages were satisfied of record, and the cathedral trustees recorded in lieu thereof a mortgage for $400,000 to the Seamen's Bank for Savings, dated June 30, 1880, payable within five years from date, with interest at 5 per cent. It is understood that the cathedral trustees requested the Emigrant Bank authorities to reduce the interest to the latter rate, and on their refusal to do so, paid both mortgages and got the amount from the Seamen's Bank at the lower rate of interest.

Coinage at the United States Mints.—The official statement of the coinage at the United States Mints for the fiscal year ending June 30, 1880, is as follows:

Denominations	Number of pieces.	Value.
GOLD.		
Double eagles	1,075,768	$21,515,360
Eagles	1,883,632	18,836,320
Half-eagles	3,158,172	15,790,860
Three dollars	3,030	9,090
Quarter-eagles	1,230	3,075
Dollars	3,030	3,030
Total gold	6,124,862	$56,157,735
SILVER.		
Dollars	27,933,750	$27,933,750
Half-dollars	6,550	3,275
Quarter-dollars	15,350	3,837
Dimes	15,750	1,575
Total silver	27,971,400	$27,942,437
MINOR COINAGE.		
Five cents	24,950	$1,247
Three cents	32,750	982
Cents	26,774,150	267,741
Total minor coinage	26,831,850	$269,971
Total coinage	60,928,112	$84,370,144

The above is the largest coinage in any one year in the history of the Mint.

The total coinage at the United States Mints for the month of June, 1880, amounted to 4,878,488 pieces, having a value of $6,415,306.

Foreign Banks Taxed by the State of New York.—The bill taxing foreign bank capital has at last been signed by Governor Cornell. It provides that every foreign bank or banking company doing business in the State of New York shall be annually taxed one-half of one per cent. on the average of all sums of money used or employed in that State. The law is far-reaching and affects many interests, because under the statute foreign banks include not only those organized in other countries, but those of other States also. The Bank of California and others having agencies here are among those included. The act further declares that the stockholders of all banks in the State, both State and National, shall be assessed on the value of their bank shares, which shall be included in the valuation of their personal property and be subject to the same exemptions. The probable effect of this legislation will be that the foreign banks having agencies in New York will withdraw their loans and remove their capital elsewhere. It will withdraw millions of dollars from the New

York money market. The principal banks that will be affected by the new law are: The Bank of Montreal, the Merchants' Bank of Canada, the Bank of British North America, the Bank of Commerce, the Bank of North America, the Credit Lyonnaise, the Bank of California and the Bank of Nevada.—*Montreal* "*Shareholder*," *July* 2.

The Past Month's Advance in Stocks.—The "American Exchange" of the 30th ult., a daily paper which gives close attention to the stock market, reviews the stock operations in June, as follows: "The result of the continued and persistent advance in the prices of most of the leading stocks dealt in at the New York Stock Exchange during the past month, has been to place quotations along side those that prevailed before the last November panic. In the present—or very recent—"bull" campaign (whichever it may prove to be), there have been no pyrotechnic exhibitions —no clashes carrying prices suddenly out of sight, but the market has been unexpectedly active, and quotations have slowly but firmly advanced from day to day and from week to week, until near the close of the month. The general weakness displayed on the 29th was the first decided indication of a halt in the "upward and onward movement" that manifested itself, although evidences had not been wanting that a change of base was imminent. Whether or not another effort is to be made to push prices still higher, we do not pretend to say, but a comparison at this time with figures that prevailed just before the panic of last November cannot fail to be both interesting and instructive. The following table shows the highest prices at which the stocks mentioned sold prior to the heavy decline that occurred during the third week of November, 1879, compared with the highest prices at which the same stocks have sold during the last week in June:

	Highest November, 1879.	Highest Last week in June.
Chicago, Burlington and Quincy	123¼	122
Chicago & Alton	100¼	113
Chicago, Rock Island and Pacific	149	*108⅛
Delaware, Lackawanna and Western	94	81¼
Delaware and Hudson	89⅛	78⅞
Erie common	49	43¾
Erie preferred	78⅛	70⅛
Hannibal and St. Joseph common	41⅛	35⅛
Hannibal and St. Joseph pref	70⅛	75
Illinois Central	100¾	107⅜
Louisville and Nashville	89¼	125¼
Lake Shore	104⅝	109
Michigan Central	97⅛	96⅛
St. Paul common	82⅛	81⅛
St. Paul pref	102¾	106
Missouri, Kansas and Texas	35¾	38¾
Morris and Essex	103⅛	106
New Jersey Central	89⅞	69⅛
N. Y. Central and Hudson	132	129¾
Northwest common	94⅛	94¼
Northwest pref	108	109⅛
O. and M. common	33⅝	35⅝
O. and M. pref	64¼	75⅞
St. Louis, I. M. and Southern	56	48¾
Union Pacific	92¼	89⅛
Western Union	109¾	106⅛
Atlantic and Pacific Telegraph	49⅛	44
Pacific Mail	38¼	42⅛

* This stock has been doubled, making the present price equal to 217.

"Following the 'boom' which culminated in November, prices declined from 10 to 30 per cent. in less than a week, and in many instances were still far above their intrinsic values. It is greatly to be desired that whenever the reaction occurs, it may take place with as much deliberation as has attended the recent advance, but history has been known to repeat itself, and it may do so again. Forewarned is forearmed."

The National Bank Note Circulation.

Statement of the Comptroller of the Currency, showing by States the amount of National Bank circulation issued, the amount of Legal-Tender Notes deposited in the United States Treasury to retire National Bank circulation, from June 20, 1874, to July 1, 1880, and amount remaining on deposit at latter date.

STATES AND TERRITORIES.	*Addition'l circulat'n iss'd since J'ne 20, '74*	Legal-Tender Notes Deposited to Retire Nat'l B'k Circulat'n since June 20, '74. *For re-dempt'n of notes of liquidati'g banks.*	*To retire circulat'n und'r Act J'ne 20, '74*	*Total Deposits.*	*Leg'l t'd's on deposit with U. S. Treasurer at date.*
Maine	$1,461,180	$317,000	$600,000	$917,000	$206,136
New Hampshire	631,865	72,997	55,800	128,797	34,607
Vermont	1,798,310	174,097	1,069,340	1,243,437	115,778
Massachusetts	20,567,260	234,800	7,912,300	8,147,100	1,599,021
Rhode Island	1,746,820	32,350	954,985	987,335	248,032
Connecticut	2,495,360	65,350	1,956,330	2,021,680	575,776
New York	20,768,105	2,163,878	24,447,221	26,611,099	6,186,705
New Jersey	1,712,665	241,660	1,562,280	1,803,940	362,364
Pennsylvania	10,870,040	1,281,426	6,784,321	8,065,747	1,512,944
Delaware	232,275	......	......	......	......
Maryland	1,274,810	166,600	1,646,380	1,812,980	31,685
District of Columbia	456,500	422,664	458,060	880,724	58,735
Virginia	800,500	915,369	907,510	1,822,879	273,446
West Virginia	177,310	731,060	319,185	1,050,245	143,820
North Carolina	1,235,660	128,200	1,012,585	1,140,785	156,819
South Carolina	90,700	......	953,380	953,380	26,485
Georgia	520,350	287,725	437,675	725,400	84,810
Florida	45,000	......	......	......	......
Alabama	207,000	90,000	139,500	229,500	106,763
Mississippi	......	......	......	......	366
Louisiana	1,285,110	650,750	2,099,250	2,750,000	162,413
Texas	278,100	29 ,800	229,340	259,140	19,765
Arkansas	144,000	......	144,000	144,000	1,400
Kentucky	3,760,130	629,867	1,504,933	2,134,800	392,272
Tennessee	647,170	370,401	533,859	904,260	179,136
Missouri	767,260	998,510	3,742,390	4,740,900	783,494
Ohio	2,818,180	1,583,754	3,077,887	4,661,641	987,727
Indiana	8,238,880	1,232,097	6,343,483	7,575,580	2,161,819
Illinois	2,543,215	1,754,934	6,447,946	8,202,880	945,808
Michigan	2,039,410	364,500	2,375,995	2,740,495	599,797
Wisconsin	735,530	653,860	1,013,439	1,667,299	437,150
Iowa	1,474,900	811,669	1,554,955	2,366,624	409,423
Minnesota	1,017,800	420,095	1,676,445	2,096,540	603,280
Kansas	147,600	781,721	190,550	972,271	239,551
Nebraska	67,500	45,000	233,080	278,080	47,015
Nevada	......	......	......	......	2,008
Colorado	507,300	138,083	149,400	287,483	24,432
Utah	134,900	161,191	196,800	357,991	18,272
Montana	129,600	85,300	45,000	130,300	43,338
Wyoming	3,600	......	......	......	......
Washington	135,000	......	.. .	......	......
Dakota	175,500	.....	......	......	......
New Mexico	90,000	......	......	......	......
California	657,000	......	......	......	... ..
Legal tenders deposited prior to June 20, 1874.				3,813,675	
Totals	$89,889,395	$18,036,708	$82,775,604	$104,625,987	$19,782,387

JOHN JAY KNOX,
Comptroller of the Currency.

National Bank Statistics.

STATEMENT of the Comptroller of the Currency on July 1, 1880, showing the amounts of National Bank Notes and of Legal Tender Notes outstanding at the dates of the passage of the Acts of June 20, 1874, January 14, 1875, and May 31, 1878, together with the amounts outstanding at date, and the increase or decrease.

NATIONAL BANK NOTES.

Amount outstanding June 20, 1874	$349,894,182
Amount outstanding January 14, 1875	351,861,450
Amount outstanding May 31, 1878	322,555,965
Amount outstanding at date*	343,157,987
Decrease during the last month	678,306
Increase since July 1, 1879	14,933,740

LEGAL TENDER NOTES.

Amount outstanding June 20, 1874	$382,000,000
Amount outstanding January 14, 1875	382,000,000
Amount retired under Act of January 14, 1875, to May 31, 1878	35,318,984
Amount outstanding on and since May 31, 1878	346,681,016
Amount on deposit with the Treasurer U. S. to redeem notes of insolvent and liquidating banks, and banks retiring circulation under Act of June 20, 1874	19,782,387
Decrease in deposit during the last month	280,664
Increase in deposit since July 1, 1879	7,646,689

*Circulation of National Gold Banks not included in the above.....$1,347,490

JOHN JAY KNOX,
Comptroller of the Currency.

Statement For the Month Ending June 30, 1880.

U. S. BONDS HELD AS SECURITY FOR NATIONAL BANKS.

U. S. bonds for circulation—deposited	$2,917,300
U. S. bonds for circulation—withdrawn	3,980,300
Total held for circulation	361,652,050
Total held for deposits	14,777,000

LEGAL TENDER NOTES.

Deposited under Act of June 20, 1874	1,375,190
Total now on deposit in Treasury U. S., inc. notes of liquidating banks	19,782,387
Retired under Act of January 14, 1875	35,318,984
Total greenbacks outstanding	346,681,016

NATIONAL BANK NOTES.

Additional circulation issued	463,610
Circulation surrendered and retired	1,141,916
Total amount outstanding:	
Currency	343,157,987
Gold notes	1,347,490
Notes received for redemption from	
New York	4,461,000
Boston	735,000
Philadelphia	439,000
Other places	2,174,000
Total	$7,809,000

The National Debt Statement July 1.

The DEBT STATEMENT issued by the Treasury Department July 1, shows the decrease of the public debt during June to have been $10,214,424.51.

The following is a recapitulation of the Statement:

INTEREST-BEARING DEBT.

Bonds at 6 per cent	$235,780,400 00
" 5 "	484,864,900 00
" 4½ "	250,000,000 00
" 4 "	737,980,800 00
Refunding certificates	1,367,000 00
Navy pension fund	14,000,000 00
Principal	$1,723,993,100 00
Interest	22,023,326 55

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

Principal	$7,621,455 26
Interest	814,444 01

DEBT BEARING NO INTEREST.

Old demand and legal-tender notes	$346,741,991 00
Certificates of deposit	14,465,000 00
Fractional currency	*7,214,954 37
Gold and silver certificates	20,378,870 00
Principal	$388,800,815 37
Unclaimed Pacific Railroad interest	7,777 03

* $15,590,888 37 less $8,375,934, estimated as lost or destroyed, act June 21, 1879.

TOTAL DEBT.

Principal	$2,120,415,370 63
Interest	22,845,547 59
Total	$2,143,260,918 22
Total cash in the Treasury	$201,088,622 88

DEBT, LESS CASH IN THE TREASURY.

July 1st, 1880	$1,942,172,295 34
June 1st, 1880	1,952,386,719 85
Decrease of debt during month	$10,214,424 51
Decrease of Debt since June 30, 1879	85,034,961 03

CURRENT LIABILITIES.

Interest due and unpaid	$2,368,395 72
Debt on which interest has ceased	7,621,455 26
Interest thereon	814,444 01
Gold and silver certificates	20,378,870 00
U. S. notes held for redemption of certificates of deposit	14,465,000 00
Cash balance available	155,440,457 89
Total	$201,088,622 88

AVAILABLE ASSETS.

Cash in the Treasury	$201,088,62

BONDS ISSUED TO THE PACIFIC RAILROAD COMPANIES, INTEREST PAYABLE IN LAWFUL MONEY.

Principal outstanding	$64,623,512 00
Interest accrued and not yet paid	1,938,705 36
Interest paid by United States	45,651,155 94

INTEREST REPAID BY COMPANIES.

By transportation service	13,615,292 55
By cash payments, 5 per cent. earnings	655,198 87
Balance of interest paid by the United States	$31,380,664 52

TREASURY PAYMENTS DURING JUNE.

The payments made from the Treasury by warrants during the month of June were as follows:

On account of civil and miscellaneous	$5,122,263
On account of war	2,670,735
On account of navy	829,316
On account of interior	838,833
On account of interior (pensions)	8,780,806
Total	$17,841,953

The above does not include payments made on account of the interest or principal of the public debt of the United States.

Bank Changes, New Banks, Etc.

New National Banks.—The Comptroller of the Currency furnishes the following statement of National Banks organized since our last report:

2481—National Bank of Rising Sun, Maryland. Authorized capital, $50,000. Paid-in capital, $50,000. James M. Evans, President; Hanson H. Haines, Cashier.

2482—Commercial National Bank, Youngstown, Ohio. Authorized capital, $130,000. Paid-in capital, $65,000. C. H. Andrews, President; G. J. Margerum, Cashier.

2483—Watsontown National Bank, Watsontown, Ohio. Authorized capital, $60,000. Paid-in capital, $60,000. Silas Rambach, President; George W. Rombach, Cashier

2484—First National Bank of Marengo, Iowa. Authorized capital, $50,000. Paid-in capital, $50,000. J. H. Branch, President; C. Baumer, Cashier.

2485—South Framingham National Bank, South Framingham, Mass. Authorized capital, $100,000. Paid-in capital, $60,000. James W. Clark, President; Frank W. Stockwell, Cashier.

2486—Milmo National Bank, Laredo, Texas. Authorized capital, $100,000. Paid-in capital, $100,000. Eugene Kelly, President; Daniel Milmo, Cashier.

ARIZONA.—*New:* Safford, Hudson & Co., Tombstone.

ARKANSAS.—*New:* Bank of Eureka (S. P. Young & Co.), Eureka. Capital, $25,000.

Change of Title: Hope Exchange Bank (Young, Gaines & Co.), Hope; now George F. Hicks.

CALIFORNIA.—*Discontinued:* A. Gansl & J. Cullen; closing business.

COLORADO.—*New:* Samuel Smith & Co., Black Hawk.

Bank of Breckenridge, Breckenridge, Capital, $30,000. George J. Washburn, President; Samuel M. Allen, Cashier.

Miners' & Merchants' Bank (M. D. Miller & Co.), Breckenridge.

William E. Johnson, Canon City.

A. T. Middaugh, Del Norte.

Bank of Colorado, Leadville.

City Bank (John Kerr), Leadville.

Bank of Dolores (J. Bissell), Rico.

Gotthelf & Mayer, Saguache.

Bank of South Arkansas (De Walt, Hartzel & Co.), South Arkansas.

Chaffee County Bank, South Arkansas.

Gunnison County Bank, Virginia City. W. L. Beardsley, President; Edward Raymond, Cashier.

DAKOTA.—*New:* Bank of Jamestown, Jamestown. J. W. Raymond, President; R. E. Wallace, Cashier.

ILLINOIS.—*Change of Title:* Burwell & Wilson, Gibson City; now Burwell, Leffel & Co.

Discontinued: German Savings Bank, Peoria, out of business.

Change in Officers: Mechanics' National Bank of Peoria; John B. Smith, Cashier, in place of H. P. Ayres.

IOWA.—*New:* H. N. Moore & Co., Elliott.

Humeston Bank, Humeston.

Discontinued: J. H. Branch, Marengo; succeeded by First National Bank.

Watson, Huber & Co., Mechanicsville; closed.

Bank of Nashua, Nashua; consolidated with First National Bank.

Change of Title: Centre Bank (Rogers & Dewey), Guthrie Centre; H. K. Dewey, Cashier.

Lyon County Bank (J. K. P. Thompson & Co.), Rock Rapids; now Miller & Thompson.

KANSAS.—*New:* Ayres & Steel, Coffeyville.

John S. Christie & Co., Marion Centre.

Norton County Bank (M. Heaton & Co.), Norton.

KENTUCKY.—*New:* Smith's Grove Deposit Bank, Smith's Grove; W. Hazelip, President; R. C. Hazelip, Cashier.

Change in Officers: Farmers' & Drovers' Bank, Louisville; R. S. Veech, Vice-President; J. W. Nichols, Cashier, in place of R. S. Veech.

MARYLAND.—*Change of Title:* Rising Sun Banking Co., Rising Sun; now National Bank of Rising Sun. Same officers.

MASSACHUSETTS.—*Change of Title:* C. A. Putnam, Boston; now Putnam & Heath.

Change in Officers: South Danvers National Bank, Peabody; William P. Clark, President, in place of J. King.

MICHIGAN.—*New:* H. W. Robson & Co., Edmore.

Steele, Turck & Co., Ithaca.

Discontinued: Webber & Just, Edmore.

Change of Title: Monroe's Bank, Bangor; now West Michigan Savings Bank. Same officers.

Change in Officers: Merchants' National Bank, East Saginaw; James F. Brown, Vice-President, in place of H. C. Potter.

Farmers' & Mechanics' Bank, Grand Rapids; A. B. Watson, President, in place of L. H. Randall.

MINNESOTA.—*New:* Commercial Bank (R. A. Davison & Co.), Minneapolis.

Redwood County Bank (G. W. Braley), Redwood Falls.

Change in Officers: Second National Bank, Winona; W. H. Garlock, Cashier, in place of L. R. Brooks.

MISSISSIPPI.—*Change in Officers:* Mississippi Valley Bank, Vicksburg; George M. Klein, Vice-President; J. M. Klein, Cashier, in place of George M. Klein.

MISSOURI.—*New:* Whipple, Cowherd & Co., Kansas City.

NEBRASKA.—*New:* Bank of Ashland, Ashland; John R. Clark, President; W. R. Darrah, Cashier.

Anderson & Roen, Columbus.

Logan Valley Bank (Bressler, Martin & Co.), La Porte.

Stuart & Akin, Madison.

Johnson, Perry & Co., Milford.

Chase Brothers & Sawyer, Riverton.

Bank of Syracuse (Horbel & Pert), Syracuse.

B. K. Johnson, Valparaiso.

Change of Title: C. W. Mount & Co., Riverton; now Chase Brothers & Sawyer.

NEVADA.—*Discontinued:* M. P. Freeman & Co., Elko; failed.

Reno Savings Bank; reported failed.

Change of Title: D. A. Bender & Co., Reno; now First National Bank. Same officers.

NEW JERSEY.—*Discontinued:* First National Bank, Newark; failed.

Change in Officers: Mechanics' National Bank, Trenton; William W. Steele, elected Assistant Cashier.

NEW YORK.—*New:* J. H. Ten Eyck Burr, Cazenovia.

L. & J. Fairchild, Cazenovia.

Discontinued: O. J. Pratt, Whitney's Point; failed.

Change of Title: Dow & Thompson, East Randolph; now Amos Dow.

Change in Officers: Poughkeepsie National Bank, Poughkeepsie; George Cornwell, Cashier, in place of R. North.

NEW YORK CITY.—*Change of Title:* S. M. Swenson, Son & Co. Now S. M. Swenson & Son.

OHIO.—*Change of Title:* People's Bank, Bellefontaine; now People's National Bank. Same officers.

Change in Officers: Piqua National Bank, Piqua; John M. Scott, President, in place of W. Scott.

Trumbull National Bank, Warren; Edward C. Smith, Cashier, in place of K. M. Fitch.

PENNSYLVANIA.—*Discontinued:* Coopersburg Savings Bank, Coopersburg; going into liquidation.

First National Bank, Meadville; closed by Bank Examiner.

First National Bank, Meyersdale; suspended; succeeded by Farmers' Bank. Same President.

Change of Title: Discount & Deposit Bank, Clarion; reorganized with same officers; limited liability.

Watsontown Bank, Watsontown; now Watsontown National Bank. Same officers.

Change in Officers: Masonic Bank, Pittsburg; Charles B. McLean, Cashier, in place of G. C. McLean, deceased.

VERMONT.—*Discontinued:* First National Bank, Brattleboro; failed.

VIRGINIA.—*Change in Officers:* Augusta National Bank, Staunton; W. P. Tams, Cashier, in place of N. P. Catlett.

WASHINGTON TER.—*New:* Hawley, Wallace & Co., Walla Walla.

WISCONSIN.—*Discontinued:* Turner's Exchange Bank, Winneconne; closed.

Change of Title: National Bank of Delavan; succeeded by E. Latimer & Co. Same management.

RHODES' JOURNAL RECORD OF DEATHS.

John S. Young, for many years prominent in banking and commercial circles in this city, died on Friday, June 25, 1880, in the sixty-sixth year of his age.

He was born in Baltimore on the 24th of August, 1814, and came to this city when eighteen years of age to seek his fortune. For the forty years he remained in business his life was characterized by unceasing activity and industry, which, aided by great intelligence and knowledge of men, enabled him to accumulate a large amount of money, which he invested chiefly in real estate, to which he gave his attention during the later years of his life. He was one of the oldest directors of the Marine Bank, and it was his pride to miss no meeting of the board unless kept away by sickness or absence from the city.

John Francis Phillips, a member of the firm of F. B. Wallace & Co., Bankers and Brokers of this city, died at his residence in Brooklyn, June 26, 1880, aged forty years.

He was a native of New Jersey, and when twenty years old he came to this city and became a clerk with Wallace & Broadhead. In 1863, when this was dissolved and the new firm of F. B. Wallace & Co. was formed, he was admitted as a partner in the latter concern. In 1865 he became a member of the Stock Exchange. He was one of the most popular brokers on the street, and had hosts of friends. The Stock Exchange passed appropriate resolutions on his death.

William Francis Huntzinger, President of the Government National Bank of Pottsville, Pa., died on June 24, 1880.

He was well known and highly respected in business and social circles.

Nathan Pendleton Catlett, Cashier of the Augusta National Bank of Staunton, Virginia, died on Sabbath, June 13, 1880, aged sixty-two years.

He was a thoroughly posted banker in every detail, and was faithful in every trust reposed in him.

Oscar C. Hale, Cashier of the State National Bank of Keokuk, Iowa, died on Sabbath, May 30, 1880, aged sixty-four years.

He was born in the town of Wells River, Vermont, July 26, 1816, and at the age of twenty-four years he was elected Cashier of the Bank of Newbury, Vt., and served seventeen years. In 1858 he removed to Iowa, and established at Keokuk the banking firm of Rix, Hale & Co., and in 1862 he was appointed Cashier of the Keokuk branch of the State Bank of Iowa, and when the bank was converted into the State National Bank he took a similar position in that institution, and held it until his death.

Mr. Hale possessed in a remarkable degree the qualifications necessary to success in the banking business; he was in fact a born banker. He held many positions of public trust, and died universally respected and esteemed.

THE BANKER'S INDEX.

The Money Market and Financial Situation.

NEW YORK, July 3, 1880.

The work of closing up the half-yearly business has been accomplished at this period with remarkable ease and quietude. The political gatherings at Chicago and Cincidnati have supplied the full measure of excitement endurable at this season. Perhaps the oppressive heat during June had something to do with these easy-going operations in financial circles; but recalling the old adage, that "still water runs deep," full enough of interest may appear for the purposes of this record.

In New York banking circles the double-headed tax* bill which has just become a law is of special interest. The fact is the measure should have received more attention from thoughtful bankers when it was on its passage in the Legislature; that would have been a more feasible plan than allowing it to pass and then going to law about it. It will be remembered that the short-sighted law-makers at Albany last winter rushed a bill through the Legislature imposing an onerous tax on foreign banking capital. The provisions of the bill were so manifestly unjust that Governor Cornell promptly vetoed it. But immediately thereafter the Assembly doctored up a bill, then on its passage, and which before had covered other subjects, so as to include (1) foreign banking capital and (2) the stockholders in every bank, banking association or trust company, organized under the authority of the State, or of the United States. This was rather a strange combination, but the law-makers had evidently made up their minds to replenish the State treasury by taxing banking capital. It is such an easy matter, argues the legislator, for the tax gatherer to walk into a bank, examine the books and make out his little bill; a much simpler operation than gleaning far and wide, besides the results are more satisfactory!

We believe that capital employed in the banking business should bear its full share of taxation, and that both home and foreign capital should stand exactly alike in this respect. But is it not unwise and impolitic to impose unequal taxation on money employed in banking? True it is, the laws of New York regarding bank taxation require thorough revision, but the work should be undertaken by a commission having special fitness for the work, and should be consummated on a liberal scale with an eye single to the commercial prosperity not only of this centre, but of the entire country.

About the close of the last Legislature a bill was passed authorizing the Governor to appoint a Commission to look into the incongruous mass of matter on the statute books referring to banks, banking and trust companies. The text of the bill will be found on another page. Although it does not refer especially to the subject of bank taxation, it is hoped that the gentlemen who compose the Commission will be able to evolve something like equity and order out of the chaotic condition of the tax laws affecting the banking business.

At this season of the year the grain prospects, product and shipments are watched with deep interest. It is a gratifying evidence of prosperity that 55,000,000 bushels of grain were received at New York for the first six months of the year, against 48,000,000 bushels for the first half of 1879. That is all very well, but what of the present harvest? At present there is sufficient evidence to believe that the wheat crop will fully equal the bountiful yield of last year. In some sections of the great wheat-producing States the crops will doubtless be affected by the rust which has made its appearance, especially in the Northwest, owing to the alternate extremes of heat and rain which have prevailed for some weeks past in that section.

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*The full text of the bill was printed on page 349 in the June number of the JOURNAL. It was signed by the Governor on the 26th of June, and is now a law of the State.

There is every indication, however, that the increased acreage will more than compensate for all possible short comings.

In the early Summer there were predictions that the gold exports would soon become a feature in the money market, but the enormous exports of produce, together with a marked falling off in the imports of foreign merchandise, promptly dispelled any such idea. The storehouses here were full of foreign goods, bought on the other side by over-sanguine merchants in the hope that last year's impetus in business would keep up and enable them to place their purchases on the market. But there is such a thing as over-doing the importation of foreign goods, and the sooner our merchants find this out the better it will be for them.

The money market was very easy during the month. On Government bonds and other high-class collaterals 2 per cent. was the ruling rate for money on call, with plenty of money for borrowers at from 2½ to 3 per cent. on good stock collaterals. The city banks of the Clearing House showed no extraordinary changes, the principal differences being a gain of about $10,000,000 in loans and discounts, and also in deposits, with an increase of about $5,000,000 in specie and a trifling decrease in legal tenders.

Prime commercial paper was in demand at 4@5 per cent.

The following summary shows the condition of the New York Clearing House banks, the premium on gold and the rate of foreign exchange, on or about the first of July in 1878, 1879 and 1880: †

New York City Banks—	1880.	1879.	1878.
Loans and discounts	$285,905,100	$253,575,500	$232,720,200
Specie	65,210,100	19,666,400	16,311,900
Circulation	19,620,000	20,371,300	19,934,200
Net deposits	277,770,800	226,113,600	205,965,600
Legal tenders	21,715,800	46,902,600	53,996,300
Surplus reserve (over 25 %)	17,483,200	10,040,600	18,816,800
Money, Gold, Exchange—			
Call loans	2 @3½	3½@6	1½@2
Prime paper	4 @4½	3½@4	3 @4
Gold	100	100	100¼
Silver in London per oz	52 11-16d	51¾d	52 5-16d
Prime Sterling bills, 60 days	4 84 @4 84¼	4 86 @4 86½	4 85¼@4 86

The advance in the price of the active stocks dealt in at the New York Stock Exchange during the month of June ranged from 6 to 28 per cent., with two or three exceptions below the former figure. (For details, see our table of stocks on another page.) The remarkable feature of this advance was the slow and steady gains that were made from day to day, with very few interruptions. There was no great excitement; only a persistent movement upward, with a slight reaction about the close of the month. The marked advance may be attributed to increased railroad earnings, firm rates maintained by the trunk lines, and highly favorable crop reports.

Government bonds were firmly held, though the transactions at the Stock Exchange were not large. The weekly purchases for the Sinking Fund attracted large offerings of the floating supply of bonds.

The following table shows the total sales of each class of Government bonds at the New York Stock Exchange for the month of June 4, and the closing prices* on the dates named:

	Interest Periods.	Total Sales.	June 5.	June 12.	June 19.	June 26.	July 6.
6s, 1880, reg	J. & J.	....	101⅝	101¾	101¾	102	101¾
6s, 1880, coup	J. & J.	$1,000	104⅝	104¾	104¾	105	101¾
6s, 1881, reg	J. & J.	155,000	103⅝	103⅜	103¾	104	104⅛
6s, 1881, coup	J. & J.	146,500	106⅝	106¾	106¾	107	104⅛
5s, 1881, reg	Q.— Feb.	74,000	103⅛	103⅛	103¼	103⅜	102⅞
5s, 1881, coup	Q.— Feb.	567,000	103⅛	103⅛	103¼	103⅜	103⅝
4½s, 1891, reg	Q.—Mar.	55,000	109¾	10 ¾	109⅝	109¾	109⅞
4½s, 1891, coup	Q.—Mar.	124,500	109⅝	109¾	109⅝	109¾	109⅞
4s, 1907, reg	Q.—Jan.	605,860	108¼	107¾	107¾	108	108¼
4s, 1907, coup	Q.—Jan.	627,500	109¼	108¾	108¾	109	108¼
6s, currency, 1895, reg	J. & J.	....	123	123	125	123	123
6s, currency, 1896, reg	J. & J.	....	123	123	125	123½	124
6s, currency, 1897, reg	J. & J.	....	123	123	125	124	125
6s, currency, 1898, reg	J. & J.	....	123	123	125	124½	126
6s, currency, 1899, reg	J. & J.	....	123	123	125	125	127

† Compiled from the "Commercial and Financial Chronicle" of July, 3, 1880.

* The prices *bid* are given; these furnish the most reliable quotations of *sales* at the Board.

STATE BONDS.—Recorded sales and range of prices for the month were as follows:

	Highest.	Lowest.	Sales.
Ala. Class A	59½	58	$6,000
do do C	73	73	6,000
Ark. 7s, Miss. O. & R. Riv	5¼	5¼	7,000
do. Ark. Central R.	5¼	5¼	7,000
Georgia 7s, new	110½	110	5,000
La. 7s, Cons.	46¼	46⅛	33,000
Mo. 6s, '82 or '83	109¼	109¼	1,000
do. '86	108½	108	8,000
do '87	108½	108	6,000
do ,88	109½	109½	1,000
do '89 or '90	110¾	110	25,000
do. H. & St. J. '86	108⅝	107	17,000
do do '87	108¾	108	13,000
N. C. 6s, old J. & J	28¾	28¾	3,000
do A. & O	28¾	28¾	3,000
do do spc'l tax class 2	4	4	1,000
do do 3	4	3⅛	28,000
Ohio 6s, '86	112	111⅞	22,000
S. C. 6s, non-fundable	4⅝	3⅞	113,000
Tenn. 6s, new series	25	25	1,000
Va. 6s, con. x matd. c.	61½	58	55,000
D of C. 3-65s 1924	97½	96	207,500
do do Reg	97	96¾	19,000

Additional quotations of State bonds are published on another page.

The annexed table shows the leading bonds dealt in, range of prices and the amount of recorded transactions for the month just closed.

	Highest.	Lowest.	Closing. June 30.	Amount Sold.*
Cent of N. J. con. ass'd	105	99⅞	....	$557,000
Lehigh & Wilkes con. ass'd	96¼	90½	....	460,000
Morris & Essex 1st consol	109	106⅞	109	68,000
Rome W. and Ogd. lsts	64¾	56	....	220,000
St. Paul sinking fund	112	112⅛	....	76,000
H. and St. Jo. conv. 8s	109¾	106½	....	126,000
N. Y. C. lsts coup	130	127½	....	30,000
Canada South. lsts	93¼	88½	93¼	688,000
Toledo and Wabash C. C	99	95	99	310,000
Cen Pacific lsts	115	113⅛	114¾	17,000
Tex. do Income	63⅛	57	62	302,000
Union do lsts	115¼	113¼	115¼	285,000
Kansas do do con.	95	90	94⅞	644,000
do do D. D. A. C. C.	106	103	105⅝	361,000
Den. & Rio Grande lsts	105	100⅛	103⅞	446,500
Mo. Kan and Texas lsts con. ass'd	105⅝	101½	103¾	1,051,500
do 2ds	66⅛	55¼	63¼	8,874,000
Erie new con. 2ds	90½	77¼	88⅛	9,357,500
do do 5s funded	86	71	83	1,669,000
do do con. 7s	121⅛	118	....	369,000
C. C. & I. C income	42	32⅛	37	747,000
do lsts T. C. C. A. supplem'y	89⅞	80½	85	793,000
I. Mountain 2d pref. income	76	67¾	75	327,000
do 1st do do	84¼	76½	83¼	202,180
do 2ds	101	98½	....	383,050
C. & Ohio Currency 6s	40	35½	38¾	244,500
do do lsts series B	67⅞	64	67	172,500
N. Y. Elevated lsts	114⅜	112⅛	....	185,000
Met. do do	102¼	101¾	101¾	268,000
Bost. Hart. & E. do	45	36	42	996,000
Oregon lsts	100⅝	93	100¼	774,000
Mobile & Ohio 1st deb	75¾	69	....	359,100
do 2d deb	43½	38¼	....	183,000
Bur. C. R. and Northern lsts	91¾	89	91	587,000
Lake Erie & W. income	62½	53⅛	...	245,000
Ohio Central income	48	44	....	164,000
do lsts	91¾	89	91½	262,000

Additional quotations of railroad bonds at New York and other principal cities appear in the general list of Stock and Bond Quotations, printed on the pages at the close of this department.

Railroad and Miscellaneous Stocks in June.

The following table shows the number of shares sold, and the lowest, highest and closing prices of the active Railway and Miscellaneous Stocks at the New York Stock Exchange during June; and, for comparison, the closing prices June 30:

RAILROADS.	Closing May 29.	Range in June: Low-est.	High-est.	Closing June 30.	Shares Sold.
Can. Southern	52⅛	51	58⅛	57	33,330
C., C. & Ind	64¾	62	72⅛	68⅛	15,137
C., C. & I. C.	11⅛	11⅛	18	15¼	59,800
Ches. & Ohio	15	15¼	21	17⅛	10,229
C., St. P. & Minn	....	47⅛	57	54	11,755
Northwestern	89⅛	87¾	94¼	91⅛	211,225
do. pref	107⅝	107	109⅝	108¾	8,406
Mil. & St. Paul	69⅝	68⅜	81⅛	79⅛	485,934
do. pref	100	99⅞	108⅛	105	6,930
Del. Lack. & West	73⅛	71⅛	81¼	78	778,450
Del. & Hud. C. Co	67¼	65	78⅞	75⅛	82,760
Houston & Texas	54	55	66⅛	....	5,910
Hannibal & St. Jo	25	24¼	35⅝	33¼	115,015
do. pref	67¾	67	75	72⅝	58,990
Illinois Central	102	100	107	105	21,580
Lake Erie & Western	22⅛	21⅛	31⅛	28	48,748
Louisville & Nashville	120⅛	120	128	124	10,704
Lake Shore	97⅝	95	109	107	760,680
Manhattan R.R	27⅛	26¼	35¾	31⅛	204,230
Metropolitan Elevated	94	88	102⅛	92⅛	8,137
Michigan Central	78	77⅛	96⅛	92⅛	102,370
Mobile & Ohio	13	14⅝	21	16⅛	16,109
Mo., Kan. & Texas	29	28⅛	38¾	34⅞	314,535
Nash., Chat. & St. L	....	47⅛	71	59	83,340
N. J. Central	56¾	53¾	69⅛	66⅛	757,514
N. Y. Central	124⅛	122¼	129¾	127⅝	92,565
N. Y., L. E. & W	32⅞	30	43¾	40⅛	1,488,434
do. pref	51¾	47	70⅛	65⅛	51,264
Northern Pacific	23⅛	22	28¼	26	23,170
do. pref	45¾	43¾	50	48¾	24,871
N. Y., Ont. & W	26¼	23⅛	30	27⅛	193,868
Ohio & Mississippi	25⅝	24	35⅝	32⅛	166,745
do. pref	70⅛	68⅛	75⅞	73	6,550
Phila. & Reading R. R.	21⅝	17¼	22¼	17	83,366
St. Paul & Sioux City	36	36¾	42⅛	39¾	14,521
St. L., I. M. & S.	37⅛	35⅞	48¾	45⅝	89,860
Union Pacific	84⅛	84	90⅞	87	76,094
W., St. L. & Pacific	30	29	39⅛	36¼	101,899
do. pref	56⅝	55	68⅜	65	225,825
Am. Dist. Tel	75	70	77	72⅛	24,280
At. & Pac. Tel	35⅛	35	44	40	19,875
Western Union Tel	90⅛	86¾	105¾	103⅝	583,437
Pacific Mail	31⅛	30⅛	42⅛	38¾	313,921
Climax Mining	2¼	2⅛	2⅛	2⅛	6,700
Little Pittsburgh	6	5⅛	6⅝	....	3,706
Standard Mining	27	25	27¾	25⅛	8,475
Sutro Tunnel	2¼	1¾	2⅝	1⅞	77,200

FOREIGN EXCHANGE ruled firmly throughout, and bankers' posted rates were advanced to 4 87 for 60-days' bills and 4 90 for demand, at which figures they were held till the close of the month. The same rates prevail at this writing.

STOCKS AND BONDS—PRICES IN NEW YORK AND OTHER CITIES.

The following tables give the latest bid and asked prices at the New York Stock Exchange; also Southern securities, a full list of general stocks not called at the Exchange, and correct quotations from other cities.

Quotations in New York are to July 1, latest mail advices from other cities.

The prices named represent the percentage upon a par basis.

* Indicates ex-interest. § With interest added. x Dividend.

SECURITIES.	Bid.	Askd
STATE STOCK.		
Alabama 5s, 1883		
do 5s, 1886		
do 8s, 1886		
do 8s, 1888		
do 8s M & Eufala R R		
do 8s Ala & Chat R R		
do 8s of 1892		
do 8s of 1893		
do consols class A	59	60
do do do B		
do do do C	70	76
Arkansas 6s funded		
do 7s L Rk & Ft S iss		
do 7s Memp & L R		
do 7s L Rk P B & N O		9
do 7s Miss O & R Riv		
do 7s Ark Cent R R		
Connecticut 6s	106	
Georgia 6s		
do 7s new bonds	110½	113
do 7s endorsed	110	
do 7s gold bonds	110	
Illinois coupon 6s, 1879	102	
do war loan	102	
Kentucky 6s	102	
Louisiana 6s		
do new bonds		
do 6s new floating debt		
do 7s penitentiary		
do 5s levee bonds		
do 8s do		
do 8s do of 1875		
do 8s do of 1910		
do 7s Consolidated	46⅝	
do 7s Small Bonds	44	
Michigan 6s 1878–1879		
do 6s, 1883		
do 7s, 1890		
Missouri 6s due in 1883	103	
do do in 1886	108	
do do 1887	108	
do do 1888	108½	
do do in 1889 or 1890	109	
Asyl or Univs'y due 1892	109	
Fund'g bds due in 1894–5	112	
Han & St. Jos. due 1886	108	108¼
do do 1887	108	
New York 6s gold reg'd, 1887		
do 6s do coup., 1887		
do 6s do loan, 1883		
do 6s do do 1891		
do 6s do do 1892		
do 6s do do 1893		
N Carolina 6s old Jan & July	28½	30
do Apr & Oct	28½	30
do N. C. R., Jan & July	110	
do do Apr & Oct	110	
do do cp off Jan & July	90	
do do cp off Apr & Oct	90	
do funding act, 1866	10	11
do do 1868	10	11
do new bonds Jan & July	17½	18½
N. C. new bonds, April & Oct	18	
do special tax, class 1	3⅝	
do do class 2	3¼	4
do do class 3	3½	
Ohio 6s, 1881	100	
do 1886	109½	
Rhode Island 6s	115	
South Carolina 6s		
do Jan & July		
do April & Oct		
do funding act 1866		
do land C 1889 Jan & J		
do land C 1889 Apr & O		
do 7s of 1888		
Non-fundable bonds	2⅞	3¼
Tennessee 6s, old	36	
do 6s, new	28	30
do new series	28	30
Virginia 6s, old	20	
do 6s, new bonds, 1866	20	
do 6s, do 1867	20	
do 6s, consol. bonds	85	
do 6s, ex-mat'd coup	61	62
do 6s, do 2d series	25	
do 6s, defer'd do	6¾	7½
Dist. of Col. 3-65's 1924	97¾	98½
do Small Bonds	97¾	
do Registered	97¾	
CITY AND COUNTY.		
Brooklyn 6s		
do 6s, water loan	104	116
do 6s, imp'm't stock	107	108
do 7s, do	115	116
do 6s, pub, p'k loan		
do 7s. do do		
Jersey City 6s, water loan	101	102
do 7s, do	108	109
do 7s, improvement	104	105
Kings county 6s	114	116
New York City 6s, 20-50's, 1876		
do do 6s, 1877		
do do 6s, 1878		
do do 6s, 1887		
do do G'd 6s, Con. 1902	115	118
do do 6s, ..1896	115	116
do do 6s Dock b'ds	115	116
do do 6s co. b'ds		
do do 6s Cen. Park	115	116
do 5s, 1890		
do 5s, 1898	108	109
RAILROAD BONDS.		
Boston, H. & E. 1st m	42½	43¼
Boston, H. & E. 1st m guar		
B., Cedar Rap. & N. 1s 5s g	91	91½
Chesapeake & Ohio 6s 1st mtg		68¼
do do ex-coupon	38½	39
Chicago & Alton 1st mortgage		
do income		
Joliet & Chicago 1st mortgage		
La. & Mo., 1st guaranteed		
St. L Jacksonville & Chic 1st	110	
Chic. Bur. & Qu. 8 per ct. 1st m		

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
Chic. Bur. & Qu. cons......M 7s	123½	124
do do 5s Sinking Fund		
Chic. R. I. & Pacific............		
do 6s 1917, coupon...	121½	
do 6s 1917, registered	118	
Keokuk & Des Moin. 1st 5s.....	95	97
Central R R of New Jersey....		
Cen. R of N. J. 1st 7s. 90.....	116½	
do cons. assent.	103½	103¾
do convertible	102¼	104½
L. & W. B'e. con. assented....	94¼	96½
Am' Dock & Imp. bonds as'd	108	
Chic. Mil. & St. Paul R. R		
M. & St. P. 1st mtg 8s P. D...	132¾	
do 2d 7 3-10 P. D.....	117	
do 1st 7s $ gold R. D	119	
do 1st 7s £ do	112¼	113
do 1st M. LaC. D.....	116	116
do 1st M. I. & M. D..	115	116
do 1st M. I. & D......	111	
do 1st M. H. & D.....	110	
do 1st M. C. & M.....	116	116½
do consolidated s f..	115¾	115¾
do 2d mortgage 7s...		
Chic. & N. W. sinking fund....	110½	111½
do do int. bonds.......	105½	
do do cons. bonds.....	122⅝	
do do exten. bonds...		110½
do do 1st mortgage...	109	110¼
do do coup gd bonds..	118	118¼
do do reg'd do	117½	118
Iowa Midland 1st m. 8s......	119	121
Galena & Chicago extension.		
Peninsula 1st m. conv........	108½	
Chicago & Mil. 1st m.........	114	
Winona & St. P. 1st mort.....	111½	
do do 2d mort.....	112	115
C. C. C. & Ind's 1s m. 7s s. f.....		119
do consol, M. bonds.	109	
Del., Lack. & W. 7s conv.......	102½	
do do m. 7s.........	120	
Morris & Essex 1st mor.......	130	131
do 2d do	114	114
do bonds, 1900...	104	110
do constr'n	102	107½
do 7s of 1871.....	111½	112½
do 1s con. gd....	107¾	108½
Del. & Hud. Can. 1s 7s. 1884....	103	106
do do 1891....	108	108
do Coup. 7s 1894...	108	108½
do Regis'd 7s 1894....	108	
Albany & Susq. 1st 7s..........	116	
do do 2d do.......	108½	
do do 3d do........	110½	
do do 1st c gua'd....	111	
Rens'r & Sara. 1st 7s, Coup..	125	
do do 1st reg'd 7s ...	127	128
Erie 1st mort. extended.	122	
do 1st do endorsed........		
do 2d do ex. 5s, 1919......	106¾	108
do 3d do 7s, 1883....... ...	107⅝	109
do 4th do 7s, 1880..........	103	103½
do 5th do 7s, 1888..........	108½	110
do 7's cons. m'ge gd bds.....	120½	121
Long Dock Bonds............	114½	116¾
B., N. Y., & E. 1st m 1916.....	117½	129
Han. & St. J. 8s convertible m.	109	
Illinois Central,................		
Dub. & Sioux City 1st m......	102	
do do 2d div....	112	
Cedar Falls & Minn. 1st m....	110	
Indp's Bloomn & W'n 1st p....	117	
do do 2d ...	60	62
Lake Shore Bonds		

Securities.	Bid	Askd
RAILROAD BONDS.		
M. So & N. I. Sink. fd 7.........	108¾	109½
Cleve. & Tol. sink. fd...........	107	
Cleve. & Tol. new bonds........	107½	107½
Cleve. Painesv & A bonds 7s...	115	117
do do new do....		
Buff. & Erie, new bonds...	118¼	120
Buff. and State Line 7s.........		
Kala. & W. Pigeon 1st m........	110	112
Det. Mon & Tol 1st 7s 1906......	118¼	
Lake Shore div. bonds..........	119¼	
do con c'p 1st 7s.......	124	124½
do con reg 1st bds.....	122	122½
do con coup 2d 7s......	114⅞	115¾
do con re'gd 2d m.....	115	116
Marietta & Cin. 1st m..	100	102
Mich. Cent. consol. 7s 1902......	120	
do 1st m. 8s '82 s f	108	109¼
do equipment bds.....	108½	
New Jersey So. 1st m. 7s........		
do consol 7s.......		
N. Y. Cent. 6s, 1883..............		
do do 6s, 1887..............		
do do 6s, real estate.........		
do do 6s, subscription...		
do do & Hud 1st m c........		
do do do 1st m reg....		129½
Hud. Riv. 7s 2d m s f 1885.....	107½	
Harlem 1st m 7s coupon......	126	126
do do reg'd.........	126	126½
North Missouri, 1st mort.		
Ohio & Miss cons s f............	117	117
do consolidated.......	117	117½
do 2d do............	111	111¼
do 1st Springfield div.	81	85
Pacific R R bonds...............		
Cent Pacific gold bonds.......	114¾	115½
do San Joaquin branch....	106	106½
do Cal & Oregon 1st.........	106½	
do State aid bonds		
do land grant bonds.........	106	107
Western Pacific bonds.........	109	110½
Union Pacific 1st m bds.......	114½	114⅝
do land grants. 7s...	113	113½
do sinking fund.....	117	
Pacific R of Mo. 1st m..........	108⅝	109
do 2d m. 7s..........	109	
do Income 7s.........		
do 1st Carnod't B....		
Pennsylvania R R		
Pitts, Ft W & C 1st m	130½	132
do do 2d m..........	127	
do do 3d m..........	120	121
Cleve & Pitts con s f..........	119½	
do 4th do...........	112	114
Col. Chic & Ind 1st m.........	86	88
do do 2d m.........		
Rome, Water'n & Og con 1.....	62	64¾
St. L. & Iron M 1st m...........	117	118
do do 2d m..........	100½	101
St. L. Alton & Terre Haute....		
Alton & Terre Haute 1st 7s..	115	
do 2d do pref....	104	104½
do 2d do inc......	92	
Bell & S. Ill R. 1st m 8s........	110	116
Tol, Peo & War, 1st E D........	130	131
do do do W D........	127	129
do do do Burl div.....		
do do do 2d m.........	50	70
do do do consol 7s....	50	
Toledo, Wabash & Western....		
Tol & Wab 1st m ex...........	112½	
do Ex coupon...		
do 1st m St L div......	106⅝	107½
do Ex mat'd coup.. ..		

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Tol & Wab 2d m	100¾	101
do Ex & Nov 77 coup.		
do equipment bonds	30	45
do cons conv'ble	98½	99⅝
do Ex Aug 78 & priv's.		
Gt West'n 1st m 7s 1888	111	112½
do Ex coupon		
do 2d 7s 1893	101½	102
do Ex & Nov 77 coup.		
Quincy & Tol 1st m, 1890		104½
do Ex M & Nov 77 c p.		
Illinois & S Iowa 1st m 7s		103
do Ex coupon		
Han & Cent Mo 1st m.		
Pekin, Lnc'n & Decat'r 1st m.		
West'n Un bds, 1900, c'pon	114½	114⅝
do do do reg	114	114½
MISCELLANEOUS LIST.		
Arkansas Levee 7s	4	7
Atchison & P Pk 6s gold		
Atchison, Top & S Fe 7s, g	117½	119
Cairo & Fulton 1st 7s	110	111⅞
California & Oregon 6s g'd	106½	108
California Pac R R 7s gold	105	115
do 6s 2d m gold	100	110
Central Pac 7s gold, conv	100	103
do land grant	106	107
Cent of Iowa 1st M 7s new	102½	103
Chi & Southwestern R R 8s	113	115
Chi & Eastern Ill. 1st 6s	90	100
do do income 7s	90	92½
Chi & Mich Lake Shore 8s.		
Chi & Can South 1st m'g 7s.	30	40
Chi, St. P. & Min 1st M 6s	103	103½
do land grant 6s	105	108
Cin, Rich & F W 1 m g 7s	90	100
Cleve, Mt V & Del 7s gold		
Connecticut Valley 7s gold	67	75
Connecticut Western 1st 7s	40	45
Col & Hock Val 1st 7s 30 ys	105	110
Dan, Urb, Bl & P 1st m 7s g		
Denver Pacific 7 gold	93	95
Denv and Rio Grande 7s g	103¼	104
Det, Hillsdale & Ind R R 8s		
Dixon, Peoria & Han 8s		
Erie & Pittsburg 1st 7s	100	102½
Evans & Crawfordsville 7s	100	105
Evans, Hend. & Nashville 7s		
Evansville, T & H Chic 7s g	82½	85
Flint & Pere M 7s land grant	102	108
do 7s consol	75	80
Fort W, Jackson & Sag 8s		
Grand River Valley 8s	107½	110
G'd Rapids & Ind 1 guar 7 g	109	110
G'd Rapids & Ind 1st 7s g	103	108
Houst, & Gt N. 1st m g 7s		
Houst. & Tex. C. 1st M L		
do 1st W D		
do Con. 8s		
Ill Grand Trunk 8s	113	115
Ind, Bl & W Ext 1st m g 7s		
Indianapolis & Mad. 1st m 7s	100	103
Int'national R R Tex 1 m g 7s		
Ind. Bl. & W., 1st 7s, pref		
do 1st		
do 2ds		
do Income		
do stock		
Indianapolis & Vinc's 1st 7s gr.	105	110
Indianapolis & St. Louis 7s	80	90
Io Falls & Sioux City 1st 7s	108	110
Jack. Lansing & Sag. 1st m	105	110
Jeff'ville, Mad & Ind 1st m 7s	114	117½
Kala'zoo & South H 8s guar		

Securities.	Bid	askd
Kal, Alleghan & G R 8s gr	110	115
Kal & White Pigeon 7s	105	110½
Kansas City & Cameron 10s	115	120
Kan Pac 7s ex Ma & No g		
do 7s land gr Ja & Jy g		
Kan Pac 7s do 2d m		
do 6s gold June & Dec		
do 6s do Feb & Aug		
do 7s Leaven Branch		
do Income No 11		
do do No 16		
do stock		
Michigan Air Line 8s	100	110
Mil & North 1st m 8s	70	80
Mo. Kan & Tex assent'd bds	103¾	104
do 2d inc	63	63½
N. J. Midland 1st 7s gold	91	92½
N. Y. & J. 7 s, con. gold	5	7
Omaha & S West'n R R 8s	115	120
Oregon & Cal 7s gold	28	30
Oswego & Rome 7s guar	100	110
Ott, Oswego & Fox R V 8s		
Pitts, Cin & St Louis 1st 7s	115¼	115½
Pt Huron & L M 7s g end	35	40
Quincy & Warsaw 8s		
Rome, W & Ogdensburg 7s	63	64¾
Sand, Mans & Newark 7s	105	110
Sioux City & Pacific 6s		
South Side (L I) 7s	100	105
Southern Central N Y 7s	70	85
Steubenville & Indiana 6s	101	104
Southern Minn construc 8s	110	115
St. Jo & C Bl 1st m 10s		
St. Louis, Vanda & T H 1st		
do do 2d		
St L & S Eastern 1st 7s gold	100	110
Union Pacific So br 6s gold	95	105
Union & Logansport 7s	100	103
Texas & Pacific L G 7s	62	63½
CINCINNATI.		
STATE, CO. AND CITY BONDS.		
Ohio State 6s	111	112
Hamilton County 6s	105	
do do 7s	118	
City of Cincinnati 6s	110	
do do 7s	120	122
do do 7 3-10	124	125
City of Covington, Ky 6s '81	102	
do do 7 3-10, '81	102	104
RAILROAD BONDS.		
L Miami & I & C con 6s	98	99
do do 1st 6s '83	102	x103
Cin, Ham & Day 1 m 7s '80		
do do 2 m 7s '85	105	x106
do do 3 m 8s		
Dayton & Mich, 1 m 7s '81	101¼	101¾
Dayton and Mich, 2 m 7s '84	105	105¼
do do 3 m 7s '88	x101	
Cin, Rich & Chi, 1 m 7s '95	100	x102
Cin, Han & Ind 1st m gr 7s	x100	
Marietta & Cin 1st m 7s '91	87	90
do do 2d m 7s '96	30	32
Indianap & Cin 1st m 7s '88	105	110
Cin & In guar 1st m 7s '92	105	110
do 2d m 7s '77 '82	100	
Indianap C & L 1st m 7s '97	100	
Day & W 1 m, 1881	x101	102
do 2 m, 1905		100
MISCELLANEOUS STOCKS.		
Columbus & Xenia 50	128½	129
Cin, Ham & Dayton 100	82	x85
Dayton & Mich 3½ guar 50	50	x53
Little Miami 50	x121	122

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Marietta & Cin 1st pref.......50	......	5
do do 2d do........50	......	3
Cin Gas Light & Coke Co....100	166	x167
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s	103	105
do 8s	108	112
Augusta, Ga 7s bonds	103	105
Charleston stock, 6s	69	71
Charleston, S. C. 7s F L bonds	105	108
Columbia, S. C. 6s	50	60
Columbia, Ga. 7s bonds	80	90
Lynchburg 6s	100	103
Macon 7s bonds	80	90
Memphis bonds 6s	30	33
do new consols	40	50
do end, M & C R R	27	......
Mobile 5s	25	......
do 8s	25	......
Montgomery 8s	40	......
Nashville 6s old	95	102
do 6s new	95	......
New Orleans 5s	32	34
do consol, 6s	35	40
do bonds, 7s	30	......
do to railroads 6s	32	......
Norfolk 6s	100	105
Petersburg 6s	102	104
Richmond 6s	104	107
Savannah 5s	75	76
RAILROADS.		
Atlantic & Gul, consol	104	106
Central Georgia cons, 7s	111	112
do do stock	80	85
Charlotte Col & A, 1 m 7s	105	107
do do stock	36	40
E Tenn & Georgia 6s	99	101
East Tenn, Va & Geo 1st m 7s	107	110
do do stock	80	......
Georgia R R 7s	110	......
do stock	100	102
Greenville & Col 7s guar	105	110
do do 7s certiff	100	110
Macon & Western Stock	102	106
Macon & Augusta bonds	95	......
do do endorsed	100	105
Memphis & Charleston 1st 7s	102	104
do do 2d 7s	98	102
do do stock	25	30
Mississippi Central 1st m 7s	105	107
do do 2d m 8s	107	109
Mississippi & Tenn 1 m	113	115
do do cons, 8s	100	102
Motg'y and West P, 1st 8s	103	106
do do 1st end	......	......
Mobile and Ohio Sterling	80	......
do do do ex ctfs	80	......
do do 8s interest	40	......
N Orleans and Jackson 1st m	111	113
do do 2d m	111	113
Nash and Chattanooga 6s	98	102
Norfolk and Petersb 1st m 8s	103	105
do do 2d do	102	104
Northeastern, S C, 1st m 7s	125	130
do do 2d do	110	......
Orange and Alex 1st 6s	105	......
do do 2d 6s	80	87
do do 3d 8s	80	87
do do 4th 8s	......	......
Rich and Peters'b 1st m 7s	......	......
do do 2d m 6s	......	......
do do 3d m 8s	102½	105
Rich and Fred'b and Pot 6s	102	......
do do do con 7s	105	......

SECURITIES.	Bid	Askd
Rich and Danv 1st con 6	102	......
do Piedmont 8s	110	112
do 1st 8s	......	......
Southside Va 1st m 8s	109	111
do 2d m guar 6s	100	......
do 3d m 6s	90	......
do 4th m 8s	......	......
Southwest R R, Ga 1st m	106	108
do do stock	105	108
S. Caro R R, 1st m 7s, new	102	......
S. Caro R R 6s	30	35
do 7s 2d	70	72
Virginia and Tenn 2d 6s	102	104
do do 3d 8s	115	117
West Ala, 8s guar	109	112
Wilmington and Weldon 7s	109	112
PAST DUE COUPONS.		
Tennessee State coupons	10	20
Virginia consol coupons	87	94
Memphis city coupons	20	......
South Carolina consols	......	......
BOSTON.		
STATE BONDS.		
Maine 6s 1889	114⅝	......
N. Hampshire 6s 1876-84	114½	......
Vermont 6s, 1874-78	......	......
Massachusetts 5s, 1883, g	109¾	......
CITY BONDS.		
Boston 5s, 1880-86, gold	111⅝	......
do 6s, currency	119⅜	......
Chic 7s, 1890-95, riv. impr	118	......
do 1884	106	......
RAILROAD STOCKS AND BONDS.		
A T and Santa Fe, 1st m 7s	117	......
do do L G	......	......
do do stock	120	......
Bost and Alb'y 6s, '75 (W RR)	113	......
do 7s, 1892	122	......
do stock	144¼	144½
Boston and Lowell 7s, 1892	......	......
do stock (par 500)	......	95
Boston and Maine, stock	126	......
Boston and Providence, stock	137	......
Bur & Mo R 7s, '93, land grant	114½	115
do do 8s, 94, conv	108½	109
do do 8s, 83 (in Neb)	......	......
Chicago, Bur and Quincy	121⅝	121¾
Bur & Mo Riv stock (in Neb)	......	......
Cheshire 6s, 1898	105½	106
do preferred stock	......	50
Cin, San, and Cleve, 7s, 1890	90	......
do do com stk (par 50)	13¼	13½
Concord stock (par 50)	......	......
Conn and Pass Rivs 7s, 1893	110⅛	......
do do 7s, notes	62	......
Connecticut River, stock	144	......
Eastern stock	37	37½
Fitchburg, stock	121	......
Manch and Lawrence stock	......	......
Nashua and Lowell, stock	115	......
Northern (N. H.) stock	95½	96
Norwich and Worcester stock	......	......
Ogdenburg and L Champ stock	28½	......
do do pref stock	79½	79¾
Old Colony stock	111¾	112
Phil, Wil & Balt stock (par 50)	68	71
Portl, Saco & Portsmouth st'k	......	......
Portsmouth, Gt F & Con'y s	22	......
Rutland pref. stock	25½	......
Vermont and Canada stock	......	......
Vt. Ct. 1st m 7s, 1886 cons	......	......
do 8s, '91	......	......

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Vermont and Mass.............	......	......
do do stock....	119⅜	......
Worcester and Nashua........	. . ..	53
MISCELLANEOUS STOCKS.		
Boston Land Co	6⅝	6¾
Boston Water Power...........	8⅝	8¾
Pullman Palace Car	113⅝	114
PHILADELPHIA.		
STATE AND CITY BONDS.		
Penn. 5s, new, reg, '92 1902. ...	115	......
do 6s, 10-15, reg, '77 1882.....	101½	......
do 6s, 15-25, reg, '82 1892.....	108	108½
Philadelphia 6s, old..	107	......
do 6s, new, over 1895..	122	123
Pittsburg 5s, reg, 1913...........	95	......
do 7s, water loan........	119	......
do 7s, street improv.....	105	......
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96.....	118½	119
Bel & Del R R, 1st m 6s, 1902....	112	115
do 2d do '85.....	107¼	108
do 3d do '87.....	111	....
Cam & Amboy R R 6s, 1883.....	105	106
do do do 6s, 1889.....	.... .	107½
do do do m 6s, 1889...	112	112½
Cam & A. T. 1st m 7s, gold, 1893.	.....	121
do do 2d do cur, 1879.	......	......
Cataw R R new 7s, 1900.........	114	.....
Connecting R R 6s. cp. 1900.....	108	110
Del & B B R 1st m. 7s, 1905......	114	116
El. & Wmsp't R R, 1 m, 7s, '80..	108	110
do do 5s c. perpe'l	80	87
H. & B. T. 2d m 7s, gld 1895.....	108	115
do 3d do cur. 1895...	58	62
Lehigh Valley, 1st m, 6s, c,'98..	115	118
do do r g '98....	115	118½
do 2d m, 7s, reg 1910.....	127½	128
do cons. m, 6s reg 1923.....	111½	112½
do do 6s, coup. 1923.....	112	112½
N Cent. 2d gd. m. 5s, cp'n 1926..	79¾	80
North Penn, 1st m 6s, c 1885...	108	......
do 2d m 7s, c. 1896...	......	116
do gen. m 7s, c. 1906...	116¼	118
do do reg., 1906..	115	117
Oil Creek 1st m 7s, coup '82.....	98¼	99
Pittsb'h Titus & Buff 7s, c, 1896.	78	80
P & N Y C. & H. R. 7s, r&c 1896.	......	120½
Penna. 1st mort 6s, c, 1880......	103	105
do gen do 6s, c, 1910.. ...	117	... ..
do do do 6s reg 1910....	117	118
do cons m, 6s reg. 1905....	112	115
Phila & Erie 1st mort 6s c 1881.	102½	103
do 2d mort 7s, c 1888.	112½	......
Phila & Reading 1st m 6s, 1880..	100	103¾
do 2d m 7s, c 1893..	113	115½
do cons m 7s c 1911..	107	108
do do m 7s r 1911..	106	107½
do do 6s, g r & c 1911..	100½	101
Pitts, Cinn. & St. L 7s c 1900....	116	116½
Tex & Pac 1st m, 6s, g 1905......	104	105
do cons m, 6s, g 1905......	90	94
Un & Titus 1st m, 7s, 1890.......	80	85
War. & F. 1st mort. 7s, c 1896..	103½	104
West Jersey 6s, d coup 1883....	98	103¾
West Jersey 1st mort 6s, c 1896.	114	120
do do 7s, r & c '99..	110	117

SECURITIES.	Bid.	Askd
West Penn 6s, coup, 1893.......	104½	105
do 6s. p b c, 1896.......	105	......
CANAL BONDS.		
Lehigh Nav. m 6s, r 1884........	106	107½
do M.R. R. r, 1897	110	......
do M conv g. r. 1894	105	107
do M. gold, r. c, 1897	102½	103
do cons m 7s r, 1911	102¼	102½
Schuyl. Nav. 1st m 6s, reg 1897..	94	96½
do 2d do r. 1907..	52	75
do m 6s, coup. 1895..	79	80
do 6s, bt&car r 1913..	60	75
do 7s, bt&car r 1915..	50	65
RAILROAD STOCK.		
Camden & Atlantic pref.... 50	26	39
Catawissa..................... 50	5	10
do pref..... 50	38	... ..
do new pref..... 50	.....	38½
Elmira & Williamsport... .. 50	33	......
do do pref.. 50	50	54
Lehigh Valley.............. 50	50	50⅞
Liltle Schuylkill........ 50	44	......
Minehill....	49	50
Nesquehoning Valley..........	54	56
Norristown....... 50	102	103
Northern Pacific.........	27¾	28
do pref.........	49¾	50
North Pennsylvania........ 50	......	48
Pennsylvania 50	53½	... ..
Philadelphia & Reading..... 50	8½	8⅝
Pitts. Titus. & Buffalo..........	14¼	14⅜
St. Paul & Duluth...	37	......
do pref........	57	60
United Cos. of N. J..........100	158½	x160
CANAL STOCKS.		
Lehigh Navigation.......... 50	27¾	28
Morris Canal grd 4 p c.......100	......	......
do preferred 10 p c.....100	... ..	......
Schuylkill Navigation..........	......	6
do do pref.....	11	13
BALTIMORE.		
Maryland 6s, defence, J. & J...	105	......
Virginia 10-40s, J. & J..........	43½	43⅝
do deferred, J. & J....	6½	7
do consol. do.......	61⅝	61¾
do do 2ds do.......	22¾	23½
do consol coup, p due......	......	......
do do June 1889......	......	......
N. Carolina 6s, Jan. & J., old...	27	30
Te nnessee 6s, do old..	35	37
do 6s, do new..	25	30
do , do n. s..	26	27
Balt. 6s, J., A., J., O., 1890... ..	114½	......
do 6s, J. & J., 1902..........	119	120
do 5s, M. & N., ex., 1916......	113½	114
Memphis City 6s, J. & J., n.....	......	......
Balt. & Ohio, May & N.......100	151½	153
do 1st preferred	116	......
do 2d do	106¾	......
Northern Central, M. & N....50	32¼	32½
Central Ohio, June & Dec....50	38	41
do preferred....50	50	......
City Passenger R'y, J. & J....25	*38	39

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
Balt. & Ohio 6s, 1880, J. & J.	102⅞	103
do 1885 A. & O.	109	110
Pitts. & C. 1st 7s, 1898, J. & J.	116	116½
N. Cent. 6s, 1885, J. & J.	109	112
do 6s, 1900, A. & O.	112	......
do 6s, gold, 1900, J. & J.	111½	......
Cen. O. 6s, 1st m., 1890, M. & S.	110	112
South Side, 1st 8s, J & J	165	......
do 2d 6s, do	98	100
do 3d 6s, do	92	......
Cin. & Baltimore 1st 7s	107½	......
W. M. 1st m 6s gu. 1890, J. & J.	112	......
do 1890, J. & J.	110	......
W. Maryland 2d m (pref)	100	......
W. M. 2d m. 6s gu. by W. Co.	109	......
M. & Cin. 1st m 7s F and A 1892	108½	109
do 2d m 7s M. and N.	71	72
M. & Cin. 3d m 8s 1900 J. and J.	35⅝	36
Rich. & Dan. 1st m. M. and N.	102	......
Union R. R., End. Cant. Co.	112	......
Canton Co., 1st 6, gold, J and J.	110	......
Orange, Alex. and Mn's 7s do.	79	80
Orange & A. 1st 6s, M. and N.	105	......
do 2d 6s, J. and J.	105	......
do 3d 8s, M. and N.	75	80
do 4th 8s, M. and S	38	39
Virginia & Tenn 6s 2d J. and J.	102	104
do 8s, J. and J.	116	120
W. & W. 7s gold 1900 J. and J.	113	......
W. and Columbia and Aug. 7s.	95	96
Ohio & Miss, 2d 7s, A & O.	110	112
Balt. Gas, J. and Dec. 100	190	......
do gold certif. 100	105	107
People's Gas, J. and J. 25	25⅜	25½
Consumer's Gas	6¾	6⅞
do gold 6s, J & J, 1892	107½	......
Georges Creek Coal, J & J	......	......
Chesapeake and O. Canal bonds	......	85
Balt. Warehouse Co, J & J.	19	......
Cincinnati 7-30s, J. and J.	......	......
Norfolk Water, 8s	......	......

LOUISVILLE.

CITY AND CANAL BONDS.

Securities.	Bid.	Askd
City improvement 6s	*104½	105½
do bounty 6s	*104½	105½
do school 6s	*104½	105½
do wharf (old) 6s	*104½	105½
do do (new) 6s	*10 ½	105½
do water works (old) 6s	*104½	105½
do do (new) 6s	*104½	105½
do L. and N. R. R. (M. S.) 6s	*104½	105½
do L. and N. R. R. (L. E.) 6s	*104½	105½
do E. and P. R. R. 7s (old)	*108	*109
do E. and P. R. R. 7s (new)	*111	112
do old liabilities due 1880	*101	......
do St. Louis A. L. R. R.	*106	*107
Canal bonds, 3d issue, 6s	*100	*107
do 4th issue, 6s	*106	*107
Louisville Bridge Co. 7s	*109	110

RAILROAD BONDS.

Securities.	Bid.	Askd
Greensbury Branch	*108	109
Louis. and Nash. Leb. Br.	*101	102
Louis. and Nash. Cons.	*115	......
L. and N. 2d mort	*104	*105
Louis., Cin. and Lex. 1 m 7s	*114	115
do do 2 m 7s	*105	106
Jefferson. M. and I. 1st m 7s	*111	115
do do 2d m 7s	104	105
Eliz. and Paduc. 1st m. 8s	......	......
E. and P. Louisville Br'ch 7s	......	......
Shelby, 1st mortgage 8s	101	*102
Owensboro and Russel, 1 m 8s.	......	......

MISCELLANEOUS BONDS.

Securities.	Bid	Askd
Kentuc. State bonds (old) 6s	......	......
do do (new) 6s	......	......
New Albany City	*107	......
Water Works bonds, 6s	*107	108
Louisville Transfer Co. 8s	*108	108

STOCKS.

Securities.	Bid	Askd
Louisville and Nashville R. R.	135	140
Gas Company stock	110	111
Louisville Bridge Co. stock	112	113

ST. LOUIS.

Corrected by H. H. Wernse, Bond and Stock Broker, 223 Pine Street, St. Louis.

BANK STOCK.

Securities. Par.	Bid	Askd
Bank of Commerce 100	330	......
B'k Bartholow, Lewis & Co. 100	105	......
Biddle Market Sav'gs Bank. 100	67	70
Boatmen's Sav'gs Bank 100	115	117
Bremen Sav'gs B'k..80½pd. 100	......	......
Citizens' Sav'gs Bank 100	52½	......
Commercial Bank 100	185	......
Fourth National Bank 100	235	......
Franklin Bank 100	90	95
German Sav'gs Institution. 50	47	50
German American Bank 100	85½	......
Mechanics' Bank 100	83½	85
Merchants National Bank 100	103	106
Mullanphy Sav'gs Bank 100	76	80
Continental Bank 100	70	75
Provident Sav'gs Bank 100	46	......
International Bank 100	93	95
Lafayette Bank 100	70	......
St. Louis National Bank 100	93	......
State Sav'gs Association 50	108	......
Tenth Ward Sav'gs Bank 100	112½	......
Third National Bank 100	100	102½
Union Sav'gs Bank 100	33	36
Valley National Bank 100	103½	105
Northwestern Sav'gs Bn'k. 100	......	......

SUNDRY STOCKS & BONDS.

ST. LOUIS CITY AND COUNTY BONDS.

Securities.	Bid	Askd
City 6s, Bridge Approach	109	111
do Sterling bds, due 1898	110¾	112½
do Water b'nds, due 1887	107	108
County 6s, gold	109	......
City 5s, due 1900	105	105½
do 10-20 years	104	105½

STOCKS.

Securities. Par.	Bid	Askd
American Cent. Ins. Co. 25	32½	33½
Marine Insurance Co. 100	108	110
B lcher's Sug. Refin'g Co. 100	70	75
Laclede Gas Light Co. 100	97	......
St. Louis Gas Light Co. 50	245	250
Iron Mountain Co. 1000	......	980
Pilot Knob Iron Co. 100	95	100

RHODES' JOURNAL

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THE CUSTOMS OF BANKERS.

THE GILBART LECTURES ON BANKING—(SESSION OF 1880).

Delivered at King's College, London, by Professor Leone Levi, F. S. A. Doctor of Political Economy.

Two streamlets are constantly enriching the soil of commercial law: the one is the customs of merchants and bankers; the other, the principles of ethics and commercial equity: the first founded on convenience and fitness, generalised by the instincts of imitation and the necessity of correspondence; the second founded on rules of morals inflexible and immutable, yet ever acquiring greater development and infusing in all commercial relations a higher and nobler spirit. There is, indeed, a third element in commercial law—the direct will of the Legislature as expressed in the statutes and ordinances of the realm, or the written law; but even that is, after all, the embodiment of right practice, the expression of universal consent. All principles of jurisprudence are evolved, with those of moral conduct, from a long series of obscure, extremely complicated, and minute transactions—the self-performed experiments of society. As art always precedes science, so customs precede law. Economic principles in action, causes arising from the necessity of the subject, these are the parents of British legislation; and the scientific study of British jurisprudence is the consideration of the origin and purpose of its particular laws.

Ethics and jurisprudence are, indeed, derived from the same source. That law originally emanated from the Divinity, is an opinion held by many philosophers of ancient times. "All laws come from God," said Plato; "no mortal man was the founder of laws." Heraclitus affirmed, "All human laws are nourished by one divine law." Dr. Main, in his "Ancient Laws," tells us that the Greek judges were supposed to receive from "Theme," a divine agent, "themistes," or "awards divinely dictated." Chrysippus said, "We cannot find any other principle or origin of justice, but by going back to Jupiter and to universal law; it is by that we must commence when we wish to speak of good and evil." Cicero maintained, "that law is nothing else but right reason derived from the Divinity; and government an emanation of the Divine mind." And what is the source of all ethics but the will of God? It has been said that the obligation of every law depends upon its ultimate utility. The utility of an act may be the criterion for judging of its rectitude; but the authority of the act is from the Divinity. Mr. Herbert Spencer, in his work, "The Data of Ethics," discards any sacred origin for morals, and wishes us to concentrate all our thoughts on the evolution of moral conduct. I fear, however, that this philosophic argument, whether or not capable of proof, will assist us very little indeed in dealing with social and political problems, whilst it takes away the highest of all sanctions and the purest of all standards for moral actions. Moral, like physical laws, are immutable, because they both spring from the same eternal source—because they depend on no caprice of man, and are not affected by *their* passions, *their* wants, or *their* weaknesses. Nor are they confined to locality, or restricted by local customs; their jurisdiction is co-extensive with the jurisdiction of Him by whose fiat the world exists, and by whose constant superintendence the elements follow their course and all human vicissitudes are wisely and beneficially governed.

The demands of ethics are searching and peremptory, but they are too often unheeded and transgressed. Their teaching is not sufficient to secure a right compliance with moral duties. But jurisprudence comes to the aid of ethics, and, by its agency, what might remain a bare conception of right becomes invested with all the solemnity of law. "Our morality" said Dr. Whewell, "would become a mere formula of unmeaning words, if, having asserted our duty of honesty, purity, and humanity, we allow each person to decide for himself what is purity, what is veracity, and what is humanity, without recognition of the common rules by which purity, marriage, and personal security are regulated." There is this difference between ethics and jurisprudence, that while the one addresses the more elevated feeling and nobler sentiments of our nature, appeals to a standard of moral rectitude, contemplates the high destinies of man here and hereafter, and convinces the understanding by lessons of wisdom derived from experience, law confines its views to the arrangement of matters in this terrestrial globe, and employs as its means of control and direction the motives and considerations which arise out of or are affected by the exercise of that physical force which the Author of nature has placed at the disposal of man when united in society. And so, mixed up with a load of forensic pleadings and the dross of circumstantial evidence, many a golden principle of equity and justice is to be found well enunciated and firmly established in our system of jurisprudence.

Year by year some advance is being made in bringing our laws more and more into harmony with the principles of morals. The law making it a misdemeanor in a manufacturer to use the mark of another was a concession to the dictates of ethics. The Fraudulent Trustees Acts—making it a misdemeanor in any person acting as trustee of any property, or for any public or charitable purpose, to appropriate the same for his own use, with provisions applicable to bankers, merchants, brokers, attorneys, and agents—was another Act upholding morals and duty. So were the late statutes extending the law of false pretences. So was the Act to facilitate the remedies on bills of exchange by preventing frivolous defences. And so is every advance in the fusion of law and equity. "The duties of men," said Sir James Mackintosh, "of subjects, of princes, of lawgivers, of magistrates, and of states are all parts of one consistent system of universal morality. Between the most abstract and elementary maxims of moral philosophy and the most complicated controversies of civil or public laws there subsists a connection. The principle of justice, deeply rooted in the nature and interest of men, pervades the whole system, and is discoverable in every part of it, even to the minutest ramification, be it in a legal formality, or in the construction of an article in a treaty."

Whilst ethics temper, control, and elevate the principles of jurisprudence, customs and usages enrich and enlarge them. What is the common law of England but a collection of national customs, partly general, partly local, partly of trade and partly of banking? The English common law is said to be a pre-eminently national system. Based on Saxon customs, moulded by Norman lawyers, and jealous of foreign systems, the common law is, as Bacon said, as mixed as our language, and as truly national. Usage is the necessary complement of every legislation. The special legislation of each people bears the imprint of the different conditions through which it has passed. After the Romans conquered the Gauls, the Celtic usages still remained. When the Germans invaded the Gallic soil on the left of the Rhine, they had to respect their laws. When England invaded India she respected her ancient laws. In olden times the Roman law was almost deified for its justice, for its precision, for its depth. Nevertheless England saw in her national customs an original type, a special character, more sympathetic with national habits, more akin to national ideas, than any Roman law. Expressed in national language, the common law sounded better than any Latin digest, pressed by ecclesiastical influence, the Roman law became distasteful to a protestant nation, and so the common law triumphed. But it is not only England that favored her own national customs; France did the same. *Le* *droit coutumier* was, before the formation of the French Code, a well understood and acknowledged system. *Le grand coutumier de Paris* is of a like character as the customs of London.

Written or unwritten these usages obtain, and find ready acceptance in the State, in the city, in the trade, in the occupation, wherever they exist. But how shall we ascertain the existence of such customs when they are not written? Take the case of a custom of trade. The opinion of merchants is not the custom of merchants, though the evidence of the general opinion of merchants is allowed to be given to prove the customs of merchants. A usage of trade is a general and prevailing course of business. In a recent case, Lord Justice Tindal asked a witness, "Is there any general course of business? Let your mind revolve over instances. I am not asking you whether it is just or proper, but whether there is any prevailing course of business. Either you know such a course of business, or you do not; if you do not, say so." A custom is binding and obligatory upon all persons engaged in a certain trade, when long and universally acted upon by all persons in such trade, who may therefore reasonably be presumed to have made their contract upon the faith of it. The customs of bankers, are the general customs, not of this or that bank, but of bankers as such. They may be of London banks, or Scotch or Irish bankers, but not of any one banker in particular. So colonial bankers and foreign bankers may have their special customs, but they must be general, well known, and well adhered to, before they are judicially acknowledged as binding upon all parties connected with the same.

The principles which regulate the authority of banking customs may be gathered from the practice of the courts respecting any other branch of commerce. The Stock Exchange, for example, has its own customs, affecting jobbers and brokers, members of the same. In a recent case, the point was whether a jobber was bound to indemnify the vendor against calls; and Chief Justice Cockburn, after stating what the usage was, said, "It is admitted that, at least to some extent, the usage must be taken as having been imported into and governing the contract. Here we have an admitted departure from the ordinary incidents of a contract of sale, such as would have attached on a contract for the sale of shares if effected *outside* the walls of the Stock Exchange. The action is therefore based on the contract of sale, as qualified by the usage of the Stock Exchange, and we can therefore deal with it according to the usage, as it is to be collected from the case before us, and as it is applicable to, and incorporated with, the contract." So, in shipping and insurance, a plea of a custom that underwriters are not liable, under the ordinary form of policy, to the general average upon account of the jettison of any timber stowed upon deck, was held to be a valid plea, as it was shown that the policy was made with reference to the custom. It was a custom in Liverpool, where the policy was made. The whole matter depended upon usage and custom, and that was a reason why the custom should be admitted.

Lloyd's has its own customs, which are binding upon its members; but, beyond the circle of those which are ordinarily dealing at Lloyd's, such customs have no force whatever. The usage of a particular place, or of a particular class, cannot be binding on other persons, unless those other persons are acquainted with that usage and have adopted it. There is a custom at Lloyd's to substitute credit for payment between the broker and underwriter. A Plymouth merchant made an insurance in London through a broker, and intrusted the policy in his hand for safe keeping. Losses having occurred, and an adjustment made, the underwriter set off the amount payable by him upon the policy against the balance due to him by the broker for premium and other policies effected by him. The Plymouth merchant, however, was not paid by the broker, and he sued the underwriter, knowing nothing about the custom of Lloyd's. The underwriter pleaded the custom, but he did not succeed; for such a custom, unreasonable in itself, could not be binding on the Plymouth merchant who was ignorant of it.

Whenever the custom can be well proved to exist, parol evidence of the same is always admissible, to enable the court to arrive at the real meaning of the parties, who are naturally presumed to have contracted in conformity with the known and established usage. But parol evidence of a custom and usage is not admitted to contradict or vary express stipulations. Omissions may be supplied by the introduction of the custom; but the custom cannot prevail over and nullify the express provisions and stipulations of a contract. The known and received usage of a particular trade or profession, and the established course of every mercantile or professional dealing, are considered to be tacitly annexed to the terms of every mercantile contract, if there be no words therein expressly controlling or excluding the ordinary operation of the usage. "In all contracts," said Baron Parke, "as to the subject-matter of which known usages prevail, parties are found to proceed with the tacit assumption of these usages; they commonly reduce into writing the special particulars of their agreement, but omit to specify these known usages, which are included, however, as of course by mutual understanding. Evidence, therefore, of such incidents is receivable." It should also be understood that a custom can never by its own force prevail against the formal provision of law, and that it cannot permit that which the law prohibits. It is only when the law is silent, or when it is inapplicable, that a judge has the discretionary power to ascertain whether the usage of trade offers an element for decision, and, where any special agreement seems opposed to natural law, that the judge is at liberty to consider whether, by reference to custom, something may be found which may explain the difficulty, or render the agreement capable of being executed.

It is with customs relating to bills of exchange, promissory notes, and checks that bankers come more directly in contact. The form and mode of presenting, noting, and protesting of foreign bills on non-acceptance are almost exclusively regulated by the customs of merchants. The meaning of the words, "at usance," in bills depends upon the custom as between London and each country. Days of grace are purely matter of custom. What is known as blank endorsement is a simple matter of custom. The issue of first, second, and third of exchange, as well as of copies of bills, are also a custom, and so are all the transactions of current accounts between banker and customer. For instance, a bank was charged by a customer with having shown the state of his account to another customer without authority, whereby he suffered in his credit. Evidence was produced that it was not the general and usual practice of bankers to give information about the state of a customer's account with them to any person unauthorised by the customer to receive such information, and the jury found that it is the duty of a banker in no way to disclose the state of his customer's account; and so they gave damages to the plaintiff.

The most conspicuous illustration, however, of the force of banking customs may be found in the present law relating to crossed checks. The crossing of checks originated at the clearing-house, where the clerks of the different bankers who did business there were accustomed to write upon the checks the names of their employers, so as to enable the clearing-house clerks to make up the accounts. The crossing of them had nothing whatever to do with the restriction of negotiability, for, at the time when this was done, the checks were in the course of payment, or presentation for payment, and all their negotiability was at an end. Afterwards it became a common practice to cross checks which were not intended to go through the clearing-house at all, with the name of a banker, and with the words "& Co." And so a custom was introduced that where a check was crossed, bank ers refused to pay it to any one except a banker. The object of this was to secure a payment, not to any particular banker, but to a banker, in order that it might be easily traced for whose use the money was received. It was not intended thereby to restrict the circulation or negotiability of checks, but merely to compel the holder to present it through a quarter of known responsibility and credit. In 1872, however, a case occured where the holder, not content with the words "& Co.," crossed a check with the words, "Bank of England for account of the Accountant General." And the question was, did or did not the first crossing, "To the Bank of England for account of Accountant General," impose a duty on the bankers on whom it was drawn not to pay the check, except to the Bank of England. Could such a restriction be imposed at all? Upon these and other points, in that original and subsequent cases, considerable diversity of opinion prevailed as to the extent of the usage, and the real meaning and effect of the enigmatic words or lines written across the checks of bankers; and consequently legislation became necessary to settle the matter. Statutes, let me observe, are often simply declaratory of the general law or custom on any point, and the Acts on crossed checks, the last of which was passed so late as 1876, simply expresses the well-known customs of bankers respecting the same.

The effect of passing a check through the clearing-house was brought out in an important case. The branch bank of the Bank of England, at Newcastle, discounted a bill of exchange drawn by Pollard & Co., who were customers of the branch bank, upon Messrs. John Hopper & Sons, and accepted by them payable at the bank of Messrs. Lambton & Co., also bankers at Newcastle. According to the practice prevailing among bankers at Newcastle, the branch bank, on the morning when the bill became due, took it to Lambton & Co., who marked it for payment, and gave a credit note, indicating that it with other moneys, was in order for payment, and would be paid. About two P. M. on the same day a clerk of the branch bank, in accordance with the practice, took all the checks which had been received, drawn on Lambton & Co., together with the credit note, to the bank of Lambton & Co. The credit note was admitted into the total amount, and a check upon the branch bank was, in accordance with the practice handed by Lambton & Co. to the clerk for the amount of the balance due to the Bank of England. At 3 P. M. the banks of Newcastle close to the public, but it is the practice of the bankers who keep accounts with the branch bank to attend such bank, before it finally closes for the day at four P. M., for the purpose of having the day's accounts investigated, and of rectifying any mistakes or errors which may have arisen in the course of the day, and finding and striking the final balances between them. When the bank of Lambton & Co. closed at three o'clock, it was ascertained that Hopper & Sons had stopped payment, and that their balance was not sufficient to meet the bill. Notice was at once, and before four P. M., given to the branch bank that the bill had been paid in error, and they were requested to take it back. Before such notice was received the account of Lambton & Co. had been debited with the amount in the account of the branch bank, and the branch bank refused to take the check back, and so they sued the Bank of England, but they did not succeed. It was not shown that the giving up of the check was provisional only, and subject to rectification in going over the accounts later in the day. Such giving up of the check by Lambton & Co. amounted to payment of the bill to the Bank of England, and Pollard & Co. were enabled to have credit with them for the amount of the bill.

Passing a bill through the clearing-house has become such a general custom that bankers are required to conform themselves to it. In a recent case, a check drawn upon bankers at Worthing had not been passed through the country clearing-house. The plaintiff showed that for eighteen months the course had been to send country checks to London, though before the commencement of the eighteenth month the custom had been to send checks by the post on the day on which they were received to the country bank on which they were drawn, instead of sending them through the country clearing-house. The judge asked the jury whether the custom had been as above described, and, that having been established, the court decided that it was incumbent on the party to send the checks through the clearing-house.

The right of bankers to a lien on securities placed in their hands is a custom. If a customer deposits with his banker a security, and nothing more appears, then the banker has by custom a lien on such security for whatever balance may be due from the customer. But there is some ambiguity in the term "securities." Anything may of course be deposited, and deeds or plate, after they have been deposited, may be said to be a security; but what is intended as such securities are promissory notes, bills of exchange, coupons, bonds of foreign governments; and the courts have held, that if such securities are deposited by a customer with his banker, *and there is nothing to show the intention of such deposit*, one way or the other, the bank has by custom a lien thereon for the balance due to him. If, however, any of these securities are deposited for a special purpose, then the presumption of lien is at an end. Thus, it is the custom of bankers to receive exchequer bills from their customers, and in the course of their business to receive the interest on these bills, and to get these bills exchanged at the proper time for others. The contract with the bankers is that they will receive the bills and take care of them. But though bankers have a lien on all securities passed to them in the ordinary account, their lien does not extend to such exchequer bills deposited with them for a special purpose. In the same manner, plate and other valuables or securities, intrusted to a banker simply for safe keeping, cannot be understood as passing to the bankers. Bankers have a general lien on all securities deposited with them as bankers by a customer, unless there be an express contract, inconsistent with lien, or unless there be evidence to show that any particular security was received under special circumstances which would take it out of the common rule.

It is the custom of bankers to close their business at a specific hour; and if such a custom has been adhered to for a considerable time, it creates duties, and the courts of law will take judicial notice of the same. In a recent case, upon the latter custom, the court said—If a bill be accepted, payable at a banker's, the party taking it under such special circumstance, which he is not bound to do, thereby impliedly agrees to present it for payment within the usual banking hours, at the place where it is made payable, according to the known method of conducting business; otherwise the greatest inconvenience will arise.

It is necessary to remember that a custom of bankers is a different thing altogether from any particular business adopted by bankers. A custom is a particular fashion of doing any business, not the business itself. English bankers generally limit themselves to taking money on deposit, some under the custom of paying interest, some under the custom of paying no interest whatever; they discount bills, and lend money on sufficient securities. Scotch bankers lend money also on what is called the cash credit system. But foreign bankers go far beyond; they lend money on mortgages and on consignments, and often they act as commission agents also. I shall not enter now upon the risks incident to such extra and exceptional business, which is certainly far from safe, but simply observe that these are not in any wise customs of bankers, and that if a banker will enter into transactions of any kind purely of a mercantile character, he must himself act according to the custom of traders. It is well, moreover, to distinguish good customs from bad ones. Adam Smith, in his work on the "Wealth of Nations," refers to the bad practice, in his time, of allowing A in Edinburgh to enable B in London to pay the first bill of exchange by drawing, a few days before it became due, a second bill at three months' date upon the same B in London. This bill being payable to his own order, A sold in Edinburgh, and with its proceeds purchased bills upon London, payable at sight, to the order of B, to whom he sent them by post. At other times A would enable B to discharge his first bill of exchange by drawing, a few days before it became due, a second bill, at two months' date, not upon B, but upon some third person, C for example, in London. The other bill was made payable to the order of B, who, upon its being accepted by C, discounted it with some banker in London, and A enabled C to discharge it by drawing a few days before it became due, a third bill, likewise at two months' date, sometimes upon his first correspondent B, and sometimes upon some fourth or fifth person, D or E, for example. Here is a maze very difficult to unravel, all concocted in order to cover unreal transactions. And what are all the accomodation bills in circulation but a deception upon the public—a make-believe of real transactions?

Some of our bankers are in the habit of making advances to their customers, guaranteed by the deposit of bills of lading and policies of insurance, the safety of the transaction depending on the margin between the amount advanced and the probable value of the produce on its arrival. The whole system of financing companies by which bankers were made to negotiate paper issued on the security of property and public works which did not exist, and might never exist, was dangerous in the extreme. Advances upon life policies are very unsafe, since their value depends on the continuous payment of the annual premiums, and on the conduct of the assured in any matter affecting his own health. And it is a bad practice for a banker when he begins to nurse an account. Mr. Gilbart depicted, with almost prophetic accuracy, the consequences of such a system as illustrated by the bankruptcy of the City of Glasgow Bank. To pursue any business or practice of this nature is the very ruin of a bank. These cannot certainly be called the customs of bankers, for there would be no consensus on the part of bankers, or any one of them.

A banker should take great care, in his dealings with his customers, not to establish a practice involving the giving of indiscriminate credit. When a banker is in the habit of taking up bills for a customer on the security of the produce of consignments, and by a course of dealing with him permits him to draw on his account current without reference to the advances on the consignments, he cannot, by charging that account with the advances, in the absence of express notice, treat it as overdrawn, and dishonor his checks before the consignments are realized. True, if one person has been accustomed to draw bills upon another without value, or the prospect of value, which the drawee has been in the habit of accepting, there is no tenancy of a man's credit which requires a certain notice to put an end to it. The drawee might, at any time whatever, refuse to accept any more bills without giving any notice, except by refusing to accept the particular bill. But it is widely different when a course of dealing prevails which would justify the customer drawing, although he may not have an actual cash balance to the amount of the bill. The circumstance of the prior dealings then amounts to an evidence of an agreement between the parties, and of a course of business which could not be put an end to without distinct notice.

The customs of bankers are, as I said the fashion, the manner, of doing the proper, cautious, prudent, and limited business of sound banking, but, withal, they reflect greatly the character of bankers. Burke said, that, "manners are of more importance than laws. Upon them, in a great measure, laws depend. The law touches us but here and there, now and then: manners are what vex or soothe, corrupt or purify, exalt or debase, barbarize or refine us, by a constant, steady, uniform, insensible operation like that of the air we breathe." They give their whole form and color to our lives. According to their quality they aid morals; they supply them, or they totally destroy them. Here indeed is the connection of ethics and jurisprudence, on which I dilated at the commencement of my lecture. A custom, it is said, is an usage which has obtained the force of law. The more, therefore, the usages of bankers are in accord with public and private morals, the more they tend to harmonize ethics and jurisprudence. Mr. Gilbart tells us that "bankers perform the functions of public conservators of commercial virtues. From motives of private interest they encourage the industrious, the prudent, the punctual, and the honest, while they discountenance the spendthrift, the gambler, the liar, and the knave. They hold out inducements to uprightness which are not disregarded by even the most abandoned. There is many a man who wovld be deterred from dishonesty from the frown of a banker, though he might care but little for the admonitions of a bishop." What we must desire is that the customs of bankers be above the common customs of society; and that as they enjoy a pre-eminent position, a position of dignity and honor among the mercantile customs, so they may, by their method of business, by their urbanity of manners, by the purity and soundness of their customs, commend themselves as the arbiters of the morals of trade.

The Rate of Discount of the Bank of England.

The rate of discount, and especially that of the Bank of England, has been hitherto regarded as of paramount import, not only to the banking, but also to the commercial community. Owing to the vast increase of banking business, not only in England, but all over the world, the preponderating influence of the "old lady of Threadneedle Street," has been to a certain extent curtailed. Yet, enough of it remains to be felt throughout every country.

The divergence between the rates in the different countries is, of course, dependent on the relative supply and demand of capital. That the low rate of discount in England points to a plethora of capital seeking investment can be no longer denied. It is true that the commerce and enterprise of the English are world-wide, but the accumulated capital of centuries is still more stupendous, and should the commercial sitnation not improve, and the land interests suffer further depreciation, there is hardly a doubt but that a further reduction will be inevitable.

The position of the Bank of England is peculiar. It has a capital of nearly $88,000,000. The deposits are about double that amount, a fact altogether at variance with the position of all other banks, where the capital is but a fraction of the money deposited.

In Scotland the proportion is about one sixth, and in England an eighth, or even smaller. The reserve is about £11,000,000, and has varied from 63 per cent. in 1852, to 30 per cent. in 1866; it has never been less than 41 per cent. since 1853 until 1878, when the proportion was only 37 per cent. The balances of the London bankers with the Bank of England become greatly increased in times of commercial uneasiness. Thus, during the failures of Collie and others in 1875, the balances increased from seven to nearly thirteen million pounds. With regard to treating the question of discounting by the strict rules of supply and demand, and reconciling this with the old practice of protecting the reserve, irrespective of the rate of interest ruling in the market, a great difference of opinion exists; the latter may be low, and yet a demand for bullion for export may cause the rate to be raised.

We find that the rate of discount of the Bank, down to 1839, never exceeded five nor fell below four per cent. During the pressure of 1839 the rate was raised for some months to six per cent., but it was reduced to five per cent. soon after, and remained at four or five till the passage of the Bank Act. But it must not be inferred that the rate in the open market was so high, it was only in fact, from 1 3-4 to 2 per cent., and after the passage of the Bank Act, the Bank reduced the rate. The published rates of the discount of the Bank of England has been a cause of loss to the Bank from the fact that people requiring bills discounted, can at once see whether they can have their business transacted elsewhere at a cheaper rate. But the great competition in the discount market, owing to the formation of large joint-stock banking companies, and the innovation of telegraph transfers, which have also united to limit the number of bills, make this department of the banking business less profitable than formerly. To a certain extent, therefore, the Bank rate is no longer accepted as an index to the real value of money. The money market is in fact becoming more independent, imitating in this every other branch of business. The rate of the Bank was rarely changed in former times, in 1873 there were no fewer than twenty-four changes. And, in this connection it must be admitted that the *role* of the bank is infinitely more difficult now than it was some fifty years ago. The commerce of the world has increased immensely, and the relative position of even such a vast instititution as the Bank of England has materially changed. Yet the Bank fulfills an important part by giving, if not a standard, at least a key-note to the discount rate, and there is no liklihood of any better substitute being found.

Referring to bank taxation, the Internal Revenue Bureau furnishes the following comparative statement of the tax assessments on capital and deposits: November, 1879, $1,525,070.11; May, 1880, $1,645,440.80. Increase in May, $120,370.69, notwithstanding that the exemption allowed to savings institutions under the act of March 1, 1879 is much larger in May than in November.

Taxable capital and deposits in November, 1879, $3,660,168,264; in May, 1880, $3,949,057,920; increase in May, $288,889,656

GERMAN LOAN BANKS.

Real estate will soon become the paramount interest in this country, and loan banks exclusively devoted to city and country business, will become a new feature in our banking. This branch has grown to enormous proportions in most of the European countries owing to the peculiar conditions of real estate. Family arrangements, and the long continued system of mortgaging estates, have contributed on the one hand to this development, while on the other the extensive speculation in building in Berlin, Vienna, and other large Continental cities, has called forth a number of loan banks. Builders lost extensively by the panic of 1873, and the consequent depreciation. In 1879 there were 688 forced sales of house property in Berlin, as against 243 in 1876, and 71 in 1875. This increase in the number of sales is explained by the circumstance that the final catastrophe had been only adjourned, and that the increased demand for money consequent on improved trade, made it more difficult for the house-owners to keep up the mortgages. The banks in most of the sales became the purchasers, and the total number of real estate lots belonging to them was estimated at 447 at the close of 1879.

The progress in the value of the real estate held by the various German Banks, &c., is shown as follows:

	1879. Marks.	1878. Marks.	1877. Marks.	1876. Marks.
Prussian Loan Bank..................	24,000,000	10,200,000	3,600,000	2,100,000
North German Bank.................	10,900,000	8,900,000	6,300,000	2,200,000
Communal Bank of Alsace-Lorraine	......	900,000	900,000	900,000
Saxon Bank..........................	100,000	100,000	100,000	100,000
South German Banks..................	5,900,000	3,800,000	2,[illegible]00,000	2,200,000
Insurance Companies................	8,900,000	5,100,000	3,600,000	3,400,000
Totals	49,800,000	29,000,000	16,700,000	10,900,000

The value of the bank property, so-called, was 5,100,000 marks, which sum must be deducted from the above totals. Strange to say, no information is afforded as to the amount of real estate re-sold by the banks.

The Prussian Credit Foncier will soon have some 28,000,000 of marks of real estate, and finds it seriously embarrassing, so much so that a new bank—Real Estate Bank—is in process of formation for the purpose of acquiring the property. One of the most important suggestions was recently made by one of the banks, viz., that only a secondary importance should be accorded to the estimated value of real estate. This, however, may be regarded as a pessimist view. So much are mortgages on real estate held in favor in Germany, that there are in many cities special Bourses for the transaction of business in them.

Private capitalists compete with bankers in the acquisition of mortgages, and the latter have been forced in self-defense to consent to a conversion of debts at lower rates of interest. Thus the rate has successively been reduced from five to four and a half, and even four per cent.

It is very remarkable that though the operations of the loan banks have steadily increased, the profits have as steadily diminished. The following table will show this.

	Total amount of mortgages.	Amount of mortgage bonds.	Net profit per cent. on capital.	Amount of dividend. distrib'd
1879	1,357,100,000	1,2[illegible]8,900,000	7.7	5.6 %
1878	1,343,700,000	1,208,300,000	9.1	6.9 %
1877	1,280,800,000	1,138,500,000	10.1	7.8 %
1876	1,211,700,000	1,026,000,000	10.5	8.6 %
1875	908,200,000	754,600,000	10.8	6.9 %

One explanation and a very sensible one, of this decline in profits, is that by forcing the sale of property the banks lose the interest on their loans, the very profits themselves.

There is at present a strong feeling in Germany against the Real Estate Loan Banks doing any other business than that which properly belongs to them, and the Prussian Government which had already brought forward two laws for the regulation of mortgages, has now a third ready for the consideration of the Legislature.

A happy change is already noticed in the temper of savings bank depositors in this State. The misgivings and unrest which appeared to be the natural outgrowth of Acting Supt. Lamb's management of the Bank Department, has given place to the quiet confidence which is so necessary to the stability and growth of the savings bank system. In a recent issue of the JOURNAL we referred to the effort which was made last Winter to impose an onerous tax on thrift, by placing the hard earnings of savings bank depositors under tribute; and it will be remembered too, that Mr. Lamb favored the passage of such a bill. While the bill was pending in the Legislature, the question was raised whether they might not be assessed to depositors at the full rate as personal property under existing laws. Bank Superintendent Hepburn has set this at rest in reply to an inquiry from Senator Wendover, in which he cites a decision of Judge Barnard, of the Supreme Court, to the effect that "the deposits in savings banks are not taxable," and an opinion of Attorney-General Schoonmaker in 1878 that the law of 1857 "exempts such depositor absolutely from taxation, and a depositor cannot, therefore, be assessed for such money."

Mr. Hepburn starts out well, as a judicious and capable officer charged with the conduct of a delicate and responsible position. He is doing his whole duty in a gentlemanly, unostentatious, and business-like manner, in marked contrast to his predecessor's way of conducting the office.

RAILROADS OF THE UNITED STATES.

STATISTICS OF A YEAR'S OPERATIONS.

The railways of the United States present a gratifying exhibit of last year's business, the natural result of increasing prosperity and trade. It is especially pleasing to see that our great railways are making steady progress in reducing freight charges, and it may reasonably be expected that greater reductions will be made this year. It must be remembered that even at the seemingly low rate per ton per mile, (1.02 cents), it costs thirty-five cents a bushel to carry our wheat from the field to the seaboard, and then add to this fifteen cents a bushel for carrying it across the Atlantic, and we pay fifty cents in freight charges from the wheat fields of the West to Liverpool, to place our product side by side with the European farmer.

Advance sheets of the thirteenth annual number of "Poor's Manual of Railroads of the United States," show that the earnings of the railroads of this country during 1879 were larger than ever before, while the increase in the number of miles of road built was greater than for any year since 1873. The report contains the operations on 84,232 miles out of a total of 86,497 miles. In 1878 the number of miles in operation was 81,776, the increase of mileage for 1879 being, therefore, 4,721. The gross earnings of all the roads whose operations have been reported, equaled $529,012,999, against $490,103,351 for 1878, $472,909,272 for 1877, $497,257,959 for 1876, and $503,065,505 for 1875. A marked feature in connection with the increase of earnings is the steady reduction in freight charges which has been going on for several years on all the leading railroads. To continue these reductions an extraordinary increase of tonnage is necessary. The year of greatest prosperity to railroads, prior to 1879, was 1873. In that year the thirteen leading railroads carried 45,557,002 tons of freight, receiving therefore $112,004,648, being an average rate per ton per mile of 1.77 cents. Last year 67,092,549 tons were moved, the receipts being 116,311,452, or an average of 1.02 cents per ton per mile. The increase of 1879 over 1873, these figures show, was 47.27 per cent. in the number of tons of freight transported, while the increase in earnings from that source was only 3.84 per cent. The increase in the miles of road operated during that period was 20.83 per cent. The percentage of decrease in freight rates has been 42.31 per cent., which is almost equal to the increase in the number of tons of freight carried. The rate per mile at which the railroads now carry freight would have been considered impossible five years ago. The reduction in freight rates for 1879 was greater than in any previous single year, except among a few of the trunk lines during the memorable "war of rates" in 1875-6. In 1878 the average rate per ton per mile was 1.15 cents, as against 1.02 cents last year, showing a reduction of .13 cents for the year. Had the rates of 1873 been maintained in 1879, the freight earnings for the latter year of the various roads in the United States would have reached the large sum of $922,475,352.

As compared with the preceding year both the funded and floating debts of the various roads were largely reduced during 1879. The decrease in funded debts amounted to $15,251,851, while the floating debts were lessened by $25,367,504, and the capital stocks were increased in an amount aggregating $187,708,068. Notwithstanding the debt reductions, the amount of interest paid shows an increase of $9,077,006 over 1878. The average rate of interest paid on the funded debt was 4.91 per cent., an increase of 0.27 per cent., as compared with 1878. The rate of dividend paid averaged 2.49 per cent., a gain of 0.15 per cent. over 1878, when the rate was 2.34 per cent. The increase in amount paid as dividends was $8,052,102. Thus, while the gross earnings, as compared with 1878, increased $38,909,648, and the net earnings increased $32,341,557, the amount paid for interest and dividends only increased $17,129,106. The remainder has gone into permanent improvements, reserve funds, and other forms of security.

The following table gives the general result of railroad operations for the last nine years.

Year.	Miles Operated.	Capital and Funded Debt.	Gross Earnings.
1879	84,233	$4,762,506,010	$529,012,999
1878	78,960	4,598,948,793	490,103,351
1877	74,112	4,568,597,248	472,909,272
1876	73,508	4,468,591,935	497,257,959
1875	71,759	4,415,631,630	50 ,065,505
1874	69,273	4,221,763,594	520 466,016
1873	66,237	3,784,543,034	526,419,935
1872	57,323	3,159,423,057	465,241,055
1871	44,614	2,664,627,645	403,329,208

Year.	Net Earnings.	Dividends Paid.
1879	$219,916,724	$61,681,470
1878	187,575,167	53,629,368
1877	170,976,697	58,556,312
1876	186,452,752	68,039,668
1875	185,506,438	74,294,208
1874	189,570,958	67,042,942
1873	183,810,562	67,120,709
1872	165,754,373	64,418,157
1871	141,746,404	56,456,681

Classifying the States by their geographical position, the gross earnings for the New England States were $41,329,825, against $41,260,203 for 1878, and $44,590,465 for 1877. Of these earnings $23,807,143 were received for transportation of freight, mails, &c., and $17,522,682 for the transportation of passengers. The net earnings were $15,586,091 against $13,685,927 for 1878, and $13,735,746 for 1877. The dividends paid amounted to $7,236,205, against $7,566,655 for 1878, and $6,977,726 for 1 7.

The gross earnings of the railroads in the Middle States were

$170,310,846, against $155,458,968 for 1878, and $155,943,121 for 1877. Of gross earnings, $127,115,208 were received for transportation of freight, mails, &c., and $43,195,638 for transportation of passengers. The net earnings were $70,416,970, against $61,559,993 for 1878, and $61,033,089 for 1877. The dividends paid amounted to $24,335,164 against $21,148,442 for 1878, and $24,890,480 for 1877.

The gross earnings of the railroads in the Southern States were $43,917,284, against $42,797,284 for 1878, and $39,812,358 for 1877. The net earnings were $14,673,357, against $14,379,958 for 1878, and $12,664,346 for 1877. The dividends paid amounted to $2,131,770, against $2,805,799 for 1878, and $2,740,793 for 1877. The earnings from freight, mails &c., were $32,595,806, and from passengers $11,321,478.

The gross earnings of the railroads of the Western States were $232,379,646, against $209,852,275 for 1878, and $193,204,516 for 1877. The net earnings were $98,961,906, against $77,958,229 for 1878, and $66,085,243 for 1877. The dividends paid amounted to $23,561,262, against $19,341,222 for 1878, and $14,556,462 for 1877. The earnings from freight, mails, &c., were $77,930,875, and from passengers $54,458,771.

The gross earnings of the railroads in the Pacific States were $10,721,157, against $10,082,491 for 1878, and $7,766,922 for 1877. The net earnings were $6,606,390, against $3,501,625 for 1878, and $2,655,137 for 1877. Included in the net earnings is the rental paid by the Central Pacific Railroad Company for the use of the Southern Pacific Railroad. The dividends paid were $584,104, against $930,000 for 1878, and $240,099 for 1877.

On the Pacific Railroads the earnings aggregated $30,354,241, against $30,652,130 for 1878, and $32,170,082 for 1877; of this sum $8,127,165 was derived from passengers, and $22,227,076 from transportation of freight, mails, &c. The net earnings were $13,672,010, against $16,489,425 for 1878, and $15,053,582 for 1877, and the dividends $3,832,965, against $1,837,250 for 1878, and $7,281,640 for 1877.

There are signs of a real improvement in important branches of domestic trade. Iron commands better prices; woolen goods have been moved largely with a slight concession to buyers; the preparations for the fall trade by wholesale houses indicate the receipt or expectation of large orders; and the coal companies, though unable to sell as large quantities as they wish to sell, feel encouraged to make their plans with a view to large sales this fall. Money is easy; the banks are in a healthy condition; the Government is not borrowing money largely, as it was last summer; and the majority of business men seem to be settling down to the conviction that the presidential election will not cause any serious impediment to our business prosperity.

C

British Savings Banks.

THE MEASURE BEFORE PARLIAMENT.

The Savings Bank bill which is to be laid before the English Parliament this session is a measure fraught with danger to the business of the provincial banks. The bank officers do not themselves seem to be aware of the full scope and after effects of the bill, but it is seldom that the evils of legislation are perceived until they make themselves known practically. Figures in banking mean everything, for they represent the facts and business connected with the house. The bill proposed would virtually make every Savings Bank a competitor in what has been hitherto regarded as the legitimate sphere of the bank proper. The objectionable features of the bill are contained in clause 3, which proposes to raise the limit of deposits in one year from £30 to £100; to raise the maximum deposit from £150 to £250, and to raise the maximum accumulated amount from £200 to £300.

The objection, which is very strongly put forward, even by those unconnected with the banking business, is that the Savings Banks will be made use of by a class of depositors for which they were not intended, and that as the Government is even now losing by guaranteeing a rate of interest above the market rate, the people at large will be made to pay to a comparatively well to do class. How large this class may be can be inferred from a few statistics of bank deposits. The number of deposit customers in the Scotch banks was, in 1875, 417,657; of this number 290,885 were depositors or amounts not exceeding £100, and 56,445 for sums between £100 and £200, or, together, some 83 per cent. of the total number. The deposits under £100 in the north of England banks were 25 per cent., and those between £100 and £300 31 per cent. of the total. In Ireland half the deposits are of sums under £100. The returns of the National Provincial Bank of England for the year 1874 showed 83,723 deposits of sums not exceeding £100, and 16,780 deposits of sums not exceeding £200, out of a total number of 122,700. The percentage of the total amount of these two categories was over 26 per cent. It is evident, therefore, that local bankers would suffer heavily by the withdrawal of such a class of customers. It would not be too much to say that the lending capacity of the banks would be so crippled as to impair their usefulness to local trade. The Savings Banks are not required to have a reserve, and from this and other reasons their working expenses are very light. But they have cost the country already £5,000,000, and even with the proposed reduction of the rate of interest by one-quarter per cent., there is no reason to suppose that the deficiency will be made good. Another objectionable feature is the extended liberty as to the character of investments in which the Savings Banks may deal. The whole measure is a great step towards governmental banking, and that centralization which is one of the signs of the times. Railroads, telegraphs, the care and management of the money of the people, are now almost monopolized in various countries of the continent, and will soon be so in England.

BANKING IN CANADA.

[FROM OUR OWN CORRESPONDENT.]

MONTREAL, July 24th, 1880

Canadian banking presents features very different from those of either the National or State Bank system of the United States. In the Provinces of Ontario and Quebec, which comprise the wealth and population of the Dominion, there are 23 banks in all, with an authorized capital of $56,466,660, and a paid-up capital of $52,151,997. These banks have, however, over two hundred branches in the chief cities and towns in these Provinces, and some 16 branches in the neigboring Provinces of Nova Scotia, New Brunswick, Manitoba, &c., besides which several of them have agencies in New York, Chicago, San Francisco, and Portland, Oregon.

It will thus be seen that Canadian Banking has taken a development very different from that of the United States. A few good banks with large capital are made to do the work that in the United States is done by thousands of banks with small capital. While in the United States at least one-half of the public banks have a capital of $100,000 or less, in Canada the average paid-up capital of each bank is $2,267,478, thus giving to each Canadian Bank, on the average, the effect of at least twenty-five United States National Banks.

The system has its advantages and its disadvantages. Its advantages consist principally in its power of bringing together the borrower and the lender. This is manifest in the fact that while the leading banks charge a maximum of seven per cent. to borrowers for the use of money, they have been in the habit of allowing four to five per cent. to depositors, the difference affording but a narrow margin for profits and expenses. Many branches of the banks in agricultural districts have enormous deposits of three, four, or five, and sometimes six or eight hundred thousand dollars, which, if they were independent banks, they could not employ to advantage. At some branches, especially in manufacturing centres an entirely opposite condition prevails and the funds gathered together in other places are made to subserve in these locations the best interests of their particular industries and commerce. So that, while such a system prevails, there is no reason why a scarcity of money in one locality should interfere with its trade, so long as a general abundance prevails, the fact being that through the system of Canadian Banking one place is made tributary to another and all inter-dependent upon one another.

A further advantage is the economy of management. A branch carrying a deposit line, or a discount line, as the case may be, of half a million of dollars, costs little for management, with its manager, teller, book-keeper, and clerk, as compared with the expense of a local bank, with its board of directors, its president, cashier, teller, book-keeper and staff of clerks.

The currency system of Canada, too, is founded on enlightened principles; each bank is entitled to issue as much currency as it likes, being limited only by the amount of its paid-up capital. This limit has never been reached. Five years ago the united circulation of the banks of Canada was about $28,000,000, but through the depression that has prevailed since then it has fallen off to $17,000,000 according to the last return. The privilege of circulation enjoyed by Canadian Banks is very valuable, not only to the banks, but to the country. The value to the banks of the minimum circulation of say $17,000,000, cannot be less than five per cent., or say $850,000 per annum, while the value of the additional circulation during the grain season, a period of about three months, which ordinarily amounts to $6,000,-000, is not less than $100,000 more. But this is not all. The money required to move the grain during the season is supplied, thanks to our admirable note system, without withdrawing any of the funds of the banks otherwise employed, or pressing unduly upon the other operations of trade, whether industrial or commercial.

So much for the system of banking pursued in Canada. By its aid Canada has achieved an extraordinary progress, and if Canadian advancement has not been so brilliant as that of the United States, the cause will be found rather in her more limited resources, her later start in life, her more scanty population, and her more rigorous climate, and not to any deficiencies in her fiscal system.

Notwithstanding that Canadian banking is founded on such excellent principles, and has tended so largely to develop Canadian resources, it is lamentable that disasters of incalculable injury have occurred under it. At present there are no less than four large institutions winding up, whose aggregate capital amounted to $5,574,050. These are the Consolidated, the Ville Marie, the Stadacona, and the Mechanics' Bank, the first two and the last having their headquarters in Montreal, and the other in Quebec City.

The circumstances under which the Consolidated failed were disgraceful to all concerned. The President, Sir Francis Hincks, a gentleman of advanced age, whose earlier years were spent in Canada, was the President. On June 29, 1842, just after the union of the Provinces, Sir Francis, (then Mr.) Hincks, became a member of the government of Canada, and remained a member with slight interruptions under different leaders until 1854. Shortly afterwards he was appointed Lieutenant-Governor of one of the British West India Islands, where he held a vice-regal court for many years. Returning to Canada he was (in October, 1869) appointed Finance Minister for the whole Dominion, an office which he retained until February, 1873, when he resigned. During Sir Francis Hincks' later administration the Bank Charters expired, and Sir Francis seized the opportunity to introduce a totally unnecessary and sweeping measure of reform in Canadian banking. When, after this, Sir Francis Hincks again resigned his position in the Government, he devoted himself exclusively to the affairs of the Consolidated Bank. In spite of the law relating to the safety of banking, that he himself had been instrumental in passing; in spite of the vast experience in a public life of the venerable knight, himself, his law, and his management alike proved a failure; and when the Consolidated Bank closed its doors in 1879, seldom has there been seen so complete a wreck.

The cases of the Newark and Brattleboro banks, so fresh in your memory, afford no parallel to that of the Consolidated of Canada. An advance had been made to one firm of no responsibility, amounting to something like a million of dollars; memoranda were found in the teller's cash for hundreds of thousands, of course authorized by the cashier. Fortunately for the credit of Canada no charge of personal corruption was ever brought against Sir Francis or his officers, but the wreck was none the less complete for that, and never has a record of more glaring imbecility flashed in the faces of ruined shareholders than that presented by the history of this now celebrated bank.

Here was a man of the most extended experience, a law maker, he had himself made the very laws under which Canadian banks was to be as secure as law could make them, and yet on a practical test he proved himself as egregious a failure as was ever known. Is this not a lesson that no amount of knowledge, no amount of experience in the world will supply the place of technical or professional training, and does it not furnish an example of the danger of placing important trusts in the hands of a mere theorist, that should only be intrusted to the thoroughly trained man?

Following Sir Francis Hincks example of ten years ago, the present Finance Minister of the Dominion, Sir Leonard Tilley, has amended the Banking Laws by going a little further than Sir Francis Hincks did. The main features of Sir Francis Hincks' law were an elaborate system of returns to the government, the suppression of the small note circulation of the banks, and the establishment of government legal-tenders to take the place of the gold reserve in the bank vaults. In all these particulars Sir Leonard has out-heroded Sir Francis. The bank returns have been made more complicated and voluminous.

Where Sir Francis suppressed the banks' one and two dollar bills, Sir Leonard has suppressed all under five, and he has also taken power to issue twenty millions of government legal-tenders on a much more insufficient gold basis than formerly, as against twelve millions under Sir Francis Hincks' measure. What will be the result of this departure from time-honored principles in banking it is impossible to say.

The expansion looked for in the New Dominion in the next five years may mitigate its evil effects. Briefly, however, its tendency to evil may be summed up as follows. The additional returns to government to be supplied by the banks, valuable as they may prove for statistical purposes, will yet tend to foster a sense of false security among shareholders and the public, while affording no real guarantee that they will in any sense check the folly, or worse, of weak or crafty bankers, presidents or directors. The old law failed of its purpose in restraining even its author from deceit, when he changed his position from that of a law-giver to that of a law observer. The suppression of the small note circulation of the banks had at no time an economic argument in its favor, and was merely adopted as a means of supplying the government with funds by which to avoid the disagreeable process of collecting taxes; its extension is therefore, a move which all far-seeing men must admit will eventually have to be paid for, as all departures from principle must be, at a heavy rate. The extension of the government issue upon a gold basis of only fifteen cents on the dollar is, however, by far the most serious error the government has made. It is a sop to the soft-money party of Canada, now growing in importance and popularity, and must, unless the government retraces its steps, eventuate in *repudiation.*

The National Policy under which the present government succeeded to power, has entirely failed to bring about the results promised by its admirers. The N. P. is a policy by which the Canadian Government hoped to promote Canadian manufactures by excluding the cheap and excellent products of the United States, in favor of dearer and less perfect goods of Canadian make.

As a result of this failure, a very large section of extremists of both shades of politics are now advocating a "Customs Union" with the United States, and not a few go in for annexation pure and simple. More moderate men, however, contend that there is ample room on the North American Continent for two separate nationalities, and that the cause of humanity will be better served by the Canadians preserving, for the present at least, their distinctive characteristics.

THE INSURANCE QUESTION.

The aggregate results of the business of Fire Insurance, by the New York State Companies, for the six months ending July 1st, as reported to the Insurance Department of this State, are the subject of thoughtful consideration by intelligent underwriters, and of close scrutiny and criticism among prudent business men as insurers.

The statements returned, while in many respects more favorable than those made for the corresponding time last year, still show that the business of Fire Insurance is unprofitable, and demonstrates the necessity of establishing some better basis of calculation than that now in vogue among fire underwriters, in order that the business may be lifted out of the depths into which it has fallen, and be placed upon some more solid foundation of security and equity to the interests committed to its care.

The returns show that for the past six months 81 companies received in premiums $9,347,543.45, and paid in losses $5,461,486.13, or nearly 60 per cent. of their premium income, leaving $3,886,057.32 to pay all expenses of management and dividends to stockholders. The expenses of management are shown to be $4,165,399.68, thus making an excess of expenditure over premium income of $279,-342.36.

The aggregate capital invested is reported at $24,457,020, which assuming such amount to be invested at 5 per cent., would yield $611,425.50 which after paying the deficiency above referred to, would leave $332,083.14 applicable to dividends, or less than 1 1-2 per cent. upon the capital invested. Certainly investors in fire insurance stocks do not consider this sufficient compensation for the risk of holding an investment which in a single night may be obliterated or so reduced in value as to be nearly worthless, by some sweeping conflagration. Yet this is all that has been earned on the business during the past six months, and the returns for the year 1879, show still more disastrous results. Notwithstanding this state of facts it has come to be almost an established rule that any fire insurance stock which does not pay at least ten per cent. per annum is not worth holding, and stockholders and directors acting upon this belief, insist upon dividends as nearly this basis as possible, whether they be earned or not. Thus year by year we see the strength and life of the companies dwindling away, on account of the drafts made on the surplus account to assist in paying dividends not earned in the business, and should this state of affairs continue, it needs no prophet to foretell what the end will be. With expenses and losses in excess of income, disaster and ruin is sure to be the result.

Were the values of insurable property covered by our insurance companies constantly depreciating, the above conclusion would be but a rational solution of the problem, but this is not the case. We are in the midst of prosperity, values are appreciating, and there is more property to be insured now than ever before in the history of the business. Where then is the remedy for this depressed state of affairs, and what means shall be employed to overcome the obstacles which stand in the way of a revival and successful prosecution of this great and important factor of our business life.

It is a well established principle that in order to make both ends meet, under circumstances such as we have described, either the income must be increased or the expenditures diminished, to bring about the result sought. As insurance of property like insurance upon life, is based upon the law of average, the results of combined experience is the only safe foundation on which to base calculations for the future; and in our judgment only in association of the underwriters of the whole country united, not so much upon the question of rates, as upon the fundamental principles which govern and control the business in its workings and results, and by the diffusion of such general statistics and information as shall benefit all alike and by the adoption of sound principles of business, can we hope for a solution of the problem, and the raising of this great interest on which rests the credit and stability of our business world to so large an extent, to the prosperous and stable condition to which it properly belongs.

The report of Messrs. Clare Sewell Read and Albert Pell, who were sent by the Royal Agricultural Commission of Great Britain to the United States and Canada to inquire into the state of agriculture, is published. They say that "while many of the prevailing conditions are favorable in America in the contest for agricultural supremacy, still drawbacks exist which tell in favor of England. The severe winters suspend agricultural employment. Droughts, injurious insects, and in the prairie country a short supply of water, endanger the crops Western America possesses singular advantages for stock-raisers, while the Middle States afford them excellent pasturage and the Eastern States good markets. The allottment of land, and the termination of free ranges in the West, will increase the cost of cattle-raising, but the increased consumption by the growing population will enhance prices. The success and extension of the growth of blue-grass opens fresh prospects for the grazier, and will in time bring the improved turf under the hoof of thorough-bred stock, or at least of highly graded cattle."

American agriculturists will read the report of these gentlemen with interest, but yet will have no misgivings as to the agricultural supremacy of this country.

[*LAW DEPARTMENT OF RHODES' JOURNAL.]

BANKING AND FINANCIAL LAW.

NOTES OF BANK CASES.

UNITED STATES CIRCUIT AND DISTRICT COURTS.

BANK DRAFT.—A bank draft has all the requisites of a bill of exchange, except that it is due on demand without grace and requires no protest. The drawee cannot be sued on it unless there should be an express or implied contract to pay. National Bank of Rockville *vs.* Second National Bank of Lafayette. Supreme Court. Decided May 26, 1880.—*The Indianapolis Journal, May* 27, 1880.

AUTHORITY OF TOWN TREASURER TO BORROW MONEY ON CREDIT OF THE TOWN.—Where the treasurer of a town borrowed money on a vote of the town authorizing him "to borrow on the credit of the town in anticipation of taxes," but there was no vote making the proposed loans payable from the taxes of that or the preceding year, nor were the votes passed by two-thirds of the legal voters present at the meeting, it was *held* that notes given by the treasurer in return for money loaned were given without lawful authority, and the town was not liable in any form for the money borrowed, even though it could be shown that the identical money thus borrowed was all used by the town treasurer in the payment of debts legally due from the defendant town. Agawam National Bank *vs.* Inhabitants of South Hadley. Supreme Judicial Court. Decided April, 1880.—*The Boston Daily Law Reporter, May* 19, 1880.

NEGOTIABLE NOTES—SECURITY.—The holder of a negotiable note who has taken it as security for a pre-existing debt is a holder for value, and is protected against any equities subsisting between the original parties to it. Wood *vs.* Seitzinger, Circuit Court. Decided April, 1880. MS. opinion.

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*The editor of the Law Department of RHODES' JOURNAL will be pleased to furnish, on application of subscribers, detailed information regarding any case referred to herein, or will answer questions in banking law. Address: *Law Department*, RHODES' JOURNAL, 13 *Spruce Street, New York.*

CORPORATION—BY-LAW AGAINST TRANSFER OF STOCK BY DEBTOR.—Where a by-law of a banking corporation provided that "no transfer of stock should be allowed as valid so long as the holder should be in arrears to the bank or in any manner indebted to it."—*Held*, that this did not embrace an indebtedness arising from an original subscription upon which the stockholder had paid all that had been called for. Kahn *vs.* Bank of St. Joseph. Supreme Court. Decided April, 1880.—*The Central Law Journal*, *May* 28, 1880.

PLEDGE.—A broker who sells stock carried by him for a customer upon a margin, without notice of the sale to the customer, upon the failure of the latter to put up more margin, is liable to the customer for the loss and injury sustained. In an action by the broker to recover his advances, the customer may offset his loss. He is entitled to a reasonable time, after notice of the sale, to replace the stock; and in such suit against him he is entitled to offset the difference between the price to which the stock had risen within such time and the price for which it sold. He is entitled to full indemnity, but he cannot claim a greater benefit than would have been derived if the act complained of had not been done. Gruman *vs.* Smith. Court of Appeals. April 13, 1880.—10 *N. Y. Weekly Digest*, 63.

FOLLOWING TRUST MONEY—ORDER OF PAYMENT.—H. paid in to his account at his bankers, first, money belonging to C., then money of the trustees of his marriage settlement, then more money of C.'s, then money of his own; he drew out various sums for his own purposes, and died, leaving a balance at his bankers insufficient to pay both in full. In a suit for the administration of the estate by a general creditor,—*Held*, that there is no difference between a trustee and a bailee or other person in a fiduciary relation as regards following money, and the person to whom the money belongs has a charge on the balance in the banker's hands. *Held*, also (Thesiger, L. J., dis.), that the rule in Clayton's Case, 1 Mer., 572, attributing the first drawings out to the first payments in, does not apply; and that H. must be taken to have drawn out his own money in preference to the trust money. Pennell *vs.* Deffell, 4 D. M. & G., 372, on this point not followed. *In re* Hallett's Estate. Knatchbull *vs.* Hallett, L. R., 13 Ch. D., 696.

CORPORATIONS—DUTIES OF PRESIDENTS.—The president of a corporation occupies a position of trust and confidence, and is liable to be called upon to account for and make restitution of any part of the property confided to his management and care, which he has improperly applied to his own use.

Contracts between a president and the corporation, by which the president agrees, in consideration of a certain commission, to effect and become liable for a loan to the company, while looked upon with suspicion and disfavor by the court, may be enforced when shown to have been for the benefit of the company. Trust Company *et al vs.* Weed *et al.* Circuit Court, Western District of Pennsylvania. Decided April 6, 1880.—*Legal Intelligencer*, April 16, 1880, Philadelphia, Penn.

PROCEEDING AGAINST STOCKHOLDER—PAID-UP STOCK—EVIDENCE.—In a proceeding by a creditor of a corporation to recover from a stockholder for unpaid stock, the burden is on plaintiff to show that a share of stock issued as paid-up stock was not really paid-up; and if the stockholder took the stock for value, he is not concerned with the consideration that passed between the company and the person to whom the stock was originally issued, unless it is shown that he had notice of the inadequacy of the original consideration. Mechanics' Savings Inst. *vs.* Puthoff. Court of Appeals. Decided April 27, 1880.— *The St. Louis Republican*, St Louis, Mo., April 28, 1880.

INTEREST—GRACE—DECLARING MORTGAGE DUE.—(*Head-note.*) On mere instalments of *interest* the debtor is not entitled to days of grace. Where, therefore, interest alone was due, by the terms of the note, on the first day af a certain month, and, on default of payment thereof, within ten days after it became due, the mortgagee had his option to declare the whole mortgage debt due, the notice of his option given on the twelfth of said month was not premature. Macloon *vs.* Smith. Supreme Court. Filed April 20, 1880.—*The Northwestern Reporter*, St. Paul, Minn., May 1, 1880, vol. v. No. 3, p. 336.

A BANK'S LIABILITY FOR NEGLIGENCE—TORTS—ULTRA VIRES—SPECIAL DEPOSITS.—An action on the case will lie against the bank for the loss, by gross negligence, of a special deposit, which deposit was made with the knowledge of its officers and directors. A corporation is liable for every wrong it commits, and to an action brought thereon *ultra vires* cannot be set-up. By section 5228, Revised Statutes, a national bank may receive special deposits; and a deposit of securities for safe-keeping, and without reward, is a special deposit. The history of banking discloses that the original deposits of the first banks were in specie, money, bullion, plate, etc., for safe-keeping, and to be specifically returned—Bank *vs.* Graham, U. S. Sup. Ct., Rep., April 28, p. 533; *Weekly Journal*, May 13, p. 29.

NATIONAL BANKS are liable for a loss, through gross negligence, of a special deposit of bonds, though received for safe keeping gratuitously. Pattison *vs.* Syracuse National Bank. Court of Appeals. Feb. 24, 1880.—10 *N. Y. Weekly Digest*, 57.

EVIDENCE—ENTRIES IN DAY-BOOK OF DECEASED PARTNER.—To prove that certain shares had been bought on the Stock Exchange, the plaintiff offered the day-book of a deceased stock broker, whose handwriting he proved. The entry was of a transaction which might, according to the turn of the market, be to the broker's advantage.—*Held*, that the day-book could not be admitted. The entry is not against interest, nor was it shown to be in performance of a duty. Massey *vs.* Allen, 13 Ch. D., 558.

LIABILITY OF SAVINGS BANK TRUSTEES.—In the case of the broken Bond Street Savings Bank of this city the New York Supreme Court, Special Term, has rendered an important decision, which affects the liability of the trustees of the bank at the time certain loans were made from the bank funds to officers of the Riverside Improvement Company. The loans were made in October, 1870, and consisted of $20,000 to E. E. Childs; $15,000 to Leverett W. Murray, and $15,000 to Henry E. Seelye, all officers of the Improvement Company. The security taken for this loan of $50,000 was unimproved lots, near Chicago, at that time claimed to be not worth more than $10,000, and now not more than half that sum. At the time of the loan David S. Dunscomb was one of the trustees of the bank and a large stockholder in the Improvement Company, and, it is claimed, was very active in procuring the loan to be made.

The acts of the officers of the bank in making these loans were claimed to be in violation of the charter of the bank as well as against public policy, so as to make the directors of the bank liable for any loss which might ensue, which loss is estimated at $60,000. For this sum Willis S. Paine, receiver of the bank, brought suit against all the trustees. Two of the trustees interposed a demurrer to the complaint, and it is upon this demurrer that the Court has rendered its decision. The Court overrules the demurrer, and holds that the loans were acts of gross negligence on the part of the officers of the bank and cannot be justified. They were in violation of the provisions of the statute relating to savings banks, which forbids loans on any personal security or on bonds and mortgage except on productive property worth double the amount to be secured; also the provision prohibiting loans upon lands without the State, and providing that no trustee shall borrow anything directly or indirectly from a bank. The Court further holds that there is sufficient in the complaint to connect Mr. Willets, one of the trustees (now dead), with the illegal transaction, and that even on the ground of gross and inexcusable negligence the other trustees were also liable. In overruling the demurrer the Court gives the defendants leave to answer.

As the trustees at the time these loans were made were quite numerous the *pro rata* share of each will be small, while the aggregate, if recovered, will considerably augment the dividends of the bank's creditors.

RHODES' JOURNAL

ARBITRATED POINTS.

POINT I.—RESORTING TO COLLATERALS.

Smith endorses certain notes for the accomodation of Brown. These notes are discounted by a bank. Brown had previously arranged with the bank for a line of discounts, which was secured by mortgages on real estate. Could Smith the accomodation endorser require the bank to resort to these mortgages held on collateral, before maintaining an action against him on his endorsement.

It seems not. The New York State Reports do indeed contain several cases to sustain the doctrine that a surety may compel the creditor to sue for and to collect the debt of the principal debtor, or to exhaust the collateral before resort is had to the surety; but in each of them there is some special equity or some agreement which takes them out of the general rule. While an accomodation endorser may be regarded as surety in some cases and under certain circumstances, and has all the rights applicable to that relationship, yet as between him and a bona fide holder, like the bank in this case, he becomes the principal debtor. The uniform current of authority sustains the view that an endorser cannot compel the holder to sue the maker first, or to enforce his security, and in the absence of an additional and controling equity to resort to a collateral security. Where commercial paper is discounted and collaterals taken to secure the same, the doctrine is plain. The character of this paper is well understood, and it would be overthrowing long established rules seriously affecting the rights and liabilities of parties, to hold that resort must be had to a mortgage or other instrument taken as a collateral to secure the same. In such cases the money is not loaned on the mortgage, but this is given merely to make the notes discounted more safe and secure, and according to the intention of the parties is not to be considered as the principal debt. Much embarrassment and many perplexing complications would arise if holders of such instruments, who had discounted paper upon the faith of others as security, should be compelled to resort to these primarily for the collection of their demands. It would be practically throwing the burden of a litigation upon the party who was intended to be relieved from the same, and tend to thwart the purpose in view. In this instance the accomodation indorser stands to the bank as a principal debtor, and if he desires the benefit of any security held by the creditor, he must pay up the debt, fulfill the contract, and enforce the right of subrogation to the holder as to the securities held by him.

Ross *vs.* Jones, 22 Wall, 576.
In re Babcock, 3 Story, 393.

POINT II.—LIEN ON STOCK.

Suppose a bank issues two certificates of stock to A, and these are transferable on the books of the bank "only on the surrender of the certificate." Suppose B purchases some of the shares of C, and receives the certificate duly assigned. Can the bank refuse to transfer the stock on the books on the ground that the shares had been pledged to it by A as security for deposits by it with him?

Looking into the act of June 3, 1864, which expressly repealed the currency act of 1863, we find banking associations expressly prohibited from making any loan or discount on the security of the shares of their own capital stock. And so marked is the policy of Congress on this subject that it does not allow a bank to become the purchaser or holder of its shares at all, unless absolutely necessary to prevent loss on a debt previously contracted in good faith, and not then for a longer period than six months. It is easy to see that if the power were given to a bank to loan money on the security of its shares, it would imply also a power to become the owner of those shares, and this Congress intended to guard against. Banking institutions were created to subserve public purposes, and not the mere private interests of their stockholders, and in no better way could the object be attained than by placing shareholders, in their pecuniary dealings with the bank, on the same footing with other customers. Besides, how could the capital of the bank be kept available for active use if the shareholder, who had pledged his stock for borrowed money, should be unable to meet his obligations? To the extent of the debt the capital would be withdrawn, and it is hardly possible that this could be the case for any length of time were the debt secured outside the shares of the bank. Nor is the situation altered because the terms of the law which forbids *loans or discounts* does not specifically extend to the *case of deposits* made by one bank with another. A deposit is nothing but a loan of money, and is within both the letter and spirit of the provision as to loans or discounts. It is well known, for instance, that country banks keep on deposit in New York with bankers and merchants, a considerable amount of money for their own convenience, for which they receive more or less interest. But whether interest be obtained or not, these deposits are, equally with paper discounted over the counter of the bank, loans of money, and the reason of the rule is equally applicable to them. The banker is accountable as a debtor for all deposits which he receives. The individual borrower of money from the bank sustains no other relation to it. In both cases money is borrowed to be returned in a greater or less period of time, according to the contract of the parties. Such pledging of shares of stock as was this of A to the bank would be clearly illegal, and could be pleaded in avoidance of any duty imposed on the bank.

Bridgeport Bank *vs.* N. Y. & New Haven Railroad Company, 30 Conn., 270.
Bridgeport Bank *vs.* Schuyler, 34 N. Y., 30.

POINT III.—SAFE DEPOSIT COMPANIES.

Suppose a safe deposit company is authorized by its charter "to invest its capital and funds in bonds and mortgages on unincumbered real estate, and also 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, or corporation or association, or otherwise of any State or of the United States." Suppose the charter also provided that the corporation should possess the general powers and privileges, and be subject to the liabilities and restrictions contained in 1 R. S., chap. 18, Tit. 3, could the corporation recover upon a note which it had discounted?

Technically, it could not recover upon the note. The mode of investments being prescribed in its charter, as supposed above, the specification of particular kinds of security operates by implication to restrain and to prohibit investments in any other securities. Now, such a specification as above does not include investments by way of loans upon, or discount of, notes or other commercial paper made by individuals. The words "or otherwise," as used in the quotation, can only be construed as authorizing an investment in the obligations of counties, cities, etc. The incorporation with the charter, by the 14th section of title 3 of chapter 18 of part 1 of the Revised Statutes, which declares (§ 4) that "no corporation created or to be created, and not expressly incorporated for banking purposes, shall by any implication or construction be deemed to possess the power of discounting bills, notes, or other evidences of debt, of receiving deposits," etc., would preclude the corporation from making such investments. The corporation would also be subject to provisions of the statute to restrain unauthorized banking, commonly known as the restraining act, 1 R. S., 71, 2; hence the discounting of the note would be unlawful, and upon general principles of law, as well as by the terms of the restraining act, the security taken would be void, and would furnish no ground of action. Nevertheless, although the discounting of the note in question would be an illegal act on the part of the directors of the corporation, and the security taken would be void, the money loaned could be recovered back. The Legislature did not intend that the corporation should forfeit all claim to money loaned or advanced on prohibited security; but only that the suit to recover should never be brought on the technical basis of the security itself. This conclusion, it will be observed, is inconsistent with views rehearsed in June number under Point VII. The citations there made seemed to necessitate the general conclusion there reached. For until recently it has been the habit of the Judges to treat with great contempt the doctrine of the Utica Insurance cases. The Court of Appeals of this State have, however, at this late day sanctioned the principle which they embody, and in Pratt *vs.* Short, a case which will be fully reported in the forthcoming volume of the Court of Appeals' reports, declare that in such a case as we have supposed the money may be recovered as a loan, although the security and the transaction of discount be indeed illegal.

POINT IV.—USURY; CONFLICT OF LAWS.

Suppose a National Bank sues upon a promissory note against the maker and endorser. The defendants all reside in the same State in which the note was made and negotiated. Suppose, now, that these defendants set up that the bank at the time of discounting, took what amounted to a greater rate of interest than the Statutes of the State in which the bank is situated allow on loans; for instance, took nine per cent. where the State laws fix six per cent. as the maximum rate of legal interest. Would the defense be held good on the ground that the State laws against usury apply to loans made by National Banks organised under Act of June 3, 1864.

No. The State statutes against usury would not apply to a National Bank loan. The act of June 3, 1864, conferred the right and franchise of banking under its provisions, and prescribed adequate means and an adequate remedy for protecting those rights in itself. It is an act of the Federal Congress, and is not *in pari materia* with any statute of Congress. It is not repugnant to the provisions of any statute enacted by the same government. If it be repugnant to statutes under another government, the repugnance can in no wise affect its own authority. Its construction cannot be controlled or influenced by the statutes of other governments. It is to be construed by itself. The general rule applies that where a new statute is enacted conferring new rights, with adequate penalties in the same act to protect them, these penalties or remedies are exclusive. Now the Federal Government possessed the sovereign power and exercised it over banking institutions by express provisions. It did not intend to add to the penalties provided in the National Banking Act the usury laws of any particular State. Further penalties not having been expressly enacted, they are not to be implied. And although the act of Congress subjected National Banks organized under its provisions to the judicatories of the State, so that, as to the form of action and the proceedings in the State courts, the State system of practice is and must be adopted, nevertheless in whatever court an action may be pending, the law itself, as prescribed in the express provisions of the banking act, is sovereign and exclusive. This may be regarded as the general law of such contracts as the one cited in the caption, inasmuch as the Supreme Court of the United States has had the question under review. The New York Court of Appeals, in 50 N. Y., 95, held that the act of Congress conferred upon National Banks no immunity from the usury laws of the State in which such banks were organized, and that the penalties prescribed in the usury laws of the State apply to loans and discounts made by National Banks, and that a contract or loan made by such a bank, organized and doing business in the State of New York, by which it reserved a greater rate of interest than 7 per cent., is void. The Supreme Court of the United States, however, reversed this decision flatly. The Supreme Court held that the State governments have no right or power to retard, impede, burthen, or in any manner control the operation of the constitutional laws enacted by Congress to carry into effect the powers vested in the National Government, or to interfere with the execution of its constitutional powers. The great principle being that the Constitution of the United States and the laws made under its authority and in pursuance thereof are *supreme*, that when such powers are called into exercise, they control the constitution and laws of the respective States, and cannot be controlled by them. So, therefore, the case we have supposed would not allow the defense of usury to avoid a recovery by the bank. As a matter of fact, National Banks in all the principal cities of the country are daily making loans at 10, 12 and 15 per cent. Apart from the legal standpoint, this is as it should be. There is no sound reason in political economy which can be offered in defense of those local State laws which fix the amount of money to be given for the use of money. The usury cry is a farce in trade.

Bank of Whitehall *vs.* Lamb, 57 Barb., 429.
McCulloch *vs.* State of Maryland, 4 Wheaton, 316.
1 Kent's Com., 425-26.

POINT V.—DISCRIMINATION IN TAXING SHARES.

Suppose it happens that the capital stock of a bank is assessed at its full value, while all other property is assessed at from thirty to forty per cent. only, of its real value. Would such a discrimination be just, and would the Bank or the Shareholders be the party or parties to restrain the Tax Collector from a collection of the tax beyond the proportion assessed on other property?

Such a discrimination is probably unjust, and a wrong which the courts, when their aid is properly invoked, take cognizance of to redress. It is indeed often claimed that the wrong created by this discrimination in taxing is against the bank's shareholders upon whom the assessment is made, and not against the corporation itself. Reflection, however, induces the belief that this wrong involves the corporation as well as its shareholders. Between the two there is an intimate connection; the legal entity—the corporation—is distinct from the shareholders, but the former is a trustee for the latter and a custodian of corporate funds, and if it shall pay the taxes so assessed, and assume to deduct the same from dividends declared, or to be hereafter declared in favor of its shareholders, it may subject itself to a multiplicity of suits with its own shareholders; whereas if it refuses to pay these taxes it will impair its credit, embarrass its business, and expose itself to vexatious and expensive suits, and entail upon itself irremediable injuries in resisting the illegal exactions made upon it. Hence in view of these probable consequences, the bank in its corporate capacity would be entitled to a standing in court, and in such a case as the above its relief would be a decree authorizing it to pay to the tax collector 40 per cent. of the amount assessed against the shareholders, and, therefore, the issuance of an injunction perpetually enjoining the collection thereof. The courts of Ohio, under the constitution of that State and in view of the spirit of the National Banking Act, so held in Sixth Circuit, April 15, 1878.

Merchants' Bank of Toledo *vs.* Cumming. Reported in Memorandum.

POINT VI.—A BURNED CHECK.

Suppose Jones, being indebted to Brown on a promissory note, sent to Brown his check on a national bank, forwarding this check by mail, and receiving the note duly surrendered by Brown, in return. Suppose this check inadvertently and by accident burned up, and thus destroyed five minutes after receiving, of which fact Jones is immediately informed, and therefore, with knowledge of all the incidents of the burning, promises to pay the indebtedness. Suppose that Jones changes his mind and refuses to pay, on the ground that Brown declines to give a bond of indemnity against the destroyed check, and on the further ground that Jones cannot recover without presentation and demand of payment of the check at the bank on which it was drawn. Is Jones' position sound?

We think not. Let us examine the law which requires an indemnity bond against a missing negotiable instrument before the person primarily liable thereon can be compelled to discharge his obligation. It will readily appear on examining the statute (2 R. S., 406, §75-76) that the requirement of a bond of indemnity, in case of the non-production of a bill or note, is limited to cases of *lost* instruments, and has no application to the case of a check or note known to be destroyed. If destroyed, the instrument can never be produced or used to the injury of the drawer. In the case supposed the check having been burned and thus destroyed before it passed from the hands of the payee, the giving of a bond of indemnity by Brown to Jones is altogether unnecessary. The reason of the rule does not require it. And as to Jones' second ground of objection, it is to be said that such a presentation of the check has been rendered impossible by its destruction. This destruction we assume to have been without Brown's fault. Now Brown is not bound to perform an impossibility, and hence is excused from the accustomed duty of presentation. The law will never go further than necessity requires. In Connecticut, it has been held that non-presentation is excused by any inevitable or unavoidable accident not attributable to the fault of the holder, provided he makes a presentment as soon as he is able. In New York State it has always been held that where there was an impossibility to present the bill on the day it fell due, owing to unavoidable accident, and the holder was not in fault for the delay, a subsequent presentment would be good. Now in the case we have supposed it is plain that this impossibility of presentation is absolute, and cannot be removed. It follows that the payee, Brown, cannot be held guilty of laches on account of the omission to make presentment. The delivery of the check to Brown would be subject to the condition that he should have the opportunity to make presentment. This opportunity Brown did not have in consequence of an unavoidable accident occurring without his fault. But Brown can recover independently of these refutations or the objections raised by Jones. The promise to pay made by Jones after full information had reached him as to the burning of the check rids Brown of all difficulty, irrespective of considerations stated already. It is well settled law that a promise to pay made by a drawer or indorser of a bill or note after due, with knowledge of its non-protest, will cover the laches of the bill or note owner or holder. The principle on which the promisor is held in such cases is that his promise is an admission that the holder has a right to resort to him, and that he has suffered no loss for want of demand and notice of non-payment. A promise made as was this of Jones affords the clearest evidence that the promisor does not intend to take advantage of the laches of the holder of the instrument, and the law without any new consideration moving between the parties gives effect to this promise. So Jones would be bound by his subsequent promise to pay, even if it were admitted that Brown was guilty of laches in omitting to make presentment and demand of payment of the check. There is still another line of argument to which Brown might resort with success. A check drawn by a bank depositor on his bank account has not all the attributes of an inland bill of exchange. Checks are employed under the usages of business as a matter of convenience to effect payment by the drawer of his debt to the payee. They do not affect the purpose of their delivery until paid, and are given rather as an evidence of the drawer's indebtedness than otherwise, without intention of imposing upon the payee and holder many of the obligations which attach to ordinary commercial paper. Some of the distinctive features between a check drawn by a depositor upon his bank account and a bill of exchange were noticed in Merchants' Bank *vs.* State Bank (10 Wall., 647), one of which was that the drawer was not discharged by the laches of the holder in omitting presentment for payment, *unless it be shown that he sustained some injury by the default.* It is laid down in Morse on "Banks and Banking," second edition, p. 257, that the drawer of a check is not discharged by any lengthy delay in presentment, unless he can show actual loss or injury to himself by reason of the delay. Actual loss to the drawer of a check on a bank by reason of its non-presentment for payment seems to be the test in determining the question of his discharge from liability growing out of the delay. Now the check in the case supposed would not operate as a discharge of the debt evidenced by the note, but is evidence of the indebtedness. It could only operate as payment of the debt when paid. Jones is, therefore, liable for the debt evidenced by the note, not paid by the check, and a recovery might be sustained, therefore, on surrender of the check, or what would be its equivalent, proof of the destruction of the check. If Brown had so used the check, or so neglected to use it that damages had resulted to Jones from Brown's acts or negligence in that regard, the case would be different. We have, however, all along assumed that Jones suffers no loss from the omission to present the check for payment. He could not, therefore, insist upon Brown's laches as a defence. The debt remains unpaid. No reason exists in justice or equity for its non-payment. The five minutes' period which our postulate supposes is simply taken as illustrative of any period which might elapse between the reception of the check by Brown and its destruction before opportunity of presentation. The check might, for instance, have been received shortly after banking hours in the afternoon. Sixteen or eighteen hours would thus elapse before it could be presented. The rule holds firm.

Des. Arts. *vs.* Leggett, 16 N. Y., 584.
Windham Bank *vs.* Norton, 22 Conn., 214.
Reynolds *vs.* Douglass, 12 Peters, 505.

POINT VII.—"*OR OTHERWISE.*"

Suppose a corporation authorized by its charter "to grant, bargain, sell, buy, or receive all kinds of property, or to hold the same in trust *or otherwise*, and to advance moneys, securities and credits upon any property." Would such a provision invest the corporation with banking powers, or confer upon it the power to discount commercial paper?

The only difficulty lies in the limits to be assigned to the italicised clause, "or otherwise." But it would be giving a wide and extended interpretation to such language, to hold that they impliedly conferred banking powers on the corporation. They might, perhaps, be held to include a purchase of notes of third parties, to be kept in trust as other personal property could be kept in trust. Indeed they might embrace the case of a note held in trust, upon which as security, as upon other classes of personal property money should be advanced. But it would be going quite too far to say that they cover the case of a loan of money obtained upon a note by the discount of the same to the maker or holder. But we think the question is not whether the corporation could lawfully buy and receive promissory notes and advance money on the same; but whether it has authority to discount notes, the same as a nominal and regular banking institution, credit the proceeds, and pay out the same on the checks of the depositor. There is manifestly a distinction between these cases. Now the Revised Statutes (Vol. 1, Edw. Ed. 559, § 4), declare that "no corporation not expressly incorporated for banking purposes shall, by any implication or construction, be deemed to possess the power to discount bills and notes." This enactment is very strict, and is rigidly construed against any semblance of unauthorized banking. Taken in connection with many others, some of which have been cited in previous issues of the JOURNAL, but which are simply confirmatory, it clearly indicates a settled policy of the Legislature to prevent corporations which are not formed for banking business, from carrying on, or in any way interfering with the same. The Courts by a uniform course of decisions have so declared. And the discounting of the notes in the postulate would be certainly unlawful.

N. Y. Fireman's Insurance Co. *vs.* Ely, 2 Cowen, 678.
Oneida Bank *vs.* Ontario Bank, 21 N. Y. 490.
Abbott's Digest, "Corporations" N. Y. 56–57, etc.

POINT VIII.—SETTING OFF—USURY.

Suppose a national bank discounts at a usurious rate of interest a note bearing an accommodation indorsement. Can the accomodation endorser when sued on the note, compel the forfeiture of the interest under sections 5197 and 5198 of U. S. Revised Statutes, and claim a rebatement of the forfeited amount from the amount to be recovered on the note, or does this right to the benefit of the forfeiture and the rebatement belong to the *maker* of the note only?

In ninety-nine out of a hundred cases where the above postulate would apply, the note in question would be made for the sole purpose of being discounted, and for the sole benefit of the maker, the bank being aware of these facts and of the accomodation character of the indorsement. Now the right of the maker of the note to the benefit of the forfeiture and rebatement by way of set-off in cases of usurious discount is unquestioned, and, upon principle, there appears to be no reason why the accomodation endorser without consideration, should not be entitled to all the defenses of this character which are available to the maker. Section 5198 declares that there shall be a forfeiture of the entire interest, without confining it to the maker. And it is a reasonable presumption that it should be for the benefit of any one who might be compelled to pay the obligation. In the matter of Wild (11 Blatchf., 243), it was decided substantially that the moment usurious interest is taken or charged, the forfeiture is established. And any party, immediate or remote, to the transaction may avail himself of it, if payment is sought to be enforced against him. Under New York State Laws, the forfeiture having attached, the right of recovery against the party paying the interest in advance as discount, is limited to the money actually loaned the borrower without interest, and under the same laws, the term "borrower," includes any person who is either a party to the original contract, or in any way liable to pay the loan. In the State of Pennsylvania it has been frequently held that when an action is brought by a national bank upon notes discounted at a usurious rate of interest, where the defense of usury is interposed, the bank can recover only the sum actually loaned or advanced from the person by whom the usury is paid or his legal representative, may well be regarded as including the indorser. It follows that the indorser may claim the benefit of the forfeiture, and of a rebatement equal to the amount of interest paid by the maker. And if this can be the privilege of an indorser for value, who has received some monetary benefit presumably from the discounted paper; then *a fortiori*, it is the privilege of an accommodation indorser, whose only interest in the usurious transaction is being compelled to pay an obligation on which his name was placed out of charity simply. Nor does this right to a set-off in such a case depend upon any construction of local State laws, but rests entirely upon the construction given to the sections 5197 and 5198 of the Revised Statutes of the United States.

Hintermister *vs.* Bank, 64 N. Y., 212.
Brown *vs.* Bank, 72 Penn., 209.
Bank of Columbus *vs.* Morse, 2 Bond., C. C. K., 170.

Replies to Questions Addressed to the Editor.

LIVERPOOL, ENGLAND, July 10, 1880.

EDITOR RHODES' JOURNAL:

Please state in your next edition what are the principal characteristics of an American Clearing House. ENGLISH BANKER.

Ans. Of course a Clearing House in this country, like an English Clearing House is simply a contrivance to render the settlement of banks with one another more expeditious than the old time clearing methods. The plan works substantially as follows: At a certain hour every morning, usually at ten o'clock, the deputy of each bank attends at the room of the Clearing House, bringing with him all the checks upon other banks which had been received by his own bank since the same hour of the preceding day. Each bank has its drawer or box in the room, and the messengers of all the other banks distribute the checks which they have in their possession, placing each of them in the drawer or box of the particular bank on which it is drawn; each bank is then credited on the books of the Clearing House with the amount of checks upon other banks which it has brought in for collection, and is debited with the amount of the checks drawn upon it which all the other banks have brought. If the former amount exceeds the latter, the bank is then declared to have "gained" the amount of the excess; but if the latter amount exceeds the former, the bank is declared to have "lost" the amount of the difference. It is obvious that the sum total of the losses of the losing banks must be precisely equal to the sum total of the gains of the gaining banks. At a later hour in the same day the losing banks are obliged to bring into the Clearing House the sums which they have respectively lost, and shortly afterward the gaining banks come and receive from the officers of the Clearing House, out of the funds thus furnished by the losers, the amounts of their respective gains. In this manner the business of settling the daily balances and exchanges between the several banks is accomplished with extraordinary rapidity, accuracy, and cheapness. The compilation of how much each bank has brought in against others, and of how much the others have brought in against it, is performed by skillful clerks in a very few minutes; so soon as it is finished an officer of each bank takes from its drawer or box all the checks against it which have been placed therein by the other banks, and carries them back to his own bank to be examined for the purpose of seeing whether or not any of them must be dishonored by reason of want of funds of the drawer. The casting of the balances at the Clearing House is not, nor could it possibly be, binding upon any bank as to the genuineness or the honoring of the checks which are placed in its drawer, and which purport to be honestly drawn upon it by depositors having funds. A time is therefore set within which each bank is expected to examine all such checks, and to return such as it refuses to pay. The compilation already made at the Clearing House is not affected by the repudiation in this manner of checks by any bank. But each check before being placed in the box of the drawee bank, is marked for the purpose of identification, with the name of the bank presenting it through clearing; therefore, the bank on which it is drawn, and which refuses to pay it, is able at once to send it back to the bank which brought it in, and to demand a repayment of its amount to be made. If the repayment is for any reason refused, the question lies wholly between the two banks, and the one on which the check was drawn has no means of satisfaction afforded by the Clearing House, but must bring its suit directly at law.

BOSTON, MASS., June 31, 1880.

EDITOR RHODES' JOURNAL:

What is the origin and history of what is known as the legislation against the illegal certification of checks. INVESTIGATOR.

Ans. On March 3, 1869, an extraordinary act in reference to the business of banking was passed by the Fortieth Congress. It prohibits the certification of checks drawn upon any national bank unless the drawer has the money actually on deposit in such bank. The penalty of a violation of this act is a forfeiture of the charter of the bank, and the appointment of a receiver to close its affairs. It seems scarcely credible that it should be found necessary to prohibit by positive legislation, a practice by national banks located in the principal commercial cities of the country, of methods of business so inconsistent with the principles of good banking. But it was soon found that even this legislative prohibition was not sufficient in times of extraordinary activity in the New York Stock Board to entirely prevent the illegal certification of checks. A few months later, therefore, the Committee on Banking and Currency of the House of Representatives after an investigation which lasted some weeks, known as the Gold Panic Investigation, was instructed to inquire if any further legislation was necessary to prevent the improper certification of checks by national banks, and to report by bill or otherwise. In compliance with these instructions, a bill was reported which on June 19, 1870, passed the House, and which provided that any officer, clerk, or agent of any national banking association who should vitiate the provisions of the act of March 3, 1869, relating to certified checks, should be deemed guilty of a misdemeanor, and be fined not more than five thousand dollars, or imprisoned not more than five years, or both in the discretion of the Court. This bill, like similar acts which preceded it, passed the House almost unanimously and with little discussion. A representative from New York City seemed to reflect the sentiment of the House and also of his constituents, when he said: "I concur with my colleagues in regard to reporting this bill after careful examination of the facts ascertained by the Gold Investigating

Committee, and of the statements made by the substantial merchants of New York—not the speculators either in produce or gold—but the men of solid facts, the men who look to the substantial interests of the people outside as well as inside their City, men of character and property." The House bill of June 19, 1870, failed to pass the Senate, but the action of the House had the effect to largely diminish, although it did not entirely put an end to this illegal practice. No complaints of its renewal reached the Comptroller until 1879, when his attention was called to the large increase of certified checks among the Clearing House exchanges, this amount having risen from $31,000,000 on April 4, to $44,000,000 on June 14, to $60,000,000 on October 2, to $90,000,000 October 30. He was also at this time advised of an informal conference of the Presidents of some of the prominent banks with the object of devising some plan to avoid the risk and loss of over-certification. It had also about the same time been brought to the knowledge of the Comptroller, that certified checks drawn upon a certain institution which was known to be largely addicted to this practice, had been exposed by banks in good standing; whereupon he considered it his duty to exercise whatever power belonged to his office for the arrest and prevention of the practice so complained of. He therefore directed the national bank examiner for the City of New York to examine such banks as were believed to be certifying checks illegally, and to report the facts to the Department office; on the same day he transmitted to this examiner a separate letter requesting him to consult with the Clearing House Committee, and to take its advice in reference to the best course to be pursued. This examiner soon after reported that nine of the City banks had at various times certified checks contrary to the provisions of the law, but that only five of them were largely given to the practice. He further added that in his opinion the amount of such illegal certification had been much over-estimated by the public press. A subsequent investigation was conducted on Nov. 6, 1879, in such manner as to avoid publicity, and the Comptroller was then advised that the certifications complained of had been very largely reduced in number and amount, and in the cases of some banks entirely discontinued, and that it was believed that in a short space of time, all the banks would conform fully to the provisions of the statute. Under section 5239 of the Revised Statutes of the United States every director of a national bank who participates in or assents to a violation of law "shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person shall have sustained in consequence of such violation." If a loss result from such certification or overdrafts, there would seem to be no doubt that consequential damages may be collected from those directors who knowingly permit them. The Bank Examiner has been instructed to report to the Comptroller's office every instance of the over-certification which may come to his attention, whereupon the Comptroller will not hesitate to enforce the provisions of law with reference thereto; and in the event of the appointment of a receiver, the Comptroller will undoubtedly endeavor to have determined in the courts the question of the several liabilities of the directors for violation of the law mentioned. In the meantime those banks which consider the law inimical to their interests have the option either to conform to its provisions or to conduct their business under some banking system in which the restrictions that are to them so objectionable do not exist. Certainly the better judgment of the leading bankers of a great city like New York cannot fail to consider the process of over-certification at once unsafe and dishonest.

N. Y. CITY, July 19,
346 Broadway.

EDITOR RHODES' JOURNAL:

What are your views as to the proposal to abolish the entire national banking system, and to substitute additional treasury notes for the notes now issued by the banks?

CONWAY M. JENKINS.

Ans. Such a measure will not result in profit to the Government, because nearly the whole amount now paid in interest to the banks can be saved to the Government by refunding the bonds bearing a higher rate of interest into those bearing interest at 4 per cent., while a further issue of treasury notes must necessarily arrest the operation of refunding the debt. The amount of annual loss, if refunding cease, will be nearly $11,000,000; but if refunding continue, and the whole debt shall be eventually refunded into three and one-half per cent. bonds, there will be an additional saving of nearly $10,000,000. Moreover, if, as is proposed in this measure the Government should issue all the circulation of the country in the form of treasury notes, it must keep on hand at all times, to protect this circulation, a large amount of reserve, the interest on which would amount to nearly as much as the net interest now received by the national banks. The abolition of the national banking system would be immediately followed by the repeal of section 3412 of U. S. Revised Statutes, imposing a tax of 10 per cent. upon State bank notes, thus reviving the diverse banking systems of forty different States, and with them the former rates of exchange between the commercial centres of the country and other points. The banks now organized under the national banking system would reorganize under the laws of the several States in which they are located, and under those laws they would be enabled to realize much greater profit than they now receive, not only from circulation, but in addition from the sale, at high rates, of sight bills of exchange rendered necessary to internal commerce by the inequality in value in different localities of circulating notes issued under widely differing State systems. On the other hand the people would be subject to losses both on circulation and exchange exactly corresponding to the gains of the banks. Section 3412 reads: "Every national banking association, State bank or State banking association, shall pay a tax of ten per centum on the amount of notes of any person, or of any State bank or State banking association, used for circulation and paid out by them." The South desires the repeal of this section, because it believes that such repeal will be followed by the *organization of numerous banks under State charters*, which will for the time being at least stimulate the business of that section of the country. The East, the North, and a portion of the West, in the event of the repeal of the national banking system, will join with the South in urging a repeal of section 3412 in order to *prevent the increase of the issue of Government notes*, because they believe that a system of State bank notes, at the worst, can only injure the credit of individuals, while the unrestricted issue of United States notes will be likely to produce a new suspension of specie payments, and thereby injure not only every kind of private business, but also the credit of the nation. Those persons in the West who have been erroneously led to believe that the downfall of the national banking system will be followed by an additional issue of greenbacks, will certainly find upon investigation that State bank notes, not United States notes, will be almost immediately substituted for the present uniform national currency, accompanied with an increase in the cost of exchange, losses to bill holders, and other evils which are inseparable from such issues. The overthrow of the present well-established system, with its abundant capital and reserve, its large surplus and its wise provisions, will be succeeded either by two kinds of Government notes, one or both at a discount for gold and of unequal current value, or by circulating notes issued under State authority. Either system will be bad. The one will be subject to the changing opinion of each successive Congress, and the other to the independent caprice of the Legislatures of forty States. Few persons who have not examined the practical workings of the national banking system have any just conception of the many advantages possessed by a homogeneous currency, fully secured; the issue of a single system, redeemable at a common point, and exempt from the discount occasioned by an irregularity of value in different localities. The proposal to which our correspondent directs us is one which proposes to save money to the Government, by placing the principal existing monetary institutions of the country in liquidation at a time when specie payment is assured, and the nation has just entered upon a new course of prosperity. There will be no saving to the Government, but a loss of millions of dollars annually to the people, which loss will increase yearly with the growth of business and commerce between the different States. We therefore think the proposal highly dangerous to the general financial interests.

LIMA, Ohio, July 24, 1880.

EDITOR RHODES' JOURNAL:

A gives a note to B for $500, payable three months after date with 8 per cent. interest. When it matures can B exact interest for the three days of grace, and must A pay this, or would he be justified in refusing to pay it and in allowing it to go to protest? O. B. S.

Ans. B is not allowed to exact interest on the days of grace. Interest, in case of such a note as the above, would run until the day fixed therein as the day of payment. At this day the actual indebtedness of A would be the sum total of the face of the note and the accrued interest. At this juncture the custom of allowing days of grace intervenes to give the debtor three days for paying his now ascertained indebtedness. During this period the rights of the creditor are in abeyance, so to speak. The interest ceases to run. Neither action at law nor protest is allowable.

MIDLAND, Mich., June 21, 1880.

EDITOR RHODES' JOURNAL:

Smith makes draft on Jones to the order of M. Lovell. Draft is handed to bank, indorsed M. Lovell, per C. Lovell, who says simply "collect." Collection is made, and proceeds credited to M. Lovell. Is that correct? M. P. A.

Ans. This query is misleading. If by "that," reference is made to the formal indorsement, we answer that the indorsement by agent is perfectly good as to form, and simply puts the bank to the proof of the agent's authority to sign in this way. If by "that," reference is made to the process of crediting the proceeds to M. Lovell, we answer that the bank can hardly do any wrong if it credits the proceeds to him for whom by the face of the note they are designated. But what is meant here by the phrase, "Is that correct?"

DWIGHT, Ill., June 18, 1880.

EDITOR RHODES' JOURNAL:

Your judgment on the following, please: Brown gives Jones a check, payable to Jones or bearer. The check is stolen from Jones, and before notice is given of its loss is presented to the bank against which it is drawn. The bank pays. Can Jones recover from the bank? Our attorney holds that a check made payable to Jones or bearer must be indorsed by Jones. I contend that the instrument is transferable by delivery, and payable to whom may present it. Please give us the law.

J. W. WATKINS.

Ans. The fact that the bank paid without notice of the theft from Jones would probably protect the bank in view of no indorsement as against a claim from Jones. But Brown would probably be entitled to a deposit to his credit of the amount paid out. We will discuss this question at length in our next issue.

Bank Changes, New Banks, Etc.

New National Banks.—The Comptroller of the Currency furnishes the following statement of National Banks organized since our last report:

2487—First National Bank of Middleburgh, N. Y. Authorized capital, $50,000. Paid-in capital, $50,000. Duryea Beekman, President; Walter E. Mitchell, Cashier.

2488—First National Bank of Saint Paris, Ohio. Authorized capital, $52,100. Paid-in capital, $52,100. Lambert Pond, President; Emmet V. Rhoads, Cashier.

ARKANSAS.—*Change in Officers:* National Bank of Western Arkansas, Ft. Smith; John Ayres, Cashier, in place of P. K. Roots.

CALIFORNIA.—*Change in Officers:* Bank of Healdsburg; H. M. Wilson, President, in place of J. Bloom, Jonas Bloom, Cashier, in place of J. C. Bailhache.

COLORADO.—*New:* Bank of Irwin (Ruby Camp), Irwin; M. Coppinger, President; S. S. Metzler, Cashier.

Pitkin Bank, Pitkin; Nelson Hallock, President; J. H. Clemes, Cashier.

Change in Officers: Bank of Silverton; John H. Werkheiser, Cashier, in place of H. J. Alexander.

GEORGIA.—*Change in Officers:* Commercial Bank, Augusta; L. T. Taliaferro, Cashier, in place of J. A. Bell.

ILLINOIS.—*Change in Officers:* National City Bank, Ottawa; no Cashier in place of F. S. Eames.

Union National Bank, Macomb; I. N. Pearson, Cashier, in place of L. Holland.

Centennial National Bank, Virginia; A. G. Angier, President, in place of J. A. Petefish, deceased; I. J. Crum, Vice-President, in place of A. G. Angier.

IOWA.—*New:* Citizens' Bank, Mt. Ayr; Day Dunning, President; C. B. Dunning, Cashier.

Change in Officers: State National Bank, Keokuk; A. Bridgman, Jr., Cashier, in place of O. C. Hale.

Change of Title: Brooks & Moore Bros., Reinbeck; sold out.

Bank of Rock Rapids, Rock Rapids (Parker & Richards); now an incorporated bank; B. L. Richards, Cashier.

KANSAS.—*New:* Ottawa County Bank, Minneapolis; A. N. Schuster, President; S. A. Walker, Cashier.

Change in Officers: National Bank of Lawrence, Lawrence; S. O. Thacher, President, in place of J. E. McCoy.

First National Bank, Fort Scott; Charles F. Drake, President, in place of B. P. McDonald; C. H. Osbun, Cashier, in place of C. F. Drake.

Osage City Savings Bank, Osage City; T. B. Haslam, Cashier.

Osborne County Bank, Osborne; William F. Earls, Cashier, in place of S. A. Walker.

MINNESOTA.—Farmers' & Mechanics' Bank, St. Paul; suspended.

MISSISSIPPI.—*Discontinued:* Smith & Co., Meridian.

Change in Officers: Columbus Insurance & Banking Co., Columbus; William H. Lee, Cashier, in place of N. E. Goodwin.

Bank of Greenville, Greenville; James Robertshaw, Cashier.

MISSOURI.—*New:* Bank of Odessa, Odessa; J. C. Cobb, President; L. R. Smith, Cashier.

Armstrong & McLean, Stanberry.

Change in Officers: First National Bank, Sedalia; Cyrus Newkirk, President, in place of A. D. Jaynes; J. C. Thompson, Cashier, in place of C. Newkirk.

NEBRASKA.—*New:* Red Willow County Bank, Indianola; J. W. Dolan, Manager.

NEW JERSEY.—*Change in Officers:* First National Bank, Hoboken; William B. Goodspeed, Cashier *pro tem.*, in place of F. T. Lilliendahl, resigned.

National Union Bank, Dover; George Richards, President, in place of H. Hoagland.

NEW YORK.—*Change in Officers:* Genesee County National Bank, Batavia; Chas. R. Gould, Cashier, in place of W. F. Merriman.

First National Bank, Hoosick Falls; Addison Getty, Cashier.

First National Bank, St. Johnsville; J. M. Hubbard, Cashier, in place of N. G. Dodge.

NEW YORK CITY.—Manufacturers' & Merchants' Bank; in liquidation.

Leonard Howell & Co. admit Joseph S. Decker.

Archibald Turner & Co.; dissolved.

L. Von Hoffman & Co. admit Robert Reutter.

ONTARIO, CAN.—*Change of Title:* Johnston's Bank, London; now Mahon Banking Company.

PENNSYLVANIA.—*Change in Officers:* Corry National Bank, Corry; T. A. Allen, President, in place of H. F. Sweetser.

First National Bank, Harrisburg; William W. Jennings, President, in place of William Calder.

Valley National Bank, Lebanon; Jacob B. Karch, Cashier, in place of J. Karch, deceased.

Keystone National Bank, Philadelphia; G. W. Marsh, Cashier, in place of J. B. Wiswell.

RHODE ISLAND.—*Change in Officers:* First National Bank of Newport; Nathaniel R. Swinburne, Cashier, in place of Benjamin Mumford.

Scituate National Bank, North Scituate; Byron J. Cowee, Cashier, in place of A. Hubbard.

SOUTH CAROLINA.—*Change in Officers:* Bank of Charleston N. B. A., Charleston; Ernest H. Pringle, Cashier, in plance of T. A. Honour.

People's National Bank, Charleston; Ed. H. Sparkman, Cashier, in place of H. G. Loper.

National Bank of Greenville, Greenville; Luther M. McBee, Cashier, in place of J. J. Blackwood.

TEXAS.—*Change in Officers:* First National Bank, Galveston; J. E. Beissner, Cashier, in place of William Garlick.

VIRGINIA.—*Change in Officers:* Augusta National Bank, Staunton; W. P. Tams, Cashier, in place of N. P. Catlett.

WISCONSIN.—*Change in Officers:* Waukesha National Bank, Waukesha; Andrew J. Frame, President, in place of William Bear; H. M. Frame, Cashier, in place of A. J. Frame.

BUSINESS IN THE SOUTHERN STATES.

INTERESTING ACCOUNTS FROM VARIOUS SECTIONS.

[From our correspondent for Virginia and North Carolina.]

RICHMOND, Va., July 27, 1880.

The Money and Stock Markets of this city have been marked by much the same features during this year as those of New York. With the improvement in general trade and the largely increased receipts of the railroads for the past six months, securities of all kinds advanced, the "boom" being chiefly on the lower priced railroad stocks; speculation ran high on the stock of the Richmond and Danville Railroad and its connecting lines. This stock advanced from $2 a share in 1878 to $90 a share in May, 1880. The increasing receipts of the road was not the sole cause of this advance. A sentiment of distrust of railroad securities growing more blind and senseless from 1873 to 1878, drove the mass of investors into Government bonds as the only safe depository for their money. Many of the railroads, it is true, were in the hands of the courts, but many were still paying expenses and interest, and in a condition to take advantage of the first breath of returning prosperity. The reaction came, and the public learned the lesson rapidly, and the demand for railroad securities became a general scramble. No investigation of values was made, anything called stock sold at the asking price of the day, with an expectation (seldom disappointed) that it would bring more on the morrow.

This market took no warning by the break in New York until the tumble there had been going on for weeks. Atlanta and Charlotte Railroad and Charlotte, Columbia and Augusta Railroad stocks sold at 50, Richmond and Danville sold at 90, but the purchasers for investment at these prices were very few, and the speculators became heavily loaded, and now buyers look closely to receipts and expenses, interest charges and possible dividends, and are bidding very timidly—23 for Atlanta and Charlotte, 33 for Charlotte, Columbia and Augusta, and 70 for Richmond and Danville, with a very weak market.

Mortgage bonds have not been affected by speculation, money has continued cheap, and all bonds paying regular interest have been in good demand at full prices. The divisional bonds of the Atlantic, Mississippi and Ohio Road have held steady quotations. The sterling bonds of this road, although four years in default, have sold in London at 118, but have recently broke to below par. There have been no dealings in these bonds on this side of the water, while the divisional bonds (prior liens) have been always dealt in here. The bonds of the Chesapeake and Ohio Road (once largely dealt in here) have been taken off our market to New York. Our State bonds attract very little attention, and do not change hands much; they are steady with an upward look. City bonds sell very high—6s, 108; 8s, 122, and few sellers.

Money has been idle at times during the Summer, the excess in the banks offering at 6 per cent. and no borrowers; but commercial paper and stock loans have usually taken it at 6 per cent. to 8 per cent. It is probable that the banks will be easy all the summer. This city proposes to offer a new 5 per cent. loan at a minimum price of par and interest. The price of outstanding city bonds has not been affected by the new loan.

The Refunding Certificates.—Of the $40,000,000 of ten-dollar refunding certificates issued under the special act of Congress, which were convertible into 4 per cent. bonds of $50 and upward, about $1,367,000 remain unconverted. A great many of the certificates are now being received by the United States Treasurer in sums of less than $50 for conversion into 4 per cent. bonds. Treasurer Gilfillan is, of course, obliged to return them. The question has also been raised in the Treasury Department whether these certificates are convertible, principal and accrued interest, into bonds. It has been decided that the principal is also convertible. When these certificates are presented in proper amounts they are converted on the basis of the principal. The accrued interest is, however, paid to the holders by check.

BANKING AND FINANCIAL NEWS.

$2,000,000 a Month.—Recent advices from Washington report that both Treasurer Gilfillan and Director Burchard, of the Mint, agree that, under the law relating to the coinage of silver dollars, the Secretary is obliged to buy only sufficient bullion to make $2,000,000 monthly. There has been no disagreement between the Treasurer and Director of the Mint on this subject.

Robbing a Banking Office.—A bold robbery was committed July 22d, at the private bank of Fisher, Preston & Co., in Detroit. While the clerk, Frederick D. Gifford, was alone, a stranger apppeared at the opening of a wire screen in the counter and expressed a desire to buy some Government bonds. As Mr. Gifford was about to reply, the stranger suddenly reached through the aperture and struck him on the temple with a slung-shot. The blow felled him to the floor and temporarily rendered him insensible. When he recovered it was ascertained that between $4,000 and $5,000 in currency, which had been lying on the counter, had disappeared.

British Gold Coming.—The first intimation of gold shipments was telegraphed from London on the 22d of July, when it was announced that £200,000 in gold had been bought in the open market for shipment to New York. It is considered to be a reasonable calculation that from $10,000,000 to $15,000,000 of gold will be imported within the next two or three months.

Such an amount of gold in the New York banks would warrant an expansion of credits (loans and discounts) to the extent of $40,000,000. About the 1st of August the surplus reserve of the New York City banks was about $18,000,000. It may therefore be said that the country has not for many years entered upon the autumn trade and the movement of the crops with so favorable a prospect as the present one so far as the money market is concerned.

Our Foreign Commerce.—The statement of the foreign commerce of the United States, for the fiscal year ending June 30, recently issued by the Bureau of Statistics, is worthy the careful attention of all who take an interest in the business of the country. The imports and exports for the year make the enormous total of $1,503,679,489. In 1860 the figures were $687,192,176; in 1870, $828,730,176. In 1873 they were $1,144,616,132; in 1876 they had fallen to $1,001,125,861, and last year they were only $1,156,217,216.

In commenting on these figures the New York "Bulletin" says: "The exports of specie, less the imports, averaged, between 1860 and 1873, about $53,000,000 per annum. As the exports of produce gained upon the imports of merchandise, the net export of the precious metals steadily declined, and, for the four years 1876 to 1879 inclusive, the amount averaged only $16,000,000, while last year there was a net import of $76,000,000. In other words, instead of making a net export, within the last five years, of $263,000,000—which would have happened in the ordinary course—we have imported $12,000,000 more than we have exported; thus contributing since 1875, $275,000,000 to our stock of gold and silver. The withholding of this large amount from the current contributions to Europe's supplies would have appeared, in the prospect, a financial impossibility; but, in the retrospect, we see that it has been done, and without detriment to the London and Continental money markets. The explanation is very apparent; owing to the absence of speculation and the general reduction of values, the money has not been needed."

The Last National Bank Statement.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
WASHINGTON, July 14, 1880.

ABSTRACT of Reports made to the Comptroller of the Currency, showing the condition of the National Banks in the United States, including National Gold Banks, at the close of business on Friday, the 11th day of June, 1880.

RESOURCES.

Loans and discounts		$991,143,126 00
Overdrafts		3,569,520 41
U. S. Bonds to secure circulation		359,512,050 00
U. S. Bonds to secure deposits		14,727,000 00
U. S. Bonds on hand		28,604,800 00
Other stocks, bonds, and mortgages		44,948,345 75
Due from approved reserve agents		115,935,668 27
Due from other National Banks		56,578,444 69
Due from State Banks and bankers		13,861,582 77
Real estate, furniture, and fixtures		47,979,244 53
Current expenses		6,778,829 19
Premiums paid		3,702,354 60
Checks and other cash items		9,980,179 32
Exchanges for Clearing-House		122,390,409 45
Bills of other National Banks		21,908,193 00
Fractional currency		387,226 13
Specie, viz: Gold coin	$43,622,509 73	
Gold Treasury Certificates	8,439,560 00	
Gold Clearing-House Certificates	41,087,000 00	99,506,505 26
Silver coin	5,862,035 53	
Silver Treasury Certificates	495,400 00	
Legal-tender notes		64,480,717 00
U. S. certificates of deposit for legal-tender notes		12,500,000 00
Five per cent. redemption fund with Treasurer		15,920,010 66
Due from Treasurer other than redemption fund		1,079,073 12
Aggregate		$2,035,493,280 15

LIABILITIES.

Capital stock paid in		$455,909,565 00
Surplus fund		118,102,014 11
Other undivided profits		50,443,635 45
*National Bank notes issued	$322,538,701 00	
Amount on hand	4,450,139 00	
		318,088,562 00
State Bank notes outstanding		290,738 00
Dividends unpaid		1,330,179 85
Individual deposits		833,701,034 20
U. S. deposits		7,680,905 47
Deposits of U. S. disbursing officers		3,026,757 34
Due to other National Banks		171,462,131 23
Due to State Banks and bankers		67,938,795 35
Notes and bills re-discounted		2,268,769 72
Bills Payable		5,250,192 48
Aggregate		$2,035,493,280 15

No. of Banks, 2,076.

JNO. JAY KNOX,
Comptroller of the Currency.

* The amount of circulation outstanding at the date named, as shown by the books of this office, was $344,995,021; which amount includes the notes of insolvent banks, of those in voluntary liquidation, and of those which have deposited legal-tender notes under the act of June 20, 1874, for the purpose of retiring their circulation.

The National Bank Note Circulation.

Statement of the Comptroller of the Currency, showing by States the amount of National Bank circulation issued, the amount of Legal-Tender Notes deposited in the United States Treasury to retire National Bank circulation, from June 20, 1874, to Aug. 1, 1880, and amount remaining on deposit at latter date.

STATES AND TERRITORIES.	Addition'l circulat'n iss'd since J'ne 20, '74	Legal-Tender Notes Deposited to Retire Nat'l B'k Circulat'n since June 20, '74. For redempt'n of notes of liquidati'g banks.	To retire circulat'n und'r Act J'ne 20, '74	Total Deposits.	Leg'l t'd's on deposit with U. S. Treasurer at date.
Maine	$1,461,180	$317,000	$600,000	$917,000	$199,986
New Hampshire	632,865	72,997	55,800	128,797	33,727
Vermont	1,798,310	184,597	1,069,340	1,253,937	119,788
Massachusetts	20,604,520	234,800	8,262,300	8,497,100	1,860,699
Rhode Island	1,774,320	32,350	954,985	987,335	222,518
Connecticut	2,495,360	65,350	2,046,330	2,111,680	631,287
New York	20,787,105	2,182,878	24,489,021	26,671,899	5,958,495
New Jersey	1,712,665	241,660	1,562,280	1,803,940	342,407
Pennsylvania	10,906,030	1,294,226	7,054,321	8,348,547	1,725,015
Delaware	232,275	......	......	......	......
Maryland	1,302,310	166,600	1,646,380	1,812,980	30,614
District of Columbia	456,500	422,664	458,060	880,724	52,920
Virginia	800,500	915,369	907,510	1,822,879	257,221
West Virginia	213,510	731,060	319,185	1,050,245	136,870
North Carolina	1,235,660	128,200	1,012,585	1,140,785	149,425
South Carolina	90,700	....	953,380	953,380	24,871
Georgia	520,350	287,725	437,675	725,400	80,375
Florida	45,000	......	......	......	......
Alabama	207,000	90,000	139,500	229,500	100,738
Mississippi	......	......	......	......	366
Louisiana	1,285,110	650,750	2,099,250	2,750,000	145,088
Texas	278,100	29,800	229,340	259,140	19,195
Arkansas	171,000	......	171,000	171,000	28,400
Kentucky	3,778,130	629,867	1,504,933	2,134,800	376,862
Tennessee	647,170	370,401	533,859	904,260	172,501
Missouri	767,260	998,510	3,742,390	4,740,900	751,502
Ohio	2,992,480	1,583,754	3,077,887	4,661,641	941,580
Indiana	3,239,380	1,235,897	6,343,483	7,579,380	2,073,752
Illinois	2,544,115	1,769,434	6,447,946	8,217,380	900,137
Michigan	2,075,410	364,500	2,375,995	2,740,495	577,157
Wisconsin	766,730	653,860	1,013,439	1,667,299	419,351
Iowa	1,513,400	813,669	1,599,955	2,413,624	440,393
Minnesota	1,017,800	420,095	1,748,445	2,168,540	663,110
Kansas	147,600	781,721	190,550	972,271	229,276
Nebraska	67,500	45,000	233,080	278,080	45,031
Nevada	36,000	......	......	......	1,958
Colorado	572,400	138,083	149,400	287,483	22,432
Utah	134,900	161,191	196,800	357,991	17,452
Montana	129,600	91,800	45,000	136,800	44,758
Wyoming	3,600	......	......	......	......
Washington	135,000	......	......	......	......
Dakota	175,500	.....	......	......	......
New Mexico	90,000	......	......	......	......
California	702,000	......	......	......	......
Legal tenders deposited prior to June 20, 1874.				3,813,675	
Totals	$90,548,345	$18,105,806	$83,671,404	$105,590,887	$19,797,232

JOHN JAY KNOX,
Comptroller of the Currency.

E

National Bank Statistics.

STATEMENT of the Comptroller of the Currency on August 1, 1880, showing the amounts of National Bank Notes and of Legal Tender Notes outstanding at the dates of the passage of the Acts of June 20, 1874, January 14, 1875, and May 31, 1878 together with the amounts outstanding at date, and the increase or decrease.

NATIONAL BANK NOTES.

Amount outstanding June 20, 1874	$349,894,182
Amount outstanding January 14, 1875	351,861,450
Amount outstanding May 31, 1878	322,555,965
Amount outstanding at date*	342,816,772
Decrease during the last month	341,165
Increase since Aug. 1, 1879	14,326,035

LEGAL TENDER NOTES.

Amount outstanding June 20, 1874	$382,000,000
Amount outstanding January 14, 1875	382,000,000
Amount retired under Act of January 14, 1875, to May 31, 1878	35,318,984
Amount outstanding on and since May 31, 1878	346,681,016
Amount on deposit with the Treasurer U. S. to redeem notes of insolvent and liquidating banks, and banks retiring circulation under Act of June 20, 1874	19,797,232
Increase in deposit during the last month	14,845
Increase in deposit since August 1, 1879	6,491,875

*Circulation of National Gold Banks not included in the above.....$1,336,915

JOHN JAY KNOX,
Comptroller of the Currency.

Statement For the Month Ending July 31, 1880.

U. S. BONDS HELD AS SECURITY FOR NATIONAL BANKS.

U. S. bonds for circulation—deposited	$2,163,700
U. S. bonds for circulation—withdrawn	2,663,700
Total held for circulation	361,152,050
Total held for deposits	14,802,000

LEGAL TENDER NOTES.

Deposited under Act of June 20, 1874.	895,800
Total now on deposit in Treasury U. S., inc. notes of liquidating banks	17,797,232
Retired under Act of January 14, 1875	35,318,984
Total greenbacks outstanding	346,681,016

NATIONAL BANK NOTES.

Additional circulation issued	658,950
Circulation surrendered and retired	1,000,115
Total amount outstanding:	
Currency	342,816,772
Gold notes	1,336,915
Notes received for redemption from	
New York	2,083,000
Boston	486,000
Philadelphia	417,000
Other places	1,724,000
Total	$4,710,000

The National Debt Statement August 1.

AND FOR COMPARISON, THE JULY STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	July 1, 1880.	August 1, 1880.
Bonds at 6 per cent	$235,780,400	$235,221,050
" 5 "	484,864,900	484,129,550
" 4½ "	250,000,000	250,000,000
" 4 "	737,980,800	738,180,450
Refunding certificates	1,367,000	1,167,350
Navy pension fund	14,000,000	14,000,000
Principal	$1,723,993,100	$1,722,698,500
Interest	22,023,326	15,091,687

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

Principal	$7,621,455	$6,841,115
Interest	814,444	791,135

DEBT BEARING NO INTEREST.

Old demand and legal-tender notes	$346,741,991	$346,741,931
Certificates of deposit	14,465,000	15,535,000
Fractional currency	*7,214,954	7,205,710
Gold and silver certificates	20,378,870	20,573,890
Principal	$388,800,815	$390,056,531
Unclaimed Pacific Railroad interest	7,777	7,777

* $15,590,888 37 less $8,375,934, estimated as lost or destroyed, act June 21, 1879.

TREASURY PAYMENTS DURING JULY.

The payments made from the Treasury by warrants during the month of July were as follows:

On account of civil and miscellaneous	$5,122,263	$7,466,099
On account of war	2,670,735	5,373,694
On account of navy	829,316	1,868,215
On account of interior (Indians)	838,833	1,282,720
On account of interior (Pensions)	8,780,806	4,462,732
Total	$17,841,953	$20,453,449

The above does not include payments made on account of the interest or principal of the public debt of the United States.

TOTAL DEBT.

Principal	$2,120,415,370	$2,119,596,046
Interest	22,845,547	15,890,600
Total	$2,143,260,918	$2,135,486,647
Total cash in the Treasury	201,068,622	198,890,405

DEBT, LESS CASH IN THE TREASURY.

August 1st, 1880	$1,952,386,719	$1,936,596,241
July 1st, 1880	1,942,172,295	1,942,172,295
Decrease of debt during month	$10,214,424	5,576,053
Decrease of Debt since June 30, 1880	85,084,961	5,576,053

CURRENT LIABILITIES.		
Interest due and unpaid	$2,368,395	$3,489,470
Debt on which interest has ceased	7,621,455	6,841,115
Interest thereon	814,444	791,135
Gold and silver certificates	20,378,870	20,573,890
U. S. notes held for red'n of certificates of deposit.	14,465,000	15,535,000
Cash balance available	155,440,457	151,659,793
Total	$201,068,622	$198,890,405
AVAILABLE ASSETS.		
Cash in the Treasury	$201,068,620	$198,890,405
BONDS ISSUED TO THE PACIFIC RAILROAD COMPANIES, INTEREST PAYABLE IN LAWFUL MONEY.		
Principal outstanding	$64,623,512	$64,623,512
Interest accrued and not yet paid	1,938,705	323,117
Interest paid by United States	45,651,155	45,589,861
INTEREST REPAID BY COMPANIES.		
By transportation service	13,615,292	$13,642,884
By cash payments, 5 per cent. earnings	655,198	655,198
Balance of interest paid by the United States	$31,380,664	$33,291,977

Bank President Injured.—As Mr. John Cummings, President of the Shawmut National Bank of Boston, was driving a span of horses recently, the horses became frightened at the whistling of a steamtug and ran away. Mr. Cummings was thrown out, and sustained a dislocation of the shoulder and other injuries.

"Better Late than Never."—Early in September the widow of the millionnaire banker, J. B. Martin, of Milwaukee, will be married to F. G. Tibbets, one of the leading bankers of Philadelphia. Mr. Tibbets is seventy years of age, and Mrs. Martin sixty-eight years. Mrs. Martin controls about two million dollars' worth of property in Milwaukee. On her husband's death-bed he requested that she would marry Mr. Tibbets, who was her first lover when the two were too poor to marry. Mr. Tibbets has remained an old bachelor all his life.

Savings Banks Prosperous.—There is no better indication of the general prosperity of the country than the deposits in our savings banks. In a time of depression people of moderate means and those whose income exceeds by very little their expenses of living, not only cease to have a surplus to deposit in the savings banks, but are compelled to draw upon the amount which they have laid by in better times. When, however, the wheels of industry move again and there is employment for all willing workers at satisfactory rates, the surplus begins to grow again and finds its way to the savings banks. Now it is announced that the increase in the deposits of the savings banks of this city during the last six months is estimated at $9,000,000, and in the banks of the whole State at $17,000,000.—*N.Y. Post.*

A Good Example.—A New York Catholic priest has left behind him proofs that he did not love ignorance. Father Farrell, the well-known pastor of St. Joseph's, left in his will $5,000 for the relief of the sober and honest poor of his parish, without distinction of race or religion; $5,000 to be used in erecting a Catholic church for the colored Catholics of this city; all his other property, save that given in other specified bequests, for "the support of destitute children belonging to St. Joseph's parish;" and he directed that upon his grave there should be "an inscription asking the prayers of the faithful for the repose of my soul; and on the scroll at the foot of my grave the following inscription: 'And now I beseech you to love liberty and to love intelligence, and try to extend their blessings to every member of the human family; hate tyranny, oppression, wrong and slavery; but, above all, hate ignorance—the fruitful parent of evil to the human family.'"

*RHODES' JOURNAL RECORD OF DEATHS.

JAMES SPRAKER, President of the National Spraker Bank, Canajoharie, New York, died at Amsterdam, in this State, on Saturday, August 7, 1880.

SAMUEL GEORGE, JR., President of the Farmers' Deposit National Bank of Pittsburgh, Pa., died at that place on Sabbath, August 1, 1880, aged thirty-one years.

He was said to be the youngest bank president in the United States, and his untimely death is mourned by a wide circle of friends.

GEORGE E. SMALLEY, of Smalley, Hone & Lewis, bankers and brokers of this city died at Bethlehem, New Hampshire, on Wednesday, July 7, 1880, aged thirty-six years.

Mr. Smalley purchased a seat in the New York Stock Exchange about ten years ago. Three years ago he formed the firm of Smalley & Hone, but in consequence of ill-health he was not actively engaged in business the last year, Mr. Lewis, a new partner, being taken into the concern. Mr. Smalley, while not prominent in the government of the Exchange, was a well-known and highly-esteemed member, his reputation for honesty and integrity being very high.

*The editor solicits correct data, with the necessary particulars, from which to prepare brief notices of recently deceased bankers for this department of the JOURNAL.

THE BANKER'S INDEX.

The Money Market and Financial Situation.

NEW YORK, August 5, 1880.

THE MONEY MARKET was remarkably easy during the month of July; call loans ranged from two to three per cent. on good security, with some transactions on large blocks of government collateral as low as 1½ per cent.

Some of the numerous financial prophets are picturing the arrival of great shiploads of foreign gold this Autumn, but though there will be gold importations, it is just possible that the New York Stock Market needs all such extravagant stories to keep the ball rolling in the hope that the boom of last year will be repeated.

It is hardly likely that much foreign gold will come here for purely speculative purposes. Now that the wheat crop is fully secured, some calculations may be made as to the probable amount which will be exported; this will bring foreign gold in the legitimate way.

There seems to be hardly a doubt that the wheat crop of 1880 will be considerably larger than 1879, which is equivalent to saying that this year's crop will be the largest ever grown.

According to the most reliable reports from the wheat-producing States, the yield seems more likely to exceed than to fall below 480,000,000 bushels. And now comes the question what are we going to do with this vast quantity of wheat? How much of it will be exchanged for European gold? It is safe to say that the stock of old grain in the hands of the farmers is considerably smaller, while the increased population will warrant a belief that the domestic consumption for food will be a least 7,000,000 bushels larger than ever before, price remaining the same, and still greater if, as seems probable, the price rules much lower than in 1879-80. Some increase of acreage may also cause a larger consumption for seed.

After allowance for all these differences, however, it appears not very probable that this country can well consume, or take to replenish stocks, more than about 300,000,000 bushels, against 270,000,000 last year, leaving as a probable minimum for export about 180,000,000 bushels. This is about the quantity exported from the crop of 1879, when the failure of crops in Europe was general and severe beyond all precedent.

Railroad stocks were strong, and in many cases an important advance was made during the month.

The gross earnings of thirty-eight railroads reporting their earnings for the month of July, show a gain of about 32 per cent., the increase in mileage being about 12 per cent. During the month there were no special influences at work to unduly stimulate traffic, although the grain movement continued in large volume. The earnings for the seven months, from January 1, show an increase of 25 per cent., and the mileage about 12 per cent. The increase is uniform throughout the list, with a solitary unimportant exception, the Cincinnatti and Springfield. Among the heaviest gains are those of the Northwestern; Milwaukee and St. Paul; New York Central and Hudson; Wabash, St. Louis and Pacific; Missouri, Kansas and Texas; Hannibal and St. Joseph; Denver and Rio Grande, and Louisville and Nashville. No more conclusive proof can be furnished of the present magnitude and activity of general trade than the marked increase in railroad receipts.

The following summary shows the condition of the New York Clearing House

banks, the premium on gold, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of August in 1878, 1879 and 1880:

* STATISTICAL SUMMARY ON OR ABOUT AUGUST 1, 1878, 1879 AND 1880.

NEW YORK CITY BANKS—	1880.	1879.	1878.
Loans and discounts	$297,779,300	$267,280,100	$238,096,200
Specie	68,037,700	19,652,400	17,990,800
Circulation	19,4[illegible]7,600	20,594,800	19,273,600
Net deposits	291,306,500	254,770,700	219,978,500
Legal tenders	20,631,300	57,655,100	58,610,100
Surplus reserve (over 25 %)	15,842,375	13,614,825	21,606,275
MONEY, GOLD, EXCHANGE—			
Call loans	2 @4	1½@3	1 @2½
Prime paper	3½@4½	3 @4½	3 @4
Gold	100	100	100½
Silver in London per oz	52 13-16d	51½d	52¾d
Prime Sterling bills, 60 days	4 83	4 82½@4 83½	4 81¾@4 82½
UNITED STATES BONDS.			
6s, 1881, coupon	104⅝	104¾	107½
6s, currency, 1898	125	123¼	120⅝
5s, 1881, coupon	102½	102⅞	106⅜
4½s, 1891, coupon	111⅜	106¼	104¾
4s of 1907, coupon	109½	102¼	100⅝
RAILROAD STOCKS.			
New York Central & Hudson Riv	133	119	109
Erie (N. Y., L. E. & W.)	44¼	28½	18¼
Lake Shore & Michigan Southern	109⅝	80⅝	63
Michigan Central	98	83¼	64½
Chicago, Rock Island & Pacific	115½	139½	112¼
Illinois Central	111	89½	83¼
Chicago & Northwestern, common	99⅜	74¾	36½
Chicago, Milw. & St. Paul, com	89⅜	64⅞	35¾
Delaware, Lackawanna & Western	87½	62¼	58¼
Central of New Jersey	77⅜	54	38⅝
MERCHANDISE.			
Cotton, Middling Uplands, per lb	11 9-16	11½	11 13-16
Wool, American XX, per lb	42@48	32@40	30@38
Iron, American Pig, No. 1, per ton	27 00@28 00	20 00	16 50@18 00
Wheat, No. 2 Spring, per bush	1 08½@1 09	1 05@1 06	1 06@1 08
Corn, Western mixed, per bush	43@48¼	43@45	45@49
Pork, Mess, per bbl	13 00@14 60	8 75@8 80	10 65@....

The following table shows the total sales of each class of Government bonds at the New York Stock Exchange for the month of July, and the closing prices† on the dates named:

	Interest Periods.	Total Sales.	July 14.	July 21.	July 28.	July 31.	Aug. 5.
6s, 1880, reg	J. & J.	....	101½	101¾	101¾	102	102⅛
6s, 1880, coup	J. & J.	....	101½	101¾	101¾	102	102⅛
6s, 1881, reg	J. & J.	$80,000	103¾	104	104¼	104⅝	104⅝
6s, 1881, coup	J. & J.	295,050	103¾	104⅛	104¼	104⅜	104½
5s, 1881, reg	Q.—Feb.	174,400	102	102½	101⅞	102½	102⅝
5s, 1881, coup	Q.—Feb.	847,800	103⅝	103½	103⅝	103¾	102⅝
4½s, 1891, reg	Q.—Mar.	162,700	110⅛	110¾	111⅛	111⅛	110⅛
4½s, 1891, coup	Q.—Mar.	20,000	110⅛	110¾	111⅛	111⅛	111¼
4s, 1907, reg	Q.—Jan.	596,650	108¼	109⅛	109¼	109⅜	109½
4s, 1907, coup	Q.—Jan.	263,200	108¼	109⅛	109¼	109¼	109½
6s, currency, 1895, reg	J. & J.	....	126	125	125	124	125
6s, currency, 1896, reg	J. & J.	35,000	126½	125	126	125	126
6s, currency, 1897, reg	J. & J.	....	127	125½	127	126	127
6s, currency, 1898, reg	J. & J.	....	127½	128	128	127	128
6s, currency, 1899, reg	J. & J.	6,000	128	127	129	128	129

* Corrected from compilations made by the "Commercial Chronicle," New York.

† The prices *bid* are given; these furnish the most reliable quotations of *sales* at the Board.

Railroad and Miscellaneous Stocks in July.

The following table shows the number of shares sold, and the lowest, highest and closing prices of the active Railway and Miscellaneous Stocks at the New York Stock Exchange during July; and, for comparison, the closing prices June 30:

RAILROADS.	Closing June 30.	Range in July — Lowest.	Highest.	Closing July 31.	Shares Sold.
Can. Southern	57	57	64½	63	12,210
C., C. & Ind	68½	64	73	71½	19,308
C., C. & I. C	15¼	15	18⅝	17¼	36,100
Ches. & Ohio	17½	17½	19¼	....	4,225
Northwestern	91½	87⅛	99½	99	285,146
do. pref	108¾	107⅝	115½	115⅝	13,441
Mil. & St. Paul	79½	73	89	88⅞	759,728
do. pref	105	102	110½	110½	12,635
Del. Lack. & West	78	76	87⅝	86¾	482,986
Del. & Hud. C. Co	75½	73	83	82	76,582
Houston & Texas	....	64	65	63	505
Hannibal & St. Jo	33¼	31⅜	36½	35¼	40,910
do. pref	72⅝	68⅞	73⅜	72	28,136
Illinois Central	105	105	111	110⅝	14,784
Lake Erie & Western	28	26¼	33⅜	32½	43,605
Louisville & Nashville	124	118	126	117½	2,473
Lake Shore	107	101	109⅜	109½	316,480
Manhattan R.R	31½	21	33½	26¾	89,755
Metropolitan Elevated	92½	83	95	90	6,610
Michigan Central	92½	86¼	97¼	97	106,658
Mobile & Ohio	16½	17½	23¾	....	10,429
Mo., Kan. & Texas	34⅞	34	39⅝	38	192,945
Nash., Chat. & St. L	59	58	70	68	56,800
N. J. Central	66½	64⅝	77½	76¼	858,285
N. Y. Central	127⅜	126¼	132⅞	132¼	66,428
N. Y., L. E. & W	40⅛	38⅞	44⅝	44	1,149,366
do. pref	65½	64¾	72¼	71	64,348
Northern Pacific	26	25	32½	31¾	35,088
do. pref	48¾	46½	56½	55⅜	48,366
N. Y., Ont. & W	27½	25½	28¾	26¾	113,128
Ohio & Mississippi	32½	31	35⅝	34¼	114,110
do. pref	73	71	74⅜	73	2,900
Phila. & Reading R. R	17	14⅝	19¼	18¾	59,856
St. L., I. M. & S	45⅝	43⅝	54	53⅝	82,222
Union Pacific	87	84½	95	94⅞	115,656
W., St. L. & Pacific	36¼	34⅞	42¼	41½	104,053
do. pref	65	62¾	71½	71⅛	167,148
Am. Dist. Tel	72½	69	76¼	73	5,920
At. & Pac. Tel	40	40	46¼	45	18,902
Western Union Tel	103⅝	101½	108⅝	107⅞	249,525
Pacific Mail	38¾	38	44¾	42¾	173,340
Climax Mining	2½	2⅝	2⅝	2⅛	2,250
Little Pittsburgh	....	3⅝	6½	5⅝	17,380
Standard Mining	25½	26	27½	27¼	5,330
Sutro Tunnel	1⅞	1⅝	2	....	46,265

STATE BONDS.—Recorded sales and range of prices for the month were as follows:

	Highest.	Lowest.	Sales.
Ala. Class A	61	58¾	$39,600
Georgia 7s, new	110⅛	109	13,000
La. 7s, Cons	46¾	46	61,000
Mo. 6s, '82 or '83	103¾	103¾	1,000
do. '86	105¼	105¼	5,000
do '89 or '90	108¾	108¾	3,000
do funding bonds	111⅛	111	18,000
do. H. & St. J. '86	105¼	105¼	1,000
N. C. 6s, old J. & J	29⅛	28½	16,000
do A. & O	29¾	29¾	19,000
do funding act '66	10⅛	10⅛	4,000
do new bonds J & J	18¼	17⅝	12,000
do do spc'l tax class 1	3	3	10,000
S. C. 6s, non-fundable	3¼	3¼	2,000
Tenn. 6s, old	38	38	10,000
do new	27⅛	27⅛	8,000
do new series	27½	27⅛	2,000
D of C. 3-65s 1924	100⅝	98¼	118,000
do do Reg	98¼	97¾	18,000

Additional quotations of State bonds are published on another page.

The annexed table shows the leading bonds dealt in, range of prices and the amount of recorded transactions for the month just closed.

	Highest.	Lowest.	Closing. July 31.	Amount Sold.
Cent of N. J. con. ass'd	104⅞	103	....	$306,000
Lehigh & Wilkes con. ass'd	96	94¾	95¾	301,000
Morris & Essex 1st consol	110⅝	109	....	31,000
Rome W. and Ogd. 1sts	66⅛	64¼	65⅛	70,000
St. Paul sinking fund	112½	111⅞	111¾	150,000
H. and St. Jo. conv. 8s	112	109⅛	....	15,000
N. Y. C. 1sts coup	131	127	131	49,000
Canada South. 1sts	93	92	....	247,600
Toledo and Wabash C. C	104	99¾	104	148,000
Cen Pacific 1sts	112¾	111⅞	....	139,000
Tex. do Income	69	56	69	496,000
Union do 1sts	113⅛	112	....	348,000
Kansas do do con.	96¾	94	96¾	1,888,000
do do D. D. A. C. C	109	105⅝	108¾	662,000
Den. & Rio Grande 1sts	104¾	103⅝	104¼	585,300
Mo. Kan and Texas 1sts con. ass'd	105⅝	103½	105⅛	612,000
do 2ds	66⅞	61½	66¼	2,369,500
Erie new con. 2ds	91½	87⅝	91⅝	13,472,000
do do 5s funded	86⅛	82¾	86⅛	1,023,000
do do con. 7s	123	121¾	123	137,000
C. C. & I. C income	41⅛	36	....	306,000
do 1sts T. C. C. A. supplem'y	89	84⅛	86	255,000
I. Mountain 2d pref. income	80⅛	73	80	223,000
do 1st do do	87	83	86½	148,160
do 2ds	103½	100¾	103⅛	834,000
C. & Ohio Currency 6s	39	37¾	....	201,000
do do 1sts series B	68	64⅝	....	86,500
N. Y. Elevated 1sts	110⅛	109½	....	122,000
Met. do do	100⅛	98⅝	100⅛	240,000
Bost. Hart. & E. do	44⅝	40	....	543,000
Oregon 1sts	98	96¾	97¾	301,000
Mobile & Ohio 1st deb	80	75½	80	752,900
do 2d deb	46⅛	41	46	122,000
Bur. C. R. and Northern 1sts	92	91	92	181,500
Lake Erie & W. income	65	60	...	126,000
Ohio Central income	47	45	....	39,000
do 1sts	90	88¼	90	235,000

Additional quotations of railroad bonds at New York and other principal cities appear in the general list of Stock and Bond Quotations, printed on the pages at the close of this department.

STOCKS AND BONDS—PRICES IN NEW YORK AND OTHER CITIES.

The following tables give the latest bid and asked prices at the New York Stock Exchange; also Southern securities, a full list of general stocks not called at the Exchange, and correct quotations from other cities.

Quotations in New York are to August 5, latest mail advices from other cities.

The prices named represent the percentage upon a par basis.

*** Indicates ex-interest. § With interest added. x Dividend.**

SECURITIES.	Bid.	Askd
STATE STOCK.		
Alabama 5s, 1883		
do 5s, 1886		
do 8s, 1886		
do 8s, 1888		
do 8s M & Eufala R R		
do 8s Ala & Chat R R		
do 8s of 1892		
do 8s of 1893		
do consols class A		60
do do do B	80	
do do do C	70	76
Arkansas 6s funded	10	
do 7s L Rk & Ft S iss	2	
do 7s Memp & L R	2	
do 7s L Rk P B & N O	2	
do 7s Miss O & R Riv	2	
do 7s Ark Cent R R	2	
Connecticut 6s	106	
Georgia 6s		
do 7s new bonds	108	112
do 7s endorsed		
do 7s gold bonds	110⅛	
Illinois coupon 6s, 1879	102	
do war loan	102	
Kentucky 6s	102	
Louisiana 6s		
do new bonds		
do 6s new floating debt		
do 7s penitentiary		46¾
do 5s levee bonds		
do 8s do		
do 8s do of 1875		
do 8s do of 1910		
do 7s Consolidated	46⅝	
do 7s Small Bonds	44	
Michigan 6s 1878-1879		47
do 6s, 1883		
do 7s, 1890		
Missouri 6s due in 1883	103	
do do in 1886		107
do do 1887	106	
do do 1888	107½	
do do in 1889 or 1890	108½	
Asyl or Univs'y due 1892		
Fund'g bds due in 1894-5	111½	
Han & St. Jos. due 1886	105½	
do do 1887	108½	
New York 6s gold reg'd, 1887		
do 6s do coup., 1887		
do 6s do loan, 1883		
do 6s do do 1891		
do 6s do do 1892		
do 6s do do 1893		
N Carolina 6s old Jan & July	29	30
do Apr & Oct	29	30
do N. C. R., Jan & July		
do do Apr & Oct		
do do cp off Jan & July		
do do cp off Apr & Oct		
do funding act, 1866	10½	
do do 1868	10½	
do new bonds Jan & July	18¼	

SECURITIES.	Bid.	Askd
N. C. new bonds, April & Oct	18¼	
do special tax, class 1	2	
do do class 2	2	
do do class 3	2	
Ohio 6s. 1881	101	
do 1886	109½	
Rhode Island 6s		
South Carolina 6s		
do Jan & July		
do April & Oct		
do funding act 1866		
do land C 1889 Jan & J		
do land C 1889 Apr & O		
do 7s of 1888		
Non-fundable bonds		
Tennessee 6s, old	38	
do 6s, new		30
do new series		30
Virginia 6s, old		
do 6s, new bonds, 1866		
do 6s, do 1867		
do 6s, consol. bonds		
do 6s, ex-mat'd coup	57	58
do 6s, do 2d series		36
do 6s, defer'd do	6	7
Dist. of Col. 3-65's 1924	98	98½
do Small Bonds	98	
do Registered	98	
CITY AND COUNTY.		
Brooklyn 6s		
do 6s, water loan	114	118
do 6s, imp'm't stock		
do 7s, do		
do 6s, pub, p'k loan	118	120
do 7s. do do	128	131
Jersey City 6s, water loan	101	102
do 7s, do	109	110
do 7s, improvement	105	106
Kings county 6s	103	115
New York City 6s, 20-50's, 1876		
do do 6s, 1877		
do do 6s, 1878		
do do 6s, 1887		
do do G'd 6s, Con. 1902		
do do 6s, ..1896	123	128
do do 6s Dock b'ds	118	120
do do 6s co. b'ds		
do do 6s Cen. Park	117	118
do 5s, 1890		
do 5s, 1898	106	108
RAILROAD BONDS.		
Boston, H. & E. 1st m	43½	43¾
Boston, H. & E. 1st m guar		
B., Cedar Rap. & N. 1s 5s g	92¼	93
Chesapeake & Ohio 6s 1st mtg	67¼	67¾
do do ex-coupon	38¼	38½
Chicago & Alton 1st mortgage		
do income		
Joliet & Chicago 1st mortgage		105
La. & Mo., 1st guaranteed	114¼	114½
St. L Jacksonville & Chic 1st	115	116
Chic. Bur. & Qu. 8 per ct. 1st m	108	109¼

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
Chic. Bur. & Qu. cons......M 7s	122¼	122¾
do do 5s Sinking Fund	100	104
Chic. R. I. & Pacific............		
do 6s 1917, coupon...	120	120
do 6s 1917, registered	119½	120½
Keokuk & Des Moin. 1st 5s.....	98	98
Central R R of New Jersey....		
Cen. R of N. J. 1st 7s. 90.....	114	116
do cons. assent.	102¾	103
do convertible	105⅛	....
L. & W. B'e. con. assented....	94½	95
Am' Dock & Imp. bonds as'd	110	112
Chic. Mil. & St. Paul R. R		
M. & St. P. 1st mtg 8s P. D...	128½	....
do 2d 7 3-10 P. D.....	117	......
do 1st 7s $ gold R. D	118½	119
do 1st 7s £ do	113	113½
do 1st M. LaC. D.....	......	116½
do 1st M. I. & M. D.	115	115¾
do 1st M. I. & D......	113	115
do 1st M. H & D.....	117½	120½
do 1st M. C. & M.....	112	112¾
do consolidated s f..	......	......
do 2d mortgage 7s...	......	......
Chic. & N. W. sinking fund....	111	111½
do do int. bonds......	103	......
do do cons. bonds.....	124	......
do do exten. bonds...	......	110½
do do 1st mortgage...	108	109
do do coup gd bonds..	118⅛	118¾
do do reg'd do	118	118½
Iowa Midland 1st m. 8s.....	120	121
Galena & Chicago extension.	102½	106½
Peninsula 1st m. conv........	108	......
Chicago & Mil. 1st m.....	114	120
Winona & St. P. 1st mort.....	107	110
do do 2d mort.....	114	115
C. C. C. & Ind's 1s m. 7s s. f.....	118½	119
do consol, M. bonds.	111	111½
Del., Lack. & W. 7s conv.......	104	......
do do m. 7s.........	119	.....
Morris & Essex 1st mor.......	130	131½
do 2d do	112	......
do bonds, 1900...	102	110
do constr'n	106	110
do 7s of 1871.....	113	.. ...
do 1s con. gd....	109¼	110
Del. & Hud. Can. 1s 7s. 1884....	106	106½
do do 1891 ...	110	......
do Coup. 7s 1894...	112	115
do Regis'd 7s 1894 ...	112	.... .
Albany & Susq. 1st 7s...........	110½	......
do do 2d do........	109½	....
do do 3d do.......	112¼	114½
do do 1st c gua'd....	112½	114½
Rens'r & Sara. 1st 7s. Coup..	127	130
do do 1st reg'd 7s ...	125	128
Erie 1st mort. extended.	123¾	......
do 1st do endorsed...	......	......
do 2d do ex. 5s, 1919.... .	108	109
do 3d do 7s, 1883....... ...	109½	110
do 4th do 7s, 1880..........	105¼	......
do 5th do 7s, 1888..........	109	112
do 7's cons. m'ge gd bds.....	123	123
Long Dock Bonds	114¾	116¾
B., N. Y., & E. 1st m 1916.....	125¼	......
Han. & St. J. 8s convertible m.	111	112
Illinois Central, ...		
Dub. & Sioux City 1st m......	100	......
do do 2d div....	107	.. ...
Cedar Falls & Minn. 1st m....	106	108
Indp's Bloomn & W'n 1st p....	114	..
do do 2d ...	61⅝	62
Lake Shore Bonds		

Securities.	Bid	Askd
RAILROAD BONDS.		
M. So & N. I. Sink. fd 7.........	108½	110
Cleve. & Tol. sink. fd..........	107	108⅝
Cleve. & Tol. new bonds.......	107	107
Cleve. Painesv & A bonds 7s...	116	117½
do do new do....	......	......
Buff. & Erie, new bonds...	119	120¼
Buff. and State Line 7s........	......	......
Kala. & W. Pigeon 1st m.......	......	108½
Det. Mon & Tol 1st 7s 1906......	120½	123¾
Lake Shore div. bonds..........	119½	120
do con c'p 1st 7s.	122⅝	123½
do con reg 1st bds.....	122½	124
do con coup 2d 7s......	117¼	......
do con re'gd 2d m.....	117⅛	......
Marietta & Cin. 1st m..	100	102
Mich. Cent. consol. 7s 1902......	123	......
do 1st m. 8s '82 s f	107½	109
do equipment bds.....	108½	......
New Jersey So. 1st m. 7s........	......	......
do consol 7s........	......	...
N. Y. Cent. 6s, 1883............	......	......
do do 6s, 1887..........	......	......
do do 6s, real estate......	......	......
do do 6s, subscription...	......	......
do do & Hud 1st m c.....	......	......
do do do 1st m reg....	......	......
Hud. Riv. 7s 2d m s f 1885.....	109	111
Harlem 1st m 7s coupon......	129	......
do do reg'd........	128½	129½
North Missouri, 1st mort.	......	......
Ohio & Miss cons s f...........	115½	118
do consolidated.......	115½	117½
do 2d do..........	112½	113
do 1st Springfield div.	90	92
Pacific R R bonds.......		
Cent Pacific gold bonds......	112⅛	112¼
do San Joaquin branch....	106	107½
do Cal & Oregon 1st........	103¾	......
do State aid bonds	104½	105
do land grant bonds........	105	107
Western Pacific bonds........	107¾	109
Union Pacific 1st m bds.......	112⅜	112½
do land grants. 7s...	114	114¼
do sinking fund.....	119¾	119⅞
Pacific R of Mo. 1st m..........	107½	108½
do 2d m. 7s..........	109	109½
do Income 7s........	......	......
do 1st Carnod't B....	......	......
Pennsylvania R R		
Pitts, Ft W & C 1st m	135½	......
do do 2d m........	125	130
do do 3d m.........	120	121
Cleve & Pitts con s f....	118	......
do 4th do..........	110¼	112
Col. Chic & Ind 1st m.........	80	89
do do 2d m.........	......	......
Rome, Water'n & Og con 1.....	64	65
St. L. & Iron M 1st m...........	115	118
do do 2d m.........	104	105
St. L. Alton & Terre Haute....		
Alton & Terre Haute 1st 7s..	111	117
do 2d do pref....	106½	107
do 2d do inc......	86¾	93
Bell & S. Ill R. 1st m 8s........	110	117
Tol, Peo & War, 1st E D........	132	135
do do do W D........	131¼	......
do do do Burl div.....	......	......
do do do 2d m.........	67	75
do do do consol 7s....	65	70
Toledo, Wabash & Western....		
Tol & Wab 1st m ex..........	113	113½
do Ex coupon	......	......
do 1st m St L div......	108	108¾
do Ex mat'd coup. ..	......	......

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Tol & Wab 2d m	104½	105
do Ex & Nov 77 coup.		
do equipment bonds	30	42
do cons conv'ble	103½	104
do Ex Aug 78 & priv's.		
Gt West'n 1st m 7s 1888	111	112
do Ex coupon		
do 2d 7s 1893	103¾	104
do Ex & Nov 77 coup.		
Quincy & Tol 1st m, 1890	107	107½
do Ex M & Nov 77 c p.		
Illinois & S Iowa 1st m 7s	99	101
do Ex coupon		
Han & Cent Mo 1st m.		
Pekin, Lnc'n & Decat'r 1st m.		
West'n Un bds, 1900, c'pon	116	118
do do do reg	116½	118
MISCELLANEOUS LIST.		
Arkansas Levee 7s	3	7
Atchison & P Pk 6s gold		
Atchison, Top & S Fe 7s, g	119	120
Cairo & Fulton 1st 7s	108½	109
California & Oregon 6s g'd	103½	104
California Pac R R 7s gold	105	115
do 6s 2d m gold	100	102
Central Pac 7s gold, conv	100	103
do land grant	106	107
Cent of Iowa 1st M 7s new	102¼	102½
Chi & Southwestern R R 8s	113	115
Chi & Eastern Ill. 1st 6s	100	101
do do income 7s	90	92½
Chi & Mich Lake Shore 8s		
Chi & Can South 1st m'g 7s	35	47
Chi, St. P. & Min 1st M 6s	105	106
do land grant 6s	105½	106½
Cin, Rich & F W 1 m g 7s	90	100
Cleve, Mt V & Del 7s gold		
Connecticut Valley 7s gold	67	75
Connecticut Western 1st 7s	36	40
Col & Hock Val 1st 7s 30 ys	110	112
Dan, Urb, Bl & P 1st m 7s g		
Denver Pacific 7 gold	96½	98
Denv and Rio Grande 7s g	104¼	104½
Det. Hillsdale & Ind R R 8s		
Dixon, Peoria & Han 8s		
Erie & Pittsburg 1st 7s	100	102½
Evans & Crawfordsville 7s	100	105
Evans, Hend. & Nashville 7s		
Evansville, T & H Chic 7s g	82½	90
Flint & Pere M 7s land grant	102	108
do 7s consol	83	85
Fort W, Jackson & Sag 8s		
Grand River Valley 8s	107½	110
G'd Rapids & Ind 1 guar 7 g	108	110
G'd Rapids & Ind 1st 7s g	103	108
Houst, & Gt N. 1st m g 7s		
Houst. & Tex. C. 1st M L		
do 1st W D		
do Con. 8s		
Ill Grand Trunk 8s	113	115
Ind, Bl & W Ext 1st m g 7s		
Indianapolis & Mad. 1st m 7s	100	103
Int'national R R Tex 1 m g 7s		
Ind. Bl. & W., 1st 7s, pref.		
do 1st		
do 2ds		
do Income		
do stock		
Indianapolis & Vinc's 1st 7s gr.	105	110
Indianapolis & St. Louis 7s	80	90
Io Falls & Sioux City 1st 7s	109	110
Jack. Lansing & Sag. 1st m	105	110
Jeff'ville, Mad & Ind 1st m 7s	114	117½
Kala'zoo & South H 8s guar	107	112½

Securities.	Bid	askd
Kal, Alleghan & G R 8s gr	110	115
Kal & White Pigeon 7s	105	110½
Kansas City & Cameron 10s	115	120
Kan Pac 7s ex Ma & No g		
do 7s land gr Ja & Jy g		
Kan Pac 7s do 2d m		
do 6s gold June & Dec		
do 6s do Feb & Aug		
do 7s Leaven Branch		
do Income No 11		
do do No 16		
do stock		
Michigan Air Line 8s	100	110
Mil & North 1st m 8s	70	80
Mo. Kan & Tex assent'd bds	105¼	105½
do 2d inc	66	66¼
N. J. Midland 1st 7s gold	88	90
N. Y. & J. 7 s, con. gold	5	7
Omaha & S West'n R R 8s	115	120
Oregon & Cal 7s gold	28	30
Oswego & Rome 7s guar	100	110
Ott, Oswego & Fox R V 8s		
Pitts, Cin & St Louis 1st 7s	115	116
Pt Huron & L M 7s g end	35	40
Quincy & Warsaw 8s		
Rome, W & Ogdensburg 7s	64	65
Sand, Mans & Newark 7s	102	105
Sioux City & Pacific 6s		
South Side (L I) 7s	95	100
Southern Central N Y 7s	75	90
Steubenville & Indiana 6s	101	104
Southern Minn construc 8s	110	115
St. Jo & C Bl 1st m 10s		
St. Louis, Vanda & T H 1st		
do do 2d		
St L & S Eastern 1st 7s gold	100	110
Union Pacific So br 6s gold	100	105
Union & Logansport 7s	100	105
Texas & Pacific L G 7s	66¼	66¾
CINCINNATI.		
STATE, CO. AND CITY BONDS.		
Ohio State 6s	111	112
Hamilton County 6s	105	
do do 7s	118	
City of Cincinnati 6s	110	
do do 7s	120	122
do do 7 3-10	126	128
City of Covington, Ky 6s '81	102	
do do 7 3-10, '81	102	104
RAILROAD BONDS.		
L Miami & I & C con 6s	99	x100
do do 1st 6s '83	102	x103
Cin, Ham & Day 1 m 7s '80		
do do 2 m 7s '85	106	x108
do do 3 m 8s		
Dayton & Mich, 1 m 7s '81	101¼	101¾
Dayton and Mich, 2 m 7s '84	105	105¼
do do 3 m 7s '88	x101	
Cin, Rich & Chi, 1 m 7s '95	100	x102
Cin, Han & Ind 1st m gr 7s	101¾	103
Marietta & Cin 1st m 7s '91	87	90
do do 2d m 7s '96	30	32
Indianap & Cin 1st m 7s '88	105	110
Cin & In guar 1st m 7s '92	105	110
do 2d m 7s '77 '82	100	
Indianap C & L 1st m 7s '97	100	
Day & W 1 m, 1881	103	102
do 2 m, 1905		100
MISCELLANEOUS STOCKS.		
Columbus & Xenia 50	128½	129
Cin, Ham & Dayton 100	90	90½
Dayton & Mich 3½ guar 50	50	x53
Little Miami 50	x123	124

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Marietta & Cin 1st pref .50	......	5
do do 2d do .50	......	3
Cin Gas Light & Coke Co 100	166½	167
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s	103	105
do 8s	108	112
Augusta, Ga 7s bonds	103	105
Charleston stock, 6s	69	71
Charleston, S. C. 7s F L bonds	105	108
Columbia, S. C. 6s	50	60
Columbia, Ga. 7s bonds	80	90
Lynchburg 6s	100	103
Macon 7s bonds	80	90
Memphis bonds 6s	30	33
do new consols	40	50
do end, M & C R R	27	......
Mobile 5s	25	......
do 8s	25	......
Montgomery 8s	40	......
Nashville 6s old	95	102
do 6s new	95	......
New Orleans 5s	33	34
do consol, 6s	40	45
do bonds, 7s	30	......
do to railroads 6s	32	......
Norfolk 6s	100	105
Petersburg 6s	98	......
Richmond 6s	108	110
Savannah 5s	79	82
RAILROADS.		
Atlantic & Gul, consol	104	106
Central Georgia cons, 7s	109	111
do do stock	91	92
Charlotte Col & A, 1 m 7s	103	105
do do stock	34	36
E Tenn & Georgia 6s	99	101
East Tenn, Va & Geo 1st m 7s	109	110
do do stock	80	......
Georgia R R 7s	110	......
do stock	97	......
Greenville & Col 7s guar	105	110
do do 7s certiff	100	110
Macon & Western Stock	102	106
Macon & Augusta bonds	95	......
do do endorsed	100	105
Memphis & Charleston 1st 7s	102	104
do do 2d 7s	98	102
do do stock	30	35
Mississippi Central 1st m 7s	102	105
do do 2d m 8s	107	110
Mississippi & Tenn 1 m	113	115
do do cons, 8s	100	102
Motg'y and West P, 1st 8s	103	106
do do 1st end	......	......
Mobile and Ohio Sterling	80	......
do do do ex ctfs	80	......
do do 8s interest	40	......
N Orleans and Jackson 1st m	108	112
do do 2d m	112	115
Nash and Chattanooga 6s	98	102
Norfolk and Petersb 1st m 8s	100	105
do do 2d do	100	105
Northeastern, S C, 1st m 7s	125	130
do do 2d do	110	......
Orange and Alex 1st 6s	103	......
do do 2d 6s	100	105
do do 3d 8s	72	......
do do 4th 8s	......	......
Rich and Peters'b 1st m 7s	......	......
do do 2d m 6s	......	......
do do 3d m 8s	102½	105
Rich and Fred'b and Pot 6s	102	......
do do do con 7s	105	......

Securities.	Bid	Askd
Rich and Danv 1st con 6	102	......
do Piedmont 8s	110	112
do 1st 8s	......	......
Southside Va 1st m 8s	104	......
do 2d m guar 6s	96	......
do 3d m 6s	83	......
do 4th m 8s	......	......
Southwest R R, Ga 1st m	106	108
do do stock	105	108
S. Caro R R, 1st m 7s, new	102	......
S. Caro R R 6s	35	......
do 7s 2d	70	72
Virginia and Tenn 2d 6s	102	104
do do 3d 8s	115	117
West Ala, 8s guar	109	112
Wilmington and Weldon 7s	109	112
PAST DUE COUPONS.		
Tennessee State coupons	10	20
Virginia consol coupons	88	......
Memphis city coupons	20	......
South Carolina consols	......	......
BOSTON.		
STATE BONDS.		
Maine 6s 1889	115⅝	......
N. Hampshire 6s 1876-84	114½	......
Vermont 6s, 1874-78	......	......
Massachusetts 5s, 1883, g	112	113
CITY BONDS.		
Boston 5s, 1880-86, gold	114	......
do 6s, currency	119	......
Chic 7s, 1890-95, riv. impr	117	......
do 1884	......	......
RAILROAD STOCKS AND BONDS.		
A T and Santa Fe, 1st m 7s	119½	120
do do L G	116	118
do do stock	119⅜	119½
Bost and Alb'y 6s, '75 (W RR)	......	......
do 7s, 1892	......	124
do stock	146¼	......
Boston and Lowell 7s, 1892	......	......
do stock (par 500)	......	93
Boston and Maine, stock	......	131
Boston and Providence, stock	137½	......
Bur & Mo R 7s, '93, land grant	115	......
do do 8s, 94, conv	......	110
do do 8s, 83 (in Neb)	......	......
Chicago, Bur and Quincy	128½	......
Bur & Mo Riv stock (in Neb)	......	......
Cheshire 6s, 1898	105	106
do preferred stock	......	50
Cin, San, and Cleve, 7s, 1890	......	94
do do com stk (par 50)	13¾	13⅞
Concord stock (par 50)	86	......
Conn and Pass Rivs 7s, 1893	111	112
do do 7s, notes	70	......
Connecticut River, stock	147½	......
Eastern stock	36½	36¾
Fitchburg, stock	125	......
Manch and Lawrence stock	146	......
Nashua and Lowell, stock	116	......
Northern (N. H.) stock	100	......
Norwich and Worcester stock	134	......
Ogdenburg and L Champ stock	27	27¾
do do pref stock	75	78
Old Colony stock	114½	......
Phil, Wil & Balt stock (par 50)	69½	69¾
Portl, Saco & Portsmouth st'k	......	109½
Portsmouth, Gt F & Con'y s	......	......
Rutland pref. stock	29⅜	......
Vermont and Canada stock	14	......
Vt. Ct. 1st m 7s, 1886 cons	......	......
do 8s, '91	......	......

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Vermont and Mass.	......	......
do do stock	122	......
Worcester and Nashua	60	61
MISCELLANEOUS STOCKS.		
Boston Land Co	6⅝	6¾
Boston Water Power	8¼	8⅝
Pullman Palace Car	...	114½
PHILADELPHIA.		
STATE AND CITY BONDS.		
Penn. 5s, new, reg, '92 1902	114	114¼
do 6s, 10-15, reg, '77 1882	100	......
do 6s, 15-25, reg, '82 1892	107	107
Philadelphia 6s, old	......	113
do 6s, new, over 1895	125	......
Pittsburg 5s, reg, 1913	95	......
do 7s, water loan	121	121
do 7s, street improv	108½	109½
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96	118	122
Bel & Del R R, 1st m 6s, 1902	112	115
do 2d do '85	106½	108
do 3d do '87	103	....
Cam & Amboy R R 6s, 1883	105	108
do do do 6s, 1889	107	110
do do do m 6s, 1889	113	......
Cam & A. T. 1st m 7s, gold, 1893	115	121
do do 2d do cur, 1879	108	......
Cataw R R new 7s, 1900	115	.....
Connecting R R 6s. cp. 1900	110	......
Del & B B R 1st m. 7s, 1905	110	112
El. & Wmsp't R R, 1 m, 7s, '80	108	111
do do 5s c. perpe'l	85	90
H. & B. T. 2d m 7s, gld 1895	108	110
do 3d do cur. 1895	59½	60
Lehigh Valley, 1st m, 6s, c,'98	......	112½
do do r g '98	118	119
do 2d m, 7s, reg 1910	129½	130
do cons. m, 6s reg 1923	113	....
do do 6s, coup. 1923	110	112
N Cent. 2d gd. m. 5s, cp'n 1926	83	83
North Penn, 1st m 6s, c 1885	105	......
do 2d m 7s, c. 1896	116	120
do gen. m 7s, c. 1906	113½	114
do do reg., 1906	114	......
Oil Creek 1st m 7s, coup '82	100	103
Pittsb'h Titus & Buff 7s, c, 1896	75	77½
P & N Y C. & H. R. 7s, r&c 1896	120	123
Penna. 1st mort 6s, c, 1880	101¼	102¼
do gen do 6s, c, 1910	119½	121
do do do 6s reg 1910	120	......
do cons m, 6s reg. 1905	115	......
Phila & Erie 1st mort 6s c 1881	103	103
do 2d mort 7s, c 1888	109½	110
Phila & Reading 1st m 6s, 1880	110	......
do 2d m 7s, c 1893	116½	......
do cons m 7s c 1911	114	116
do do m 7s r 1911	114	114½
do do 6s, g r & c 1911	104¼	......
Pitts, Cinn. & St. L 7s c 1900	118	119
Tex & Pac 1st m, 6s, g 1905	104	105
do cons m, 6s, g 1905	88	92
Un & Titus 1st m, 7s, 1890	......	80
War. & F. 1st mort. 7s, c 1896	110	......
West Jersey 6s, d coup 1883	99	103¾
West Jersey 1st mort 6s, c 1896	115¼	116
do do 7s, r & c '99	117	......

Securities.	Bid.	Askd
West Penn 6s, coup, 1893	105	106¼
do 6s. p b c, 1896	......	103
CANAL BONDS.		
Lehigh Nav. m 6s, r 1884	107	......
do M.R. R. r, 1897	110	......
do M conv g. r. 1894	105	110
do M. gold, r. c, 1897	105¼	.....
do cons m 7s r, 1911	102⅛	103
Schuyl. Nav. 1st m 6s, reg 1897	94	100
do 2d do r. 1907	60	63
do m 6s, coup. 1895	79	80
do 6s, bt&car r 1913	60	75
do 7s, bt&car r 1915	50	80
RAILROAD STOCK.		
Camden & Atlantic pref. 50	25	30
Catawissa 50	5	10
do pref. 50	38	40
do new pref. 50	37	39
Elmira & Williamsport 50	33	....
do do pref. 50	51	.....
Lehigh Valley 50	52⅜	52½
Little Schuylkill 50	43½	44
Minehill	53	......
Nesquehoning Valley	52	52½
Norristown 50	103	103½
Northern Pacific	32½	32¾
do pref	56¾	56⅞
North Pennsylvania 50	48	50
Pennsylvania 50	57⅞	58
Philadelphia & Reading 50	9¾	9⅞
Pitts. Titus. & Buffalo	12⅝	12⅞
St. Paul & Duluth	32½	33
do pref	57	60
United Cos. of N. J. 100	166	168
CANAL STOCKS.		
Lehigh Navigation 50	32	32½
Morris Canal grd 4 p c 100	....	......
do preferred 10 p c 100	....	......
Schuylkill Navigation	......	6
do do pref	5	6
BALTIMORE.		
Maryland 6s, defence, J. & J	106	......
Virginia 10-40s, J. & J	41⅞	42
do deferred, J. & J	6½	7
do consol. do	56⅞	57⅛
do do 2ds do	22½	24
do consol coup, p due	89	89¼
do do June 1889	......	......
N. Carolina 6s, Jan. & J., old	28	......
Tennessee 6s, do old	36	37
do 6s, do new	26	......
do do n. s.	27	......
Balt. 6s, J., A., J., O., 1890	111	......
do 6s, J. & J., 1902	120	......
do 5s, M. & N., ex., 1916	115¼	.....
Memphis City 6s, J. & J., n	......	......
Balt. & Ohio, May & N 100	156	......
do 1st preferred	116	......
do 2d do	109	111
Northern Central, M. & N 50	37⅞	38
Central Ohio, June & Dec 50	41	......
do preferred 50	50	52
City Passenger R'y, J. & J 25	37	38½

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
Balt. & Ohio 6s, 1880, J. & J.	......	..
do 1885 A. & O.	108¾	109¼
Pitts. & C. 1st 7s, 1898, J. & J.	115⅞	116½
N. Cent. 6s, 1885, J. & J.	108	110
do 6s, 1900, A. & O.	113⅛	......
do 6s, gold, 1900, J. & J.	110	......
Cen. O. 6s, 1st m., 1890, M. & S.	110	112
South Side, 1st 8s, J & J	105	......
do 2d 6s, do	95	97
do 3d 6s, do	90	......
Cin. & Baltimore 1st 7s	104	... ..
W. M. 1st m 6s gu. 1890, J. & J.	110	......
do 1890. J. & J.	109	110
W. Maryland 2d m (pref)	99	100
W. M. 2d m. 6s gu. by W. Co.	110	......
M. & Cin. 1st m 7s F and A 1892	109	110
do 2d m 7s M. and N.	75⅝	......
M. & Cin. 3d m 8s 1900 J. and J.	40⅛	40¾
Rich. & Dan. 1st m. M. and N.	105	......
Union R. R., End. Cant. Co.	109	......
Canton Co., 1st 6, gold, J and J.	108	......
Orange, Alex. and Mn's 7s do.	80	82
Orange & A. 1st 6s, M. and N.	101	......
do 2d 6s, J. and J.	105	......
do 3d 8s, M. and N.	75	80
do 4th 8s, M. and S	35	40
Virginia & Tenn 6s 2d J. and J.	101	101
do 8s, J. and J.	112	......
W. & W. 7s gold 1900 J. and J.	110	......
W. and Columbia and Aug. 7s.	94	96
Ohio & Miss, 2d 7s, A & O.	112½	113
Balt. Gas, J. and Dec. 100	......	......
do gold certif. 100	......	......
People's Gas, J. and J. 25	6⅛	6¼
Consumer's Gas	7⅛	7¼
do gold 6s, J & J, 1892	110	111
Georges Creek Coal, J & J	......	......
Chesapeake and O. Canal bonds	70	......
Balt. Warehouse Co, J & J.	19	......
Cincinnati 7-30s, J. and J.	......	......
Norfolk Water, 8s	120	......
LOUISVILLE.		
CITY AND CANAL BONDS.		
City improvement 6s	*104	105
do bounty 6s	*104	105
do school 6s	*104	105
do wharf (old) 6s	*104	105
do do (new) 6s	*104	105
do water works (old) 6s	*104	105
do do (new) 6s	*104	105
do L. and N. R. R. (M. S.) 6s	*104	105
do L. and N. R. R. (L. E.) 6s	*104	105
do E. and P. R. R. 7s (old)	*108	*109
do E. and P. R. R. 7s (new)	*113	......
do old liabilities due 1880	*100	......
do St. Louis A. L. R. R.	*107	......
Canal bonds, 3d issue, 6s	*100	......
do 4th issue, 6s	*106	......
Louisville Bridge Co. 7s	*110	......
RAILROAD BONDS.		
Greensbury Branch	*108	109
Louis. and Nash. Leb. Br.	*100	......
Louis. and Nash. Cons.	*115	......
L. and N. 2d mort	*103½	*104½
Louis., Cin. and Lex. 1 m 7s	*115	... ..
do do 2 m 7s	*107	108
Jefferson. M. and I. 1st m 7s	*113	114
do do 2d m 7s	108	109
Eliz. and Paduc. 1st m. 8s	......	......

Securities.	Bid	Askd
E. and P. Louisville Br'ch 7s	......	......
Shelby, 1st mortgage 8s	100	......
Owensboro and Russel, 1 m 8s.	......	......
MISCELLANEOUS BONDS.		
Kentuc. State bonds (old) 6s	......	......
do do (new) 6s	......	......
New Albany City	*107	......
Water Works bonds, 6s	*107	......
Louisville Transfer Co. 8s	*108	......
STOCKS.		
Louisville and Nashville R. R.	120	125
Gas Company stock	112	... ..
Louisville Bridge Co. stock	115	......
ST. LOUIS.		
Corrected by H. H. Wernse, Bond and Stock Broker, 223 Pine Street, St. Louis.		
BANK STOCK. Par.		
Bank of Commerce 100	325	......
B'k Bartholow, Lewis & Co. 100	105	......
Biddle Market Sav'gs Bank. 100	67	70
Boatmen's Sav'gs Bank 100	114	116
Bremen Sav'gs B'k..80½pd. 100	......	......
Citizens' Sav'gs Bank 100	55	......
Commercial Bank 100	180	190
Fourth National Bank 100	235	......
Franklin Bank 100	90	95
German Sav'gs Institution. 50	50	55
German American Bank 100	85	100
Mechanics' Bank 100	87	90
Merchants National Bank 100	102	104
Mullanphy Sav'gs Bank 100	76	80
Continental Bank 100	70	75
Provident Sav'gs Bank 100	45	50
International Bank 100	90	95
Lafayette Bank 100	70	75
St. Louis National Bank 100	94	97
State Sav'gs Association 50	106	......
Tenth Ward Sav'gs Bank 100	112	......
Third National Bank 100	98	100
Union Sav'gs Bank 100	......	80
Valley National Bank 100	103	105
Northwestern Sav'gs Bn'k. 100	......	......
SUNDRY STOCKS & BONDS.		
ST. LOUIS CITY AND COUNTY BONDS.		
City 6s, Bridge Approach	109	111
do Sterling bds, due 1898	110	112⅝
do Water b'nds, due 1887	107	108
County 6s, gold	109	......
City 5s, due 1900	105	105⅛
do 10-20 years	104	105
STOCKS. Par.		
American Cent. Ins. Co. 25	32	34
Marine Insurance Co 100	104	107
Belcher's Sug. Refin'g Co 100	70	75
Laclede Gas Light Co 100	94	97
St. Louis Gas Light Co 50	245	250
Iron Mountain Co 1000	1000	......
Pilot Knob Iron Co 100	......	94

RHODES' JOURNAL

A RECORD OF AMERICAN BANKING.

NEW SERIES. VOLUME VII. SEPTEMBER, 1880. No. 9.

A GRATIFYING ANNOUNCEMENT.

It is hardly necessary to call attention to the fact that the business (advertising) department of this JOURNAL is duly appreciated as a means of reaching the best customers of Banks and Bankers, as well as those wishing to buy or sell Investment Securities, or that larger class who are desirous of doing business with the banking interest and moneyed men generally.

The following are added to the JOURNAL'S list of advertising patrons, in this issue:

Messrs. J. B. & J. M. CORNELL, New York,
Burglar-Proof Safes and Vaults, Wrought Iron Doors, &c.

Messrs. CAMPBELL, HALL & Co., New York,
The "National Safety Paper" for Bankers.

THE CANADA GUARANTEE COMPANY, head office, Montreal,
Bonds of Suretyship on behalf of Bank Officers and others.

THE FIDELITY AND CASUALTY Co., New York,
Issue Fidelity Guarantee Bonds.

Messrs. MORTON, BLISS & Co., New York,
Foreign and Domestic Bankers and Bill Drawers.

Messrs. FISK & HATCH, New York,
General Bankers, and dealers in Government Bonds.

Messrs. DREXEL, MORGAN & Co., New York,
Extension and Purchase of Certain Bonds.

Messrs. J. & J. STUART & Co., New York,
Foreign Bankers. Bills of Exchange, Letters of Credit, &c.

Messrs. J. & W. SELIGMAN & Co., New York,
Domestic and Foreign Bankers. Letters of Credit, &c.

NEW YORK, LAKE ERIE & WESTERN RAILROAD Co.,
Notice regarding their Fourth Mortgage Bonds.

NORTHERN PACIFIC R. R. COMPANY,
First Mortgage 6 per cent. Bonds for sale.

THE NEVADA BANK OF SAN FRANCISCO, agency in New York,
Makes Transfers of Money, deals in Bullion, &c.

THE BANNER MINING COMPANY, office in New York.
Mining Property in Southeastern California. Shares for sale.

THE STANDARD CONSOLIDATED MINING COMPANY,
Monthly Dividend declared.

THE COPPER KNOB MINING COMPANY, office in New York.
Financial Statement of Sept. 1.

J. STEVENSON & CO., New York,
Commission Brokers in Railroad and Mining Stocks.

Messrs. HORACE ANDREWS & WILLIAM H. ANDREWS, New York,
Attorneys and Counsellors. Mining Law and Collections.

Our readers will find it profitable to carefully examine the complete advertisements referred to above, as well as ALL the advertisements published in the JOURNAL, both old and new. They are revised, modified, and corrected to date, in order to meet the requirements of the season.

SPECIAL REFERENCE LIST.

In this number of the JOURNAL will be found sample pages showing the style and arrangement of a **SPECIAL REFERENCE LIST** of Banks, Bankers and Financial Institutions, showing simply the name and address, and describing the class of business transacted, sought, or specialties dealt in.

The object of this **LIST** is (1) to direct especial attention, in each issue, to the regular advertising patrons of the JOURNAL, and (2) open the way for Banks, Bankers, &c., not represented by advertisements, to use the JOURNAL, at a trifling expense, by appearing only in the **REFERENCE LIST.**

TERMS AND RULES.

I.—Yearly advertisers are placed in the **LIST** without charge.

II.—Banks, Bankers and others (not yearly advertisers) will be classified in the **REFERENCE LIST,** with description of business, specialties to offer, &c., not exceeding five lines in space, at **$10** A YEAR.

III.—Alterations or corrections in the **LIST** to be made at any time without additional charge.

IV.—The Publishers agree to insert the **REFERENCE LIST** in a conspicuous location in RHODES' JOURNAL OF BANKING.

SOME RECENT OPINIONS received at the JOURNAL office in regular course of business:

From Indiana Banking Co., Indianapolis.—"I am a great admirer of your JOURNAL. It has been of practical service to me here in the business."—Charles E. Dark.

From Farmers' Bank, Carlisle, Pa.—"You are making the JOURNAL actually necessary to intelligent banking. Keep up your steady improvements in the JOURNAL, and ere long its circulation will only be limited by the whole number of banks, bankers and moneyed men in the country."—J. C. Hoffer, Cashier.

From First National Bank, Whitehall, Mich.—"The department of the JOURNAL known as 'Arbitrated Points,' supplemented by your interesting 'Replies to Questions,' furnish a fund of information on practical banking which no bank officer can well afford to be without."—C. A. Hammond, Cashier.

[More opinions might be added to the above, but these will suffice. We are especially gratified by the many appreciative letters from the JOURNAL'S friends.]

THE EDITOR.

EXPENSES OF NEW YORK SAVINGS BANKS.

In the July issue of the "Bankers' Magazine" his *Ex*-cellency, Ex-Acting Superintendent Lamb, delivers his parting kick at New York Savings Bank management in an article devoted to showing up their extravagance in the erection of buildings and the payment of salaries. He finds that Savings Bank buildings cost more in New York than in Connecticut or other localities that he names. We do not doubt the fact as alleged is true. We are of opinion also that banks, brokers an merchants generally find that the buildings which they erect, or which they occupy for business purposes, cost more than adequate accommodations for banks, brokers or merchants in Connecticut can be procured for. We remember seeing a few years ago notices in the press of the city that an eminent banking firm had purchased a plot of ground on the corner of Wall and Broad streets on which to erect for their own use and to let in offices, for which they had paid the highest price per square foot ever known to have been paid in the world. Was this extravagance or business sagacity? The firm is doing a prosperous business to-day on this site, from which we infer that it had its weather eye open in making this unprecedented investment. Again, a few years ago a Savings Bank owned and occupied an unpretentious site and building in an out-of-the-way street on the east side of this city. They found that a large proportion of their depositors had removed—up town or to the west side—and they must follow them or lose their deposits, or at least must retain them at great inconvenience to the depositors themselves. They procured an eligible, accessible site, for which they paid several times as much as the site and building then occupied were worth. Was this extravagance or business sagacity, prudence and common sense?

Upon the question of salaries, we do not doubt there are individual instances of unreasonable *generosity*, and sometimes of glaring favoritism in this regard. We may have occasion to indicate some of them at a future time. Whatever abuses of this nature can be shown should be corrected.

But the basis of comparison instituted by Lamb is fallacious and misleading. It is not fair to institute comparisons between Savings Banks in New York and those in England or Scotland. Why do thousands of laborers in Great Britain leave those shores and come to America except for the higher wages which they hope here to obtain? If the wages of labor are higher here than there, so must clerical and other skilled labor be more munificently rewarded.

In a previous article, a few months since, we exposed the utter fallacy of comparing the expenses of Savings Banks in New York with those in Massachusetts or Connecticut, where so large a proportion of them are tenders of national banks, and the service is rendered by clerks of the latter for a small addition to their regular salary. That condition does not prevail here, and we hope it may be a long time before we shall change our system for that prevalent in those States.

Another point is often lost sight of, which is, however, entitled to consideration. It does not follow that because a director or officer in a bank of discount can and does secure satisfactory service for a given and low rate of compensation, that the same person acting as trustee of a Savings Bank is doing violence to his trust in conceding a higher rate of compensation to those whom he and his associates employ in the latter. As officer in the bank of discount, he is *paid* for being in attendance daily to supervise, and by his vigilance to supplement or correct any faults or errors in his subordinates. In the savings bank he is paid *nothing;* he is not expected to be in constant or regular attendance; he *must*, therefore, secure the services of those who can be implicitly relied upon without constant watching. Receiving nothing themselves, the trustees have a *right* to command the services of those in whom they have that perfect confidence and trust which will leave their minds free from all anxiety as to the conduct of the business which they are not there to see. For such service they must expect to pay more—have a right to pay more than for service which is rendered at all times under a watchful, supervising eye. We might point out other fallacies in the argument of this defunct official, but it is scarcely worth while.

Dividend of the Freedmen's Bank.

Advices from Washington state that the Commissioners of the Freedmen's Savings and Trust Company have declared a dividend of 10 per centum, and began paying it on the 1st of September. The amount required to pay this dividend is $296,-368.29, which added to the 30 per centum heretofore declared and the special deposits paid foots up to the sum of $1,258,936.47, which has been divided among more than 61,000 creditors of the thirty-three branches of the company. The Commissioners expect to be able to pay another dividend of 10 per centum when the company's banking house and adjacent property in this city are sold and other remaining assets disposed of.

The above is the substance of a bit of news, recently sent out from the nation's capital, which should make every American blush for shame. "The Commissioners *expect* to be able to pay another dividend of 10 per centum," &c., making just one-half the amount which by every principle of justice is due the poor people who placed their hard earnings in the so-called Savings Bank "chartered by the United States." The institution was in fact and in law a creature of the Government, having its inception, doubtless, in the best and highest of motives; but the plan of the bank was impracticable and crude, opening the way for loose, if not really criminal practices, and its ruin was swift and sure. Now under what pretext or technicality some sixty thousand poor people are to be cheated out of over $20 each, no person is able to find out. We maintain that the next Congress should not be in session a week before it squares up this little account with these sixty-one thousand people.

*A Western Banker Speaks.

THE SILVER QUESTION AGAIN.

The well-known Western banker whose name is attached has something interesting to say on the silver question, and he takes the opinions of Geo. S. Coe, Esq., of this city, for his text. Mr. Coe is President of the American Exchange National Bank, Chairman of the Executive Council of the American Bankers' Association, and a financier of marked ability. The JOURNAL'S readers would doubtless be pleased to hear from him again on this subject:

TO THE EDITOR OF RHODES' JOURNAL:

In his address before the Bankers' Association in 1878, Mr. Coe said:

Suppose you stand at the approaches to a great city, at those avenues where the population come in every morning by thousands and hundreds of thousands upon the great lines of travel, and scatter to pursue their daily avocations. As every man proceeds to his industry, having a distinct object and definite reward in view, he comes and goes with almost military precision, and thus under the beneficent demands of labor and its certain measure of reward, society goes on year after year with contentment and order. But suppose it were possible to say to those men every morning, to-day the value of your labor will be uncertain, to-morrow it will be so much more or so much less, it would make every single person of the whole crowd a discontented man, and convert the multitude into a mob. Each would proceed to his work in that state of mental confusion and distress which is necessarily disorganizing, and behind that confusion and discontent would lie civil discord and crime, and finally national disruption.

It seems a very simple question whether the Government of the United States shall issue more paper money, or whether it shall not; but behind this simple matter lies the question whether Congress shall possess the power to decree that the values of all the property of all the people of the United States shall be greater to-day or less than it was yesterday, and whether the equitable relations of citizens to each other shall be arbitrarily changed from day to day, so that it will be impossible for any person, however wise he may be, to measure the results of his industry and to provide for the future. Society cannot exist unless there is an exact and conscientious reward for the labor of every man, so that when he exchanges with other men—not only to-day, but to-morrow and through all time, not only here, but through all other countries—he shall secure a true equivalent. Upon this basis the world proceeds in the exchange of values, and upon this basis alone is the foundation of the whole social organization established the world over.

This year Mr. Coe recommends the plan of President Thompson of the Chase National Bank of New York, which is:

"(1.) Stop coining the 412½ grain dollar, and in lieu issue certificates against bullion at 450 grains per dollar. * * * (2.) Stop coining gold also; at least until the present stock of coin shall be depleted, and until a more active domestic demand shall make it advisable to resume coinage. Against the gold bullion issue treasury certificates at the present standard," &c.

Mr. Coe in 1878 answered Mr. Coe in 1880 completely, for as well

*The Editor desires to give notice that RHODES' JOURNAL is not to be held responsible for the opinions of its correspondents. While it may in many instances be in hearty accord with such opinions, the defined policy of the JOURNAL will not permit a deviation from the general rule. B. R.

with coin as with paper is it true that "behind this simple matter lies the question whether Congress shall possess the power to decree that the values of all the property of all the people of the United States shall be greater to-day or less than it was yesterday." Congress has the power to coin money; does that include the power to refuse to coin it? Last winter I refreshed Mr. Coe's memory with his own words, in conversation, and made this application. In his attempt to answer what no one can answer, he went over the *petitio, principii* (so frequently used in his present address) that the "silver disks," as he calls them, are worth less than dollars; and repeated the absurd statement (not so often heard now and omitted from his address), that the free and unlimited coinage of silver would be chiefly for the benefit of mine owners and bullion dealers. (If they thus get "cheaper" dollars, they must give more of them for what they buy with them.)

In proposing the modes (1 and 2) Messrs. Thompson and Coe ignore the fact that both are unconstitutional.

(1.) Congress may not thus set the price on every man's labor and property, and vary it at will by indirect any more than by direct means.

(2.) The government can no more store the citizen's bullion and give him a certificate, for his convenience, than it can store his wheat and give him an elevator receipt, for his convenience. The custom originated in the needs of the government and was one form of borrowing money. To continue it for the needs of trade is a different thing. Men imagine themselves safe because their coin is in a government storehouse, "guarded by the national forces," as Mr. Coe says, but they deposit their certificates in banks!

Mr. Coe says that silver is too bulky and expensive to ship. About four thousand one hundred millions of dollars in exchange are sold annually by the banks and the Government. Very little of this is drawn against money shipped by express, as any one can see. It is what the word implies, the exchange of raw products for manufactured goods; the transactions being registered by bills of exchange. At home persons carry little money in their pockets—they use bank-checks. When they travel they take bank drafts. On this point Mr. Coe has also answered himself by saying that ninety-six per cent. of all the business done is done without the actual presence of the money. (I think this is in one of his papers, but cannot just now find it.)

The statement made by Mr. Coe and many others that the people do not want silver and will not take it, the JOURNAL has often shown to be just as true of gold.

As to commerce with foreign nations, Mr. Coe proves that our coins may as well be one weight as another.

European nations do not have the legal tender laws the people want, but such as the Messrs. Rothschild and their associates require of those to whom they loan the money that enables one nation to plunder another. Shylock's grip will never be off their throats. It will be of ours in A. D. 1900. The ground of Mr. Coe and all the other demonetizers is that our Constitution binds us in the matter of coinage no more than it does Europe; or that the action of Europe has put it out of our power to obey our own Constitution without European co-operation.

The demonetizers coolly propose to add 14 per cent. to the principal and interest of every debt in the country, and their own greed is the sole reason for doing it.

In Mr. Coe's objection to the present practice of coining silver dollars he is right. The government can no more run the mint for profit than it can run the only bakery in the country for profit.

A government engaging in business for profit is communism. Restricting the coinage and monopolizing it for profit is unconstitutional.

The demonetizers' habit of imputing lunacy to their opponents is adopted by Mr. Coe, who asks if this "insane policy" is to continue. The statements of eight St. Louis banks whose capital aggregated 3 1-2 millions as lately published, showed only one (1-136th) one hundred and thirty-sixth part of the capital on hand in silver. Any one who notices bank statements must be struck with the small amounts of silver in the banks. The whole amount of all kinds of silver in the Treasury is about $1.25 to each inhabitant of the Union. It is not the animal that uses the normal amount of water, but the one that rejects it and foams at the sight of it, that has the hydrophobia; so if there is any argentophobia in the country the demonetizers only, have it.

Mr. J. B. Colgate, banker, of New York and the writer have both called attention to the fact that the New York bankers are actively in the practice of nullification by their clearing house rules, which their South Carolina prototypes only threatened; and to the further fact that if Jackson were in the place of the present incumbent they would either back down and submit to the laws of the land, or "by the eternal," he would hang them.

It would be useless to answer Mr. Coe's paper *seriatim*, for though he is the peer of any financialist living, it is merely a grouping of the puerilities and *petitiones principii* that daily appear in the organs of the demonetizers, and I am ashamed for so able a banker to be compelled to write them over his signature.

GEORGE WILSON,

President Lafayette Co. Bank; ex-Secretary Missouri Bankers' Asso'n.

LEXINGTON, MO., Aug. 27, 1880.

MONETARY AFFAIRS IN ENGLAND.

[From our own Correspondent.]

LONDON, Aug. 21, 1880.

The monetary world has to follow political and commercial events pretty closely in these times. The Afghan trouble is going to have a serious effect on Indian finances. Important aid will have to be given to the Indian government and much of the confident feeling which was beginning to be felt in Indian matters generally will be utterly shaken. These continually recurring outbreaks are having a most disastrous effect. In the meantime the silver market has somewhat improved, and the probabilities are that the inferior metal will, from reasons which I will afterwards adduce, obtain a more important position than the mono-metallists have imagined. The Eastern question is again troublesome, and would excite much more attention here were it not for the Afghan war. Nor is the condition of German finance and trade very satisfactory, the snarling at France shows how intolerable has the great standing army become.

But the great factor in our banking and exchange policy will be the demand from the United States for coin. So far as this country is concerned the outlook is fair, our exports during the month of July show an immense increase over those of the corresponding month in 1879. The increase in the exports of cotton goods is not less than 35.5 per cent., that of iron and steel 46.5 per cent. The export trade to the United States for the half year amounted to £18,169,977, as against only £7,925,372 in 1879.

India also shows an increase of from £10,194,134 in 1879, to £14,617,465 in 1880. The railway movement is also brisker. The harvest question, however, will be this year a great factor. The demand for cereals from America will be large from England, but elsewhere throughout Europe the crops promise fairly. Still there is likely to be a deficit. The balance of trade against England though large, does not as yet form a very alarming symptom. The immense carrying trade of the country, and the universal investment of British capital enables the country to clear off the difference. France does not view the approaching season with such equanimity. The trade of France with the United States has not increased for the exports, as might be expected. On the other hand France has had to make large purchases of wheat in America, and of wines in Spain and Italy. The imports from January 1, to July 31, were to the value of 2,810,941,000 francs, while the exports were barely 1,800,000,000 francs. This balance of, in round numbers $200,000,000, is now an annual appearance. The stock of gold in the Bank of France has greatly diminished in the Paris branches, from $150,000,000 in 1878, to barely

$19,000,000 on July 31, 1880. The stock in the country branches remains about the same, viz., $83.000,000. Still there are immense quantities of gold in circulation throughout the country. But the immense stock of silver in the Bank of France, nearly $250.000,000 is causing much discussion. The balance of trade is unfavorable to almost every country in Europe. Their only hope of equalizing the movement is by increased exports of manufactured goods, but this is simply impossible for most of the countries. The German exports of gold during the last fortnight were very heavy—£900,000. The shipments from Paris are over £1,000,000. For the first time a real anxiety is manifest in Continental banking circles.

The scare occasioned by the City of Glasgow Bank has had the effect of changing almost all the joint-stock banks into banks of limited liability. The London and Westminster Bank has so changed, and without losing a single customer. There were 55 limited liabilty banks in the country districts as against 43 unlimited, and ten limited in London. The profits of the London and Westminster Bank during six months were £278,500; London Joint Stock £146,800; The Union Bank £159,600; The City £75,600; The Imperial £42,700; The Alliance £45,600; The Consolidated £57,600.

The working of the Bankruptcy Law in Great Britain is anything but satisfactory. The liabilities of bankrupts in England and Wales are now about $150,000,000 annually. The assets rarely amount to more than one-third the amount of liabilities. A Royal Commission, which is the great panacea for desperate social diseases, is now recommended. The question of irresponsible trustees is one of the points on which especial stress is laid. The great defect of the present English Bankruptcy Law, and perhaps of all legislation on the question in other countries, is the "facility for fraud which result from the practice of liquidation and composition by resolution." Resolution is recommended to be set aside, and deed substituted. One of the recommendations of the Select Committee of the House of Commons is to the effect that the seizure and sale of the goods of any debtor under an execution for any amount shall be an act of bankruptcy.

Business in general is dull, partly owing to the season. Money is abundant, and the discount market very low; an improvement is, however, looked forward to very soon.

The discount market for paper has shown the following quotations:

Bank bills, two and three months	2⅛	per cent.
do four months	2⅜	do
do six months	2⅝	do
Trade bills, three months	2⅛	do
do four months	2¾	do
do six months	3⅛	do

The rates of discount in the principal continental cities have been as follows:

	Bank Rate. per cent.	Open Mak't per cent.
Paris	2½	2¼
Berlin	4	2¾
Frankfort	...	2⅞
Hamburg	...	3
Amsterdam	3	2½
Brussels	3	2⅝
Vienna	4	3¼
St. Petersburg	6	5

The following gives a comparative view of the bank returns, rates of discount, &c., during the past four years and in 1870:

At corresponding dates with the present week.	Aug. 17, 1870.	Aug. 22, 1877.	Aug. 21, 1878.	Aug. 20, 1879.	Aug. 18, 1880.
	£	£	£	£	£
Circulation (excluding bank post bills)	24,343,380	28,203,210	27,464,415	28,828,780	27,220,600
Public deposits	5,345,420	4,295,440	3,055,349	5,531,819	5,937,587
Other deposits	20,442,729	22,771,398	20,462 427	31,058,180	25,574,490
Government securities	12,483,861	14,990,554	14,867,178	16,330,087	16,357,530
Other securities	20,886,759	18,196,144	17,696,911	16,962,882	16,913,802
Reserve of notes and coin	11,249,953	12,119,949	9,274,542	21,550,944	16,463,919
Coin and bullion	19,785,98[illegible]	25,323,159	21,738,957	35,379 724	28,684,519
Bank rate of discount	4½ per ct.	2 per cent.	5 per ct.	2 per cent.	2½ per ct.
Price of consols	91⅝	9[illegible]⅜	94¾	98	98
Average price of wheat	54s. 10d.	64s. 9d.	44s. 1d.	49s. 5d.	44s. 4d.
Exchange on Paris (sht)	25 5 25	25 7½ 17½	25 20 25	25 27½ 35	25 32½ 37½
— Amsterdam (sht)	11 19 12	12 1½ 2	12 2 2½	12 1¼ 2¼	12 2¼ 3¼
— Hamburg (3 months)	13 11½ 13	20 62	20 71	20 64	20 69
Clearing-House return	78,521,000	84,046,000	110,861,000	95,547,000	116,400,000

The rates of interest given by the joint-stock banks for deposits at notice and call have been:

Private and joint-stock banks, at notice.......1½ per cent.
Discount houses, at call.......1½ per cent.
do seven days' notice.......1¾ per cent.
do fourteen days' notice.......1¾ per cent.

The silver market is quieter, as early Indian legislation is not looked forward to. The quotation is 52 1-2 per oz. Mexican dollars have sold at 51 5-8.

There is much more inquiry for United States railroad shares and other investments.

AMERICAN BANKERS' ASSOCIATION, 1880-81.

President.

ALEX. MITCHELL, Marine and Fire Insurance Bank, Milwaukee, Wis.

First Vice-President.

JACOB D. VERMILYE, President Merchants' National Bank, New York City.

Vice-Presidents.

ALABAMA—Thomas Henry, President Mobile Savings Bank, *Mobile.*
ARKANSAS—Logan H. Roots, Prest. Merchants' National Bank, *Little Rock.*
CALIFORNIA—William Alvord, Prest. Bank of California, *San Francisco.*
COLORADO—William B. Berger, Cashier Colorado National Bank, *Denver.*
CONNECTICUT—George A. Butler, Cashier National Tradesmens' Bank, *New Haven.*
DAKOTA—R. C. Lake, President First National Bank, *Deadwood City.*
DELAWARE—Edward Betts, President First National Bank, *Wilmington.*
DISTRICT OF COLUMBIA—John A. J. Creswell, Prest. Cit. Natl. Bank of *Washington.*
FLORIDA—D. G. Ambler, President Amblers' Bank, *Jacksonville.*
GEORGIA—W. H. Patterson, Cashier Citizens' Bank of Georgia, *Atlanta.*
IDAHO—James H. McCarty, President First National Bank, *Boise City.*
ILLINOIS—Calvin T. Wheeler, President Union National Bank, *Chicago.*
INDIANA—F. A. W. Davis, Cashier Indiana Banking Co., *Indianapolis.*
IOWA—F. H. Griggs, President Citizens' National Bank, *Davenport.*
KANSAS—John R. Mulvane, President Topeka Bank, *Topeka.*
KENTUCKY—J. W. Proctor, Cashier Central National Bank, *Danville.*
LOUISIANA—J. J. Tarleton, Cashier Citizens' Bank, *New Orleans.*
MAINE—William W. Thomas, President Canal National Bank, *Portland.*
MARYLAND—Daniel Annan, Cashier Second National Bank, *Cumberland.*
MASSACHUSETTS—William H. Foster, Cashier Asiatic National Bank, *Salem.*
MICHIGAN—Henry P. Baldwin, President Second National Bank, *Detroit.*
MINNESOTA—Henry C. Upham, President First National Bank, *St. Paul.*
MISSISSIPPI—Edward S. Butts, President Vicksburg Bank, *Vicksburg.*
MISSOURI—Joseph L. Stephens, President Central National Bank, *Boonville.*
MONTANA—Samuel T. Hauser, President First National Bank, *Helena.*
NEVADA—George Tufly, President Carson City Savings Bank, *Carson City.*
NEBRASKA—H. Kountze, President First National Bank of Omaha, *Omaha.*
NEW HAMPSHIRE—Henry J. Crippen, Cashier National State Capital Bank, *Concord.*
NEW JERSEY—O. L. Baldwin, Cashier Mechanics' National Bank, *Newark.*
NEW MEXICO—S. B. Elkins, President First National Bank, *Santa Fe.*
NEW YORK—Frederick D. Tappen, President Gallatin National Bank, *New York City.*
NORTH CAROLINA—William E. Anderson, President Citizens' National Bank, *Raleigh.*
OHIO—Daniel J. Fallis, President Merchants' National Bank, *Cincinnati.*
OREGON—Henry W. Corbet, Ex-Senator U. S. and V.-Prest. First Natl. Bank, *Portland.*
PENNSYLVANIA—Joseph Patterson, President Western National Bank, *Philadelphia.*
RHODE ISLAND—J. W. Vernon, Cashier Merchants' National Bank, *Providence.*
SOUTH CAROLINA—Andrew Simonds, President First National Bank, *Charleston.*
TENNESSEE—Nathaniel Baxter, JR., President First National Bank, *Nashville.*
TEXAS—M. Kopperl, President National Bank of Texas, *Galveston.*
UTAH—William H. Hooper, President Deseret National Bank, *Salt Lake City.*
VERMONT—Hon. L. P. Poland, President First National Bank, *St. Johnsbury.*
VIRGINIA—John Echols, President National Valley Bank, *Staunton.*
WEST VIRGINIA—J. Nelson Vance, President Exchange Bank, *Wheeling.*
WISCONSIN—N. B. Van Slyke, President First National Bank, *Madison.*
WYOMING—Edward Ivison, President Wyoming National Bank, *Laramie City.*
WASHINGTON TER—Dexter Horton, of Horton & Co., *Seattle.*

Executive Council.

GEORGE S. COE, President American Exchange National Bank of New York City.
JAMES BUELL, Ex-President Importers' and Traders' National Bank of New York.
MORTON MCMICHAEL, Cashier of First National Bank of Philadelphia, Pa.
EDWARD TYLER, Cashier Suffolk National Bank of Boston, Mass.
J. W. LOCKWOOD, Cashier National Bank of Virginia, Richmond

HON. CHARLES B. HALL, President Boston National Bank, Boston, Mass.
L. J. GAGE, Cashier First National Bank of Chicago, Ill.
WILLIAM G. DESHLER, President National Exchange Bank Columbus, Ohio.
EDWARD B. JUDSON, President First National Bank. Syracuse, N. Y.
EX-GOV. SAMUEL MERRILL, President Citizens' National Bank, Des Moines, Iowa.
WILLIAM E. GOULD, Cashier First National Bank, Portland, Maine.
CHARLES PARSONS, President State Savings Association, St. Louis, Mo.
HOEL H. CAMP, Cashier First National Bank, Milwaukee, Wis.
WILLIAM H. RHAWN, President National Bank of the Republic, Philadelphia, Pa.
R. H. THURMAN, Cashier First National Bank, Troy, New York.
LOGAN C. MURRAY, President Kentucky National Bank, Louisville, Kentucky.
JESSE J. BROWN, President First National Bank, New Albany, Indiana.
AUGUSTUS H. MOSS, President First National Bank, Sandusky, Ohio.
J. H. MILLARD, Cashier Omaha National Bank, Omaha, Neb.
R. M. NELSON, President Commercial Bank, Selma, Alabama.
JOHN J. BAGLEY, Vice-President American National Bank. Detroit, Mich.

Treasurer.

GEORGE F. BAKER, President First National Bank, New York.

Secretary.

EDMUND D. RANDOLPH, President Continental National Bank, New York.

Corresponding Secretary.

GEORGE MARSLAND, Editor, 247 Broadway, New York.

CONSTITUTION

OF THE

AMERICAN BANKERS' ASSOCIATION.

DECLARATION.

In order to promote the general welfare and usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance, and from the discussion of subjects of importance to the banking and commercial interests of the country; and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, customs, and laws which affect the banking interests of the entire country, we have to submit the following Constitution and By-Laws for "The American Bankers' Association."

CONSTITUTION.

ARTICLE I.

SECTION 1. This Association shall be called "THE AMERICAN BANKERS' ASSOCIATION."

ARTICLE II.

SEC. 1. Any National or State Bank, Trust Company, Savings Bank or Banking Firm may become a member of this Association upon the payment of such annua. dues as shall be provided by the By-Laws, and may send one delegate to the annual meetings of the Association; and any member may be expelled from the Association upon a vote of two-thirds of those present at any regular meeting.

§ 2. Delegates shall be an officer, or director, or trustee of the institutions they represent, or a member of a banking firm, or an individual doing business as a bank.

§ 3. Delegates shall vote in person; no voting by proxy shall be allowed.

§ 4. All votes shall be *viva voce*, unless otherwise ordered; any delegate may demand a division of the house.

ARTICLE III.

SEC. 1. The administration of the affairs of this Association shall be vested in the

President of this Association and one Vice-President for each State and Territory which may be represented in this Association, and in an Executive Council, composed of twenty-one of the members of this Association, who shall be elected at the annual meetings, and who shall serve until their successors are chosen or appointed.

§ 2. The Vice-Presidents shall have the supervision of the business of the Association in the States and Territories where they reside, and may call meetings when they may deem the same necessary; and in case of absence or disability of the President of the Association to preside, they may designate one of their number to act as President *pro tem.*; and said President *pro tem.* shall, in case of death or other disability of the President, be invested with all the power of President until a successor shall be duly elected or appointed.

§ 3. The Executive Council of twenty-one shall take charge of the general business of the Association, receive communications, arrange for holding meetings, procure and arrange subjects for discussion in the order in which they may come before the Convention, provide for speakers, and carry out the resolutions passed. They shall also act as a financial committee for raising and disbursing moneys. The attendance of five members of the Executive Council shall constitute a quorum for the transaction of business.

§ 4. The Executive Council of twenty-one may appoint and discharge the Secretary and Treasurer, or other employees of the Association at their discretion.

§ 5. Special meetings of the Executive Council may be called by request of three of its own members, giving two weeks' notice to the Secretary desiring him to call such special meeting. The Council shall have power to fill vacancies that may occur in their own body.

§ 6. The Executive Council shall provide—1st, for keeping the records of the proceedings of their own meetings, as well as that of the association's annual or special meetings; 2d, they shall submit to each annual meeting a report, covering their own official acts, as well as a statement of any new or unfinished business requiring attention; 3d, they shall make full statements of the financial condition of the Association; and, 4th, submit an estimate of the amount required to carry on the affairs of the Association according to their judgment of the business to be done, and recommend means for raising money to carry out such plans as may be resolved upon by the Association.

§ 7. The Secretary shall make and have charge of the records of the Association, as well as those of the Council and of the correspondence of the Executive Council. Such records shall be the property of this Association, and be held subject at all times to the order of the Executive Council.

§ 8. The Treasurer shall receive and account for all moneys belonging to the Association, and collect dues; but shall pay out moneys only upon vouchers countersigned and approved by the President of the Association, or by the Secretary appointed by the Executive Council.

ARTICLE IV.

SEC. 1. Annual meetings of the Association shall be held at such times and places as shall be determined by the Executive Council. Special meetings may be called by the Council if, in their opinion, circumstances require them, giving *two weeks'* notice of the time and place of meeting, together with the subject matter of business to come before such special meeting. The Executive Council shall meet to arrange the order of business on the day preceding any general meeting of the Association.

ARTICLE V.

SEC. 1. The Expenses of the Executive Council of the Association, in carrying out the business to be dene by them, shall be provided for by the annual dues of the members of the Association; provided, however, that the that the Executive Council shall have no authority to incur or contract on behalf of this association any liablity whatever beyond the annual dues hereby authorized, and only that for the purposes hereby designated.

ARTICLE VI.

SEC. 1. Resolutions or subjects for discussion (except those referring to points of order or matters of courtesy) must be submitted to the Executive Council in writing at least *thirty days* before any general meeting of the Association, but any person desiring to submit any resolution or business in open convention can do so upon a two-thirds vote of the delegates present, referring the resolution to the Executive Council or Committee on Resolutions to report upon immediately.

ARTICLE VII.

Any one failing to pay within three months the annual dues for carrying on the business of the Association shall be considered as having withdrawn from membership, but may be reinstated upon application to the Treasurer and paying all dues in arrears, with consent of the President.

ARTICLE VIII.

This Constitution may be altered or amended at any annual meeting by a vote of two-thirds of the members present, notice of the proposed amendment having been first submitted to the Secretary at least thirty days before the annual meeting, to be placed by him before the Executive Council, that they may arrange for bringing it before the Convention under the regular order of business.

BY-LAWS

OF THE AMERICAN BANKERS' ASSOCIATION.

1st. The following shall be the order of business at the annual or special general meetings of the Association:

1. Call of the Roll.
2. Reading of the reports of the Executive Council and Treasurer.
3. The election of officers.

The consideration of subjects submitted in the report of the Executive Council, n the order in which they are submitted, unless changed by a suspension of the rules by a two-thirds vote.

2d. Any resolution or new business not upon the official programme or reccommended by the Executive Counill (excepting those relating to points of order or matters of courtesy) shall be referred to the Executive Council or Committee on Resolutions to report upon to the Convention.

3d. No member shall speak more than ten minutes on one question without consent of the convention.

4th. The rules of the House of Representatives of the United States shall govern the deliberations of the Association, so far as they may be applicable and in harmony with the Constitution and By-Laws.

5th. The annual dues to the Association shall be considered due at the beginning of the year, which year shall commence with the regular annual meeting, it being understood that absent members from such annual meetings shall not forfeit their membership nor the right to become members provided they comply with the Constitution and By-Laws, and remit the amount of the dues to the Treasurer within three months after such annual meeting

6th. The annual dues of all banks and trust companies, having less than $100,000 capital, and of all private bankers, regardless of the amount of capital, shall be $5, and of all banks and trust companies having a capital of $100.000 and upwards, $10.

7th. These By-Laws may be amended at any annual meeting, upon a vote of two-thirds of the members present.

ANNUAL CONVENTION

OF THE

AMERICAN BANKERS' ASSOCIATION

HELD AT SARATOGA SPRINGS, NEW YORK, AUGUST 11, 12 AND 13, 1880.

The Bankers' Convention of 1880 was notable in many respects, and its deliberations will surely tend to promote the common good of the country. First of all there was a good representation in attendance from nearly every State, and the utmost good feeling prevailed throughout the proceedings. These men, representing the banking interests of every section of the country, North, South, East and West, came together in the true spirit of the Association, "to promote the general welfare and usefulness of banks and banking institutions."

The relation of banking to the industrial and commercial welfare of the community is close and vital; and whatever tends to improve the methods of conducting the business of our banks, and to make apparent their necessity and wholesome influence in commercial life ought to be encouraged. The addresses and papers read before the Convention this year were of a high order, evincing trained minds and conscientious work in their preparation.

In this number we present our readers with several of these productions; they are pregnant with instruction, and worthy of careful study. In the October number several other papers, equally able, will be published in the JOURNAL, as we cannot make room for all in one issue, and besides, they would together supply more good reading than our friends could well master in one month.

The tendency of the Bankers' Association is to create and cement a bond of fellowship among the banking fraternity; to break down the barriers of selfishness, and build up instead the common good of the banking system; and to maintain the customs of bankers on a high plane of equity and fair dealing. Regarding the last point we cannot better emphasize our meaning than by repeating from Professor Leon Levi's article in the August JOURNAL which concludes as follows:

"What we must desire is that the customs of bankers be above the common customs of society; and that as they enjoy a pre-eminent position, a position of dignity and honor among the mercantile community, so they may, by their methods of business, by their urbanity of manners, by the purity and soundness of their customs, commend themselves as the arbiters of the morals of trade."

May we not indulge the hope that American Bankers will speedily stand as the full and complete embodiment of this sentiment? Taken as a class they are already in line, but it is necessary to advance *together* to attain this high degree of usefulness. The "Bankers' Association" furnishes a strong incentive in this direction.

[Addresses delivered before the Convention of 1880, not appearing on the following pages, will be published in the October JOURNAL.]

ADDRESS OF HON. ALEXANDER MITCHELL OF MILWAUKEE, PRESIDENT OF THE AMERICAN BANKERS' ASSOCIATION, IN OPENING THE CONVENTION AUGUST 11.

In opening the proceedings of this Convention, I would not be true to my own feelings did I fail to express to you my high appreciation of the honor you have conferred on me in twice electing me President of this Association.

I beg leave also to express in person, as I did at the time by letter, the deep regret I felt that it was out of my power to be present at your deliberations last year.

Our Executive Committee were kind enough to ask me to prepare a historical sketch of Western Banking, for this meeting; but, on account of a multitude of pressing engagements, I was obliged to return them a negative answer. This I did several months ago; but, for some reason, my denial was never able to overtake the announcement, and I make this statement now, in order that you may not look for a history of Western Banking in the few remarks that follow.

I congratulate the members of the Convention on the change in the financial condition of the country, which has taken place since I was called to preside over the Association two years ago. Then, the problem of a return to specie payments pressed for a solution which all of us awaited with anxiety and some with apprehension. Now, the fact of resumption awakens only surprise at the ease with which it was accomplished, and the entire absence of all those difficulties and disasters predicted as likely to accompany and to follow it.

Beyond doubt, the success of resumption was largely if not chiefly, due to the cordial and organized efforts and co-operation of the banks and bankers of the United States; and thus, one of the great objects of our Association has been happily achieved.

But it must not be forgotten, that as yet resumption has only been tested under the most favorable circumstances. It was preceeded by a long and elaborate preparation. Over-trading had been checked by enhancement in value which the currency had undergone in anticipation of the day fixed for resumption. The balance of our foreign trade was in our favor; the prosecution of works of public improvement had been partially suspended; and trade and commerce had been placed on a footing of prudence and economy.

Since that time the country, as if relieved from a burden of suspense, has entered on a career of unexampled business prosperity. Large crops and high prices abroad have furnished the stimulus to a vast trade, to the wants of which the volume of the currency has been found adequate.

But it is but too well known to all of us, that in this country one extreme follows another; periods of depression follow periods of prosperity with the certainty, almost, if not with the regularity, of the seasons. Such a period of depression may now be looked for at any time in the future, when an extensive failure of crops shall occur with a season of over-trading and extravagance in enterprise and expenditure.

It is, therefore, a matter of the most serious import, what effect such a depression would have on the present apparent stability and equilibrium of our banking system. What checks, what safeguards does that system furnish to avert disaster? What action will the Government take, what action can it take, to protect the business community from the effects of a general money panic?

Under the old system it was the practice of the banks to watch the approach of the storm, and curtail their discounts. Self-preservation is the first law of nature, and of banks as well. In efforts to strengthen their condition, the legitimate wants of customers are, from a supposed necessity, apt to be disregarded, thus intensifying financial distress, disorder and panic.

In England a different practice has prevailed. The financial condition is noted, as if by a very sensitive barometer which, acting automatically, applies a remedy for the disorder it has discovered. An advance of the rate of interest, by the Bank of England by one, two, or more steps, according to the gravity of the case, checks over-trading, stops effectually the drain of specie from the country, and operates as a safeguard against any sudden panic or considerable commercial revulsion.

Here, on the other hand, the rate of interest is limited by usury laws of more or less severity. The remedy of raising the rate of interest to meet the emergency of a threatened panic, even if a combination of the bankers of the country were practicable, would be impossible, except within certain narrow limits, by the obstacle of these laws.

And without now expressing an opinion of the wisdom of the Government engaging in the business of banking, so far as to issue notes for circulation, it may well be questioned whether there be lodged in the Federal Government any power to prevent a financial crisis, or whether any action it might or could take, would be more efficient than that of the banks in mitigating the disasters of such an emergency.

I hope you will agree with me, that the difficulty of finding ready answers to important questions furnishes no reason for not asking them, but the contrary.

And another very important problem presents itself, which may be found equally difficult of solution, growing out of the continuous coinage of silver under existing laws.

If it be the fact that this coinage does not enter into general circulation to any appreciable extent, but remains an ever-increasing burden in the Government vaults, the question of its ultimate disposal, and the effect of any disposition that may be made of it on the currency of the country, is a very grave one.

As long as no special effort shall be made to force this silver into circulation, its existence will affect chiefly the Government Treasury, to which it belongs, and to which it apparently sustains the relation, substantially of silver bullion. But whenever, by failure of the crops, or other exigencies of our foreign trade, balances must be remitted to Europe, gold alone will subserve the purpose.

Doubtless any considerable drain of gold from the country will throw this silver into circulation: paper money will then fall to the rank of silver, and our entire circulation will be depreciated to the value of the silver dollar.

But I cannot forbear, even at the risk of prolonging these remarks unduly, from referring to still another subject of more immediate importance to the members of this Association, and to banks and bankers generally, namely: that of relieving the banking interest from unjust and impolitic taxation.

I allude now especially to the Government tax on deposits.

This tax is so illogical in its conception and unjust in its operation as to claim the most earnest attention of the Association.

If it be assumed that it was the intention of Congress to lay a tax on the benefits derived by the banker from holding the funds of his customer, the tax should be levied on loans and discounts, as it is only through this use of the funds that any benefit can be supposed to be derived from the deposit. Again, if it be assumed that the intention was to levy a tax upon the business transactions of a bank, irrespective of their profitableness, the statement of the case is not improved, nor the injustice of the tax mitigated by the assumption. The most obvious view is, that the reason of the tax was the needs of the Government; and, under the best aspect, it is a tax on indebtedness, and in that respect, I believe there is nothing analogous to it in the history of taxation. Revenue for the support of Government has from time immemorial been levied upon the subjects of commerce; on real and personal property; on money in possession, and on credits. But it seems to have been reserved for the ingenuity of a legislation stimulated by the sorest needs to suggest a tax on mere indebtedness.

The profits of a bank are derived from the use of capital. Anything which adds to the expenses of its operation tends to reduce its profits, and calls for a corresponding increase in the rate of discount to meet the deficiency. It is a plain proposition, that every burden imposed on capital enhances the charge for its use. And thus the taxes, whether State or national, to which the banks of this country are subjected, enter directly into the question of the rate of interest to be exacted for loans and discounts. Just as the people at large make up, in higher prices, for a shortage of the grain crops caused by drouth or the ravages of insects; just as consumers pay any excessive foreign or inland freight on goods delivered at their doors, so the customers of a bank must pay its excessive taxation.

But unfortunately the immediate customers of a bank are not the only sufferers from burdens imposed on it. The rate of discount charged by banks is the general standard by which the use of capital is regulated throughout the channels of business. And as commerce is carried on mainly through credits in some form, all commercial people may be included in the class of borrowers. Add the class composed of those who carry indebtedness to improve real estate and operate farms and plantations, and we see the effects of the tax on deposits visited on every department of business and nearly every class of the people.

That this tax is double in its operation—being assessed on the same paper in the hands of each banker through which it may pass in the ordinary course of business—does not require illustration. Its benefits are all centered in the National Treasury; its injuries are as widespread as the national commerce and public enterprise and industry.

I do not wish to be understood as presenting an argument. The subject has received the consideration of some of the ablest members of this Association, and has been argued in a manner which I do not consider myself qualified to improve upon.

But notwithstanding the unanswerable arguments that have been advanced against it, and although the great necessities of the Government which first led the national Congress to impose it have long since passed away, the tax still continues. It stands one of the few remaining mementoes of a class of taxes which for several years bore with crushing weight on the industrial and commercial interests of the country. Every passing year adds to the prosperity of our national finances, and brings more and more into relief the gross injustice of this tax.

For this reason I deem no apology necessary for having again alluded to the importance of its repeal; and I trust that before the meeting of another Annual Convention the national Legislature will have wiped from the statute book this vestige of that load of War Taxes so hard to bear, but so cheerfully borne, by the banks and the business community in general.

A report of what has already been done by the Association, with a view to relief from this taxation, will be laid before the Convention and will doubtless furnish suggestions as to future action.

The Convention, in all its deliberations, will, I am sure, be actuated by an earnest and patriotic desire to promote the welfare of the whole country, in all its magnitude and diversity of interests.

BANKING IN PENNSYLVANIA.

Address of the HON. HUGH YOUNG, of Pennsylvania, before the American Bankers' Association, Saratoga Springs, New York—Annual Convention, Aug. 11-13, 1880.

In treating of Banking in Pennsylvania, which is the subject on which I have been invited to address you, it is scarcely necessary to premise that differences exist only in methods and practice. The underlying principles of banking, of finance, of political economy and kindred sciences, are happily the same everywhere. Banking in Pennsylvania is, in the abstract, precisely the same as in Oregon or in Australia. And wherever civilized men live together in communities, buying and selling among themselves, or trading with neighboring communities, a bank of exchange is one of the first necessities, and banks of deposit and discount soon follow. In all States and nations the only differences which can exist in banking are those involved in the application of principles to business methods and practice. These may and do vary with the restrictions imposed by the laws and by the race characteristics of the people where banks exist.

In Pennsylvania, outside of her cities and large towns, race characteristics, so far as these affect business methods, are more marked and distinctive than in most States. The northern and northwestern counties were chiefly peopled by settlers from New York and New England, and their descendants; the western and southern counties are inhabited mostly by descendants of Scotch-Irish people; while the great bulk of the citizens in the central and eastern counties are Pennsylvania Germans, who keep their books and accounts in fair English, but communicate with each other in that wonderful unwritten and unwriteable jargon called "Pennsylvania Dutch." In the western and northern counties the banks, as a rule, have long ago adopted the shorter modern methods of book-keeping, while the banks and bankers of the central and eastern counties, with few exceptions, still follow the old time system in vogue with their fathers, believing, doubtless, that it is always best to "hold fast to that which is good," even though it requires more time and labor to arrive at a balance. It should be said, in justice to this sturdy race of men, that their bankers stick more closely to sound banking principles than the Yankee and Scotch-Irish elements of our population, who often take risks which the former would absolutely refuse to consider.

A FEW FACTS AND STATISTICS.

I am very sure that bankers at these holiday meetings do not care to listen long to dry details of history or statistics. A condensed history of Pennsylvania banking would be too long for an address here, and as for statistics, I will only throw in a few round numbers which may serve to indicate our resources. The latest published statistics show that there are in our Commonwealth 607 banks of all classes, with an aggregate capital of $71,000,000, and deposits of $187,000,000. Of this number 235 were national banks, with an aggregate capital of $55,000,000, and deposits of about $100,000,000. The State, private and savings banks, 372 in number, have an aggregate capital of $16,000,000, and deposits of about $87,000,000. Our banks annually pay the National Government taxes amounting to about a million and a half, while State and municipal taxes will amount to half a million more. During the past year the Legislature has modified the State tax on bank capital so that hereafter it will be less burdensome. It should be stated that two years ago a laudable effort was made in our Legislature to pass a law creating a bank department in our State government, which failed for the reasons stated hereafter, and hence it is quite difficult to get authentic statistics of the workings of our private banks, because there is no legal supervision of them except by the Auditor-General, and that for taxation purposes only.

THE REASONS AGAINST A BANK DEPARTMENT.

I was at Harrisburg during the session of the Legislature in 1878 when the bill creating a bank department was being considered, and the main objection, in fact the fatal objection to it, was that the occa s ional examination, and the frequent publication of statements of the condition of private banks by the Commissoner would interfere with and injure the business. From my point of view there is really nothing in this objection, except its absurdity. Publicity is not only—as a well known adage says—the best cure of public evils; it is the best purifier of private morals. The frequent publication of sworn statements tends to restrain bank officials from lapsing into the loose and careless business methods which not infrequently lead to crime. I can easily suggest and any banker can easily imagine contingencies which might make the publication of a called statement, like those required by the Comptroller of the Currency, unpleasant to bank officers. It might show an actual or apparent shortage of reserve; or a redundancy of real estate, or other available assets; or a high percentage of overdrafts to the amount of deposits; or it might show a large amount of re-discounts and bills payable, or even a shrinkage of surplus capital Yet any intelligent banker knows that any of these contingencies might exist under fair management, and from no fault of the officers. It is only through false pride or false ideas of business ability that bank officers are led to suppress the truth. It would be easy for a morally weak cashier to make a false entry in any of the contingencies here suggested, and that without any thought of doing wrong, but merely for the purpose of making a good showing to the public; but it is not necessary to argue that when a bank officer suppresses the least important item in a published statement whereby the public may be deceived, he has paved the way to suppression of the truth to his directors, which might in time lead to his own ruin and the ruin of his bank. I am well satisfied that the frequent publication of truthful statements of the condition of all the banks would lessen the amount of existing moral danger, and that any unpleasantness or discomfort arising therefrom is no argument against what on a balance of consideration would benefit the whole community. I trust that before another year the Legislature of Pennsylvania will revise its action, and, in the interests of economy and financial progress, give us a Bank Department as good as that existing in some of our sister States.

THE PREJUDICE AGAINST THE BANKS.

In his able address before your association last year, Hon. John Jay Knox adverted to the prejudice existing against banks and bankers as one of the reasons why the arbitrary and unjust taxes, both State and National imposed upon banking capital and deposits were not repealed or, at least, modified. He wisely reasoned that if these prejudices were removed so that the people could see that if bank taxation is reduced from five or four to two per cent., the rates at the bank would also fall, and every farmer and mechanic who needs to borrow will experience the benefit. Much of the prejudice against bankers is due to the unfortunate, but perhaps unadvoidale, "dragging in" of the banking business into party politics. I am quite sure that there is less prejudice against banks and bankers in our State than exists in other States; that our people—those to whom banks are a business necessity—understand clearly that the taxes on deposits and capital are imposed alike upon all classes of banks—national, State, and private; that the repeal of these taxes would give no advantage to the national banks over any other. It is this class of people who make and unmake Congressmen; hence the necessity of impressing the people everywhere with correct views of these economic questions which so directly concern themselves. And in this kind of education bankers must take the lead. Instead of fostering this prejudice by thoughtless acts, as many do, they should so conduct their business as to disarm it altogether. Can this be done? To illustrate this suggestion, two classes of borrowers may be sketched, with examples of two methods of doing business prevalent in the rural districts during the five years of depression, now happily ended by resumption and prosperity. The first is that of the average citizen who borrows money at a bank, and says over his signature that he will pay the bill at a certain time without defalcation. He has asked a neighbor or friend to vouch for his ability and willingness to pay, and he realizes that his neighbor's business name, as well as his own, and his friend's property, as well as his own, will be placed in peril if he fail to pay. He has "no expectation of forbearance or indulgence," nor has he been demoralized by "encouragement of forbearance" from the banker. The bank has tided him over a tight place, and he has paid for the accommodation at reasonable rates. He knows that "favor and benevolence" on the part of the directors had nothing to do with the loan; that it was purely a business affair; that the very existence of the bank depends on a rigid performance of contracts; all this he knows through good business sense and without argument, and so he prepares to pay and does pay his bill at maturity, and this ends the transaction. Such a borrower as this is always a friend of the banks, and would regard a proposition to abolish banks with the same feelings of surprise as he would regard a proposition to abolish railways, telegraphs, or express companies.

In contrast with this class of borrowers, we find another class in the rural northern and western counties, which class may be said to have been created by the banks and bankers who have been too anxious to loan money at high rates. This borrower goes to a bank for money to speculate upon, or to engage in a business for which he has no adaption or training. He gives a note for his loan, which contains as many clauses and conditions as a deed of trust; among them a confession of judgment, which may be entered of record, and become a lien upon his real estate; and which, upon defalcation, may be used at once to transform his homestead into bank assets. This class of borrower is usually not asked to procure an endorser; he has put in the scale against this money all that he owns in the world, and he becomes demoralized by the encouragement—not expressed, perhaps, but well understood—that if he fails to pay the note at maturity it will be renewed. He knows very well that the bank does not want his real estate, but only the prompt payment of the interest on the loan; so that instead of making an effort to pay the principal, he soon even ceases to make an effort to pay the interest, for he reflects that nobody is involved but himself, and that if the bank wants the money, the bank knows how to get it. And so the bank is at last compelled to invoke the aid of an attorney, the County Clerk or Prothonotary and Sheriff, all of whose services must be paid for by the borrower. Need it be said that this is the class of borrowers who denounce bankers as "land sharks," "gold bugs," "bloated bondholders," and other pet names, and that most of them become flat financiers and corner grocery statesmen, and spend their days in whittling sticks and devising plans to circumvent the "hard times" by the issue of an irredeemable currency? They sow seeds of prejudice in a community which will take years to eradicate. The remedy is not hard to learn nor far to seek. Country bankers should consider that if this kind of security was deemed necessary during "hard times," it is necessary no longer: should insist on two or more good names on straight negotiable paper—paper unburdened with the "luggage" of prospective collection fees or sheriff's writs—and no other. This remedy will work well, for I personally know many bankers who, by force of character and correct methods alone, have educated the communities in which they live into true ideas of the purposes for which banks are established and conducted. In such communities prejudice is disarmed, and the banker and his customer, understanding as they do, the position and relation of the one to the other, work harmoniously together to the mutual advantage of both.

DIRECTORS DO NOT DIRECT.

There is still another way in which bankers may greatly help to do away with all senseless and unreasoning prejudice against them, and that is by insisting that their directors shall do their duty. In too many cases directors—indeed, I believe fully two-thirds of all the bank directors in this country—regard their position as merely perfunctory, and particularly is this the case in banks where the officers are the largest shareholders. If they meet once a year "to make their calling and election sure," and twice a year to declare dividends, they imagine they have fully performed all the duties required of them. The entire conduct and mangement of a bank is thus entrusted to its cashier; and the assumption on the part of the directors is not unreasonable, that if he be a large owner of stock he will not prove dishonest to his co-shareholders or the depositors. But this assumption has so often proved to be a mistaken one that many good business men decline to be directors unless they can have some voice in the management of the bank, and refuse to qualify simply because they know they are expected to be "dummies," and to simply approve the acts of the cashier. Need it be said that however great may be the ability of a president or cashier as a manager or financier, the aggregate ability of a board of directors of business men is still greater, and that the best managed and most successful bank is that in which officers and directors meet periodically and often to vise its affairs? It has been my duty as examiner—it is always a very unpleasant duty—to recommend to the Comptroller of the Currency the closing of several national banks for one cause or another. In every case of this kind the disaster was directly traceable to the neglect of the directors to do their sworn duty. It is true that a dishonest bank officer may cheat his directors, and even an examiner, by abstracting good assets and substituting therefor fraudulent and forged paper, purporting to be the obligations of good men or good firms; or he may go so far as to make false entries, without fear of detection for a time; but the periodical meetings of directors, and their frequent examination and supervision of the bank's affairs, greatly lessen the temptation to these acts, and greatly increase the chances that if he is a thief he cannot be a very successful one. Whenever a bank failure occurs, either by dishonesty or by mismanagement, whereby the people of any community are made to suffer losses, either as shareholders or as depositors, the prejudice against all banks and bankers in such community is almost ineradicable. In view of this fact, is it not the plain duty of bankers to encourage directors to share all the responsibilities of the management with them; and of directors who accept the position to insist upon their share in the direction? In our State the practice is becoming prevalent of paying directors a certain fixed fee or salary for attending regular meetings as a remuneration for their time and labor, and so far as my observation goes, this practice has been attended with good results.

The Resumption and Permanency of Specie Payments.

ADDRESS OF *MR. GEORGE A. BUTLER OF CONNECTICUT.

During the few moments allotted me I shall endeavor to present a rational view of the question of specie payments and the relation which it bears to the other great financial questions. My argument will be that resumption has not settled any of these questions, not even that of the permanency of specie payments, which will be determined by the disposition we shall make of the legal tender notes, and by the character of our banking. And if specie payments should be made permanent, the character of such payments will depend upon our action on the silver question.

Resumption of specie payments is not the final settlement of any of the great questions of finance which have agitated the country for so many years past; nor is it a demonstration of the courage and highest financial wisdom of the nation. These things lie in the future, and it is for time to determine whether we are a wise and prudent people. The outlook is not very bright for a scientific settlement of any of the great questions of finance; nor can I see that there is anything which indicates that the future, more than the past, will present more that we may justly be proud of.

One can hardly contemplate the past few years with their wild schemes of paper money, the communism among the people, the demagogism of many in high places, and the indifferentism of nearly all in regard to questions which touch the very honor of the Government and ourselves as a people, without a feeling of shame and humiliation. That we, as a people, have learned much from our sad and disastrous experience I see no indications. That we will profit by it there is not the least evidence discernible.

We cannot escape from these questions; they will sooner or later come up again and demand of us consideration and action. If we are not a very foolish people we will not wait until they are knocking at our doors impatiently demanding admission, and threatening to tumble our houses down about our heads. But we will take the now favorable time to put all the financial machinery of the country in good order and establish it upon a solid and enduring basis.

Unless I am very much in error, Resumption only proved that

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trade runs in cycles; that a period of business activity and prosperity, with high prices, is followed by a corresponding period of business depression with low prices, which in turn gives way to new activity and prosperity.

The movements of trade are not steadily in one direction. A cycle is made up of a number of movements, each in its course gathering more strength and volume. We have a succession of periods of activity, with their reactions, accompanied by a general expansion of credit, which finally ends in a collapse, and the cycle is completed by a period of business depression and falling prices, which generally lasts until prices have fallen to the natural level, or even below the true basis of value.

The usual course is first, business activity, with rising prices, a general and profound confidence in a magnificent future, with still higher prices, followed by a general enlargement of business of all kinds; an absorption of circulating capital into fixed forms, such as railroads, enlargement of factories and building of new ones. A general expansion of credit in all its forms, large and increasing importations to meet the demands of luxurious living, are added to the already heavy imports as the direct result of high prices, which in time acts on the manufacturer by absorbing his market, thus compelling him to curtail his production because his market is filled with foreign goods; an enforced unproductiveness of capital, and an enforced idleness of labor follows, or else the manufacturer continues to produce goods for which he cannot find a market, in this way locking up not only his own capital, but compelling him to use his credit to the utmost by borrowing of others the capital necessary to continue the struggle.

When this point has been reached, we generally find ourselves with an adverse balance of trade, accompanied by a drain of specie, and if the financial machinery of the country be not sound and strong, a panic ensues, and is followed by a period of business depression and falling prices which generally continues until prices have fallen so low that the drain of specie is checked.

When once arrived at such a period, it is not to be expected that prices will stop falling when they have reached a point where specie will purchase as much here as in other countries. Prices generally go below a specie basis, and it is not until they have so fallen that the turning point is reached. At this time gold and silver begin to return, and in time prices return to what may be called a specie basis.

It might seem that when prices have fallen so that specie would purchase as much in this country as in another, that the movements of it would cease, and each country would hold what it had; but such is not the case. The movements of commerce are far-reaching, and cannot be arrested in a day or a month, but continue to produce results until long after the figures begin to appear on the wrong side of the ledger. Fortunate is the man whose business has been so conducted that he may limit his losses.

When a country is a debtor one, that is, when it owes money abroad, in the form of bonded debts, a drain of specie may occur even when the balance of trade is in its favor. The buying back of its own securities might proceed so far as to cause a very serious outflow of the precious metals.

It will be seen that the point for which I contend is that a period of business depression forces prices below a specie level, and in consequence, specie flows into the country, and continues to do so, even if it is not needed as a circulating medium, because of a redundant paper currency, or at least one which supplies all needs of circulation. It is for the time being of no consequence what the currency of the country may be, specie will continue to flow in, and in a short time the paper money will have the same purchasing power as specie, and resumption may and would take place with a comparatively small amount of coin, and specie payments be maintained for some time, and perhaps for years, because, and only because, specie is not needed for exportation.

Resumption may come about, and specie payments be for a long time maintained on an amount of specie wholly inadequate to a permanent maintenance of specie payments. This, I think, was the character of the resumption of January 1, 1879, of which as a people we have but little cause for boasting, though we have much cause to congratulate ourselves on our good fortune.

The credit of resumption does not belong to us, for we did not bring it about by any intelligent action, and did not purposely contribute anything towards its accomplishment. All that we did was to issue "a pope's bull against the comet," in the form of a resolution by Congress that we would resume on the 1st day of January, 1879. In the meanwhile we did not take any steps to accomplish it, but sat down and waited, and hoped that in some way it would come about, while we moaned over the suffering and loss which we endured as the legitimate result of our own ignorance and folly.

The almost complete stoppage of the outflow of specie in the year 1878, and the inflow of gold in the Summer and Fall of the same year, was in accordance with the principle that trade runs in cycles; and it is beyond a doubt that it may leave us in obedience to the same law, unless we make such changes in our finances as will prevent an undue drain of gold. It remains for us to say whether when the time comes for a drain, we shall allow it to attain such magnitude as to culminate in a panic, or whether we will in a time of prosperity take such action as will ward off a great calamity; whether we will now put our finances in a condition that we may so control the movement of specie that it shall have the power to cause only brief periods of dull times, instead of being able to produce a financial crisis, to be followed by a prolonged period of business depression. I am not able to see that there is anything in our financial machinery, or in the laws which govern it, different from what it was when gold commanded a premium of forty per cent., except the new and vicious legislation in regard to silver and the increase of the minimum of legal tender notes from $300,000,000 to $346,000,000. All else remains unchanged.

Have we any guarantee, when trade shall have run its cycle, or a portion of it, that the premium on gold will not again appear. If we have, it will take a person of keener vision than that of the speaker to discern it.

I do not intend to assert that beyond a doubt we shall again see gold at a premium, for I am too keenly alive to the possibilities of the future, and recognize the fact that there may be changes which would carry us safely through. I merely notice existing conditions, and call attention to the tendencies of these conditions. After all is said and done, causes and the tendency of them is with which we have to do. If we watch and control them we need not fear the result. But if we ignore them we shall have only ourselves to blame, if we experience very serious results. At present there does not appear to be anything to which we may look that will prevent the country from sooner or later passing through another severe financial crisis, neither can I see that there is any disposition to do anything to avoid it. I am not unmindful that possibly before the causes now at work can pass into results, the growth of business may be such as to require a much larger amount of currency, and that paper money may not keep pace with the increasing need, thereby causing specie to become more prominent in our monetary affairs, and to bear a much larger proportion to the whole amount of money in use, and so enlarge the fund of specie upon which a drain must come. This might happen without our intentionally doing anything to bring it about. Specie might thus become so important a part of our circulation that a drain would be felt before it could proceed so far as to imperil the stability of our finances, because the amount of coin in use would be so large that the demand would be satisfied before the fund of specie could be exhausted, or so depleted as to cause alarm.

I am quite willing to admit that this is possible, but I do not believe it at all probable. Allowing that there is a possibility of its being so, I doubt the wisdom of trusting to it, when we have it in our own hands to make sure of permanent specie payments.

It may be urged against this view of the case that the government sold in 1877 and 1878 $90,000,000 of bonds for resumption purposes, and that consequently my statement of the question cannot be correct. I contend, that notwithstanding the fact that the government sold bonds to prepare for resumption it did not contribute anything toward bringing about the condition of affairs which made it possible to procure specie in this manner. If resumption meant anything it was a fall in prices. A fall was the necessary precursor of resumption, otherwise it could not have taken place, because the coin supply would have been so small as to have rendered it impossible for the government to have received it in payment for its bonds. A great fall was necessary to check the outflow of specie so that we might retain a portion of the production of our own mines. It was from this source that we received the specie necessary for resumption. The great fall in prices, with the consequent reversal of the balance of trade did not up to January 1, 1879, bring any specie into the country in excess of that which went out. It was not sufficient to prevent the exportation of part of the production of our mines.

I have said that resumption meant a fall in prices, the opposition to it furnishes sufficient evidence that this was the general belief, and that this was what almost every one wished to avoid, at least for a time, until they could so shape their affairs that the consequent loss would fall upon other shoulders.

The fear of a fall in prices prevented any action being taken to bring about specie payments. What people wanted was that the country should be allowed to grow up to them, thus prolonging the period during which the fall must take place, each hoping that his case might prove "the survival of the fittest."

An examination of the tables of exports and imports tells the whole story. The excess of imports for 1872 was $182,417,491; for 1873, $119,656,288. In 1874 the tables were turned in our favor, and the balance was $18,876,698. But the year 1876 was the real turning point in the balance of trade, when it was $79,643,481; for 1877 $151,152,094,; for 1878, $257,814,234.

The excess of exports over imports of coin and bullion for the years 1872 to 1878, inclusive were as follows:

1872	$66,133,845	1876	$40,567,621
1873	63,127,637	1877	15,387,823
1874	38,175,497	1878	3,918,811
1875	71,231,425		

It will be seen that the large balance of trade in our favor, for 1876, 1877 and 1878, did not bring us any of the precious metals. It did not even cause what we produced to remain with us. The total balance of trade in our favor for the years 1874 to 1878, inclusive, was $487,923,782; during the same period the excess of exports of coin and bullion was $169,283,179; making a total net export of $687,206,961. This amount represents a portion of the indebtedness of this country abroad, which was contracted at ruinous rates, as the securities were sold abroad at low prices, because of the deranged condition of our finances, brought about by the legal tender notes. These securities were bought back by the sale of the products of our labor at low prices.

The debts were contracted in cheap money, and paid for in dear money, which gave the foreign investors an enormous profit.

These figures show conclusively that the sale of bonds by the government did not bring coin into the country, but that the coin received as the proceeds of the sale came from that portion of our own production of the precious metals in excess of what was exported.

It seems to me beyond a question, that the government did not contribute anything towards bringing about the conditions necessary to resumption, but that the facts are the other way. Had it not been a party to resumption, I fancy it would have been accomplished somewhat earlier. For the sale of $90,000,000 of bonds in 1877-78, took from the market gold which would have been carried by the dealers in it, or the speculation in it would have been abandoned, because the load would have been too heavy to be longer carried, in which case the gold would have gone into the banks in the ordinary course of business, and been used by them in their daily transactions.

Hence the sale of bonds delayed for some months the equalization of paper and coin, and with it, as a matter of course, resumption of specie payments, and a more speedy revival of business. Had the government not been interested, we probably should have been spared the agony of the last fall in prices, as they were low enough to have made resumption practicable. The general appreciation of values after resumption is ample testimony that such was the case.

The action of the government was absolutely necessary under the then existing monetary conditions, but if there had not been any government paper money, resumption would have taken place long before the time fixed by Congress. I am aware that the views I have just presented are not those generally held. If they were, I should not have taken your time, nor troubled myself with the writing of them.

If there is any truth in what I have said, it is important and should have serious consideration. That it is true, I believe, and I do not hesitate to say that, of all the events recorded in history, by which a people have been benefited and blest, I cannot recall any where less is due to the intelligent forethought, and deliberate action of the people, than was the resumption of January 1, 1879. And if specie payments shall have any degree of permanency, I fancy it will not be through any deliberate purpose of ourselves, but because the industrial and commercial conditions are such that we may for a long time violate economic laws, and the penalty for transgression be long deferred.

It may be asked, what more could the government have done to bring about specie payments. I answer that if at the close of the war, the government had begun to retire the legal tender notes, and steadily pursued that course, it would then have been very active in bringing about the conditions necessary to resumption, and it might have justly claimed credit for wise forethought and manly courage.

Secretary McCulloch commenced the work, but the pressure brought to bear, led Congress to cause its abandonment, when it had reached the point which indicated that it would accomplish the purpose.

Had this course been pursued the panic would in all probabilty have come in 1866 or 1867. But what of that; a panic there was sure to be, and the longer it was delayed the more disastrous it must prove..

If this course had been pursued the panic would have come much earlier, but it would have passed away more quickly. At the close of the war the amount of private debts were not large, and a fall in prices could easily have been borne, as it would have fallen on things that were paid for, and against which there were no debts based on high values, the realization of which was necessary to meet maturing obligations.

It should be remembered that the speculations in railroads and real estate took place after 1865. The redundancy of the currency inflated values, speculation became rampant, debts were piled up without limit, and based on values that had no enduring basis. Had there been a vigorous contraction of the currency at the close of the war, all of this speculation would have been prevented and the losses and bankruptcies would have been few in number compared with those of the panic of 1873, and the amount of loss would have been infinitesimal in comparison with that which finally had to be endured.

We paid an unnecessarily high price for specie payments, but we have paid the bill, and the question now before us is, whether we shall pay it again, some time in the future. If we would not, we must take the matter in hand and attend to it before long. I assume that a sound system of currency, is one in which the legal tender money shall be nearly one-half of all the circulation, and that all of the legal tender shall be of coin. From this stand-point, I believe that the first thing to be done to make specie payments permanent, is to retire all of the legal tender notes. I shall not at this time discuss the constitutionality of the legal tender act, nor the expediency of resorting to the use of legal tender paper money. I shall content myself with a protest against both, and avow the belief that there could hardly be a greater usurpation of power than the making of the debts of the government a legal tender between the government and the people, or between one person and another. As for the necessity, if one existed, I think it was caused by the inefficiency of those who administered public affairs. The legal tender notes occupy a place which should be filled by coin, and in no way can coin be made to occupy the position it should in our monetary affairs except by the retirement of the legal tender notes. If these notes represented coin deposited with the government, then there would be no objection to them on economic grounds, but there would still be grave objection of a political character to them. So long as they exist they are a standing menace to the permanency of specie payments. The people will not consent that the government shall allow so much money to lie idle when it can be used in payment of the public debt or in making internal improvements, and the many other ways of getting money out of the public treasury. And there will not be lacking many able men who will make use of the fact of this large amount of idle money as an argument to influence the passions of the people. There has already been one or two motions in Congress to reduce the amount of reserve to $100,000,000. The country needs somewhere about $350,000,000 of legal tender money, and it should be entirely of coin. Both prudence and honesty point to the retirement of the government paper money, for we shall never have any reasonable feeling of safety so long as the government has control in this matter.

Love for humanity and a desire for purer politics suggest the retirement of these notes, for they have not only demoralized our finances, but they have made it almost impossible for people to think correctly on monetary affairs. The pathways of both of the great parties are strewn with political wrecks, made so by government notes, and the backbones of many of our leading men have been seriously weakened in the endeavor to straddle this question. I do not believe that it is possible to have any system of finance worthy of the name, so long as the legal tender notes are a part of it, and I am sure that if they are not retired they will cause in time another suspension of specie payments. If we retire these notes, the financial question will be a simple one, and the permanency of specie payments will then depend on the character of our banking. It will, therefore, be necessary to consider banking in this connection.

That banking has much to do with the permanency of specie payments is too well known to need any discussion at this time. We will therefore proceed to consider in what manner it ever endangers the permanency of them.

The points of contact lie in the circulating notes, and in the reserves of the banks. It is with the bank notes as with those of the government; if they reduce the amount of coin in actual use below a certain proportion of the whole circulation, the system is bad and needs revision, but if the notes drive coin entirely out of circulation, the system is vicious and cannot well be justified. No system of paper money should be considered very good which reduces the coin circulation, including the reserves, much below one-half of the currency of the country. Under our old forms of banking I believe that the estimated specie of the country generally exceeded the note circulation, but with the introduction of the legal tender notes coin ceased to be a part of our monetary system, and so long as we have a paper legal tender of nearly $350,000,000, and bank notes issued in the smaller denominations, we can hardly expect coin to become very prominent in our monetary affairs.

The national banking system furnishes a safe circulation, which has given much satisfaction because of its safety and its uniform character. But I think I shall not excite surprise in saying that economically considered, it does not meet all of the requirements of a proper system of banking. The banks issue notes of the smallest denomination, and even if there were no government notes there would be but little use for coin, because the banks could supply the needs of circulation by their notes. Then the reserve for the notes is not of specie, but of the promises to pay of the government, were it even of coin, it is much too small to endure any severe strain. This reserve is locked up in a city remote from the centres of finance, whereas it should either be held by the respective banks, or else the reserve agency should be located at the financial centre, and should be in fact as in name a reserve and a redemption agency which would be an active principle in our finances. I shall not go into the question of a central reserve and redemption. I could only repeat what I have said on other occasions.

The national banking system cannot be considered permanent, and ere long we shall be forced to consider what shall take its place. It cannot exist in its present form more than 12 or 15 years, for there would not be bonds for the circulating notes unless a portion of the public debt should be made perpetual for that purpose. This is not at all probable, for it is against the sentiment of the people of this country, and I think there will not be such a change in this respect as will lead to a permanent public debt.

Then, again, the profit on the circulation is so small, or will be when the five and six per cent bonds are called in, and say 3 1-2 per cent. bonds issued in their stead, that we may reasonably expect that many of the banks will surrender their circulation, as it will be of such small advantage to them as to make it not desirable to remain under the control of the general Government.

It would seem that banking holds such an important relation to the commercial prosperity of the country that the policy of the government and the people would be to extend to it every facility for proper development, and that instead of endeavoring to oppress and weaken it they would rejoice to see it year by year become stronger and more permanent in its form and character, but such has not been, and is not now the case. The general government has laid its heavy and merciless hand upon it, and there is not the least indication that our legislators possess sufficient manliness or honesty to even make the endeavor to place the capital engaged in banking on the same footing with other capital.

For one, I believe that the national banking system has but a short life before it, and that ere long we shall be met with the demand that the government issue its notes in the place of the surrendered bank notes.

The currency problem, notwithstanding our much boasting and self-glorification, has not been settled, nor has even an approach been made toward it. We may reasonably expect in the future, as in the past, to hear our legislators avow a preference for government paper money, and the fact that it is in violation of the fundamental law of the land will not deter them, if it shall seem that more votes can be had in this way than by the pursuance of a course in harmony with the lawful powers of the government. History does not teach anything if it does not show that when the popular vote determines great questions there will be plenty of able men who will pander to the erring passions and prejudices of the voters rather than endeavor to show them their error.

I do not propose to set myself up as a constructor of financial systems, but, in view of the change which must soon come, I think it proper to suggest something in the way of a substitute for the present system of banking. I am not an advocate of Church and State; neither do I favor the plan of having the banking of the country identified and tied up with the credit of the government. It would be better, both for the banks and the country, to have the banks freed from all entanglements. Take, for instance, the case of another war, the banks would not be able to render the same assistance under the present system as would be possible if the notes were not secured by bonds, and all of the capital free to invest at the call of the government, either by voluntary purchase or a forced loan, as in the case of the late war, through the banking act requiring the banks to deposit bonds to secure their circulation.

The "National Banking Act" might be so amended as to make banking and the notes as safe as they are at present and at the same time give the country a currency which would be more elastic in its operation. While I am not an advocate of the elastic idea, I know that the unsecured note can be made to meet the heavy and extraordinary demands at certain brief seasons, such as the pay-day at the beginning of each month in the manufacturing centres, much better than can ever be the case with notes secured by bonds. Safety to the holders of the notes is all that should be required, and that can be attained without the deposit of bonds. I doubt if under the present system, with the stockholders liable for a second payment of their stock, there ever would be any loss to billholders, even if the notes were not secured. In any event it would be very small, and can easily be guarded against. Let the notes be issued to the banks as now, thus preventing over issue; limit the amount to the amount of capital, or a percentage of it, the notes to be a first lien on all the assets of the banks. The stockholders, as now, liable to the amount of stock held by them. Lay a tax say of one per cent. on the circulation as a safety fund, out of which the notes of insolvent banks should be redeemed in case resort to other means should prove insufficient. The amount raised in this manner to be invested in government bonds, the interest on which might cease, thus reducing year by year the interest charges of the government, while it would constitute a fund which would in time equal the circulation of the banks.

Prohibit all notes below ten dollars, and establish at New York a bureau of redemption, and require each bank to keep at this agency say fifteen per cent. of its circulation. This would form a great central reserve of coin upon which a drain might work without causing alarm. An outflow would thus be felt by all the banks of the coun-country, giving them timely warning that the country had been over-trading, and that they should go more carefully for a while. The prohibition of small notes would cause a large amount of coin to circulate, which would make a large general reserve from which the banks could draw to replenish the central reserve. To meet the opposition to the retirement of the small notes, the banks might issue, in addition to their regular circulation, small notes, to be wholly covered by coin.

This would give us a banking system worthy of the name, at once furnishing perfect security to the holders of the notes and at the same time meet from an economic standpoint the most rigid requirements of a convertible currencey.

This system would be expensive to the banks, as it would require them to keep a large amount of money unemployed, but paper money should be put beyond a question as to its convertibility, and it is doubtful if it can be accomplished except by a central reserve so large as to remove all fear of failure.

As it is the duty of the banks to see that their notes are always convertible into coin, so is it for the best interests of the country that such a currency should be provided. And at this point comes in the duty of the people to the banks, a duty that should not be neglected. that is, the removal of all unnecessary and unjust taxes, so that the banks shall not have greater burdens than other capital.

With the legal tender notes out of the way, and a system of banking such as I have sketched, there would be no question as to the permanency of specie payments. We then should be met with the question of what kind of specie. Our action in regard to silver then becomes important, for it will determine whether the payments will be in gold or silver.

The silver question has two distinct phases. The first is a general one, pertaining to the whole commercial world. The second is more local in its character, and so far as we are concerned, interests this country only. A brief consideration of the first will help us to a clearer insight of the second.

That silver is a part of the money of the world will not be denied;

that it can safely be dispensed with will not be claimed by the most rigid mono-metallist. They only claim that the rich nations can discard silver, and that the poorer nations must use it, and turn what gold they have over to the rich nations to supply the deficiency of circulation caused by the disuse of silver. If the poorer nations should be so unwise as to believe that they needed the same kind of money as the more favored ones, and so refuse to use silver, but make gold their sole legal tender and measure of value, then the advocates of the demonetization of silver are forced to admit that all must enter the field and scramble for gold, and that all must help bear the loss consequent thereto. But the claim that the poorer nations would be obliged to use silver, and that the wealthy Western nation need not fear the East discontinuing the use of it, but that silver will be continued in use, and the world be divided into mono-metallic gold and mono-metallic silver countries. If the rich nations conclude that they have outgrown silver, and the poorer nations follow suit, and act on the principle that a currency of gold will be as good for them as for others, silver must wholly disappear as a part of the world's currency, except for subsidiary coinage, and values must be adjusted to the new conditions, which means lower prices all kinds of property, with the consequent enhancement of the value of all debts, unless the change should bankrupt those by whom the obligations were issued.

The demonetization of silver by Germany furnishes a good indication of what must occur if other silver using nations adopt the same policy and discard silver, except for their subsidiary coins. The currency of the world is made up of gold, silver and paper, convertible and inconvertible. If gold be discarded the amount of money would be reduced by so much as had been of gold; it would be the same with silver, and the same rule also applies to the paper money. The redemption and retirement of all the irredeemable paper money would produce the same effect as the destruction of the same amount of coin, measuring the value of the paper at its current rate; but this does not furnish an argument against the redemption of such paper. It only shows the disastrous effects of such issues, and the folly of resort ing to them.

If the paper money which is now convertible at will is to remain so, there must not be any serious diminution of the amount of metallic money into which it is convertible. And if the now irredeemable paper is ever to be redeemed, or ever made convertible into coin, there will be needed, not only what coin that now is in circulation, but a much larger amount, which would absorb the whole production of both gold and silver for many years to come. Without an enlargement of the coin circulation the now irredeemable paper must remain a part of the world's supply of money, or else a great fall in prices must be submitted to. Undoubtedly, much of this paper will never be redeemed, but will pass out of sight through bankruptcy and with its disapearance the consequent consraction of the world's currency.

That either gold for silver is not fit for monetary purposes is a modern discovery, and, singularly enough, it was gold, not silver, which first had to bear the attack of the new prophets. For half a century prior to 1850 gold and silver moved side by side in the work of moving the wealth of the world. During most of that time the production of silver was at the rate of about three and a half of silver to one of gold, and during the whole of this time both of the metals steadily appreciated, and in spite of the fact that silver was produced in nearly three and a half times the amount of gold, there was no divergence of them.

It was not until the discovery of gold in California and Australia that the discovery was made that either of these metals was not possessed of the qualities requisite for monetary purposes. Then it was that Chevalier and others vehemently urged France to demonetize gold and make silver the sole standard. It then looked as though gold must go to the wall, for the production was so great that much alarm was felt, and many apprehended grave results. In 1850 Holland demonetized gold and made silver its sole standard. But there were in France many men who were really wise, and France was not permitted to bring on a deluge which should engulph the whole commercial world. The mint was kept open to gold, and it poured into the mint in a steady stream, and France sold her silver to Europe and became a gold nation. The discovery of gold changed the production from three and a half of silver to one of gold to 100 of gold to 27 of silver. When silver was dominant in the production of the precious metals, it did not fall in value as measured by gold, because it had not then been discovered that it was not fit for the service which it had always rendered. And when the tables were turned, and gold was produced in nearly four times that of silver, it did not fall in value, as measured by silver. And it had been discovered that the increased production of it disqualified it from further services for a rich and enlightened nation. Free coinage at 15 1-2 of silver to one of gold saved each in its turn and the world from grave financial embarrassments.

By all the arguments of the mono-metallic school, gold should have fallen in value and silver remained nearly stationary; but such was not the case. The fall spread itself over both metals, thus dividing it and preventing the fall in gold from being very disastrous. Prof. Jevons estimates the depreciation of the two metals resulting from the increased production of gold to be about 17 per cent. If the French mint had been closed to gold it would have had to bear the whole fall in value, which was shared and divided by silver. We are warranted in the belief that gold would have fallen, as measured by silver, from 30 to perhaps 50 per cent. Had there been a general demonetization of gold, it would not be a wide guess to put it at the highest figures. Because France and the other nations maintained the relative value of the two metals by the free coinage of them, does it follow that the free coinage of silver by the United States will be productive of the same results? By no means. The whole situation has been changed; then only one small state let its fear lead it to discard gold, and the relative position of that state to the rest of the world was so small that its action was not felt by others. Then as there had been no serious closing of the mints to either metals, the positions of the different nations underwent no serious change. But now Germany has discarded silver, and France and the other nations of the Latin league have practically closed their mints to silver, and may never reopen them. Those states occupy what is termed an expectant attitude; that is, they will continue to use what silver they have, if they must, but to coin silver hereafter in only very limited amounts, but if the opportunity offers for them to dispose of silver to advantage and get gold in its stead they will do so, and become gold mono-metallic countries.

All Europe is distrustful, and each State is on the watch thal others shall not slip out of the embarrassments, and leave it in a stil worse condition, and all are desirous that the United States shall open its mints, and thus come to their rescue, and assume the burden which has become an extremely embarrassing one to them, and give them the gold which they will then need.

It should be remembered that there is a radical difference between free coinage the world over, and free coinage in one country only, however great that country may be. This is the lesson for us to learn. I trust we shall not learn it to our cost. If we would not, we must close our mints to silver, and let the rest of the world understand that we will not pull their chestnuts out of the fire for them. Let other nations know that we will join with them in a league for the free coinage of both gold and silver, but that we will not coin another dollar of silver until a compact has been made which shall embrace all of the leading commercial nations, and that if such a contract is not soon made, we will sell what silver we have and retire from all active participation in the matter. When Europe believes that this is our attitude, and that we will not recede from it, she will then realize that the United States cannot be made a dumping ground for her discarded silver, and then in all probability the leading nations will be ready to join in the free coinage of silver as well as of gold, and we may then hope for a permanent settlement of this much vexed question.

If we we do not close our mints to silver, we shall let Europe have our gold in exchange for her silver, and the United States become a silver mono-metallic country.

If we continue to coin silver at the rate we are now doing, it will take a longer time to accomplish this result, but the end will be as sure as under free coinage. In the meanwhile the Treasury will be embarrassed with a large amount of silver coin which it cannot use, but for which it must pay the bullion price of silver. It will not be possible for the government to keep the silver in circulation until gold shall have disappeared, and ceases to be a part of our monetary system, unless the government pay it out and refuses to receive it for dues (and it would be exceedingly disgraceful to coin and pay out money which it will not receive again). So long as gold is a part of our financial system, it will be impossible to give the silver coin more than a very limited circulation.

It may be a very wise thing to spend from two to three millions a month for something which we do not want, and which we cannot use, and spend money in building storehouses to keep it in. If it be a wise thing to do, I may be classed among the stupid ones who cannot see it in this light. It is either exceedingly wise, or else a stupendous piece of folly and stupidity. I have endeavored to show that resumption is not the final settlement of any of the great financial questions. But that the permanency of specie payments depends upon the retirement of the legal tender notes, and also upon our banking being put on a proper and enduring basis, and that if we would not have specie mean silver only, we must leave off coining it.

THE SUBJECT OF TAXATION.

ADDRESS OF HON. JAMES A. BRIGGS OF NEW YORK, BEFORE THE AMERICAN BANKERS' ASSOCIATION—CONVENTION OF 1880.

There is no one question in which all the people are so directly interested as in that of TAXATION. There is no one question or subject of legislation, State or National, upon which so many speeches have been made, so many essays have been written, and so much time been occupied, as well as wasted, and after all the discussion of years in and out of legislative halls, there seems to be as much diversity of opinion now, as when Adam Smith endeavored to settle the matter in his "Wealth of Nations." As long as legislators in State Capitols continue to make the same tax laws for an exclusively agricultural population, as they do for a city, with its many and varied occupations of trade, manufactures, commerce and traffic, in all that the earth, sea, or the ingenuity of man can produce, and in all the numerous and innumerable financial wants and interests, there never will be a settlement or adjustment of the question on the basis of just and equal taxation. In an exclusive agricultural community, there is nothing but land and farm stock to tax, and under the exemption laws of this State, in many of the towns, there is nothing but land and buildings to tax; and buildings on farms, assessors do not generally regard as of much value.

When the State tax shall be raised from incorporated companies, and the real and personal estate of the people in all the counties, towns, villages and cities, shall be relieved entirely from all taxes for State purposes, there will be a new and a far better era as regards taxation in this State. A move in this direction was made by the last Legislature, in the tax bills passed; and it is to be most devoutly wished, that at the next session of the Legislature, a bill will be perfected divorcing the taxes for all State purposes from all property, real and personal, owned by individuals. Then the cities can have such a system of taxation as their circumstances demand.

There should be no local taxes levied upon the track and superstructure of a railroad company. This should only be taxed for State purposes, and the most just and equitable way to tax a railroad company is upon its gross receipts.

There is no justice or right in taxing the gross receipts of a railroad company, that does not pay dividends, as much as a railroad company is taxed that pays dividends. There should be a sliding scale of taxing gross receipts, so that the tax would be equitable, and companies pay according to their ability, as other real estate pays now.

I believe in cities a rental value tax, in place of tax on personal property, would be best, and be productive of most good to the greatest number.

Under our present laws, very few persons pay taxes on personal property.

Under a rental value tax, every person doing any kind of business in a city would contribute something to the city treasury. Add to the rental value tax a general system of licensing, and then none could escape contributions to the city funds. In this way an onerous and oppressive burden would be taken from real estate, and public burdens would be far more equitably distributed than at present.

The taxation of moneyed capital is a subject of great importance to all who are engaged in any kind of business, as 999 out of every 1,000 business men are borrowers of money, *and the higher the rate of taxation on moneyed capital the higher the rate of interest, in one way and another, the borrower has to pay for the use of the money borrowed.*

The money lender is restricted by law in the sum he may receive for the use of the money he lends. If A. B. in any event lends to C. D. (in a time of extremity in the condition of said C. D.), when $5,000 or $10,000 would lift him through his trouble, and place him upon a firm financial or commercial footing, and he is willing and would gladly pay 8 or even 10 per cent. for money for a few months, he is completly shut out of the market because the lender is liable to lose double the amount of the interest, if he takes 6 1-100 per cent. for the use of money.

If potatoes, beans, corn, rye, oats, wheat, apples, barley, grass or hay, are short crops, the farmer may put upon his farm products at any price; but it is not so with the money lender. He is restricted, limited, to six per cent. and is "a usurer" if he takes any more, and liable to punishment. In the olden time a man was punished for not puting his money out to usury.

I am more and more satisfied that the least possible tax upon money is the best possible policy for the people, the most conducive to their welfare, and to their prosperity; especially to those who would borrow upon mortgage in the country. What our country needs is cheap money. It cannot be had where the legal rate of interest is only 6 per cent., and the rate of taxation from 2 50-100 to 3 per cent.

The banks, under the law of June 26, 1880, enacted at Albany, pay more taxes than any other moneyed capital, or any other property, as the shareholders in banks are not relieved of any tax upon their shares, unless they are in debt.

A. B. owns $50,000 in railroad stock and $50,000 in bank stock. Both are of the same market value. On the bank stock B. would pay three times more taxes in the City of New York than he pays on his railroad stock, and this is equalizing taxes! The Courts "Will dang this law all to pieces, as soon as they get a lick at it," as it is in violation of the decision of the Supreme Court of the United States in the case of Williams, President of the National Exchange Bank in Albany *vs.* The Assessors of that City, as well as the decisions of the same Court in the Cleveland and Toledo bank cases.

Throughout the State the average assessment of real estate is not over sixty per cent. of full value, while in most of the counties banks are assessed at full or nearly full value.

It is time that the government repealed the law taxing national banks, as the tax imposed upon them was a war tax, and now that interest on government bonds is only four per cent. the government can well afford to keep its faith and maintain its honor by not taxing national banks, as the capital stock of these banks is all in national bonds. The taxing of their deposits is in violation of the laws of political economy, and is a direct tax upon the business capital of the country, and as long as congress allows States to tax the shareholders of the national banks for all purposes, the government should relieve them from all national taxes, as they give to the people the very best paper currency in the world. And he who would seek to destroy them must be suffering from the first stages of mental and financial idiocy. If the people are wise they will not allow any party to repeal the law creating the national banks, but will vote to extend their charters for a century to come.

Our laws should be of such a character as to invite moneyed capital and capitalists into our State. They are not of such a character now. The foreign capital in New York City pays to the National Government, and to the State, one per cent. tax, and this is more than one-fourth of the interest they receive. This is the only great city in the world where money is thus taxed, and before New York can become the great financial centre of the world money must be taxed here as it is in London and Paris.

Our present tax laws are absurd, unjust, ridiculous, and belong to a past age. As well may a man wear with comfort and decency, the shoes, hat and garments of his boyhood, as for the people of this State to get along wisely and well under a system of tax laws that is the same in the town of Wilmurt, Herkimer County, with 293,000 acres of land, and 185 inhabitants, as in the City of New York, with nearly one and a quarter million of inhabitants, and with every variety of business, and of every occupation that it is possible to conceive.

Let our wise men apply themselves to the task of divorcing our State tax from all property owned by individuals, so that counties, towns, villages and cities will raise taxes only for local purposes, and thus leave the cities to be subject to such revenue laws as their wants, their interests, and the well being of their people require and demand, without any let or hindrance from the country. The growth of cities is the prosperity of the country.

The handsome excess of over $13,000,000 in amount of exports over imports for July is wholly due to the extraordinary movement of breadstuffs and provisions. Imports were large, but the value of breadstuffs alone exported from seventeen principal ports during the month was $30,803,504, against $19,558,046 in July, 1879, an increase of more than $11,000,000, of which over $5,600,000 was at New York.

The value of provisions exported was $12,804,776, against $8,882,531 in July, 1879, an increase of nearly $4,000,000, of which about $2,000,000 was at New York. This City fully sustains its relative position in the exporting business, while Baltimore gains largely in respect to breadstuffs, and Boston in respect to provisions, Philadelphia making comparatively little gain in either.

James Caird, the eminent agricultural authority of England, writes to the London "Times" that agricultural returns from Great Britain and Ireland show, as compared with 1879, a slight increase in the acreage of wheat, a decrease of 7 1-2 per centum in that of barley, an increase of 5 per centum in that of oats, and scarcely any change in that of potatoes. The quality and yield of wheat will be so greatly superior that it is thought the crop will be from 3,000,000 to 4,000,000 quarters, or two months' consumption better than in 1879. Potatoes are an excellent crop. Grass and green crops are abundant. The first hay crop was light and much damaged by rain, but it was largely supplemented by a heavy second crop. Cattle are deficient to the extent of 90,000 head, and sheep almost 2,000,000, or 5 1 2 per centum in consequence of rot resulting from the excessive wet of the last season.

MICHIGAN.

We present to our readers, through the courtesy of Hon. Charles H. Hodskin, Deputy State Treasurer, tables, condensed from sworn reports, showing the condition of the Michigan Savings Banks for the quarter ending July 7th:

These reports are made in accordance with sections 18, 19 and 67 of the General Banking Law as amended in 1871:

ADRIAN SAVINGS BANK, ADRIAN.

Heman Loomis, Treasurer.

	Resources.	Liabilities.
Loans and discounts	$24,286 09	
Unpaid stock	5,000 00	
Expenses	538 94	
U. S. bonds	2,400 00	
Cash and other items	8,733 69	
Capital		$10,000 00
Due depositors		30,958 72
	$40,958 72	$40,958 72

ANN ARBOR SAVINGS BANK, ANN ARBOR.

Charles E. Hiscock, Cashier.

	Resources.	Liabilities.
Loans and discounts	$218,065 08	
Bonds and mortgages	97,497 79	
U. S. bonds	10,000 00	
Cash and other items	70,864 78	
Capital		$50,000 00
Due depositors		334,994 93
Surplus		2,500 00
Other liabilities		8,932 72
	$396,427 65	$396,427 65

CENTRAL MICHIGAN SAVINGS BANK, LANSING.

D. F. Woodcock, Cashier.

	Resources.	Liabilities.
Loans and discounts	$117,692 36	
Cash and other items	24,630 46	
Capital		$25,000 00
Due depositors		115,434 73
Profit and loss		1,888 09
	$142,322 82	$142,322 82

DETROIT SAVINGS BANK, DETROIT.

A. H. Adams, President.

	Resources.	Liabilities
Loans and discounts	$1,186,638 73	
Real estate	77,088 29	
U. S. bonds	303,000 00	
City and county bonds	325,770 42	
Cash and other items	399,665 93	
Capital		$200.000 00
Due depositors		1,979,426 16
Surplus		72,253 74
Other liabilities		40,483 47
	$2,292,163 37	$2,292,163 37

GENESEE COUNTY SAVINGS BANK, FLINT.

Ira H. Wilder, Cashier.

	Resources.	Liabilities.
Loans and discounts	$135,661 34	
Bonds and mortgages	96,240 65	
Real estate	15,121 72	
Cash and other items	12,634 01	
Capital		$100,000 00
Due depositors		139,207 85
Surplus		4,000 00
Other liabilities		16,449 87
	$259,657 72	$259,657 72

GRAND RAPIDS SAVINGS BANK, GRAND RAPIDS.

D. B. Shedd, Cashier.

	Resources.	Liabilities.
Loans and discounts	$109,051 48	
U. S. bonds	5,379 12	
Bonds and mortgages	22,965 30	
Real estate	27,606 97	
Cash and other items	27,992 80	
Capital		$50,000 00
Due depositors		120,455 25
Other liabilities		22,540 42
	$192,995 67	$192,995 67

LENAWEE COUNTY SAVINGS BANK, ADRIAN.

H. V. C. Hart, Cashier.

	Resources.	Liabilities
Loans and discounts	$251,137 20	
U. S. bonds	11,500 00	
City and county bonds	39,336 92	
Real estate	27,629 86	
Cash and other items	81,702 16	
Capital		$60,000 00
Due depositors		344,991 08
Surplus		5,225 89
Profit and loss		1,089 17
	$411,306 14	$411,306 14

MICHIGAN SAVINGS BANK, DETROIT.

Samuel N. Mumford, Treasurer.

	Resources.	Liabilities.
Loans and discounts	$257,026 46	
Loans on real estate	186,405 38	
U. S. bonds	10,000 00	
City and county bonds	32,526 75	
Cash and other items	190,864 64	
Capital		$60,000 00
Due depositors		611,102 33
Profit and loss		5,720 90
	$676,823 23	$676,823 23

MOUNT CLEMENS SAVINGS BANK, MOUNT CLEMENS.

John W. Porter, Cashier.

	Resources.	Liabilities.
Loans and discounts	$109,951 12	
Bonds and mortgages	22,109 00	
Real estate	10,000 00	
Cash and other items	21,870 21	
Capital		$50,000 00
Due depositors		108,560 73
Surplus		2,000 00
Profit and loss		3,369 60
	$163,930 33	$163,930 33

PEOPLE'S SAVINGS BANK, DETROIT.

M. W. O'Brien, Cashier.

	Resources.	Liabilities.
Discounts and loans on real estate, &c	$1,424,891 41	
U. S. bonds	75,850 00	
City and other bonds	89,596 51	
Real estate	43,984 79	
Cash and other items	390,406 14	
Capital		$250,000 00
Due depositors		1,643,847 33
Surplus		25,000 00
Dividends unpaid		640 00
Other liabilities		105,241 52
	$2,024,728 85	$2,024,728 85

PORT HURON SAVINGS BANK, PORT HURON.

Charles F. Harrington, Cashier.

	Resources.	Liabilities.
Loans and discounts	$183,242 66	
Real estate	11,320 30	
Expenses	4,108 57	
Cash and other items	189,636 35	
Capital		$100,000 00
Due depositors		266,987 59
Surplus		12,633 00
Other liabilities		8,687 29
	$388,307 88	$388,307 88

WAYNE COUNTY SAVINGS BANK, DETROIT.

S. D. Elwood, Treasurer.

	Resources.	Liabilities.
Loans on real estate	$687,280 91	
Loans on collaterals	544,841 79	
Loans on bonds	388,909 90	
Real estate	110,000 00	
Expenses	8,809 18	
Cash on hand	502,195 04	
Other items	22,590 21	
Capital		$150,000 00
Due depositors		2,054,793 65
Other liabilities		59,813 38
	$2,264,607 03	$2,264,607 03

WEST MICHIGAN SAVINGS BANK, BANGOR.

A. B. Chase, Cashier.

	Resources.	Liabilities.
Loans and discounts	$2,531 39	
Unpaid capital	10.000 00	
Due from banks and bankers	20,099 97	
Cash and other items	2,817 46	
Capital		$20,000 00
Due depositors		15,411 26
Profit and loss		37 56
	$35,448 82	$35,448 82

WYANDOTTE SAVINGS BANK, WYANDOTTE.

W. Van Miller, Cashier.

	Resources.	Liabilities.
Loans and discounts	$96,611 95	
Real estate	5.491 63	
Expenses	4,029 84	
Cash and other items	18,296 25	
Capital		$50,000 00
Due depositors		65,114 60
Profit and loss		9.315 07
	$124,429 67	$124,429 67

The practical working of the new Constitution in California, and the dead weight which it has imposed on enterprise, are thus set forth by the San Francisco "Stock Report": "The announcement that the City Assessor has added fifty millions to the roll in this city and county alone may account for several things and constitute a very interesting subject for study and reflection. Under the new Constitution the recent Legislature passed a most stringent revenue law, and the instructions sent out to the different assessors by the State authorities designated to set the machinery in motion, were equally binding. The assessor has been clothed with the powers of a drag-net, and every shadow of property has had to be hooked up, as far as possible, and a value placed upon it. Mortgages, notes, stock certificates, street car tickets and photographs of babies all came under the head of taxable property under the new law. The question is, how far has this inquisitorial research tended to retard enterprise and make every one with any means at all stand in fear and trembling, and wonder what next? There can hardly be a doubt that this new condition of things has had a most depressing effect, and has served to retard that return of confidence so much needed throughout the State, and which is especially felt in the metropolis."

BANKING AND FINANCIAL LAW.

NOTES OF BANK CASES.

UNITED STATES DISTRICT AND CIRCUIT COURTS.

BILLS AND NOTES—COMMERCIAL PAPER—CERTIFICATES OF INDEBTEDNESS.—The receiver of a corporation was authorized, by order of court, to issue certain certificates of indebtedness. They were directed to be made payable to party named or "order." Action was brought upon one of such certificates by one claiming to be a *bona fide* holder thereof. It was payable to a person named "*or bearer*," and had not been indorsed by the payee. The receivership never received any benefit from it, and the payee could not have recovered upon it in his own name. *Held*, that such certificates were not commercial paper; that an indorsement was necessary to pass the title, so as to enable the assignee to sue thereon in his own name, and it was open to the same defences as if it had been sued by the original payee.—Turner et al *vs.* P. & S. R. Co. ,

—*Innocent Holder.*—One who carelessly and negligently executes a promissory note, and permits it to fall into the hands of an innocent holder before maturity, cannot be allowed to deny his liability, though fraudulent representation may have induced its execution. To avail himself of the fraud as a defense, he must make it apparent that he was not guilty of negligence.—Fisher *vs.* Van Behren, Sup. Ct. Ind., N. W. Rep., May 29, p. 27.

—*Innocent holder for value.*—The defendant gave his acceptance in blank on a piece of paper bearing a sufficient stamp for £500 to S., who then gave the defendant a receipt stating that the acceptance was given "for the purpose of negotiation, and if not discounted before the 14th inst., to be returned at once." The acceptance was not returned, nor did the defendant ever receive anything for it, but the bill was drawn and endorsed, in the same handwriting, in the name

*The editor of the Law Department of RHODES' JOURNAL will be pleased to furnish, on application of subscribers, detailed information regarding any case referred to herein, or will answer questions in banking law. Address: *Law Department*, RHODES' JOURNAL, 13 *Spruce Street, New York.*

of H. S. Head, and was then indorsed to the plaintiffs for full value, *bona fide*, and without notice of any irregularity. In an action by the plaintiffs as such indorsees against the defendant, the evidence of one Samuel Heath Head, who was called by the defendant to prove that he never indorsed or authorized the indorsement of his name, was rejected by the judge on the ground that such evidence was immaterial. *Held*, that such evidence had been properly rejected.—London and Southwestern Bank *vs.* Wentworth, Eng. High Ct. Just. Exch. Div., Alb. L. J., June 19, p. 489.

—*Purchase of, with notice of trust.*—A purchaser of notes held by trustees as such, and indorsed by them as such, takes with notice of the trust, and is bound to see to the application of the purchase money.—Jackson *vs.* Davis, Sup. Ct. D. C., Wash. L. Rep. June 7, p. 357.

MORTGAGE LIEN.—*Payable out of realty in inverse order of alienation.*—The doctrine that real estate subject to a judgment or mortgage lien, different parcels of which have been alienated to several persons at different times, shall be subjected to its payments in the inverse order of alienation, is in this case considered and sustained as the prevailing doctrine in courts of equity. As it is the first time this court has been called to consider it, except as an established rule of property in this State, the subject is fully considered, and the authorities, English and American, are reviewed.—National Savings Bank *vs.* Creswell et al, U. S. Sup. Ct., Alb. L. J., May 29, p. 431.

—*New bonds in lieu of old—Failure of County to carry out new agreement—Remedy—Legal rights of creditor.*—Bonds were issued by a county, under an act of the legislature making it obligatory on the county to levy an annual tax sufficient to pay the interest on the bonds as it accrued, and the principal at maturity. Afterwards, the county proposed to the holders of such bonds that if they would scale them twenty-five per cent., and take new bonds for the reduced sum, the county would annually levy and collect a sufficient tax to pay the interest on the new bonds as it accrued, and the principal at maturity, and that if it failed to do so the holders of the new bonds should be restored to all their rights under the old bonds. New bonds were issued under this agreement, but the county failed to pay the interest thereon, and by reason of the terms of the act under which they were issued, could not levy a tax for that purpose. *Held*, an action at law could be maintained on the original bonds, and that a bill in equity, not seeking for any discovery, would not lie. Where a valid evidence of indebtedness issued by a county is surrendered by the holder to the county, and a new evidence of debt issued therefor, which is invalid, the legal rights of the creditor are not affected thereby.—Merchants'

National Bank *vs.* County of Pulaski, U. S. Cir. Ct. East. Dist. Ark., Fed. Rep., June 15, p. 545.

TAXATION.—*Capital stock of amalgamated Corporations.*—Where a corporation is formed under the laws of this State, by a consolidation of other corporations, one of them a foreign one, the capital stock of such new company is liable to taxation as a corporation "incorporated under the laws of this State." Action of the State board of equalization in fixing the value for taxation of certain capital stock and rolling stock of a railroad company operating in this and other States. *Held*, fair and reasonable, and not an assessment of its property in another State. "Capital stock," "railroad track," "rolling stock," "personal property other than rolling stock," "local property," as applicable to the taxation of railroads, defined. Rule of the State board of equalization, for ascertaining the fair cash value of railroad property for taxation, sustained. The fact that, in ascertaining the value for which a railroad company is to be assessed for its property within this State, the value of property without the State is taken into consideration, will not render the assessment or tax invalid.—Ohio & Mississippi R. Co. *vs.* Weber, Sup. Ct. Wis., N. W. Rep., June 12, p. 795.

MUNICIPAL BONDS.—*Issued to invest in railway stock—Jurisdiction of County Court—Verification and petition stating facts required by statute—Estoppel.*—The verification of a petition, under chap. 907, Laws of New York, 1869, as amended by chap. 925, Laws 1871, for the issuance of bonds by a municipal corporation to be invested in the stock or bonds of a railroad corporation is a part of such petition, and if such petition and verification, taken together, state the necessary facts required by statute, the County Court to whom it is addressed will have jurisdiction. Where a petition and verification in such case uses the word "tax-payers," it will be deemed to include owners of non-resident lands taxed as such. Where a municipality had issued its bonds, under such statute, and invested them in railroad stock, which it retained, and had for a long time paid interest on such bonds. *Held*, that it was estopped, as against a *bona fide* holder for value of interest-coupons thereon, from questioning the validity of such bonds or coupons, but their conduct was a direct ratification of the acts of those who had issued them.—Whiting *vs.* Town of Potter, U. S. Cir. Ct. North. Dist. N. Y., Fed. Rep, June 8, p. 517.

The American Grain Trade.

[The following article from the London "Economist" of Aug. 21, is of more than passing interest in view of our prospective export trade, and its effect on the Money Market. It is interesting to read what our English cousins have to say on the subject.—The Editor.]

American shippers are now engaged in racing wheat to the English markets with the view, if possible, of forestalling our farmers, and last week their shipments to Europe—amounting to 3,363,000 cwts., of which 2,389,000 cwts. were for this country—were reported to have been the largest on record. Here, the country is blessed with very good harvesting weather; and with good crops at home, and a superabundance in America, we may well count upon cheap bread for the next twelve months.

With regard to the United States harvest, it is now estimated to be largely in excess of even last year's unprecedented yield; and the endeavors of clique operators to sustain prices, which were referred to early in the year, have entirely broken down. At the close of 1879 red Winter wheat was quoted in New York at $1.57 a bushel, so that the present price of $1.08 marks a fall of no less than 31 per cent.

The quality of English wheat has for some time been so inferior that it has averaged considerably cheaper than American, but we now find that the latter has fallen to the average English, and is actually cheaper than in July last year, before there was any certainty of a bad harvest here.

In spite of the restrictions placed upon the shipment of wheat from America back in the winter, we have received 8,621,000 cwts. more from abroad, some of the excess coming from India and Australia. But our own harvest last year, it would now appear, showed a deficiency of not less than 18,250,000 cwts., or of 43 per cent.; so that apparently what has passed into home consumption has in all been 9,630,000 cwts. less in 1879-80 than in 1878-79. It is possible that higher prices may to a small extent have reduced the consumption of wheat, but the principal explanation of this discrepancy would seem to be that stocks of grain in this country have been reduced, while last year, aided by the extraordinary cheapness of wheat, the sales were unusually heavy.

From present appearances it does not seem improbable that the exceptionally low prices of February, 1879, may be repeated if the glut of foreign wheat continues.

RHODES' JOURNAL

ARBITRATED POINTS.

POINT I.—WHAT CONSTITUTES A DEMAND AND REFUSAL?

STATEMENT.—A note is made payable to the order of Brown at the Bank of Troy, duly indorsed and held by the Bank of Lansingburgh. On the third day of grace the note is sent by the holder to the Bank of Troy for payment. Through a mere mistake the Bank of Troy, on looking at the maker's account, supposes he is in funds, and, as it is in the habit of paying his notes when presented, if in funds, marks this one as good, credits the same to the Bank of Lansingburgh, and charges the amount to the maker's account. On the following morning the Bank of Troy, discovering the mistake, corrects it immediately, causes due notice to be given to the indorser of the non-payment on the day previous. The maker had no funds in bank, nor was the bank under any obligation, nor had it any understanding with the maker to pay the note, neither was the maker in attendance during the day at the place for the purpose of making the payment. On this state of facts the Bank of Lansingburgh refuses to cancel the credit in the exchanges, but allows an action to be brought for the benefit of the Bank of Troy. Would there be a recovery against the indorser?

There is no question that a recovery would lie against the indorser, unless it should be held that the facts, as they are stated above, fail to make out a demand and refusal at the bank on the day the note fell due. Every other step necessary to charge the indorser appears to be regular. But is a "demand and refusal" made out? We think so. Where a note is payable at a particular place, a personal demand is not essential; it is the business of the maker to furnish funds at the place ready to take up the paper on the day it falls due; and if the holder or any one for him is there with the paper, so that he is in a situation to receive the money and to deliver up the paper, the requisites are complied with. Here the note is made payable at the Bank of Troy, where the funds should have been placed; it is in the hands of the officers of the institution to whom the funds should have been paid on the day the note became due. No funds of the maker are there at the time, nor is any payment offered by the maker. If he had called to take it up, the note would have been delivered to him; or if funds had been placed in the bank for the purpose, these could have been at once appropriated. Surely no form of demand beyond what actually took place could be made or required; unless, forsooth, the cashier had made a demand on himself. But did the fact of entering the payment at the moment through mistake and misapprehension change the legal character and effect of the transaction? That would be against all principle and justice except as the end has operated to the prejudice of the endorser. Of course, any omission to take the legal steps which are a condition to an indorser's liability on the paper, by mistake, cannot be regarded, these being essential parts of the contract. But when these have been taken, and the performance of the condition is complete and the indorser is duly and legally charged with the debt, it can scarcely be expected that the law will permit him to be discharged from the obligation; another debt thereby fastened on an innocent party through a casualty that may sometimes happen to the most vigilant. The truth is that such a payment is no payment at all, in judgment of law. The whole case must be tested by principles wholly irrespective of this consideration. It would not be necessary to make any demand for the payment of the note, as it is payable at the bank to which it is remitted for collection. There being no funds there to meet it, all that is necessary to be done is to notify the indorser of non-payment. This notice being sent on the next business day after the note becomes due is in time.

2 H. Bl., 510; 13 Mass., 558; 7 Wend., 160; Bank *vs.* Bridgeport, 21 N. Y., 485.
Howard *vs.* Ives, 1 Hill, 263.
Burkhalter *vs.* Bank of Erie, 42 N. Y., 538.

POINT II.—WHAT CONSTITUTES WAIVER OF DEMAND AND NOTICE?

STATEMENT.—Upon the back of a promissory note, signed by the indorser, were these words: "I do request that hereafter any notes that may fall due in the Jones Bank, on which I am or may be indorser, shall not be protested, as I will consider myself bound in the same manner as if the said notes had been, or should be, legally protested." On the basis of a belief that these words constitute a waiver of demand and notice, the said indorser and the Jones Bank have a long course of dealing. Could this indorser support a claim that after all this express waiver of protest does not include an implied waiver of demand and notice?

We take it that anything other than an express waiver of demand and notice will be or ought to be strictly construed. Two constructions might be contended for as being proper in case of such a request and promise as are quoted above. The one would be literal, formal and vernacular. The other would rest on the spirit and meaning, as a mercantile and banking transaction. Now by some assumed analogy or mistaken notion of law, the practice of protest, which originally found place only in connection with foreign bills, has been established as to inland bills. Since the inundation of the country with bank-transactions, a solemnity, cogency and legal effect have been given to protest as a means of exposing the breaches of punctuality which occur upon notes, which certainly have no foundation in the law-merchant. Indeed, independently of statutory promises or of conventional understanding, the protest of an *inland* bill of exchange or a prommissory note is a nullity as respects the strictly legal obligations of the parties, for it is no evidence in a

Court of Justice of either of the incidents which serve to convert the conditional undertaking of the indorser into an absolute assumption. Primarily, protest belongs altogether to *foreign* mercantile transactions upon which, on the contrary it is an indispensable incident to making the drawer of a bill or the indorser of a note liable. On foreign bills it is the evidence of demand, and an indispensable step toward the legal notice of non-payment, in consequence of which the undertaking of the drawer or indorser becomes absolute. Hence as to foreign transactions, it is justly predicated of a protest that it has a legal or binding effect. But we take it, that the writing under consideration refers exclusively to inland paper and as to such the protest has no legal or binding effect. Here the indorser becomes liable, only on a demand and notice, and of these facts the protest is no evidence. Shall, then, a waiver of protest be adjudged a waiver of demand and notice, or, in effect, convert the conditional under taking of the indorser into one which is absolute? It would be difficult to maintain the affirmative if the indorser had omitted any word from his supposed undertaking. But what are we to understand him to mean, when he says "I will consider myself bound in the same manner as if said notes had been or should be legally protested." We have seen that, except as to foreign paper, a protest has no legal or binding effect. We have seen that as to such protest is evidence of demand and an incident to legal notice. Certainly, then, the indorser intended this meaning or none. If it be answered that this meaning goes no further than the waiver of a demand, we answer, but what effect is to be given to the word "bound?" It must be to pay the debt or it means nothing. But to cast on the indorser of foreign paper an obligation to take it up, protest alone is not sufficient; he is still entitled to reasonable notice in addition to the technical notice communicated by the protest. To bind him to pay the debt, all these incidents were indispensable and may therefore be well supposed to have been in contemplation of the parties when entering into the contract above supposed. Further, it is to be observed that the writing under consideration asks a loan of the bank for which it tenders a consideration. It requests to be exempted from all expense, exposure or mortification on the one hand; and, on the other, what is tendered in return? The intended object and conceived effect of the protest on the one hand is to convert the indorser's undertaking into an unconditional assumption, and the natural return is to make his undertaking at once absolute, as the effectual means of obtaining the benefit solicited. If this course of reasoning should not be held conclusive, it would at least be held sufficient to prove the language of the undertaking equivocal, and that the sense in which the parties used the words in which they express themselves very fairly be sought in the practical exposition furnished by their own conduct, or the conventional use of language established by their own customs or received opinions. On this point, the inference is as supposed above that by the understanding of both parties, this writing did dispense with demand and refusal; that the bank, on the one hand, discontinued the practice of putting such notes as showed the indorsement of this indorser in the usual course for rendering his assumption absolute and the indorser, on the other hand, continued to acquiesce in this practice by renewing his endorsements without ever requiring demand and notice. This would be an unequivocal acquiescence in the sense given by the bank to his undertaking and he would not be permitted to lie by and lull the bank into a state of security, of which he might at any moment avail himself, after making the most of the credit thus acquired. Therefore, while we are fully aware of the evil effect of any practice which has the effect of helping insolvents to maintain a false credit, we hold that where the words of an indorser are not in themselves sufficient to constitute a waiver of demand and notice, they may have this effect when employed between parties who have a course of dealing founded upon them in the belief that they constitute a waiver of demand and notice. But the cases are numerous and the authorities very conflicting. One must rely on the State Statutes.

Fuller *vs.* McDonald, 8 Greene, 213.
Wall *vs.* Bray, 1 La. Am., 312.
Scott *vs.* Greer, 10 Penn. State, 103.

POINT III.—PRESENCE OF CONSIDERATION.

STATEMENT.—A makes a promissory note in favor of B, and delivers it to B without any consideration, intending to make B a gift, and afterwards A takes up this note and gives a new one instead. Would this renewed note be held to be with or without consideration sufficient for B to recover against the estate of A?

The renewed note would be held to be without consideration sufficient to support an action. It is well settled that a promissory note, expressed to be for value received, may be avoided as between the payee and the maker, by proving that there was no consideration for it originally. A note given in renewal of one so voidable is likewise without consideration. It is also equally well settled that, where a note is made as a gift and *intended* as a legacy, no suit can be sustained upon it in favor of the payee against the estate of the maker. Nor is there any case which holds that, where the note is executed and delivered as a gift and afterwards taken up by the maker and a new note given for the same amount or for any amount in lieu of the first, the giving up of the first note constitutes a consideration on which to sustain the second one. We believe that there is recorded among the decisions of Courts in Massachusetts a case of Bowers *vs.* Hard where the Court held that to a prommissory note, in which value is acknowledged to have been received, it cannot be objected in defence between the original parties that there was no existing consideration when the promise to pay was made, although it would be competent to show of a consideration that it was illegal or had ceased to exist. But this is the only case holding such opinions of whose existence we are aware, and it is pleasing to know that this decision has been overruled even in Massachusetts. The opinion there expressed is untenable. The American and English reports furnish numerous instances which are clearly cases of defence founded on no consideration rather than on the failure of one which had existed. That in the case above stated, no consideration would be perfect and available defence there can be no doubt. This, though contrary to the usual principle of holding a party to his acknowledgment of "value received" must be considered as the law of the present day, however disingenuous such a defence may always seem to be and usually is.

Copp *vs.* Sawyer, 6 N. H., 386.
Hill *vs.* Buckminster, 5 Pick., 391.
Geiger *vs.* Cook, 3 Watts & S., 266.
But see
Dawson *vs.* Keaston, 3 Smale & G., 186.

POINT IV.—CASHIER'S POWER TO COMPROMISE.

STATEMENT.—Jones is indebted as indorser of promissory notes to a National bank and unable to meet his obligation in full. Is the power inherent in the cashier of the bank to compromise the claim? Moreover, in case the cashier promises for the bank to accept a smaller amount than the whole indebtedness in discharge of the same, how far is the bank under liability by reason of his promise?

It would be unsatisfactory and profitless within the small compass here allowed the writer to attempt any accurate definition of the powers and duties of a bank cashier. The usages are widely at variance with each other in different States and institutions, and, therefore, a brief reference to general principles of elementary law will suffice for our present purpose. It appears to be conceded by all writers on this important subject of banks and banking that a cashier is the business officer of a bank, but only in the sense of one who *transacts*, and not of one who regulates or controls its affairs. His duty has reference to daily routine business, and not to matters involving discretionary authority, which belongs, unless delegated, to the Board of Directors, as has been quaintly said, "They are the mind and he is the hands of the corporation." Another writer likens the directors to the judges and the cashier to the clerk of the court. The former adjudicate and direct, the latter execute their mandate. Such an officer, publicly acknowledged as such, is invested with such power as judicial sanction or banking usages have recognized and acknowledged as belonging to the office he holds, and it is for the Court to decide whether or not any particular duty is within his authority. The bank would not be responsible for acts of his which are discretionary, semi-official, and solely within the perogative of the directors, though done in good faith, under color of authority, and affecting an innocent dealer. An enumeration of the general powers and duties of a cashier, as derived from text-books and judicial decisions, may be stated as follows:

1. Collection and payment of debts.

2. Power of borrowing money in ordinary course of the daily business of the bank.

3. Power to draw checks upon its money in other institutions.

4. Power to endorse its negotiable paper.

5. Power to conduct its correspondence.

6. Power to transfer its shares of stock.

It will not be disputed that where a special authority is conferred upon him, or where he acts in conformity with a general usage, on an established acquiescence of his Board of Directors, the bank will be responsible for such acts, though beyond the ordinary scope of his duties. But the authority to compromise is certainly not an inherent power. Such a power is discretionary, calling oftentimes for the exercise of considerable reflection and a high degree of judgment. It is strictly a power to sacrifice a portion of the nominal property of the bank. Its exercise is of a function of the Board of Directors, and not of an executive officer. All the cases agree in this conception of its character. Some of the cases hold that the authority to compromise a claim may be delegated. One case, that of the Bank of Pennsylvania *vs.* Reed (1 Watts & S., 101), while intimating that such an authority might be exercised in a particular case and under pressure of circumstances and necessity, holds that it must, in order to be in consonance with the general principles of law already cited, be construed to refer to a stringent, and not an ordinary necessity, and the act performed must be one that might be authorized by a usage or a directorial vote. It certainly follows from the principles stated above that the right to release an obligation held by a bank in favor of an indorser, either in whole or in part, is not inherent in the office of cashier. Therefore, in the absence of an existing usage or an express delegation of authority, the bank could not be held liable for the acts of the cashier which had looked to a compromise as against the interests of the bank.

U. S. *vs.* Dunn, 6 Peters, 51.
Dabney *vs.* Stevens, 10 Abb. Pr. Rep. N. S., 39.
Morse on Banks and Banking, pp. 156 and 157.

Replies to Questions Addressed to the Editor.

SUPPLEMENTAL TO RHODES' JOURNAL "ARBITRATED POINTS."

TIFFIN, Ohio, Aug. 23, 1880.

EDITOR RHODES' JOURNAL:

In this State the legal rate of interest is 6 per centum, but by contract may be 8 per centum. If a national bank loans at 10 per centum, and suit is brought for usury under National Banking Act of 1864, what amount can be recovered—double the excess over 8, over 6, or double the whole amount of interest paid?

"INTERESTED PARTY."

Ans. The Courts seem to differ as to the exact amount recoverable against the National Bank in a case such as is above assumed. New York State, in case of Hintermister *vs.* First National Bank, 64 N. Y. Court of Appeals Reports, 212, it was held, and remains as the law of the State, that, in an action against a National Bank to recover the penalty imposed by the Act of Congress for taking a greater rate of interest than the law allows, the plaintiff is entitled to recover only twice the amount taken in excess of the legal interest, and not twice the amount of the entire interest paid. Nevertheless, Mr. Justice Allen said in making his decision: "With great hesitation I incline to favor this interpretation of the penal clause under consideration." His opinion was as favorable as possible to the National Bank, "because in view of the policy of Congressional legislation, it cannot be supposed that the National Banks are to be kept in disadvantageous comparison with their State competitors." "The lesser penalty must be assumed to have been intended by Congress in its employment of the ambiguous phrase of the statute." On the contrary in the State of Kansas, in the case of Crocker, Assignee *vs.* Bank of Chetopa, 4 Am. Law Times Rep. [N. S.], 350 the Court held in Federal Circuit that the amount of recovery is twice the full amount of interest paid and is not limited to twice the excess of interest paid over the legal rate. Then, again, one case in Pennsylvania followed the opinion of Judge Dillon in Kansas Circuit. See Brown *vs.* National Bank of Erie, 72 Penn. St., 209. Now the writer takes it that there is an important distinction to be observed in this connection between the case of the reservation of a discount at an unlawful rate of interest, and the case of the actual consummation of the usury by the receipt of it by the payment of the note or loan when due. In the former case the bank forfeits the entire interest; in the latter case the person who actually paid the usury may recover back in an action of debt twice the amount of interest thus paid. In the former case the bank sues to recover the actual amount loaned; in the latter case the person who paid the usury sues to obtain the penalty for its exaction. This distinction being observed, the writer thinks the opinion of Judge Dillon the one more consistent with the language of the statute, namely, that twice the full amount of the interest paid is the amount recoverable as a penalty for the illegal act of the bank. At all events unless the Ohio tribunals have decided the question, it seems probable that a federal decision as to a subject of federal cognizance primarily would be more controlling in Ohio, in the absence of her own decisions than the decision of a New York Court, eminent as is Justice Allen and authoritative as are the utterances of the New York Court of Appeals. This seems all the more likely from the fact that the opinion of Justice Dillon looked against the banking system which like his own judicial functions is the favorite of the federal policy.

FENTON, Mich., Aug. 18, 1880.

EDITOR RHODES' JOURNAL:

In your opinion is a private banker liable for the Government tax on deposit, on moneys belonging to himself temporarily placed to his own credit in the books of his own bank? He has a certain amount of capital entered and used as such, upon which he pays the tax on capital. Other funds not specially designed for use in the bank are for convenience kept in account in the books of the bank. Should he pay the Government tax on these funds as on the funds of his depositors? H. B. L.

Ans. If the amount of your private deposit for convenience goes to swell the published estimate of the "individual deposits," it is liable to Government tax. Your bank gets public confidence by just so much as the published statement is swelled by your convenience deposit. On any other basis the Government might be the victim of very glaring frauds.

INDIANAPOLIS, Ind., Aug. 20, 1880.

EDITOR RHODES' JOURNAL:

I hope that you do not correctly state the law as to checks payable to bearer in your August edition, page 483. If you do, there is no safety to banks which practice a payment of a check payable to Jones or bearer without ever requiring any indorsement by Jones. I await your further discussion with avidity.

CHAS. E. DARK.

Ans. We are inclined to think that in the United States there is no exception to the rule that a check payable to Jones or bearer is transferable without Jones' indorsement and is payable to the bearer with impunity. Our hesitant expression in the last issue was due to the fact that a number of English cases had come to our attention holding an apparently opposite view. The decisions of American Courts on this question are very few. The customs would probably be controlling before the Courts.

WESTPORT, Conn., Aug. 25, 1880.

EDITOR RHODES' JOURNAL:

In edition of August, page 483, I think you are in error as to the collectibility of interest on days of grace. Please consider the matter again.

B. L. WOODWORTH.

Ans. We enjoy nothing better than the receipt of quizzical correspondence. However, our correspondents must remember that when we answer one of them we construct our answer for his locality. The law of Connecticut and that of Ohio are essentially different in many respects. It is only in our discussion of *Arbitrated Points* that we endeavor to state the law as applicable to all localities without discrimination. Replies to questions are necessarily modelled to suit the case of the questioner. A word to the wise is sufficient—at least it is all we need give so wise a man as the above gentleman.

BANKING AND FINANCIAL NEWS.

A New Bank.—Under date of Aug. 30, a special cable dispatch from London to the Toronto "Globe" says the Province of Quebec Mortgage Bank has been founded by the Bank of Paris, with a capital of $25,000,000. The first issue is to be $5,000,000.

Failure in Detroit.—Thomas McGraw, President of the Globe Tobacco Company of Detroit, Michigan, and of the Michigan Savings Bank, a large real estate owner and a heavy dealer in wool, has made a general assignment of all his property. His assets are roughly estimated at $250,000; the liabilities are much larger,

The Newark Bank Failure.—A special despatch from Washington to a New York paper (Aug. 21,) says: "A committee of the stockholders of the First National Bank of Newark has called upon the Comptroller of the Currency for an investigation of the conduct of Deputy Comptroller Langworthy, who examined the bank a short time before its failure and pronounced it sound."

"**What's This?**"—A clergyman asked his Sunday-school: "With what remarkable weapon did Sampson at one time slay a number of Philistines?" For a while there was no answer, and the clergyman, to assist the children a little commenced tapping his jaw with the tip of his fingers, at the same time saying, "What's this?" Quick as thought a little fellow innocently replied, "The jaw-bone of an ass, sir."

The Rothschilds.—A recent Paris letter states that the Rothschilds are richer and more powerful than ever. They are men who watch over estate and influence with incessant vigilance. They have not only their own estates and the Bank of France and the Northern Railway at their backs, but they court every man who has the least power, newspaper writer as well as statesman, influential beauty as well as powerful soldier. Their influence is felt in every rank of society, and they foster this influence by assiduous attention.

The Hon. Peter Cooper's Appeal.—This eminent citizen, who may be regarded as the father and main stay of the Greenback party in New York, has published a pamphlet on "Good Government," which is described on its title page as the "Appeal of Peter Cooper, now in the ninety-first year of his age, to all legislators, editors, religious teachers, and lovers of our country." In a postscript Mr. Cooper formulates his body of doctrine as follows: "First, a national paper currency, issued solely by the government, and made the only legal tender, receivable for all taxes and dues, and fundable at any time for an equitable rate of interest, by being made interconvertible with the bonds of the government. The volume of this currency must be determined by law, as *per capita*. Second, a tariff not simply for revenue but made discriminating and helpful to all the industries of the country, where the raw material and the labor can be furnished by our own people. Third, a civil service divorced from party politics, and organized for the public service, as are the departments of the army and navy, purely on personal qualification and thorough fitness. The offices to be held during good behavior, on moderate salaries, but pensions provided for all disqualified by age or sickness, and a provision made for widows and orphans."

The Ruined Brattleboro Bank.—The expected assessment on the stockholders of the ruined First National Bank at Brattleboro', Vt., to pay for Waite's crimes, has come, Receiver Price having sent out notice to the effect that the Comptroller of the Currency has levied $25 a share on stock, payable immediately at the Receiver's office, to avoid suit for collection. It will be well-nigh impossible for those of the stockholders who lost their little all in stock to pay this assessment. The amount of liabilities is now expected to reach $110,000 above capital stock, but Receiver Price thinks that no second assessment can be legally levied. Waite's whereabouts remain a mystery, but his son has gone to Colorado, and is reported to have been assisted by friends to buy a large ranch there.—[*Springfield (Mass.) Union.*

Gold From France and Germany.—The Paris correspondent of the London "Economist," writing on August 26th, says:

"The exports of gold to the United States from France and Germany continue, but so far have not increased. Those from this country are estimated at from four to five millions of francs in the week, and from Germany at double that amount. Much more stringency is, however, expected in September, and a monetary crisis in October is considered possible. The cash reserve at the Bank to-day was composed of 761,404,607 francs (gold) and 1,258,148,967 francs (silver), against 757,359,627 gold and 1,259,446,193 silver the week before:

	Gold. Francs.	Silver. Francs.
Paris	339,004,607	668,108,776
Branches	422,400,000	590,040,191
	761,404,607	1,258,148,967
Last week	757,359,627	1,259,446,193

We also quote the following, which is interesting at this time:

The following was the declared value of the imports and exports of gold and silver in the first seven months of the last three years:

IMPORTS.

	1880. Francs.	1879. Francs.	1878. Francs.
Gold bullion	18,323,404	26,489,720	86,743,346
Gold coin	93,101,462	112,255,680	170,301,760
Silver bullion	12,250,131	12,488,719	37,782,127
Silver coin	51,340,334	72,431,680	70,145,660
	175,015,331	223,665,799	364,972,893
	£7,000,613	£8,946,631	£14,598,919

EXPORTS.

	1880. Francs.	1879. Francs.	1878. Francs.
Gold bullion	42,263,840	639,840	1,272,800
Gold coin	128,313,600	80,067,200	36,342,400
Silver bullion	9,318,360	18,847,810	2,658,480
Silver coin	21,793,000	22,902,400	18,640,800
	201,688,800	122,457,250	58,914,480
	£8,067,552	£4,898,290	£2,356,579

The imports of gold in the month of July were thirteen millons in 1880, twenty-six in 1879, and fifty-nine in 1878; the exports, twenty-seven in 1880, three in 1879, twelve in 1878.

The National Bank Note Circulation.

Statement of the Comptroller of the Currency, showing by States the amount of National Bank circulation issued, the amount of Legal-Tender Notes deposited in the United States Treasury to retire National Bank circulation, from June 20, 1874, to Sept. 1, 1880, and amount remaining on deposit at latter date.

STATES AND TERRITORIES.	*Addition'l circulat'n iss'd since J'ne 20, '74*	Legal-Tender Notes Deposited to Retire Nat'l B'k Circulat'n since June 20, '74.			*Leg'l t'd's on deposit with U. S. Treasurer at date.*
		For redempt'n of notes of liquidati'g banks.	*To retire circulat'n und'r Act J'ne 20, '74*	*Total Deposits.*	
Maine	$1,461,180	$317,000	$600,000	$917,000	$197,452
New Hampshire	632,865	72,997	55,800	128,797	82,676
Vermont	1,798,310	184,597	1.148,240	1,332,837	193,691
Massachusetts	20,739,520	234,800	8,262,300	8,497,100	1,779,837
Rhode Island	1,792,320	32,350	954.935	987.335	211,519
Connecticut	2,495,360	65,350	2,226,330	2,291,680	791.041
New York	20,837,105	2,182,878	24,555.621	26,738,499	5,856.107
New Jersey	1,712,665	241,660	1,562,280	1,803,940	322,836
Pennsylvania	10,965,040	1,294,226	7,054,321	8,348,547	1,684,285
Delaware	232,275	......	......	......	......
Maryland	1,302,310	166,600	1,646,380	1,812,980	30,327
District of Columbia	456,500	422,664	458,060	880,724	49,729
Virginia	800,500	915,369	907,510	1,822,879	249,756
West Virginia	213,510	731,060	319,185	1,050,245	133,214
North Carolina	1,235,660	128,200	1,012,585	1,140,785	144,205
South Carolina	90,700	.....	953,380	953,380	22,771
Georgia	520,350	287,725	437,675	725,400	79,127
Florida	45,000	......	......	......	......
Alabama	207,000	90,000	139,500	229,500	97,415
Mississippi	......	......	......	......	291
Louisiana	1.285,110	650,750	2,099,250	2,750,000	137,108
Texas	368,100	29,800	229,340	259,140	18,630
Arkansas	171,000	......	171,000	171,000	27,600
Kentucky	3,811,430	629,867	1,504,933	2,134.800	370,131
Tennessee	647,170	370,401	533,859	904.260	167,404
Missouri	767,260	998,510	3,742,390	4,740,900	734,634
Ohio	3,081,460	1,583,754	3,077,887	4,661,641	913,460
Indiana	3,239,380	1,235,897	6,388,483	7,624,380	2,074,132
Illinois	2,544,615	1,769,434	6,447,946	8,217,380	873,144
Michigan	2,075,410	382,500	2,449.975	2,832,475	658,611
Wisconsin	780,530	653,860	1,013,439	1,667,299	410,691
Iowa	1,533,400	813,669	1,599,955	2,413,624	430,167
Minnesota	1,017,800	420,095	1,748,445	2.168,540	650,645
Kansas	147,600	781.721	190,550	972,271	2[illegible]2,706
Nebraska	67,500	45,000	233,080	278,080	44,230
Nevada	36,000	......	......	......	1,888
Colorado	572,400	138,083	149,400	287,483	20,962
Utah	134,900	161,191	196,800	357,991	16,963
Montana	129,600	91,800	45,000	136,800	42,483
Wyoming	3,600	......	......	......	......
Washington	135,000	......	......	......	......
Dakota	175.500	.....	......	......	......
New Mexico	90,000	......	......	......	......
California	702,000	......	......	......	......
Legal tenders deposited prior to June 20, 1874.				3,813,675	
Totals	$91,054,935	$18,123,806	$84,115,884	$106,053,367	$19,691,868

JOHN JAY KNOX,
Comptroller of the Currency.

National Bank Statistics.

STATEMENT of the Comptroller of the Currency on September 1, 1880, showing the amounts of National Bank Notes and of Legal Tender Notes outstanding at the dates of the passage of the Acts of June 20, 1874, January 14, 1875, and May 31, 1878 together with the amounts outstanding at date, and the increase or decrease.

NATIONAL BANK NOTES.

Amount outstanding June 20, 1874	$349,894,182
Amount outstanding January 14, 1875	351,861,450
Amount outstanding May 31, 1878	322,555,965
Amount outstanding at date*	342,728,018
Decrease during the last month	88,754
Increase since Sept. 1, 1879	13,383,871

LEGAL TENDER NOTES.

Amount outstanding June 20, 1874	$382,000,000
Amount outstanding January 14, 1875	382,000,000
Amount retired under Act of January 14, 1875, to May 31, 1878	35,318,984
Amount outstanding on and since May 31, 1878	346,681,016
Amount on deposit with the Treasurer U. S. to redeem notes of insolvent and liquidating banks, and banks retiring circulation under Act of June 20, 1874	19,691,868
Decrease in deposit during the last month	105 364
Increase in deposit since September 1, 1879	6,654,830

*Circulation of National Gold Banks not included in the above.....$1,328,760

JOHN JAY KNOX,
Comptroller of the Currency.

Statement For the Month Ending August 31, 1880.

U. S. BONDS HELD AS SECURITY FOR NATIONAL BANKS.

U. S. bonds for circulation—deposited	$3,431,100
U. S. bonds for circulation—withdrawn	3,467,700
Total held for circulation	361,113,450
Total held for deposits	14,802,000

LEGAL TENDER NOTES.

Deposited under Act of June 20, 1874	444,480
Total now on deposit in Treasury U. S., inc. notes of liquidating banks	19,691,868
Retired under Act of January 14, 1875	35,318,984
Total greenbacks outstanding	346,681,016

NATIONAL BANK NOTES.

Additional circulation issued	506,590
Circulation surrendered and retired	595,344
Total amount outstanding:	
Currency	342,728,018
Gold notes	1,328,760
Notes received for redemption from	
New York	1,073,000
Boston	488,000
Philadelphia	298,000
Other places	1,610,000
Total	$3,469,000

The National Debt Statement September 1.

AND FOR COMPARISON, THE AUGUST STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	August 1, 1880.	September 1, 1880.
Bonds at 6 per cent	$235,221,050	$229,44[illegible],150
" 5 "	484,129,550	480,410,450
" 4½ "	250,000,000	250,000,000
" 4 "	738,180,450	738,241,350
Refunding certificates	1,167,350	1,106,450
Navy pension fund	14,000,000	14,000,000
Principal	$1,722,698,500	$1,713,198,400
Interest	15,091,687	15,072,400

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

Principal	$6,841,115	$6,128,035
Interest	791,135	771,412

DEBT BEARING NO INTEREST.

Old demand and legal-tender notes	$346,741,931	$346,741,896
Certificates of deposit	15,535,000	11,300,000
Fractional currency	7,205,710	*7,181,995
Gold and silver certificates	20,573,890	20,835,940
Principal	$390,056,531	$386,059,831
Unclaimed Pacific Railroad interest	7,777	7,827

* $15,557,929 37 less $8,375,934, estimated as lost or destroyed, act June 21, 1879.

TOTAL DEBT.

Principal	$2,119,596,046	$2,105,386,256
Interest	15,890,600	15,851,139
Total	$2,135,486,647	$2,121,237,406
Total cash in the Treasury	198,890,405	196,668,332
Debt, less cash in the Treasury	$1,936,596,241	$1,924,569,074
Decrease of debt during month	5,576,053	12,027,167
Decrease of debt since June 30, 1880	5,576,053	17,603,221

CURRENT LIABILITIES.

Interest due and unpaid	$3,489,470	$2,964,803
Debt on which interest has ceased	6,841,115	6,128,035
Interest thereon	791,135	771,412
Gold and silver certificates	20,573,890	20,835,940
U. S. notes held for red'n of certificates of deposit	15,535,000	11,300,000
Cash balance available	155,659,793	154,668,141
Total	$198,890,405	$196,668,332

AVAILABLE ASSETS.

Cash in the Treasury	$198,890,405	$196,668,332

BONDS ISSUED TO THE PACIFIC RAILROAD COMPANIES, INTEREST PAYABLE IN LAWFUL MONEY.

Principal outstanding	$64,623,512	$64,623,512
Interest accrued and not yet paid	323,117	646,235
Interest paid by United States	45,589,861	47,589,861
INTEREST REPAID BY COMPANIES.		
By transportation service	$13,642,884	$13,643,333
By cash payments, 5 per cent. earnings	655,198	655,198
Balance of interest paid by the United States	$33,291,977	$33,291,329

TREASURY PAYMENTS DURING AUGUST.

The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$5,271,682
On account of war	3,720,949
On account of navy	1,159,140
On account of interior (Indians)	783.660
On account of interior (Pensions)	5,729,638
Total	$16,665,071

The above does not include payments made on account of the interest or principal of the public debt of the United States.

PHILADELPHIA ITEMS.—The funded debt of Philadelphia, over and above the sinking fund and various stocks held by the city, is $49,565,192. The tax rate for the year will be about two per centum.

The firm of Thompson & Co., bankers and brokers, of 18 South Third street, failed Sept. 8. They were "short" of the market on Pennsylvania, Reading and Lehigh Navigation stocks; but, in New York, where their losses are heaviest, they were short of the general list. The liabilities, the firm say, will not exceed $50,000.

It is reported from Philadelphia that the Pittsburgh, Titusville and Buffalo stock, which has been quite a prominent stock there, is likely to be actively dealt in here. This would seem to confirm the rumors in Philadelphia that important negotiatiations are in progress for the absorption of this line into one of the trunk lines from Buffalo to the West and Southwest.

LOUISVILLE AND NASHVILLE BONDS.—It is announced that the Louisville and Nashville Railroad Company has completed a negotiation of $5,000,000 general mortgage 50 year 6 per cent. bonds with Messrs. Drexel, Morgan & Co., and Messrs. August Belmont & Co., representing a syndicate comprising among others Messrs. Drexel & Co., of Philadelphia, John J. Cisco & Son, E. D. Morgan & Co., and Clark, Dodge & Co., of this city. This sale of bonds enables the Louisville and Nashville Company to fund its floating debt and supplies it with the means to purchase an additional equipment which its largely increased business needs. The bonds are now offered to the public by Messrs. August Belmont & Co., and Drexel, Morgan & Co.—(See particulars advertised in this issue of the JOURNAL.)

THE "THIRD PARTY."—Dr. Emmons, the able New England divine, met a pantheistical physician at the house of a sick parishioner. It was no place for a dispute, but the abrupt question of the pantheist was: "Mr. Emmons, how old are you?" "Sixty, sir; and how old are you?" "As old as creation," was the triumphant response. "Then you are of the same age with Adam and Eve?" "Certainly; I was in the garden when they were." "I have always heard that there was a third party in the garden with them, but I never knew before that it was you."

Bank Changes, New Banks, Etc.

New National Banks.—The Comptroller of the Currency furnishes the following statement of National Banks organized since our last report:

2489—City National Bank of Canton, Ohio. Authorized capital, $100,000. Paid-in capital, $70,000. Peter H. Barr, President; Henry C. Ellison, Cashier.

2490—First National Bank of Pensacola, Florida. Authorized capital, $50,000. Paid-in capital, $50,000. D. F. Sullivan, President; W. A. S. Wheeler, Cashier.

2491—First National Bank of Los Angeles, California. Authorized capital, $100,000. Paid-in capital, $100,000. John E. Hollenbeck, President; Edward F. Spence, Cashier.

ARKANSAS.—*Change in Officers:* Merchants' National Bank, Little Rock; P. K. Roots, Cashier, in place of L. W. Coy.

Jacks & Co., Helena, admit L. Lucy. Style same.

CALIFORNIA.—*Change of Title:* Commercial Bank, Los Angeles; now First National Bank. Same officers.

COLORADO.—*New:* Bank of Alpine (F. A. & A. H. Reynolds), Alpine.

Bank of Idaho Springs, Idaho Springs.

Bank of Rico, Rico. Capital, $40,000. August Krille, President; Eugene B. Cushing, Cashier.

San Luis Valley Bank (Raynolds, Campbell & Co.), Sagauche.

Change of Title: William E. Johnson, Canon City; now Bain & Robertson.

Discontinued: Bank of Colorado, Leadville, failed; Cashier disappeared.

DAKOTA.—*New:* Bank of Casselton (W. F. Holmes & Co.), Casselton.

Bank of Mandan, Mandan; P. O. Chilstrom, President; B. L. Winston, Cashier.

Tower City Bank (R. P. Sherman), Tower City.

ILLINOIS.—*New:* Farmers' & Traders' Bank, Foreston. Capital, $10,000. John J. Hewitt, President; Theo. D. Hewitt, Cashier.

Change in Officers: Second National Bank, Freeport; Jacob Krohn, Acting Cashier, in place of L. W. Guiteau, Cashier, deceased.

Change of Title: Houston & Moore, Monticello; now H. V. Moore.

Dissolved: V. Snyder & Co., Mowequa.

INDIANA.—*New:* Collett & Co., Newport.

Change in Officers: Merchants' National Bank, New Albany; John H. Butler, President, in place of J. B. Winstandley.

Change of Title: Brooks & Ford, Hagerstown; now Wyatt, Allen & Co.

IOWA.—*New:* Loser & Slimmer, Nashua.

A. Branaman & Co., Reinbeck.

H. Hammond, Tipton.

W. C. Henry, Walnut.

Change in Officers: National State Bank, Oskaloosa; R. O. Green, Cashier, in place of E. D. Lindley.

First National Bank, Tama City; J. S. Bracken, President, in place of B. A. Hall.

Change of Title: Brooks & Moore Bros., Reinbeck; now A. Branaman & Co.

KANSAS.—*New:* Charles Wake & Co., Centralia.

Hunnewell Bank, Hunnewell; J. S. Danford, President; M. H. Smith, Cashier.

J. W. Smith & Co., Minneapolis.

Change of Title: Hobart & Doubleday, Columbus; now Ritter & Doubleday.

J. R. Penniman, Minneapolis; now Ottawa County Bank.

A

LOUISIANA.—*New:* Bank of Monroe, Monroe; Lewis D. Allen, Jr., President; G. A. Singer, Cashier.

Change in Officers: New Orleans National Bank, New Orleans; Charles H. Shute, Acting Cashier, during absence of Cashier.

Discontinued: Lewis D. Allen, Jr., Monroe; succeeded by Bank of Monroe.

MARYLAND.—*Change in Officers:* Bank of Commerce, Baltimore; James R. Edmunds, Cashier, in place of T. T. Smith.

Discontinued: F. B. Loney & Sons, Baltimore; F. B. Loney, deceased.

MASSACHUSETTS.—*Change in Officers:* Cape Ann National Bank, Gloucester; John G. Dennis, President, in place of G. P. Low; Henry Center, Acting Cashier, during absence of Cashier.

MICHIGAN.—*New:* Ludington State Bank, Ludington; George W. Roby, President; Charles Blain, Cashier.

Change in Officers: First National Bank, Saginaw; William Powell, Cashier, in place of A. F. R. Braley.

Michigan Savings Bank, Detroit; George Peck, President, in place of T. McGraw.

Change of Title: Market Bank of J. A. Sexton & Co., Detroit; now The Market Bank of Detroit; Eugene Robinson, President; Karl Schureman, Vice-President; William H. Trainor, Cashier.

Blain & Ely, Ludington; now Ludington State Bank.

Discontinued: Exchange Bank (J. D. Hayes), Grand Ledge; suspended.

MINNESOTA.—*Change of Title:* Amerland & La Rue, Plainview; now H. Amerland & Co.

MISSOURI.—*New:* King City Bank, King City.

Change in Officers: Continental Bank, St. Louis; George A. Baker, President, in place of T. B. Edgar, resigned.

Lafayette Bank, St. Louis; P. J. Doerr, Cashier.

Change of Title: Aehle, Lee & Dunnica, Boonville; now John Lee.

NEBRASKA.—*Change of Title:* Drury, Ashley & Co., Oakland; now Watson Parrish.

NEW YORK.—*Change in Officers:* National Spraker Bank, Canajoharie; Frasier Spraker, President, in place of J. Spraker.

Deposit National Bank, Deposit; James H. Knapp, President, in place of Charles Knapp, deceased; Charles Maples, Vice-President.

Saugerties Savings Bank, Saugerties; John W. Davis, President, in place of John Kiersted; J. P. Russell, Treasurer and Secretary, in place of G. Seaman.

National Bank of West Troy, West Troy; A. T. Phelps, Cashier, in place of B. McE. Shafer.

Change of Title: A. Godard & Co., Gouverneur; now Gleason & Co.

OHIO.—*New:* Blair, Grimes & Co., Manchester.

Change in Officers: Western German Bank, Cincinnati; L. Kleybolte, Cashier, in place of F. J. Werner.

Exchange Bank, Greenville; Rollin F. Crider, Cashier.

Farmers' National Bank, Mansfield; Joseph S. Hedges, Cashier, in place of Geo. A. Clugston.

Change of Title: Canton Bank, Canton; now City National Bank. Same officers.

ONTARIO, CAN.—*New:* Bank of Nova Scotia, Woodstock.

PENNSYLVANIA.—*Change in Officers:* Farmers' Deposit National Bank, Pittsburgh; Joseph Walton, President, in place of Samuel George, Jr., deceased.

Discontinued: Morris L. Hallowell, Philadelphia; deceased.

QUEBEC, CAN.—*Discontinued:* Stadacona Bank, Quebec; in liquidation.

SOUTH CAROLINA.—*Change in Officers:* National Bank of Greenville, Greenville; H. T. Poe, Assistant Cashier, in place of L. M. McBee.

TEXAS.—*New:* Miller Brothers, Belton.

J. R. Irion, Overton.

Change in Officers: Farmers' & Merchants' Bank, Paris; H. A. Bland, Cashier, in place of C. W. Mertz.

WISCONSIN.—*Change in Officers:* Rock County National Bank, Janesville; C. S. Jackman, Cashier, in place of C. S. Crosby.

*RHODES' JOURNAL RECORD OF DEATHS.

BENJAMIN MUMFORD, for many years Cashier of the First National Bank of Newport, Rhode Island, and Treasurer of the Coddington Savings Bank, died recently at an advanced age.

He was well and favorably known in financial circles; for many years he was a class-leader, trustee, and steward of the First Methodist Church in Newport. He died respected, and full of years.

THOMAS T. SMITH, Cashier of the Bank of Commerce, of Baltimore, died at Lutherville, Maryland, on Friday July 23, 1880, in the forty-ninth year of his age.

He was an efficient bank officer, beloved by a wide circle of friends, and left behind him the enduring monument of a clear record and a good name.

ROBERT MATTHEWS, a wealthy Irish banker, of Dublin, Ireland, died at Long Branch, N. J., August 25, 1880, of Bright's disease of the kidneys.

He was apparently in good health until a few days before his death.

*The Editor solicits correct data, with the necessary particulars, from which to prepare brief notices of recently deceased bankers for this department of the JOURNAL.

THE BANKER'S INDEX.

The Money Market and Financial Situation.

NEW YORK, September 6, 1880.

THE SITUATION.—The turning point of the year has been passed in safety, and every indication points to increased and prosperous business in both financial and commercial circles. The immense grain crop of the year is secure, and business plans based on crop returns can be made with a reasonable degree of certainty. The increased demand for goods to stock up for the fall trade is noticeable in the various trade centres, with cash terms or short time the general rule of buyers.

The highly satisfactory crops of the year, the immense railroad traffic reflecting the general activity, the importation of foreign gold in return for produce sent abroad, and the generally healthy tone in the merchandise markets, all furnish the most gratifying evidences of prosperity.

True, the business transacted at the New York Stock Exchange during August, and up to the present writing in September, has not been remarkable in volume or activity, but this furnishes no safe criterion for judging of either the healthfulness or scope of general business throughout the country at large. The appended table shows the total recorded transactions at the Stock Exchange during the past four months.

	May.	June.	July.	August.
U. S. Government Bonds ..	$4,389,450	$2,324,800	$2,504,800	$1,836,450
State bonds..................	694,500	350,000	193,000	448,800
Railroad bonds...............	45,510,360	50,844,280	32,829,160	34,144,330
Bank stocks.....shares... ..	1,608	1,513	703	946
Railroads, &c., "	10,153,020	8,159,307	6,056,230	5,477,365

Due importance should be attached to the monetary value of immigration. In addition to the flow of gold to this country the tide of foreign immigration at this port continues in steady volume, almost every nationality in Europe contributing thereto. The arrivals during August are officially reported at 25,300, which is about 4,000 in excess of any month for the last twenty years. At Philadelphia and Baltimore there has also been a large increase. The steamship companies, we are told, anticipate a continuance of the movement until late in the autumn. It is estimated that at least 70 per cent. of the August arrivals have gone to the West. Every one of these immigrants is worth, merely as a labor machine, at least one thousand dollars to the country. Moreover not only do these immigrants add to the producing power of the country, but as consumers they widen the market for the varied products of our factories.

In another part of the JOURNAL will be found an interesting article from the London "Economist" on the subject of our wheat exportation, and of course referring to the outcome of this business, the flow of gold to this country. The imports of gold at New York since January 1st, up to and including the 4th inst., had been $16,230,823, besides $3,449,382 in silver. This includes $1,229,460 in foreign gold brought by the steamers which arrived on the 4th. The amount of gold imported in 1879, up to September 7th, was $10,696.665, so that the increase is already $5,534,158. These imports have been very timely, and together with the prevailing ease in the money market, the legitimate demands of commerce and industry are not likely to suffer.

A Berlin despatch to the London "Times" under date of of Sept. 9, says: "A semi-official statement reasserts that in no case has the Imperial Bank of Germany in Berlin refused to pay gold for its notes or checks. It will, moreover, adhere to the same rule in the future. On the other hand, certain demands on the provincial branches of the bank for gold have had to be referred to the bank in Berlin. The same course is followed by the other large German banks."

This is evidently a denial of the report that the German Bank had suspended gold payments.

In the bond market there is some inquiry for Southern State bonds, based, doubtless, on the way the tide may turn in November. We have little faith in political speculators.

Railroad bonds are in good demand, with some large transactions in those classed as investment securities. At the recent meeting of the railroad managers, in this City, the following order was drawn up and signed by the five representatives of the trunk lines.

The Trunk line executives in full meeting have this day agreed for themselves, and the Trunk Line Executive at a subsequent full meeting and acting as a standing committee, for the Joint Executive Committee, have this day agreed upon and hereby direct the immediate restoration and the strictest maintenance of all east-bound rates to full tariff prices on all classes of freight, including horses, sheep, all live stock and dressed beef. Please so order and enforce at once and permanently and notify all shippers accordingly: We hereby notify you that our companies will not participate in any rates billed after to-day at less than the full printed tariff on the ocean basis, as agreed, and will set up the through rates and the proportion on our lines to correspond and will not refund upon any special arrangements said to have been heretofore made, except by voucher showing the detail requiring such allowances; but vouchers will not be paid or allowed by us till the commissioner first examines, certifies and approves them. Such agreements must be filed in the office of the commissioner immediately, but in no case later than Wednesday morning, the 14th inst.

Foreign Exchange continues dull without any marked recovery in prices, and there is no falling off in the movement of specie towards this country. Hardly a day passes without telegraphic advices of foreign gold being shipped to this country. For Sterling bills at this writing (Sept. 10), the actual rates are about 4.81 for 60 days, and 4.83½ for demand. Cable transfers are 4.84.

The following are the latest rates of domestic exchange on New York at the undermentioned cities: Savannah, buying ⅝, selling ⅛@¼ off; Charleston, buying 3-16 @¼ off, selling par @⅛; New Orleans commercial 2.50 discount @ par; St. Louis, 1-10 discount; Chicago, 50@60 discount; Boston, 45c. discount.

Quotations for foreign exchange are as follows:

Sept. 10.	60 days.	Demand.
Prime bankers' sterling bills on London	4.81 @4 82	4.83½@4.84
Prime commercial	4.80 @4.80½	4.82½@4.83
Documentary commercial	4.79 @4.79½	4 81½@4.82
Paris (francs)	5 27½@5.24⅜	5.25 @5.11⅝
Amsterdam (guilders)	39½@ 39¾	39¾@ 40
Frankfort (reichmarks)	95⅜@ 94	94 @ 94½
Bremen (reichmarks)	93⅜@ 94	94 @ 94½

The following are quotations in gold for various coins:

Sovereigns	$4 83 @$4 86	Silver ¼s and ½s	99¾@ par
Napoleons	3 83 @ 3 86	Five francs	92 @ 95
X X Reichmarks	4 73 @ 4 76	Mexican dollars	88½@ 89½
X Guilders	3 96 @ 4 00	do uncon.mercial	87 @ 88
Spanish Doubloons	15 60 @15 75	English silver	4 70 @ 4 80
Mex. Doubloons	15 55 @15 60	Prussian silver Thalers	69 @ 69
Fine silver bars	1 13⅝@ 1 14¼	Trade dollars	99¼@ 99
Fine gold bars	par@ ¼ prem.	New silver dollars	99¾@par ½
Dimes and ½ Dimes	99¾@ par.		

The following summary shows the condition of the New York Clearing House

banks, the premium on gold, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of Sept. in 1878, 1879 and 1880:

* STATISTICAL SUMMARY ON OR ABOUT SEPT. 1, 1878, 1879 AND 1880.

NEW YORK CITY BANKS—	1880.	1879.	1878.
Loans and discounts	$310,738,100	$258,160,800	$239,431,700
Specie	65,413,800	19,684,700	17,000,300
Circulation	19,396,800	20,942,500	19,438,700
Net deposits	296,422,900	228,817,400	216,164,100
Legal tenders	15,335,500	41,279,300	53,948,500
Legal reserve	74,105,725	57,204,350	54,041,025
Reserve held	80,749,300	60,964,000	70,948,800
Surplus	6,643,575	3,759,650	16,907,775
MONEY, GOLD, EXCHANGE—			
Call loans	2 @3	5 @7	1½@2
Prime paper	4½@5	6 @6½	3½@4½
Gold	100	100	100⅝
Silver in London per oz	52⅛d	51⅝d	52⅛d
Prime Sterling bills, 60 days	4 82	4 80½@4 81½	4 83 @4 83½
UNITED STATES BONDS.			
6s, 1881, coupon	104¾	104⅝	108¼
6s, currency, 1898 †	128	122	119⅞
5s, 1881, coupon	102¾	102¼	106¼
4½s, 1891, coupon	111⅛	104¼	103¾
4s of 1907, coupon	110¼	101⅛	100⅞
RAILROAD STOCKS.			
New York Central & Hudson Riv	129⅞	118½	111½
Erie (N. Y., L. E. & W.)	38⅛	23¾	14¼
Lake Shore & Michigan Southern	106⅝	88½	65⅝
Michigan Central	94	79⅞	68½
Chicago, Rock Island & Pacific	114½	138¾	117¼
Illinois Central	112¾	86	80
Chicago & Northwestern, common	99⅝	75¼	34⅛
Chicago, Milw. & St. Paul, com	87¾	65	27⅞
Delaware, Lackawanna & Western	89¼	55	52¾
Central of New Jersey	76¼	50⅞	33
MERCHANDISE.			
Cotton, Middling Uplands, per lb	11 13-16	12⅛	12 3-16
Wool, American XX, per lb	40@47	32@39	33@39
Iron, American Pig, No. 1, per ton	27 50@29 00	20 00@23 00	16 50@18 00
Wheat, No. 2 Spring, per bush	1 02 @1 04	1 01½@1 03	1 08@1 10¾
Corn, Western mixed, per bush	50¼@52⅛	46@46½	45@50½
Pork, Mess, per bbl	15 87@16 00	8 70@8 75	10 20@10 35

The following table shows the total sales of each class of Government bonds at the New York Stock Exchange for the month of July, and the closing prices† on the dates named:

	Interest Periods.	Total Sales.	Aug. 7.	Aug. 14.	Aug. 21.	Aug. 28.	Sept. 1.
6s, 1880, reg	J. & J.	$10,000	102⅛	102⅜	102¼	102¼	102¼
6s, 1880, coup	J. & J.	....	102⅛	102⅜	102¼	102¼	102¼
6s, 1881, reg	J. & J.	181,000	104⅝	104⅝	104⅝	104⅝	104¾
6s, 1881, coup	J. & J.	170,000	104⅝	104⅝	10 ⅝	104⅝	104¾
5s, 1881, reg	Q.—Feb.	260,000	102⅛	102⅝	102⅝	102⅝	102¾
5s, 1881, coup	Q.—Feb.	603,000	102⅝	102⅝	102⅝	102⅝	102¾
4½s, 1891, reg	Q.—Mar.	12,500	110⅛	110	110	110¼	110½
4½s, 1891, coup	Q.—Mar.	50,000	111¼	111	111	111¼	110½
4s, 1907, reg	Q.—Jan.	181,000	109¾	10 ¾	109⅞	110	109¼
4s, 1907, coup	Q.—Jan.	391,950	109¾	109¾	109⅞	110	110¼
6s, currency, 1895, reg	J. & J.	....	125	125	125	125	125
6s, currency, 1896, reg	J. & J.	....	125½	125½	124½	126	126
6s, currency, 1897, reg	J. & J.	....	126	126	126	127½	127
6s, currency, 1898, reg	J. & J.	20,000	126½	127	126½	128½	128
6s, currency, 1899, reg	J. & J.	....	127	128	127	129½	129

* Corrected from compilations made by the "Commercial Chronicle," New York.

† The prices *bid* are given; these furnish the most reliable quotations of *sales* at the Board.

State Bonds.—Recorded sales and range of prices for the month were as follows:

	Highest.	Lowest.	Sales.
Ala. Class A	67	59¾	$75,000
do C	77	75	14,000
Ark. 7s, iss. L. R. P. B. & N. O	6	6	10,000
La. 7s, Cons	47¼	45¾	85,000
Mo. 6s, '86	107	107	13,000
do '87.	108¼	107	8,000
do '89 or '90	111	110	10,000
N. C. 6s, old J. & J	30	29½	16,000
do A. & O	30	29⅝	17,000
do 4s, consolidated	76¼	76¼	10,000
do funding act '66	11¼	11¼	1,200
do do '68	11¼	11¼	600
do spc'l tax class 3	4	4	1,000
S. C. 6s, non-fundable	4	3½	6,000
Tenn. 6s, old	38¼	37⅞	12,000
do new	39	29	75,000
do new series	36	30	90,000
D of C. 3-65s 1924	100	98¼	148,000
do do Reg	99⅞	98¾	50,000
do funding 5s	106½	106½	20,000

Additional quotations of State bonds are published on another page.

The annexed table shows the leading bonds dealt in, range of prices and the amount of recorded transactions for the month just closed.

	Highest.	Lowest.	Closing. Aug. 31.	Amount Sold.
Cent of N. J. con. ass'd	109	104¾	108¾	$498,000
Lehigh & Wilkes con. ass'd	98½	94½	98	1,287,000
Morris & Essex 1st consol	111¾	109½	111½	161,000
Rome W. and Ogd. 1sts	64	61¾	....	10,000
St. Paul sinking fund	115¼	111⅞	114½	170,000
H. and St. Jo. conv. 8s	112½	111½	112	12,000
N. Y. C. 1sts coup	132	129¾	....	34,000
Canada South. 1sts	93¼	89½	....	522,000
Toledo and Wabash C. C	104	103	....	86,000
Cen Pacific 1sts	112½	112	112¼	99,000
Tex. do Income	70⅜	66⅝	....	542,000
Union do 1sts	112⅝	112	112⅝	183,000
Kansas do do con.	98	95½	95⅞	1,638,000
do do D. D. A. C. C	110	109	110	295,000
Den. & Rio Grande 1sts	105½	104	105⅝	640,000
Mo. Kan and Texas 1sts con. ass'd	106¼	104¾	106	471,000
do 2ds	68⅝	64	68½	213,600
Erie new con. 2ds	91⅞	85¼	86¾	14,662,000
do do 5s funded	86½	81½	82	954,500
do do con. 7s	125½	123	124	125,000
C. C. & I. C income	45	39½	43½	634,500
do 1sts T. C. C. A. supplem'y	91¾	86	....	495,000
I. Mountain 2d pref. income	85	79⅞	84	477,000
do 1st do do	88½	86	88½	169,330
do 2ds	106⅜	103¾	105⅞	303,000
C. & Ohio Currency 6s	39	38	....	59,000
do do 1sts series B	68⅞	67¼	68½	160,000
N. Y. Elevated 1sts	112¼	109⅞	111¼	112,000
Met. do do	100⅞	99⅞	....	237,000
Bost. Hart. & E. do	43½	40	....	113,000
Oregon 1sts	100	97½	100	544,000
Mobile & Ohio 1st deb	84	79	80	706,500
do 2d deb	50	46	....	136,900
Bur. C. R. and Northern 1sts	94	91⅞	93¼	302,100
Lake Erie & W. income	65	62	...	122,000
Ohio Central income	48	47	....	147,000
do 1sts	98	95½	....	234,000

Additional quotations of railroad bonds at New York and other principal cities appear in the general list of Stock and Bond Quotations, printed on the pages at the close of this department.

Railroad and Miscellaneous Stocks in August.

The following table shows the number of shares sold, and the lowest, highest and closing prices of the active Railway and Miscellaneous Stocks at the New York Stock Exchange during August; and, for comparison, the closing prices July 31:

RAILROADS.	Closing July 31.	Range in Aug. Low-est.	High-est.	Closing Aug. 31.	Shares Sold.
Can. Southern	63	59	64	59⅛	5,755
C., C. & Ind	71⅛	70⅛	73	71	5,776
C., C. & I. C.	17¼	16⅛	21	19	42,815
Ches. & Ohio	....	18¼	19⅛	18¾	3,410
Chic., St. P. Minn. & O.	42⅛	42⅛	47⅞	42⅛	67,495
do pref	82⅛	79¾	84⅛	82⅛	46,274
Northwestern	99	97⅛	101⅞	99⅝	208,897
do. pref	115⅝	115	125¾	118⅛	14,993
Mil. & St. Paul	88⅞	87	91¼	87⅞	428,853
do. pref	110⅛	108	112⅛	109¼	12,395
Del. Lack. & West	86¾	84⅛	92¼	89⅝	590,783
Del. & Hud. C. Co	82	79¾	87	84⅛	91,212
Houston & Texas	63	60	68	60	3,300
Hannibal & St. Jo	35¼	34	42⅛	41¾	192,160
do. pref	72	71⅛	86⅝	83⅞	146,865
Illinois Central	110⅝	108⅛	113⅞	111¾	23,162
Lake Erie & Western	32⅛	30	33⅛	31	25,920
Louisville & Nashville	117⅛	115	132	131	9,893
Lake Shore	109⅛	105	109⅞	106⅝	152,237
Manhattan R.R	26¾	21⅛	31¼	27⅛	57,913
Metropolitan Elevated	90	89	93⅛	90	2,067
Michigan Central	97	92⅛	98¼	94	94,540
Mobile & Ohio	....	21¾	24¾	23⅝	16,385
Mo., Kan. & Texas	38	35	39¾	36¼	168,120
Nash., Chat. & St. L	68	65	74⅞	68	110,200
N. J. Central	76¼	73¾	78⅝	76	285,816
N. Y. Central	132¼	128⅝	134⅛	129¾	85,830
N. Y., L. E. & W	44	37⅝	44⅛	38¼	895,992
do. pref	71	65	73	66¼	37,932
Northern Pacific	31¾	29	33	29⅞	21,990
do. pref	55⅛	51¼	57⅛	53	53,239
N. Y., Ont. & W	26¾	24⅛	27⅛	24¾	44,097
Ohio & Mississippi	34¼	32⅛	36⅛	34⅛	193,510
do. pref	73	72	78	75¼	4,377
Phila. & Reading R. R	18¾	19	24¾	23⅝	85,813
St. L., I. M. & S.	53⅝	53⅛	58⅛	56⅝	128,112
Union Pacific	94⅞	92⅝	96⅝	93⅛	120,047
W., St. L. & Pacific	41⅛	38¾	43¼	39¼	103,560
do. pref	71⅛	69⅛	73⅛	70¼	228,615
Am. Dist. Tel	72	72⅛	75¾	75	6,880
At. & Pac. Tel	45	42⅛	47	43⅛	10,620
Western Union Tel	107⅞	102¾	109	103⅝	102,118
Pacific Mail	42¾	39⅛	43⅛	39	71,700
Climax Mining	2⅛	1⅛	1⅞	1⅛	2,175
Little Pittsburgh	5⅜	4	6	3⅞	7,392
Standard Mining	27¼	27	29	28⅛	9,417
Sutro Tunnel	....	1⅛	1⅞	1⅛	64,382

AN ENGLISH VIEW OF IT.

The London "Economist" of August 28th comments as follows on the proposition, submitted to the Bankers' Convention at Saratoga, that the Treasury stop coining silver dollars, convert those already issued into bullion, and "issue certificates of deposit without limit in denominations for circulation, as nearly as possible at market value."

"We very much doubt, however, whether it affords a reasonable solution of the silver difficulty. It appears to us that the issue of certificates as is proposed will either throw the currency into confusion or involve the Treasury in serious loss. For the sake of illustration, let us suppose that 1,000 ounces of silver are lodged in the Treasury when the market price of the metal is 5 shillings per ounce. The depositor would then receive on exchange, say, 125 $10 certificates. Now, if the value of the certificates is to fluctuate with the market variations in the price of silver, then—in the event of the price falling to 4 shillings 6 pence per ounce—there would be in circulation $10 notes which were really worth less than their face value—thus complicating and confusing business transactions. On the other hand, if the Treasury undertook to pay at all times silver to the amount of the face value of the certificates, then, when silver was 4s, 6d. per ounce, the person who had deposited 1,000 onuces when the price was 5s. would, with the 125 certificates he received, be able to take from the Treasury, not his original 1,000 ounces, but rather more than 1,100 ounces. The whole loss, or risk of loss, from the depreciation of the metal would then be shifted off from the individual on to the Treasury. That is not an arrangement which a government should be asked to sanction, and the only reasonable way out of the present difficulty is to have the law compelling the coinage of useless dollars repealed."

"**WHO SHALL WE TRUST?**"—This exclamation is frequently heard immediately after a trusted officer or employee has fallen, and then our faith in all mankind gradually weakens. The effect is such that some men really begin to wonder whether they can trust themselves! "Lead me not into temptation," but may temptation be far removed from me, should be the hourly prayer of every man placed in a position of trust, no matter whether he is a gray-haired veteran, or a novice. Whatever appliance tends to keep men in the right track, always commends itself to those who love integrity and fair dealing. In 1872 an institution known as the "Canada Guarantee Company" was established in Montreal, which at once places a strong safeguard around the employee, and ensures to employers the endorsement of a responsible company, of those in whose hands they may trust their affairs, and the ready recovery of loss by their defalcation, should such arise. To the employee, on the other hand, it is a reliable certificate to receive and retain the endorsement of such an institution, as it at once establishes his title to his employer's confidence. We can highly recommend the system employed by this Company to the attention of banks and moneyed corporations in the United States.

STOCKS AND BONDS—PRICES IN NEW YORK AND OTHER CITIES.

The following tables give the latest bid and asked prices at the New York Stock Exchange; also Southern securities, a full list of general stocks not called at the Exchange, and correct quotations from other cities.

Quotations in New York are to September 2, latest mail advices from other cities.

The prices named represent the percentage upon a par basis.

*** Indicates ex-interest. § With interest added. x Dividend.**

SECURITIES.	Bid.	Askd
STATE STOCK.		
Alabama 5s, 1883	...	...
do 5s, 1886	...	...
do 8s, 1886	...	...
do 8s, 1888	...	...
do 8s M & Eufala R R	...	...
do 8s Ala & Chat R R	...	...
do 8s of 1892	...	...
do 8s of 1893	...	...
do consols class A	67½	68
do do do B	90	95
do do do C	77	...
Arkansas 6s funded	15	...
do 7s L Rk & Ft S iss	...	...
do 7s Memp & L R	3	...
do 7s L Rk P B & N O	3	...
do 7s Miss O & R Riv	3	...
do 7s Ark Cent R R	3	...
Connecticut 6s	105	109
Georgia 6s	110	...
do 7s new bonds	109	...
do 7s endorsed	108½	...
do 7s gold bonds	112	...
Illinois coupon 6s, 1879	102	...
do war loan	102	...
Kentucky 6s	...	...
Louisiana 6s	...	...
do new bonds	...	...
do 6s new floating debt	...	...
do 7s penitentiary	...	...
do 5s levee bonds	...	...
do 8s do	...	...
do 8s do of 1875	...	...
do 8s do of 1910	...	...
do 7s Consolidated	47¼	49
do 7s Small Bonds	45	...
Michigan 6s 1878-1879	...	...
do 6s, 1883	114	...
do 7s, 1890	112	...
Missouri 6s due in 1883	112	...
do do in 1886	108	...
do do 1887	108	...
do do 1888	110	...
do do in 1889 or 1890	110	...
Asyl or Univs'y due 1892	112	...
Fund'g bds due in 1894-5	105	...
Han & St. Jos. due 1886	107	...
do do 1887	...	...
New York 6s gold reg'd, 1887	...	...
do 6s do coup., 1887	...	...
do 6s do loan, 1883	...	...
do 6s do do 1891	...	...
do 6s do do 1892	...	...
do 6s do do 1893	...	...
N Carolina 6s old Jan & July	30¾	...
do Apr & Oct	30¾	...
do N. C. R., Jan & July	115	...
do do Apr & Oct	115	...
do do cp off Jan & July	...	90
do do cp off Apr & Oct	...	90
do funding act, 1866	11½	...
do do 1868	11½	...
do new bonds Jan & July	19	...
N. C. new bonds, April & Oct	19	...
do special tax, class 1	2½	...
do do class 2	2½	...
do do class 3	2½	...
Ohio 6s. 1881	101	...
do 1886	109	...
Rhode Island 6s	...	...
South Carolina 6s	...	...
do Jan & July	...	...
do April & Oct	...	...
do funding act 1866	...	...
do land C 1889 Jan & J	...	...
do land C 1889 Apr & O	...	...
do 7s of 1888	...	...
Non-fundable bonds	3	3½
Tennessee 6s, old	37½	...
do 6s, new	32	34
do new series	30	32
Virginia 6s, old	24	25
do 6s, new bonds, 1866	25	...
do 6s, do 1867	25	...
do 6s, consol. bonds	90	...
do 6s, ex-mat'd coup	61	...
do 6s, do 2d series	22	...
do 6s, defer'd do	6	...
Dist. of Col. 3-65's 1924	99½	100
do Small Bonds	99	...
do Registered	99½	100
CITY AND COUNTY.		
Brooklyn 6s	...	...
do 6s, water loan	114	118
do 6s, imp'm't stock	...	...
do 7s, do	...	...
do 6s, pub. p'k loan	118	120
do 7s. do do	130	133
Jersey City 6s, water loan	102	103
do 7s, do	110	111
do 7s, improvement	105	106
Kings county 6s	103	115
New York City 6s, 20-50's, 1876	...	...
do do 6s, 1877	...	...
do do 6s, 1878	...	...
do do 6s, 1887	...	...
do do G'd 6s, Con. 1902	123	128
do do 6s, 1896	117	118
do do 6s Dock b'ds	118	120
do do 6s co. b'ds	...	...
do do 6s Cen. Park	117	118
do 5s, 1890	...	...
do 5s, 1898	106	108
RAILROAD BONDS.		
Boston, H. & E. 1st m	41	42
Boston, H. & E. 1st m guar.		..
B., Cedar Rap. & N. 1s 5s g	93⅜	93⅞
Chesapeake & Ohio 6s 1st mtg.	106	...
do do ex-coupon	...	...
Chicago & Alton 1st mortgage.	122	122½
do income	105½	106½
Joliet & Chicago 1st mortgage.	...	105
La. & Mo., 1st guaranteed	...	112
St. L Jacksonville & Chic 1st	114½	116
Chic. Bur. & Qu. 8 per ct. 1st m	109	110

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd	Securities.	Bid	Askd
Chic. Bur. & Qu. cons......M 7s	123	125½	RAILROAD BONDS.		
do do 5s Sinking Fund	96	102	M. So & N. I. Sink. fd 7	111	112
Chic. R. I. & Pacific			Cleve. & Tol. sink. fd	109½	110½
do 6s 1917, coupon	119	120	Cleve. & Tol. new bonds	108¾	109
do 6s 1917, registered	117	120	Cleve. Painesv & A bonds 7s	116½	117½
Keokuk & Des Moin. 1st 5s	97¼	99	do do new do	......	......
Central R R of New Jersey			Buff. & Erie, new bonds	120	120¼
Cen. R of N. J. 1st 7s. 90	117	......	Buff. and State Line 7s	......	......
do cons. assent.	109	109¼	Kala. & W. Pigeon 1st m	100	108½
do convertible	106⅞	108	Det. Mon & Tol 1st 7s 1906	117	122
L. & W. B'e. con. assented	96¾	97	Lake Shore div. bonds	120½	125
Am' Dock & Imp. bonds as'd	109	112	do con c'p 1st 7s.	123	124¾
Chic. Mil. & St. Paul R. R			do con reg 1st bds	123	124
M. & St. P. 1st mtg 8s P. D	132	134	do con coup 2d 7s	117⅛	118
do 2d 7 3-10 P. D	116	117	do con re'gd 2d m	117	118
do 1st 7s $ gold R. D	118	119	Marietta & Cin. 1st m	109⅝	120
do 1st 7s £ do	113	113½	Mich. Cent. consol. 7s 1902	124	124½
do 1st M. LaC. D	114½	115¼	do 1st m. 8s '82 s f	108	109½
do 1st M. I. & M. D.	114	115½	do equipment bds	108½	......
do 1st M. I. & D	113	115	New Jersey So. 1st m. 7s	......	......
do 1st M. H & D.	......	......	do consol 7s	......	......
do 1st M. C. & M	118	119¾	N. Y. Cent. 6s, 1883	......	......
do consolidated s f	114	115	do do 6s, 1887	......	......
do 2d mortgage 7s	105	......	do do 6s, real estate	......	......
Chic. & N. W. sinking fund	109	111	do do 6s, subscription	......	......
do do int. bonds	104	......	do do & Hud 1st m c	139	130¼
do do cons. bonds	125	......	do do do 1st m reg	129¾	130½
do do exten. bonds	......	110½	Hud. Riv. 7s 2d m s f 1885	111	112
do do 1st mortgage	109	110⅛	Harlem 1st m 7s coupon	129½	......
do do coup gd bonds	118⅞	119⅛	do do reg'd	129½	129½
do do reg'd do	118¾	119	North Missouri, 1st mort.	......	......
Iowa Midland 1st m. 8s	120	121	Ohio & Miss cons s f	115	117
Galena & Chicago extension	103	103½	do consolidated	115½	117½
Peninsula 1st m. conv	108	......	do 2d do	113⅛	[illegible]
Chicago & Mil. 1st m	114	121	do 1st Springfield div.	99	101¾
Winona & St. P. 1st mort	107	110	Pacific R R bonds		
do do 2d mort	113	116	Cent Pacific gold bonds	112	112¼
C. C. C. & Ind's 1s m 7s s. f.	120	121¾	do San Joaquin branch	107½	107½
do consol, M. bonds.	111½	112	do Cal & Oregon 1st	103¾	......
Del., Lack. & W. 7s conv	100½	103	do State aid bonds	104½	105
do do m. 7s	120	......	do land grant bonds	[illegible]	107
Morris & Essex 1st mor	[illegible]	......	Western Pacific bonds	108	109
do 2d do	115	......	Union Pacific 1st m bds	111⅝	112⅛
do bonds, 1900	102	110	do land grants. 7s	115½	116
do constr'n	106	110	do sinking fund	117	......
do 7s of 1871	114	....	Pacific R of Mo. 1st m	107½	109
do 1s con. gd	111¼	111½	do 2d m. 7s	109⅞	......
Del. & Hud. Can. 1s 7s. 1884	106½	107	do Income 7s	......	......
do do 1891	110	110¼	do 1st Carnod't B	......	......
do Coup. 7s 1894	116	118	Pennsylvania R R		
do Regis'd 7s 1894	116	116½	Pitts, Ft W & C 1st m	136	......
Albany & Susq. 1st 7s	112½	......	do do 2d m	128	130
do do 2d do	109	....	do do 3d m	120	121
do do 3d do	114	114	Cleve & Pitts con s f	118	......
do do 1st c gua'd	114	114	do 4th do	110	112
Rens'r & Sara. 1st 7s. Coup	127	130	Col. Chic & Ind 1st m	90	......
do do 1st reg'd 7s	125	128	do do 2d m	......	......
Erie 1st mort. extended	124½	128	Rome, Water'n & Og con 1	60½	62
do 1st do endorsed	......	......	St. L. & Iron M 1st m	115	116
do 2d do ex. 5s, 1919	......	106	do do 2d m	105¾	106½
do 3d do 7s, 1883	107	108	St. L. Alton & Terre Haute		
do 4th do 7s, 1880	106¼	107	Alton & Terre Haute 1st 7s	112	117
do 5th do 7s, 1888	111	112	do 2d do pref	105½	107
do 7's cons. m'ge gd bds	120½	121½	do 2d do inc	92	97
Long Dock Bonds	115	116	Bell & S. Ill R. 1st m 8s	110	117
B., N. Y., & E. 1st m 1916	121	125	Tol, Peo & War, 1st E D	130	136
Han. & St. J. 8s convertible m.	107	108	do do do W D	129	......
Illinois Central,			do do do Burl div	......	......
Dub. & Sioux City 1st m	100	......	do do do 2d m	65	75
do do 2d div	107	......	do do do consol 7s	66	70
Cedar Falls & Minn. 1st m	108	110	Toledo, Wabash & Western		
Indp's Bloomn & W'n 1st p	114	..	Tol & Wab 1st m ex	110	113½
do do 2d	64¼	65	do Ex coupon	......	......
Lake Shore Bonds			do 1st m St L div	104	106
			do Ex mat'd coup.	......	......

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Tol & Wab 2d m	104½	105
do Ex & Nov 77 coup.		
do equipment bonds	39	40
do cons conv'ble	100	104
do Ex Aug 78 & priv's.		
Gt West'n 1st m 7s 1888	108¼	109
do Ex coupon		
do 2d 7s 1893	104½	105½
do Ex & Nov 77 coup.		
Quincy & Tol 1st m, 1890	107	107½
do Ex M & Nov 77 c p.		
Illinois & S Iowa 1st m 7s	100¾	101
do Ex coupon		
Han & Cent Mo 1st m.		
Pekin, Lnc'n & Decat'r 1st m.		
West'n Un bds, 1900, c'pon	116	118
do do do reg	116	118
MISCELLANEOUS LIST.		
Arkansas Levee 7s	8	7
Atchison & P Pk 6s gold		
Atchison, Top & S Fe 7s, g	118½	119
Cairo & Fulton 1st 7s		
California & Oregon 6s g'd		
California Pac R R 7s gold	105	115
do 6s 2d m gold	100	102
Central Pac 7s gold, conv	100	103
do land grant		
Cent of Iowa 1st M 7s new		
Chi & Southwestern R R 8s	113	115
Chi & Eastern Ill. 1st 6s	100	101
do do income 7s	95	100
Chi & Mich Lake Shore 8s		
Chi & Can South 1st m'g 7s	35	47
Chi, St. P. & Min 1st M 6s		
do land grant 6s		
Cin, Rich & F W 1 m g 7s	90	100
Cleve, Mt V & Del 7s gold		
Connecticut Valley 7s gold	65	70
Connecticut Western 1st 7s	36	40
Col & Hock Val 1st 7s 30 ys	110	112
Dan, Urb, Bl & P 1st m 7s g		
Denver Pacific 7 gold	95¾	96¼
Denv and Rio Grande 7s g		
Det, Hillsdale & Ind R R 8s		
Dixon, Peoria & Han 8s		
Erie & Pittsburg 1st 7s	101½	103½
Evans & Crawfordsville 7s	100	105
Evans, Hend. & Nashville 7s		
Evansville, T & H Chic 7s g	82½	90
Flint & Pere M 7s land grant	102	108
do 7s consol	82	84
Fort W, Jackson & Sag 8s		
Grand River Valley 8s	107½	110
G'd Rapids & Ind 1 guar 7 g	108	110
G'd Rapids & Ind 1st 7s g	103	108
Houst, & Gt N. 1st m g 7s		
Houst. & Tex. C. 1st M L		
do 1st W D		
do Con. 8s		
Ill Grand Trunk 8s	113	115
Ind, Bl & W Ext 1st m g 7s		
Indianapolis & Mad. 1st m 7s	100	103
Int'national R R Tex 1 m g 7s		
Ind. Bl. & W., 1st 7s, pref.		
do 1st		
do 2ds		
do Income		
do stock		
Indianapolis & Vinc's 1st 7s gr.	105	110
Indianapolis & St. Louis 7s	80	90
Io Falls & Sioux City 1st 7s	108	110
Jack. Lansing & Sag. 1st m	105	110
Jeff'ville, Mad & Ind 1st m 7s	114	117½
Kala'zoo & South H 8s guar	107	112½

Securities.	Bid	askd
Kal, Alleghan & G R 8s gr	110	115
Kal & White Pigeon 7s	105	110½
Kansas City & Cameron 10s	115	120
Kan Pac 7s ex Ma & No g		
do 7s land gr Ja & Jy g		
Kan Pac 7s do 2d m		
do 6s gold June & Dec		
do 6s do Feb & Aug		
do 7s Leaven Branch		
do Income No 11		
do do No 16		
do stock		
Michigan Air Line 8s	100	110
Mil & North 1st m 8s	70	80
Mo. Kan & Tex assent'd bds	105¾	106½
do 2d inc	63⅝	66⅝
N. J. Midland 1st 7s gold	84	87
N. Y. & J. 7s, con. gold	5	7
Omaha & S West'n R R 8s	115	120
Oregon & Cal 7s gold	28	30
Oswego & Rome 7s guar	100	110
Ott, Oswego & Fox R V 8s		
Pitts, Cin & St Louis 1st 7s	117½	117¾
Pt Huron & L M 7s g end	35	40
Quincy & Warsaw 8s		
Rome, W & Ogdensburg 7s	60½	62
Sand, Mans & Newark 7s	102½	107½
Sioux City & Pacific 6s		
South Side (L I) 7s	97½	105
Southern Central N Y 7s	75	90
Steubenville & Indiana 6s	101	104
Southern Minn construc 8s		
St. Jo & C Bl 1st m 10s		
St. Louis, Vanda & T H 1st		
do do 2d		
St L & S Eastern 1st 7s gold	100	110
Union Pacific So br 6s gold	100	105
Union & Logansport 7s	100	105
Texas & Pacific L G 7s		
CINCINNATI.		
STATE, CO. AND CITY BONDS.		
Ohio State 6s	111	112
Hamilton County 6s	105	
do do 7s	118	
City of Cincinnati 6s	110	
do do 7s	120	122
do do 7 3-10	126	128
City of Covington, Ky 6s '81	102	
do do 7 3-10, '81	102	104
RAILROAD BONDS.		
L Miami & I & C con 6s	100	x 101
do do 1st 6s '83	102	x103
Cin, Ham & Day 1 m 7s '80		
do do 2 m 7s '85	106	x108
do do 3 m 8s		
Dayton & Mich, 1 m 7s '81	101¼	101¾
Dayton and Mich, 2 m 7s '84	105	105¼
do do 3 m 7s '88	x101	
Cin, Rich & Chi, 1 m 7s '95	100	x102
Cin, Han & Ind 1st m gr 7s	101¾	103
Marietta & Cin 1st m 7s '91	87	90
do do 2d m 7s '96	30	32
Indianap & Cin 1st m 7s '88	105	110
Cin & In guar 1st m 7s '92	105	110
do 2d m 7s '77 '82	100	
Indianap C & L 1st m 7s '97	100	
Day & W 1 m, 1881	101x	102
do 2 m, 1905		100
MISCELLANEOUS STOCKS.		
Columbus & Xenia 50	131	x 133
Cin, Ham & Dayton 100	90	
Dayton & Mich 3½ guar 50	50	x53
Little Miami 50	127	x 128

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Marietta & Cin 1st pref.......50	......	5
do do 2d do.........50	......	3
Cin Gas Light & Coke Co....100	170	......
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s................	103	105
do 8s................	108	112
Augusta, Ga 7s bonds..........	103	105
Charleston stock, 6s............	69	70
Charleston, S. C. 7s F L bonds..	60	62
Columbia, S. C. 6s..............	50	60
Columbia, Ga. 7s bonds........	80	90
Lynchburg 6s..................	102	......
Macon 7s bonds................	80	90
Memphis bonds 6s..............	30	33
do new consols..........	40	50
do end, M & C R R......	27	......
Mobile 5s.....................	25	......
do 8s.....................	25	......
Montgomery 8s.................	40	......
Nashville 6s old..............	95	102
do 6s new..............	95	......
New Orleans 5s................	34	35
do consol, 6s.........	40	45
do bonds, 7s..........	30	......
do to railroads 6s........	32	......
Norfolk 6s....................	100	105
Petersburg 6s.................	98	......
Richmond 6s...................	111	113
Savannah 5s...................	81	82
RAILROADS.		
Atlantic & Gul, consol.........	104	106
Central Georgia cons, 7s......	109	111
do do stock...........	94	96
Charlotte Col & A, 1 m 7s......	103	105
do do stock..........	34	36
E Tenn & Georgia 6s...........	99	101
East Tenn, Va & Geo 1st m 7s..	110	112
do do stock..........	80	......
Georgia R R 7s................	110	......
do stock...............	104	......
Greenville & Col 7s guar.......	105	110
do do 7s certiff......	100	110
Macon & Western Stock........	102	106
Macon & Augusta bonds.......	95	......
do do endorsed....	100	105
Memphis & Charleston 1st 7s...	102	104
do do 2d 7s.....	98	102
do do stock....	33	35
Mississippi Central 1st m 7s....	102	105
do do 2d m 8s....	107	110
Mississippi & Tenn 1 m.........	113	115
do do cons, 8s....	100	102
Motg'y and West P, 1st 8s......	103	106
do do 1st end.......	......	......
Mobile and Ohio Sterling.......	80	......
do do do ex ctfs....	80	......
do do 8s interest...	40	......
N Orleans and Jackson 1st m..	108	112
do do 2d m........	112	115
Nash and Chattanooga 6s......	98	102
Norfolk and Petersb 1st m 8s...	100	105
do do 2d do..	100	105
Northeastern, S C, 1st m 7s.....	125	130
do do 2d do.....	110	......
Orange and Alex 1st 6s.........	107	......
do do 2d 6s.........	111	114
do do 3d 8s.........	93	......
do do 4th 8s.........	55	55
Rich and Peters'b 1st m 7s.....	......	......
do do 2d m 6s.......	......	......
do do 3d m 8s.......	102½	105
Rich and Fred'b and Pot 6s....	102	......
do do do con 7s.	105	......

SECURITIES.	Bid	Askd
Rich and Danv 1st con 6.......	104	......
do Piedmont 8s......	110	112
do 1st 8s...........	......	......
Southside Va 1st m 8s.........	104	......
do 2d m guar 6s......	97	......
do 3d m 6s..........	92	......
do 4th m 8s.........	......	......
Southwest R R, Ga 1st m.......	106	108
do do stock.......	105	108
S. Caro R R, 1st m 7s, new.....	102	......
S. Caro R R 6s................	35	......
do 7s 2d..............	73	75
Virginia and Tenn 2d 6s.......	100	102
do do 3d 8s......	112	115
West Ala, 8s guar.............	111	112
Wilmington and Weldon 7s....	109	112
PAST DUE COUPONS.		
Tennessee State coupons......	10	20
Virginia consol coupons.......	88	......
Memphis city coupons.........	20	......
South Carolina consols.........	......	......
BOSTON.		
STATE BONDS.		
Maine 6s 1889.................	115⅝	......
N. Hampshire 6s 1876–84.......	114½	......
Vermont 6s, 1874–78...........	......	......
Massachusetts 5s, 1883, g........	113	113½
CITY BONDS.		
Boston 5s, 1880-86, gold........	114	......
do 6s, currency..........	120	......
Chic 7s, 1890-95, riv. impr.......	120	......
do 1884.................	......	......
RAILROAD STOCKS AND BONDS.		
A T and Santa Fe, 1st m 7s.....	......	119
do do L G........	116	116½
do do stock......	119⅝	119½
Bost and Alb'y 6s, '75 (W RR)..	......	......
do 7s, 1892..........	122	123
do stock............	150¼	......
Boston and Lowell 7s, 1892.....	......	......
do stock (par 500)......	90½	91
Boston and Maine, stock.......	134	135⅝
Boston and Providence, stock.	140	......
Bur & Mo R 7s, '93, land grant.	116	......
do do 8s, 94, conv........	110	110½
do do 8s, 83 (in Neb).....	......	......
Chicago, Bur and Quincy......	136¾	136¾
Bur & Mo Riv stock (in Neb).	......	......
Cheshire 6s, 1898..............	105	106
do preferred stock......	51	52
Cin, San, and Cleve, 7s, 1890....	96½	97
do do com stk (par 50)..	14⅞	15
Concord stock (par 50)..........	......	......
Conn and Pass Rivs 7s, 1893....	112	112¼
do do 7s, notes...	......	......
Connecticut River, stock......	......	......
Eastern stock..................	35	35½
Fitchburg, stock...............	127¼	......
Manch and Lawrence stock....	......	......
Nashua and Lowell, stock......	116	......
Northern (N. H.) stock.........	100	101
Norwich and Worcester stock.	136	......
Ogdenburg and L Champ stock	24½	......
do do pref stock....	......	......
Old Colony stock..............	115½	116½
Phil, Wil & Balt stock (par 50).	69	69¼
Portl, Saco & Portsmouth st'k	......	109
Portsmouth, Gt F & Con'y s...	79½	79¾
Rutland pref. stock............	......	29
Vermont and Canada stock....	15	......
Vt. Ct. 1st m 7s, 1886 cons......	......	......
do 8s, '91..............	......	......

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Vermont and Mass.	......	......
do do stock	122	.....
Worcester and Nashua	57	60
MISCELLANEOUS STOCKS.		
Boston Land Co	6 7-16	6½
Boston Water Power	8⅝	8⅞
Pullman Palace Car	116	...
PHILADELPHIA.		
STATE AND CITY BONDS.		
Penn. 5s, new, reg, '92 1902	114	115
do 6s, 10-15, reg, '77 1882	100	102
do 6s, 15-25, reg, '82 1892	106	106
Philadelphia 6s, old	......	113
do 6s, new, over 1895	127	127
Pittsburg 5s, reg, 1913	95	......
do 7s, water loan	121	.....
do 7s, street improv	105	109½
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96	120	122
Bel & Del R R, 1st m 6s, 1902	110	110
do 2d do '85	107	......
do 3d do '87	100	....
Cam & Amboy R R 6s, 1883	105¼	108
do do do 6s, 1889	109½	110
do do do m 6s, 1889	113½	......
Cam & A. T. 1st m 7s, gold, 1893	115	121
do do 2d do cur, 1879	108	......
Cataw R R new 7s, 1900	113½	.....
Connecting R R 6s. cp. 1900	110	......
Del & B B R 1st m. 7s, 1905	114	......
El. & Wmsp't R R, 1 m, 7s, '80	111	111
do do 5s c. perpe'l	86	......
H. & B. T. 2d m 7s, gld 1895	107	107
do 3d do cur. 1895	.....	50
Lehigh Valley, 1st m, 6s, c, '98	118	118½
do do r g '98	118	118½
do 2d m, 7s, reg 1910	128	130
do cons. m, 6s reg 1923	113	114¼
do do 6s, coup. 1923	113	113
N Cent. 2d gd. m. 5s, cp'n 1926	88	....
North Penn, 1st m 6s, c 1885	105	110
do 2d m 7s, c. 1896	115	117
do gen. m 7s, c. 1906	113	114½
do do reg., 1906	113½	114½
Oil Creek 1st m 7s, coup '82	102	103
Pittsb'h Titus & Buff 7s, c, 1896	71	71
P & N Y C. & H. R. 7s, r&c 1896	120	120
Penna. 1st mort 6s, c, 1880	101⅜	101½
do gen do 6s, c, 1910	119	120
do do do 6s reg 1910	119	120
do cons m, 6s reg. 1905	115	116
Phila & Erie 1st mort 6s c 1881	104	105
do 2d mort 7s, c 1888	112½	114
Phila & Reading 1st m 6s, 1880	110	......
do 2d m 7s, c 1893	117	117
do cons m 7s c 1911	112	114
do do m 7s r 1911	114	115
do do 6s, g r & c 1911	104½	105
Pitts, Cinn. & St. L 7s c 1900	117	......
Tex & Pac 1st m, 6s, g 1905	106	108¼
do cons m. 6s, g 1905	93	93½
Un & Titus 1st m, 7s, 1890	79½	80
War. & F. 1st mort. 7s, c 1896	103½	104
West Jersey 6s, d coup 1883	100	103¾
West Jersey 1st mort 6s, c 1896	......	114½
do do 7s, r & c '99	112	......

SECURITIES.	Bid.	Askd
West Penn 6s, coup, 1893	105¼	106¼
do 6s. p b c, 1896	105¼	......
CANAL BONDS.		
Lehigh Nav. m 6s, r 1884	107¾	108
do M.R. R. r, 1897	110	......
do M conv g. r. 1894	106	106½
do M. gold, r. c, 1897	106	106
do cons m 7s r, 1911	103¾	.....
Schuyl. Nav. 1st m 6s, reg 1897	94	100
do 2d do r. 1907	70	70
do m 6s, coup. 1895	.....	70
do 6s, bt&car r 1913	60	70
do 7s, bt&car r 1915	50	75
RAILROAD STOCK.		
Camden & Atlantic pref. 50	30	32
Catawissa 50	8	10
do pref. 50	45	.....
do new pref. 50	40	.....
Elmira & Williamsport 50	33	.....
do do pref. 50	52	.....
Lehigh Valley 50	53½	53¾
Liltle Schuylkill 50	47	48
Minehill	55	57½
Nesquehoning Valley	56	58
Norristown 50	101½	103
Northern Pacific	30	30½
do pref	53¾	54
North Pennsylvania 50	48	48½
Pennsylvania 50	58¼	58½
Philadelphia & Reading 50	11⅝	11¾
Pitts. Titus. & Buffalo	12¼	12¾
St. Paul & Duluth	28	37
do pref	64½	66
United Cos. of N. J. 100	169	171
CANAL STOCKS.		
Lehigh Navigation 50	32	32⅛
Morris Canal grd 4 p c 100	.....	......
do preferred 10 p c 100	... ..	......
Schuylkill Navigation		6
do do pref.	6¼	8
BALTIMORE.		
Maryland 6s, defence, J. & J.	106	......
Virginia 10-40s, J. & J.	41¾	41⅞
do deferred, J. & J.	......	......
do consol. do	58¾	58⅞
do do 2ds do	25	27
do do consol coup, p due	90½	90⅝
do do June 1889	......	......
N. Carolina 6s, Jan. & J., old	......	......
Tennessee 6s, do old	......	......
do 6s, do new	......	......
do , do n. s.	117	......
Balt. 6s, J., A., J., O., 1890	......	......
do 6s, J. & J., 1902	......	......
do 5s. M. & N., ex., 1916	117	... ..
Memphis City 6s, J. & J., n	......	......
Balt. & Ohio, May & N. 100	176⅛	177
do 1st preferred	116	......
do 2d do	......	......
Northern Central, M. & N. 50	37½	38¼
Central Ohio, June & Dec. 50	......	45½
do preferred 50	......	......
City Passenger R'y, J. & J. 25	37½	39

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
Balt. & Ohio 6s, 1880, J. & J.	......	......
do 1885 A. & O.	109⅝	110
Pitts. & C. 1st 7s, 1898, J. & J.	117	120
N. Cent. 6s, 1885, J. & J.	108	108½
do 6s, 1900, A. & O.	......	117
do 6s, gold, 1900, J. & J.	111½	......
Cen. O. 6s, 1st m., 1890, M. & S.	112½	113
South Side, 1st 8s, J & J	......	......
do 2d 6s, do	98	99
do 3d 6s, do	93½	......
Cin, & Baltimore 1st 7s.	105	......
W. M. 1st m 6s gu. 1890, J. & J.	......	......
do 1890, J. & J.	......	......
W. Maryland 2d m (pref)	100	102
W. M. 2d m. 6s gu. by W. Co.	112	114
M. & Cin. 1st m 7s F and A 1892	......	116
do 2d m 7s M. and N.	80⅞	81
M. & Cin. 3d m 8s 1900 J. and J.	44⅛	44½
Rich. & Dan. 1st m. M. and N.	......	......
Union R. R., End. Cant. Co.	......	......
Canton Co., 1st 6, gold, J and J.	......	......
Orange, Alex. and Mn's 7s do.	90½	......
Orange & A. 1st 6s, M. and N.	108	......
do 2d 6s, J. and J.	113	114
do 3d 8s, M. and N.	[illegible]3½	......
do 4th 8s, M. and S	50	52
Virginia & Tenn 6s 2d J. and J.	......	......
do 8s, J. and J.	101½	......
W. & W. 7s gold 1900 J. and J.	......	......
W. and Columbia and Aug. 7s.	......	......
Ohio & Miss, 2d 7s, A & O.	114	......
Balt. Gas, J. and Dec. 100	......	......
do gold certif. 100	......	......
People's Gas, J. and J. 25	21⅝	22
Consumer's Gas	6⅞	7
do gold 6s, J & J, 1892	......	......
Georges Creek Coal, J & J	......	......
Chesapeake and O. Canal bonds	75	80
Balt. Warehouse Co, J & J.	15	x 20
Cincinnati 7-30s, J. and J.	......	......
Norfolk Water, 8s	121	122½
LOUISVILLE.		
CITY AND CANAL BONDS.		
City improvement 6s	*104	105
do bounty 6s	*104	105
do school 6s	*104	105
do wharf (old) 6s	*104	105
do do (new) 6s	*104	105
do water works (old) 6s	*104	105
do do (new) 6s	*104	105
do L. and N. R. R. (M. S.) 6s	*104	105
do L. and N. R. R. (L. E) 6s	*104	105
do E. and P. R. R. 7s (old)	*108	*109
do E. and P. R. R. 7s (new)	*113	......
do old liabilities due 1880	*100	......
do St. Louis A. L. R. R	*107	......
Canal bonds, 3d issue, 6s	*100	......
do 4th issue, 6s	*106	......
Louisville Bridge Co. 7s	*110	......
RAILROAD BONDS.		
Greensbury Branch	*108	109
Louis. and Nash. Leb. Br	*100	......
Louis. and Nash. Cons	*115	......
L. and N. 2d mort	*103½	*104½
Louis., Cin. and Lex. 1 m 7s	*115	......
do do 2 m 7s	*107	108
Jefferson. M. and I. 1st m 7s	*113	114
do do 2d m 7s.	108	109
Eliz. and Paduc. 1st m. 8s	......	......

Securities.	Bid	Askd
E. and P. Louisville Br'ch 7s.	......	......
Shelby, 1st mortgage 8s	100	......
Owensboro and Russel, 1 m 8s.	......	......
MISCELLANEOUS BONDS.		
Kentuc. State bonds (old) 6s	......	......
do do (new) 6s	......	......
New Albany City	*107	......
Water Works bonds, 6s	*107	......
Louisville Transfer Co. 8s	*108	......
STOCKS.		
Louisville and Nashville R. R.	120	125
Gas Company stock	112	......
Louisville Bridge Co. stock	115	......
ST. LOUIS.		
Corrected by H. H. WERNSE, Bond and Stock Broker, 223 Pine Street, St. Louis.		
BANK STOCK. Par.		
Bank of Commerce 100	335	......
B'k Bartholow, Lewis & Co. 100	105	......
Biddle Market Sav'gs Bank. 100	67	70
Boatmen's Sav'gs Bank 100	115	116
Bremen Sav'gs B'k. 80½pd. 100	......	......
Citizens' Sav'gs Bank 100	50	......
Commercial Bank 100	190	200
Fourth National Bank 100	235	......
Franklin Bank 100	90	95
German Sav'gs Institution. 50	50	55
German American Bank 100	85	100
Mechanics' Bank 100	95	97½
Merchants National Bank. 100	102	104
Mullanphy Sav'gs Bank 100	76	80
Continental Bank 100	80	90
Provident Sav'gs Bank 100	45	50
International Bank 100	90	95
Lafayette Bank 100	70	75
St. Louis National Bank 100	100	103
State Sav'gs Association 50	106	......
Tenth Ward Sav'gs Bank 100	112	......
Third National Bank 100	99	101
Union Sav'gs Bank 100	......	80
Valley National Bank 100	103	105
Northwestern Sav'gs Bn'k. 100	......	......
SUNDRY STOCKS & BONDS.		
ST. LOUIS CITY AND COUNTY BONDS.		
City 6s, Bridge Approach	110	112
do Sterling bds, due 1898	112	114
do Water b'nds, due 1887	107	108
County 6s, gold	109	......
City 5s, due 1900	105	105½
do 10-20 years	104	105
STOCKS. Par.		
American Cent. Ins. Co. 25	83	85
Marine Insurance Co. 100	104	107
B[illegible]lcher's Sug. Refin'g Co. 100	70	75
Laclede Gas Light Co. 100	105	......
St. Louis Gas Light Co. 50	250	255
Iron Mountain Co. 1000	975	......
Pilot Knob Iron Co. 100	......	98

RHODES' JOURNAL

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THE GOLD EXPORT FROM EUROPE.

The fact that the German Bank has lately thrown difficulties in the way of redeeming its notes in gold, and that the shipments of specie to this side have been very large, have combined to draw attention to the probable export demand for the precious metal. The question may be said to be largely involved in the demand for our cereals, and the state of the wheat market. Large as are our exports of cotton (and the shipments this year will be unusually large), petroleum, tobacco, etc., yet the cereals hold the balance, as it were. That less wheat will be required in Europe this year seems now to be conceded, but there is a continually increasing demand for our products and manufactures, and this from almost every country in Europe. That France and Germany are beginning to feel the experience of England without having its monetary strength, is now evident. This experience may be briefly stated as follows: Europe cannot produce at all, or produce as cheaply as the United States, certain articles of consumption and certain raw materials. The importation of the former class of products creates a competition for the home article, while the vast progress which we have made in almost every kind of manufacture is now enabling us to send not only the raw material, but the manufactured article. The imports of goods have lately been exceedingly large, but the sudden demand in certain lines has necessitated this.

The imports from Great Britain show increases in alkalies, cotton manufactures (for the eight months from £36,947,100, to £62,408,200), earthenware, hardware, iron and steel, linen goods, jute manufactures, &c., but this augmentation is not at all in proportion to the growth of our population and purchasing power. The use of perfected ma-

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chinery is every day bringing us on at least a level with the cheaper labor of Europe. The tendency therefore will be to decreased imports, except of articles of consumption of the kind generally regarded as luxuries, and of articles of artistic workmanship.

The renewed demand for gold for transatlantic shipment has naturally alarmed European financiers. It has called attention to a tendency which can only be stopped by one of two methods, either by purchasing less from us, or by selling us more. Either system would involve a certain amount of privation. In the meantime the London papers are endeavoring to derive some consolation from the good harvest, and the improved condition of the balance of trade. It is hoped that the people of this country will prefer to take goods in payment. But this can only be the case where great advantages are offered. The Zurich silk market was last year encumbered with goods. Large quantities were sent here, but it was necessary to sell them at any price. The American purchasers gained.

All kinds of suppositions may be indulged in, but the whole course of trade, and the consequent imports of specie, are dependent upon a variety of contingencies. The political condition of Europe has hardly ever been in such a dangerous condition as now, for it seems to be generally felt that a solution of the difficulties which are caused by the great armaments must soon be found, and that only a great war can effect this.

Money for business purposes is plenty; the nation's financial condition is steadily improving; in fact, the entire financial horizon is clear and bright.

The public debt statement of October 1, published on another page, shows that the reduction in the public debt for September is nearly $9,000,000, and for the three months of the current fiscal year, $26,500,000. This is a marked improvement over the corresponding period of 1879, when the total reduction for the months of July, August and September reached only $4,800,000. The reduction made last month in the interest-bearing debt is $12,500,000, which was effected by an expenditure of $443,827 for accrued interest and premiums, and which will result in saving to the Treasury $247,384, independently of the permanent saving in the annual interest charge by the liquidation of $12,500,000 of the bonded debt. The Treasurer's statement of liabilities and assets for September shows the balance in the Treasury to be, after deducting all current demands, $154,768,769, a decrease of over $7,000,000 compared with September 1.

THE NATIONAL BANKING SYSTEM.

[An occasional Contributor to the JOURNAL submits the following paper relative to the advantages of the National Banking System.]

The national banking system is not a monopoly. Its privileges are free to all. Any five persons having $50,000 of collective capital can organize a national bank, deposit bonds and receive circulation upon them. Nor is the capital stock of national banks in the hands of capitalists. Among the shareholders may be found persons in every rank of life; and great numbers of widows and children rely for their support upon these institutions. In the year 1876, the total number of national bank shares was 6,505,930, and of shareholders 208,486. More than one-half of these shareholders each held less than $1,000 in stock, and the average amount held by each one of the total number of shareholders was $2,400 only.

PRIVILEGES.

It is stated by the opponents of the system that the national bankers deposit United States bonds with the United States Treasurer and receive annual interest upon them; that in addition they receive circulating notes upon the bonds so deposited, and loan these circulating notes, thus receiving double interest, once on the bonds and again on the circulation issued on the security of the bonds.

In answer to this it is sufficient to show from the actual business of to-day, the cost of starting a national bank, the profits which such bank can expect to make, and the taxes and expenses it will have to pay. After at least five persons with at least $50,000 in hand, have determined to organize a national bank, the first step is to purchase United States bonds upon which to obtain circulating notes. The only United States bonds now in the market, which do not mature in less than a year are the 4 and 4 1-2 per cent. bonds. The four and one-half per cents. are to-day at a premium of 11 per cent., and the fours at a premium of 9 per cent. Fifty thousand four per cent. bonds at 9 per cent. premium cost $54,500. The new bank therefore, will probably buy $50,000 four per cents., on which it has to pay a premium of $4,500.

It deposits these bonds in the United States Treasury at Washington, and receives thereon $45,000 in circulating notes. Of these notes $4,500 are at once required to pay the premium on the bonds purchased, reducing the amount of circulation available to the bank to $40,500. Five per cent. of the total circulation received ($2,250) must be kept as a reserve fund in Washington for its redemption, reducing the loanable amount to $38,250. How now stands the account? The bank has $50,000 bonds in Washington on which it receives $2,000 per annum in interest. It also has $38,250 in notes which it can loan, say at 8 per cent., for $3,060 per annum. Its total income from these sources is therefore $5,060. On the other hand the bank pays an annual tax of 1 per cent. to the United States Government on the circulation received. One per cent. on $45,000 is $450. Deduct this from the total income of $5,060, and we have a net profit of $4,610, which must be further slightly reduced by the annual expense of redemptions. Now in order to become a national bank the association was obliged to invest, as has been seen, $54,500 in United States bonds. If the five individuals with their $50,000 had elected to invest it in mortgage securities at 8 per cent., they would have received an annual interest of $4,000. By becoming a national bank they make $4,610 or $610 more, and this $610 represents a percentage of 1.22 per cent. on their capital. Now in exchange for this privilege of circulation, which as has been seen brings the national bank a profit of 1.22 per cent. over what the same individuals, if not a national bank, could make on their capital, what benefits do the national banks return to the government and the people?

TAXATION.

First.—In addition to the 1 per cent. tax on circulation, the national banks pay to the United States Government one-half of one per cent. on deposits, and a further tax of one-half of one per cent. on such portion of their capital stock as is not invested in United States bonds. They are also taxed by the State governments upon the value of their bank shares. From 1864 to 1879, inclusive, these banks paid to the United States Government on circulation, deposits and capital, $92,754,791.07; and to the State governments, on their bank shares, during the years 1866 to 1878, $111,373,107; making a grand total during about fourteen years of over two hundred millions of dollars. The laws under which these taxes were paid are still in force. The tax on circulation is an indirect tax on United States bonds, and is the only tax, direct, or indirect, which is assessed or collected on such bonds, either by the State or national governments. The largest portion of these taxes, if the capital of the national banks were withdrawn and invested in other ways, would be lost to the government and people.

The percentage of the annual taxes paid by the national banks to their capital is now fully four per cent., while the profit accruing to them on account of their privilege of circulation is but 1.22 per cent. This very plainly shows that the profits of national banks are not derived from circulation. Their profits are in fact derived from the use of deposits, and the advantage of working under the national system is on account of the character these institutions have established for fair and honest dealing and the almost perfect safety they afford to depositors.

Another advantage to the government and people is the ease with which these taxes are assessed and collected. This is owing to the publicity given to the transactions of the national banks, so that at all times the taxable assets are plainly visible to the assessor and collector. The taxes paid to the United States Government are assessed and colleted at a merely nominal expense by the Treasurer of the United States.

THE SAFETY OF DEPOSITS IN NATIONAL BANKS.

Second.—They afford a safe place of deposit for the people's money. Subject to the supervision of the government and obliged by law to make public all their transactions, they have kept the money of their depositors entrusted to their care safely, not only in prosperous times, but in times of financial panic. The national banks have, during the past fourteen years, constantly held deposits of money amounting to nearly eight hundred millions of dollars, and during this time the losses have been but slightly in excess of six millions of dollars. In the States of Ohio and Illinois alone the losses during the three years ending November, 1879, through the failure of State, savings, and private bankers, amounted to over eight millions of dollars. The losses of the depositors in savings banks in the City of New York during eight years, as shown by the report of the superintendent of the banking department of the State of New York for 1879, were *$4,475,061, while those of the depositors in national banks in the same city for sixteen years, were $91,000 only.

AID IN REFUNDING THE PUBLIC DEBT.

Third.—They afford a market at home for United States bonds. The national banks held on June 11, 1880, over three hundred and fifty-nine millions of dollars to secure their circulation, which were deposited in the United States Treasury. In addition they held United States bonds for other purposes, amounting to over forty-three millions additional, in all over four hundred and two millions of dollars. The total bonded debt of the United States on July 1 was one thousand seven hundred and twenty-two millions of dollars. The national banks, therefore, held nearly one-quarter of the total funded debt.

The effect on the market of this enormous demand by the national banks cannot be too highly appreciated. Owing to this demand principally, the bonds of the United States have invariably been at a

* Readers not acquainted with the facts should know more about this statement as regards losses in New York City Savings Banks, taking it for granted that the figures are correct. The system was not so much at fault as the method of State supervision. From the Summer of 1877, when Deputy Supt. Lamb was left in charge of the Bank Department, up to May, 1878, in less than a year, City Savings Banks failed owing depositors about three millions of dollars ($2,944,025.48). His extraordinary zeal—apparently for self-glorification—tended to impair public confidence, and bring the institutions and their management into disfavor.—THE EDITOR.

high premium. This high premium was somewhat reduced as specie payments approached, but at no time have any of the classes of United States bonds sunk below par. The high value thus placed on United States bonds has enabled them to be funded at lower rates of interest. The four per cents., issued at a trifle over par, have already gone to 9 per cent. above, indicating that a United States bond, bearing interest at 3 1-2 per cent. will sell at par. When the remaining five and six per cents. mature, as they will in January and July, 1881, they will without difficulty, be funded into three and a half per cents., effecting an additional saving of interest of over thirteen millions of dollars. The great reduction in annual interest on the public debt of the United States since May, 1871, when refunding operations were commenced, amounting already to over seventy millions of dollars, can in a great degree be looked upon as a benefit conferred by the national banks upon the people.

NOTES LOST AND DESTROYED DO NOT ACCRUE TO BENEFIT OF BANKS.

Fourth.--In the national banking system the value of all bank notes lost and destroyed, which consequently are not presented for redemption, accrues not to the benefit of the bank issuing such notes, but to that of the government, and through it of the whole people. The law requires all national banks when they cease business and close up their affairs, to deposit legal tender notes in the United States Treasury equal to the full amount of their outstanding circulation. The outstanding circulation so to be provided for is the difference between the total amount issued by the government to the bank and the amount which has been redeemed by such bank or its redemption agency and returned to the government and cancelled by the same. If a closing bank does not make the necessary deposit of legal tender notes within six months from its closing, its bonds, which are always retained until such provision is made for its outstanding circulation, are sold, and sufficient of the proceeds placed in the United States Treasury to redeem the full amount of circulation outstanding. When, therefore, notes are lost and destroyed, and not presented for redemption, the legal tender notes on deposit to redeem them are never returned to the banks, but accrue to the benefit of the government.

In all banking systems established in this country previous to the national system the value of such notes was a source of profit to the banks.

SAVING OF EXCHANGE.

Fifth.—Another benefit derived from the national banking system by the people of the United States is the saving of the cost of exchange. Owing to the absolute security afforded to national bank notes by the United States bonds on deposit with the United States Treasurer, and the fact that they are all redeemable at any time on presentation at the United States Treasury, they have the same value, no matter by what bank issued, in all parts of the country. The notes issued by banks in Maine are good at par in California, and *vice versa.* The people are, therefore, exempted from loss arising from the difference in value in different localities. Under the State banking systems, previously in existence, there was a wide difference in the value of notes issued by banks in different localities. This difference or discount was paid out of the pockets of the people. In 1859 the cost of exchange between the Southern and Western cities and New York city was on an average not less than 1 to 1 1-2 per cent., caused by the great differences in the value of the local bank circulations. It is no exaggeration to say that the amounts of exchange annually drawn by the South and West on the East is not less than four thousand million of dollars. If the national bank notes had not been substituted for the State bank issues, the annual loss in exchange would, therefore, have been from forty to sixty millions of dollars.

SUBSTITUTION OF GREENBACKS FOR NATIONAL BANK NOTES.

Sixth.—It is claimed by the opponents of the national banking system that the advantage derived from the saving of exchange would be similarly effected by the substitution of legal tender notes for national bank notes. One serious objection to this view is that the national banks now bear the expense of issuing, redeeming and keeping in good condition their issue of notes, now amounting to three hundred and twenty-three millions of dollars. This expense consists of the cost of plates, the cost of redemptions, the interest on the reserve fund, and the tax paid on circulation. If the government were to issue three hundred and twenty-three millions of dollars of legal tender notes in place of these bank notes, it would lose the tax of one per cent. and have to bear the expense of engraving the plates; but its principal expense would be the necessity of keeping an additional reserve in gold of one-third at least of this new issue of legal tender notes, or about one hundred and eight millions of dollars in gold. The interest on this one hundred and eight millions of dollars lying idle in the Treasury, at 4 per cent., would be four million three hundred and twenty thousand dollars; add to this the loss of 1 per cent. on circulation, or three million two hundred thousand dollars, and we have a total loss to the government of seven million five hundred and twenty thousand dollars. The interest on the bonds deposited to secure circulation by the national banks will, when refunding operations are completed, not average more than four per cent. per annum, and must be calculated on that portion of the bonds only on which these banks receive circulation. Thus, while the banks had on deposit on June 11, 1880, three hundred and fifty nine millions of dollars in United States bonds, on only three hundred and twenty-three millions of dollars did the banks have any advantage over other bondholders.

On this three hundred and twenty-three millions of dollars only would the United States save interest. Four per cent. on this sum is twelve million nine hundred and twenty thousand dollars. Thus, on the most liberal estimate, the government will only gain about five million four hundred thousand dollars a year by the substitution of its own notes for national bank notes.

But if this substitution is effected, the national system would be destroyed, and all the advantages which the people now derive from it would be lost. The national banks will undoubtedly be succeeded by banks organized under State laws, and within a short time the privilege of issuing circulation will be obtained by these banks. The only bar to the issue of circulating notes by State banks is section 3412 of the Revised Statutes of the United States, imposing a tax of 10 per cent. on all circulation other than that of national banks. When this law is repealed, and the privilege of issuing circulation restored to banks and bankers under State laws, the banking capital of the United States will be out of the control of the general government, and largely beyond any governmental control. It will work under the diverse laws of different States, and the evils of the State banking institutions of former times will be revived.

CONCLUSIONS.

Banks and banking capital are necessary to the welfare of the commercial interests of the United States. In this age of the world business cannot be done without them; but before the introduction of the national banking system it is doubtful whether the losses to the people through banks and bankers did not exceed the benefits they conferred. Banks and bankers go into business to make money. When not under the control of the government they are left to the dictation of their own avarice, tempered only by policy. The old system was more profitable to bankers generally. All that the people lost by failure to redeem circulating notes and honor checks, or paid in exchange, went into the bankers' pockets. The national system was established to supersede this state of things. It has cheapened banking accommodations to the people. It has raised the standard of banking generally. Through the government the people pay something in the shape of interest on United States bonds, for the protection and benefits afforded, but the amount lost in one financial panic like those of 1837* or 1857 will enormously exceed the whole cost of the national system, allowing it to have been all that its opponents claim.

NOTE.—For further information in reference to the national banks, see reports of the Comptroller of the Currency from 1875 to 1879.

* Good authority has estimated the loss to the people of this country from the financial panic of 1837 at least $807,000,000, which amount is acknowledged by the friends of the State bank system.—THE AUTHOR.

THE OUTLOOK IN THE SILVER MARKET.

The silver question is beginning to force itself once more on the attention of financiers, both in this country and in Europe. The enormous accumulation of silver in the Bank of France, the prospect of heavy gold shipments to the United States, and the uncertainty which exists with regard to Indian finance, and the policy which may be adopted by Congress as to the "trade" dollar, are all so many factors which have to be considered before any opinion may be even expressed.

There does not seem to be any growing agitation abroad in favor of bi-metalism. Germany has once more expressed herself against it, and in any case, without the adherence of Great Britain, there could be no possible chance of carrying the double standard.

One of the latest financial measures before the British Parliament is a proposed fractional currency which must inevitably throw a quantity of silver on the market, and considerably curtail its use in the future. But considering silver as a precious metal, and as an important element in settling the balance of trade with the Oriental countries, the outlook is not discouraging. The supply of silver has indeed increased in this country of late years, but there is no reason to suppose the demand for it has not shown an equal augmentation. The annual supply of silver, or, in other words, the amount thrown on the market, has been about 2,000,000 kilos for a series of years. The absorption by the Orient is upwards of one million kilos per annum. There is little doubt that this demand will be kept up. The balance of trade continues strongly in favor of India and China, being now fully $130,000,000 annually in favor of the former country. The use of silver for jewelry and other purposes (not coinage) amounts to not less than £1,300,000 per annum, and the demand from this quarter can only increase with the growth of luxury. The accumulation of silver in the Bank of France and the United States Treasury are the two most disquieting signs of the present. The continual fluctuations in the silver market are very injurious and disturbing to trade and finance, but there is no sign of this condition passing away.

Any decrease in the value of silver would of course entail an increased demand, as the Oriental creditor would have to be paid the amount of his bills according to the market value of silver. The general opinion among financiers abroad is that silver will finally lose its present proportion to gold, and may decline to even 18:1, but that even this position would be preferable to the present uncertainty. An increased Oriental trade is a bare possibility; only increased imports from the Orient would absorb any larger quantity of silver. Some affect to believe that the Chinese may organize their present coinage, if such it may be called, but a larger export of trade dollars may postpone this reform. Africa has become a regular customer for Austrian Maria Theresa dollars, and that continent will doubtless furnish a good market in the future.

THE PLEASURE OF WEALTH.—The prosperous always say, with grave shakes of the head, that "money brings little happiness;" yet they seem to enjoy its possession, are proud of it in various ways, according to character, use it freely as a power, and will not surrender it without the very toughest fighting. A complete surrender of wealth, of the difference between subsistence and competence or riches, is, except in a very few cases of religious conviction, the rarest of all forms of self-sacrifice. So different, indeed, is the disconsolate talk of the well-to-do from their actual condition, that the world suspects them of a little hypocrisy, or of an intention to avert envy by declaring, what is unquestionably false, the equality of all earthly conditions. "Dives is sad with wealth," sighs the man with too little, "but how I wish I had a touch of his complaint!" A few men, indeed, have boldly declared the regrets of wealth to be pretences, and have asserted, with Macaulay, that every guinea they acquire gives them distinct and appreciable pleasure. He was the most generous of mankind, but he liked money, and avowed his liking, as he would have avowed a liking for pleasant bindings for his books. There was solid truth in Macaulay's idea, particularly as to earned money; but he put his truth, as usual, a good deal too broadly, nothing being ever quite so complex as he imagined everything to be. Very few men indeed part with wealth voluntarily, because very few have the courage to deprive themselves of any faculty or power they may hereafter want; and very few are without that pride in it which any distinction tends to raise; but we believe the constant depreciation of its value in which the well-off indulge is not a hypocrisy. They see, or many of them see, failures in the effect of their wealth upon themselves, and even directly bad consequences springing from it, which quite justify their shakes of the head, though they are slow to explain even to themselves why the apples taste so ashy.

THE STANDARD QUESTION IN HOLLAND.

"A HALTING DOUBLE STANDARD."

It is acknowledged by the financial authorities of Europe that the final solution of the standard question will depend on the action of Great Britain; or at least, that without the co-operation of that country no permanent result can be arrived at. We find in a pamphlet by Herr Van den Berg, manager of the Java Bank in Batavia, an interesting account of the legislative action which has been taken by Holland on the monetary question. Holland, owing to its extensive East Indian colonies, is placed in about the same position as England, and has to take into account similar facts in any legislation bearing on the precious metals.

The position of Holland has been altogether altered by the change of base on the part of the other European States. France has suspended silver coinage, Germany has stopped the sales of its silver, although there are 350,000,000 marks in silver coins in circulation. The Scandinavian countries have gone over to the gold standard. Very little has been said of Holland during the late discussions on the standard question, although its legislative action has been more changeful than that of any other country.

The silver standard replaced the double standard in Holland by the law of November 26, 1847. Gold was indeed in circulation, but only as a trade medium. The measures taken by the German Government in favor of the single standard, induced the Dutch Legislature to name a Committee (Oct. 1872) to investigate the position of silver, and to devise such means as might be necessary in view of the change in the silver market. The Committee reported to the effect that it would not be possible for Holland to maintain the silver standard, and that the best way out of the difficulty would be to adopt the double standard, and have the relative value of gold and silver fixed by an international commission. In consequence of this report the coinage of silver for private account was suspended. On June 26, 1873, a second report was issued, owing to the decline in the silver market, which emitted the view that Holland would be forced to adopt the gold standard. The government as a preliminary step in this direction advised the coinage of ten and five guilder pieces, and an equal withdrawal of silver from circulation. This measure did not receive the sanction of the States, however, as no provision had been taken for the East Indies, where the silver standard had been in force since 1854.

Holland was thus for a time without a standard, gold was no legal forced tender, while silver coinage for private account had been suspended. Exchange fell, as the balance of trade, at the time, was strongly in favor of Holland; the rate for £1 fell to twelve guilders; to 11 guilders 65 kreutzers, and 11 guilders 60 kreutzers. A new law in favor of the gold standard was introduced April 18, 1875, and was passed June 1, 1875. On July 1 of the same year the Mint was opened for the coinage of ten guilder pieces equivalent to the proportion of 1: 15.625. The rate of exchange for sterling immediately rose to 12 guilders. But the value of gold had been underestimated, and therefore no limit had been placed on the rise of exchange, although there had been on its decline. The consequence was, that gold was kept back from circulation by both bankers and individuals. Another measure alone was, therefore, introduced on May 9, 1876, legalizing the gold standard authorizing the withdrawal of all subsidiary silver coins, and also directing the melting down of silver and the purchase of gold. The Second Chamber did not confirm this bill, owing to the doubtful attitude of the United States on the silver coinage. An amendment was therefore passed, in favor of the double standard, and all silver coin was declared legal tender, while power was given to the Mint to coin gold and sell silver if necessary. This was passed by only a narrow majority in the Second Chamber, but the First Chamber threw it out, and the provisional law of June, 1875, was prolonged to Jan. 1, 1877, and has since that limit been again renewed. During the last four years Holland has been, therefore, under the regime of a double standard, which has been characterized by Feer Herzog, the late eminent Swiss financier, as a "halting double standard." The tendency in Holland is, however, to the gold standard, for there is no doubt that its surplus silver will find its way to Java in due time.

Nothing more strikingly illustrates the growth and general prosperity of the country than the increased railroad earnings. Official reports from thirty leading roads for the third week in September show earnings amounting to $2,497,494, against $2,007,056 for the same period last year—a net increase of 24.43 per cent. Of course, many of the roads are operating increased mileage over last year, but still there is a large margin left which can only be accounted for by an increase in business. Considering the heavy earnings in September of last year, the per cent. of gain for the same period this year is certainly very satisfactory.

Coin Deposits as Security for National Bank Notes.

*BY HOEL H. CAMP, OF WISCONSIN.

The experience of Bankers in the last three years has suggested to the more thoughtful of their number the fact that we in the United States have a remarkably incongruous condition of finances, and that it is so because this great nation has outgrown its financial system, and not long hence it will be changed. When we come to be full grown men we look back to the day of childhood, and recall the ideas we then had, and realize the changes that have taken place. So now, in the days of our wonderful prosperity as a nation, as we recall the dark days of 1862–3–4, when the government had borrowed all our money and spent it, we can hardly realize how we were then equal to the situation, and how we have so well overcome the difficulties then before us.

Our able financial minister had designed a wise and most ingenious plan, under the National Bank Act, to bring the banking capital of the nation to his assistance, but to redeem the notes issued under that law the best money he could name was demand notes of the government, to pay which there was no provision made, (only for a time there was a promise to redeem them in bonds, but even that promise was repudiated), and from the close of the war until January 1, 1879, they were virtually under protest. Light weight dollars would then have made a silver lining to all our financial clouds.

The enormous growth and extent of the trade and commerce of the country demands "cheap transportation" of all its products, and the best systems of banking and currency are also among the great needs of the time. I believe the people generally consent, that under the National Bank Law we have had the best banking system in the world, especially so for this Republic, as its privileges and emoluments are free to all.

Let us, however, be vigilant to recognize the new demands of increasing trade. If we are wise enough to do this to keep the system well abreast with the needs of the times, to strengthen its stakes as we lengthen its cords, we shall command and deserve the increasing favor and confidence of the people, and convince them that currency issues should be completely separated from political influences, and govern-

* Cashier of the First National Bank, Milwaukee.

ment interference, and subject only to the requirements of trade.

It is quite likely the result we would accomplish may be induced and hastened by a decision ere long of our Supreme Court, that the present issue of demand notes are not a legal tender, and if so, the government will gradually retire from the banking business, and with such a result we shall only be adopting the wisdom and experience of the civilized world.

Again: the question as to what position silver shall take in relation to gold in our finances, is of great and increasing interest, and it does not seem possible that our present laws for the coinage of silver dollars can long remain; but its discussion I shall not attempt, and will only say, if silver is to enter largely into use, even at its actual value, every reason I shall give for the proposed amendments to our National Banking Law will have added force.

My proposition is simply this: To amend the present National Banking Law so that, with their deposit of United States bonds to secure currency, Banks shall also deposit a proportionate amount of coin, for which they will receive notes of the same character.

In making this change I think the following results will be secured.

1st. The National Bank currency will be so much improved that the law may also properly be amended, to allow banks to hold such currency as a reserve against their liabilities, instead of the present legal tender notes.

2d. To compel all banks, remote or near, to furnish their quota of actual coin set aside as a reserve, each one to secure its own notes, and thus remove any question in the minds of conservative bankers as to an issue of currency too large for the reserve actually provided for its redemption.

3d. To make our coin more available for commercial purposes, by the use in its stead of notes secured thereby, and in their use saving the greater expense and risk in the transportation and handling of the coin.

4th. To establish such a safeguard that hereafter, during crises in the business of the country, or panics from any cause, the currency will be safe from any possible disturbance.

At this point it is not inappropriate to call attention to the fact that this plan has an illustrious precedent in the Bank of England, which, after an existence under varied legislation since 1695, in the year 1844 perfected its present system. Its note circulation is now based on government securities to the amount of fourteen million pounds sterling, and beyond that amount notes are issued without limit, on a deposit of coin, but with this marked difference: in England the issue department of the bank holds the securities, while with us the Treasury of the nation would hold both bonds and coin.

I will attempt to demonstrate the working of the proposed plan by approximate figures, to make it better appreciated. Under the present law a bank of $100,000 capital may deposit with the Comptroller of the Currency $100,000 U. S. bonds, and for them receive $90,000 currency. (The five per cent. redemption fund to be kept in the Treasury is immaterial, as it is allowed to be counted by the bank as a part of its reserve fund.) I would change the law as follows:

The Comptroller shall be authorized to receive from the same bank $100,000 in U. S. bonds, and also not less than $20,000 in U. S. coin, and he shall issue therefor to said bank $117,000 in currency, being 97 per cent. for bonds, and par for coin, and this proportion of coin to bonds to be maintained; the coin to be held in the Treasury at New York, (and perhaps a part in some western Sub-Treasury), for the redemption of notes. In case the coin in the Treasury belonging to any bank shall be diminished by redemptions below twenty per cent. of the bonds deposited, or in case of a depreciation of U. S. bonds so deposited, below their par value, the deficiency shall be made good under proper regulations, and the interest accruing on the bonds shall be held by the Treasurer of the U. S. until such deficits are made good. I would also amend the law so that the reserve, now held by banks in lawful money of the United States, may in lieu thereof be held in National Bank notes and coin.

No one will fail to perceive that to compel National Banks to deposit such an amount of coin, and for it to receive notes which they must be prepared to redeem in coin, is a burden imposed for which they must receive an equivalent.

The profits of banking under the law as it now stands, on account of the low rate of interest, the high price of bonds and the excessive rate of taxation, are reduced to a minimum, so that few new national banks are being organized, and many are going out of existence or considering the propriety of doing so. Besides this, the direct benefit of the proposed plan inures to the business interests of the nation, and not to the banks; therefore, to carry out our plan, there must be amendments in the law favoring banks, if the improved system is to be adopted.

The issue of seven per cent. additional currency upon a deposit of bonds is a point in favor of banks, but it comes far short of being equivalent to the benefits such an added security to the currency of the country will cost the banks, or be worth to the business interests of the country. The banking law should therefore be so amended that the duty on circulation shall be reduced to one half of one per cent. per annum, and as the Internal Revenue income has become so large it is time the anomalous war tax—the tax on deposits—should be repealed. This repeal would be a great relief, as well as an act of justice, to all banks, and well earned by national banks which will in the proposed plan give a great equivalent therefor.

I will add a few words relative to the benefits that may be secured by the proposed plan; and first: *To make National Bank notes more perfectly secured.* The probable increase of National Bank notes by the gradual retirement of legal tender notes, if declared unconstitutional, may, by the adoption of this plan, raise the whole issue to more than six hundred million dollars. Now, if this issue is secured by five-sixths of the amount (and a margin) in U. S. bonds worth a premium of five to ten per cent., and the balance secured by a practical redemption fund of one hundred million dollars in coin, held in the United States Treasury, it needs no eminent financier to pronounce such a substitute for money as near perfection as can well be made, certainly good enough to hold as a reserve against bank deposits, and it might well be used to pay clearing-house balances in New York.

The next benefit I have named is: *That each bank may prepare a more perfect provision for redeeming its own notes, by the actual appropriation and setting apart of a proportionate amount of coin for that purpose.* I deem this of great importance. The virtual conversion of United States bonds into currency to a larger extent than at present, with only a redemption fund of five per cent. to protect it, has a decided coloring of what we at the West formerly called "wild-cat" banking. Although United States bonds are not likely to become depreciated, as State bonds were in 1860 to 1865, when our Western currency secured by them came to grief, still there is a similarity in principle which it is wisdom not to forget. The privilege is open to the owners of United States bonds to create a substitute for money, to the extent of their temerity in assuming to redeem the currency thus secured, and no doubt a larger proportion of our bank circulation is put forth by institutions whose officers have given little consideration to the possibility of their notes coming back to them for redemption in amounts sufficient to disturb their ordinary course of business. Very conservative banks in New York and other Eastern cities, have waived the profits of circulation, fearing that a time might come when large redemptions would become an expense more than equivalent to the profit. Is it not, therefore, wise to provide a more perfect security in advance, that those who enjoy the profits may have the money in place to bear the burdens of redemption? By so doing, when our national currency is to be increased, it is probable that many of our best banks, hitherto declining circulation, will take out the amounts they are entitled to.

The next point made is: *That our coin may be made more available for commercial purposes.* This suggests more questions than can now be discussed. Nearly all of us have maintained that the present volume of paper money was largely in excess of our business requirements, but our experience in the last year certainly raises doubts as to the correctness of that opinion. Who has been troubled by an excess of currency? If there is too much, where is it? If appearances are not deceptive, we must modify our former opinions and, if so, the solution of the question may be found in the fast increasing and enormous extent of our productive country and its business, and also the great increase and distribution of wealth among the people. Is it not a fact that a larger amount of currency is called for each successive year, from Eastern money centres to pay for cotton at the South, in the Western middle States for their tobacco, hemp, corn, cattle and hogs, and in our great Northwest, the wheat field of the world, for its varied products? And we now hear from the Eastern money centres the oft repeated statement that the return flow of currency does not equal its outgoing. Railroads are opening our business to Santa Fe, to remote points in Colorado, to Arizona and Nevada, and the entire Pacific Coast from Puget Sound to San Diego, and soon they will reach the mining regions in Montana and East Oregon, where, up to Jan. 1, 1879, only coin was used. All of these distant regions are now taking our legal tender and national bank notes, because they can be carried with far less expense and greater safety. No other country on the globe equals ours in the volume and extent of its internal commerce, and in the distribution of its wealth; hence, is there not a good reason why we require more money per capita for business purposes than any other country?

The bankers in the Northwest, for more than a year, have been greatly troubled to procure enough currency to do their business. The periodical ebb and flow of currency, first to the Northwest to purchase its wheat, wool and other products. and then in the course of trade and liquidation back again to the money centres, is an immense transaction in finance, and how to provide for it in the best way is an interesting problem. The same processes are common to the South and intermediate Western States.

To move the crops of 1879 banks in Milwaukee and Chicago, unable to get currency for their balances at the East, were compelled to express large amounts of coin, at an expense materially advancing the rates of exchange. The balances held by New York banks are constantly increasing in coin and diminishing in paper, and if the transfers of coin East and West are to be increased high rates of exchange may be restored, creating a heavy loss on the business of the country.

A general distribution of coin throughout the country, to a certain extent, is to be desired; certainly enough to teach the present generation a familarity with coin as really the only money of the world, and that paper money is only its representative. But a continual use of so good a substitute in paper for sixteen years, has so familiarized the present generation with its convenience and economy that to return to the handling of coin, in amounts now required, would be a burden too great to be borne.

Hence, for the reasons here given, is it not expedient, and will it not be a forward step in shaping our finances, to copy the example of the Bank of England, and provide in our Banking Law for the issue of national currency secured by coin.

The last point of improvement named to inure to the business of the country, by the proposed amendments to the National Bank Law is: *To establish a safeguard so that hereafter, during crises and panics, our currency will be free from disturbance.* Little more can be said on this head. The fact is generally understood that a currency that is considered safe is ordinarily sufficient for the business of the country, and faith therein, as a rule, grows stronger by lapse of time; but there comes a time when faith is not enough, and when without an actual demonstration and sight of the basis of the faith, distrust takes its place.

Caution at this time of unparalleled prosperity seems grotesquely out of place, but it is not for the present time only that we should lay foundations but for a time by and by, when the credit system shall again be expanded to its utmost limits; when the balance of trade turns against this country; when the cry goes forth that the country cannot extend its credits, but must pay its debts. If such a time shall come when gold is wanted, and to redeem five to six hundred millions of currency only five per cent. of coin is in sight for the emergency, what shall we do? There must, in that case, be a contraction in currency and sale of U. S. bonds likely to produce disaster.

No: rather let us be wiser. Let our issue of currency be based on a strong reserve of coin set apart to redeem it. Thus we shall have utilized our coin in the highest measure; when needed, it can be used in the active business of the country, without inconvenience; we shall have perfected a currency that will be good in all the civilized world, and, as in the time of the greatest needs of our country we gave it all our money, so now we can assist the government in returning to its proper sphere in finance.

That the way of the transgressor is indeed hard is strikingly illustrated in the case of the fallen President of the Brattleboro' Bank. What a forcible lesson it teaches young men who are just forming habits which will shape their course of action all the way through life. Strict integrity must be a very part of the man; it cannot be worn as a garment or practiced temporarily as a matter of policy.

THE SURVIVAL OF THE FITTEST.

IS IT SILVER?

* By the Hon. A. L. Snowden, Superintendent of the United States Mint at Philadelphia, Pa.

That the result of the experience of the nations in connection with any grave question should receive the respectful consideration of modern legislators, who propose dealing with the same interests, there can be but little if any doubt.

We can go a step further without danger of falling into error, and admit that the result of the ages in their operation is to evolve that which is best. The survival of the fittest is quite as apparent when applied to principles of government and questions under government as to animal life.

These truths are so self-evident as to command general acquiescence. And yet, strange to say, within recent years we have had men of more than ordinary intelligence, who, disregarding all the experience of the past, have boldly announced old and exploded theories about money as if they were new doctrines, and who have succeeded in reversing the logic of the centuries, and forcing a progressive nation, under a wild and foolish delusion, to put on the garments of the dark ages, and sit down at a feast with the semi-civilized nations of our own time.

It seems paradoxical, and yet it is nevertheless true, that at no period in the history of the world, has there been so much intelligent discussion of the subtle question of Finance—of mono-metalism and bi-metalism, and all that relate thereto, as within the past ten years, and yet within that period, the foremost nation of the world, with all the lights of experience and culture to guide, has, in my opinion, committed the most egregious blunder that has taken place in financial legislation within the last half century.

Truth compels us to admit that many of the legislators who gave their assent to the re-monetization of silver, voted against their own best judgment and intelligence, and at the bidding of what they believed to be an irresitible popular demand.

A more elevated and courageous statesmanship would have legisla-

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*Address delivered before the American Bankers' Association, Convention of 1880.

ted in accordance with honest convictions, intelligent considerations, and due regard to the lessons of the past.

To resist popular clamor, when resistance is in the highest and best interest of the people, is the duty of an honest man and true statesman; and to yield when these lofty considerations urge to resistance, marks the coward and demagogue.

In all popular forms of government, grave questions are too often shaped by an ignorant clamor from without, instead of being perfected by wise counsels from within the legislative body. We cannot, however, but congratulate ourselves, as a nation, upon the few errors that have been committed in our financial legislation. And, also, upon the gratifying fact that the increasing intelligence of our people is constantly lessening the dangers to be encountered in the future.

Our legislators having acceded to the wishes of those who demanded a radical change in our monetary system, and having established by law, an arbitrary relation between gold and silver, which does not exist in fact, in the markets of the world—is it probable or possible to maintain this fictitious ratio.

Is bi-metalism more likely to succeed in the present than in any past period in the world's history? If so, I have failed to notice any reasons assigned upon which to base such a hope. It cannot be done unless some new law be discovered, by which gold and silver shall be removed from the influence of the general law of supply and demand, as influencing their values.

All history and experience is against such a possibility. Gold and silver coin, at a fixed ratio, with full legal-tender power, cannot for any considerable length of time be maintained in circulation, at equal values, when the coinage of both is free.

The result will uniformly be the same, without regard to legislation, and that will be practically a single standard.

The attempt to establish in England, in 1717, a double standard, on the ratio of about 15 1-4 silver to 1 gold, undervalued silver, and it disappeared from circulation.

In France, under Louis XV, the ratio was made about 14 1-2 to 1. Gold was then commercially undervalued and retired from circulation.

In France, about the year 1800, the ratio was made 15 1-2 to 1. Here silver was undervalued and disappeared.

In our own country, by the act of 1792, the ratio was fixed at 15 to 1, which, at that time, was very near the commercial value of silver. Shortly after, silver fell in value, thus driving gold coin out of circulation.

The remedy applied, was by the law of 1834, which reduced the amount of precious metal in the gold coins, while silver remained unaltered. This reduction in the weight of the gold coins made the ratio between the metals about 16 to 1. This law slightly undervalued our silver coin, which was gradually driven from circulation, so that we had from 1849 to 1853, a famine in our subsidiary silver coin, resulting in great inconvenience and loss to the people.

The only small silver money in circulation, at that time, were the Mexican and Spanish fractions of the dollar, which passed current, although at a real commercial discount of from twelve to twenty per cent. The remedy applied was the reduction in the weight of the subsidiary silver coinage, which was, by the act of 1853, reduced from 16 to 1 to less than 15 to 1. This act, also, took from the subsidiary silver coin its full legal tender power, and made the coinage of the same on government account, thereby controlling redundancy.

This action of our government was following after the example of England, in 1816, and which in my judgment placed silver in its proper relation with gold, and gave to the two countries the very best use of the precious metals.

In France, where subsidiary silver coins had disappeared under a false ratio of 15 1-2 to 1, it was restored to circulation, by the action of the Latin Union, in 1865, not as in England and America, by reducing the weight of the subsidiary coin, but by debasing the silver in all coins below the five franc piece.

It must be borne in mind, that, from 1804 to 1840, there was no regular issue of standard dollars, and only a few pattern pieces were struck, so that with the exception of the years from 1794 to 1804 and from 1840 to 1873, there was no coinage of silver dollars.

Of the issue of silver dollars from 1840 to 1873, it can with truth be said that nearly all of the issue went into the manufacture of silver plate, or were exported in our South American and West Indian trade. It may be interesting to know, in this connection, that from the organization of the government, until the suspension of specie payments, in 1862, there were but 4,219,445 dollars coined, and from that time, during a period of absolute suspension of specie payments, when silver dollars were worth 3 per cent. more than gold, $3,826,393 were coined, showing conclusively that these coins did not enter into circulation, but were used largely, as I personally know, in manufacturing and in the small export trade we had at that time, with the countries before named.

In view of the facts I have briefly presented, what think you of the wisdom of those legislators, who, disregarding the experience of the world on the subject; disregarding the immutable laws of trade, which may be hampered, but which never can be overthrown; have imposed upon us this towering incubus of a forced silver coinage; which up to the first of the present month aggregates $65,815,500, and which is going on at the rate of over $27,000,000 per annum, or three times more in a single year than was coined from 1794 to 1873 inclusive, covering a period of nearly 80 years.

What will be the result—this is the question all thoughtful men are asking.

The effort to float these new dollars has proved abortive. Of $65,815,500 issued, I believe but about six millions are in circulation, and this will continue to be the case so long as gold and paper are on equal terms.

The danger to us as a people is, in my judgment, very great and near at hand. When the coinage of silver dollars amounts to $100,000,000 or thereabouts, we may, on the slightest notice, be converted into a single silver standard nation, and be forced to abandon the commercial companionship of the intelligent nations of the earth, and take our places with India, China, and other semi-civilized peoples. Indeed, I believe at this moment the Secretary of the Treasury has the power to bring this about, and drive gold out of circulation, and place a premium thereon. Are we prepared for this? Are we prepared at the first shifting in the balance of trade between this country and Europe, to be drained of gold, and left only a silver basis for our financial system to rest upon; and be forced, with China and India, to settle our exchanges upon the bullion value of silver as quoted in the London Market? I think not, nor can I believe that this wide awake nation will calmly consent if the evil can be averted.

The Act of 1878, which may well be styled an act of folly, should be repealed, and that at as early a day as possible.

Month after month the government is investing millions of dollars in silver bullion, to be coined at large expense, and then buried in old and newly constructed vaults, whilst the circulation of the country is increased about two million dollars a month, by the issue of certificates, based upon this purchased silver bullion. What prudent, wise or thoughtful man would think of conducting his private business upon so fallacious a basis.

That a single gold standard is the wise conclusion to which all the experience of the most intelligent nations point, there can be no shadow of a doubt; and if men must have silver beyond what is required for change, let them have silver dollars coined to pass as a legal tender for just the commercial value of the silver contained therein. With such a dollar we can have a sort of bi-metalism, that will, at least, have the merit of honesty about it.

Any other attempt to float two metals of fluctuating values at a fixed ratio will end, as it has always ended, in a single standard, the dearer metal driving the cheaper out of circulation.

When the rebellion ended, and the great material interests of our country, passing through the dreadful ordeal that always follows great destruction of property attendant upon war, inflation and wild extravagance, were about finding the solid ground beneath them, then in the last hour of the night, just before the dawn of the morning, these visionary dreamers, who would make something out of nothing, began their wild crusade upon the wise and conservative financial policy of our government. They made repeated assaults along the whole line, wildly appealing to a long suffering and impoverished people for support, offering "bread for a stone," and comfort for their wretchedness.

These appeals were long resisted, until despair made the masses forget reason, and thus re-inforced, these wild inflationists again assaulted the firm citadel in which our financial hopes for the future were lodged. Defeated in inflation pure and simple, by the firmness of Grant, they ultimately triumphed in a kindred folly—by re-monetizing silver over the veto of President Hayes.

Before the Act of 1878 was passed, the position of our country, in regard to its money, was most fortunate and commanding, with gold as the single standard with which to measure values and meet foreign exchanges, with silver as a subsidiary currency, supplying all the wants of the people in their daily transactions; with a limited amount of greenbacks—based upon the faith and credit of the government—for home use, and soon to be retired from circulation; with a national banking system—the most comprehensive, wise and conservative ever instituted—with authority to increase or diminish its circulation as the requirements of the country might demand, and with a perfect guarantee of the soundness of its currency. With such a financial fabric—wise, comprehensive and sound—we were to be envied. This admirable financial system has been disastrously interfered with, and, in the future, will be more greatly disturbed by the Act of 1878, re-monetizing silver. Its early repeal is demanded alike by all classes and conditions—for the evil that affects one class will injure all the others. From it nothing but cost, waste, and evil unmixed can come, and the sooner it is wiped off the statute books the better for the prosperity of our people, and the honor of our country.

Although I have reason to believe that the views I express are entertained by many of our leading public men, yet neither of the two great political parties have thus far had the courage to meet the issue. Perhaps they may find time to do so after the ides of November.

The demand for silver, as well as gold coin, is a gratifying surprise. As shown elsewhere, in this issue of the JOURNAL, the gold balances in New York were largely decreased during the month of September, and besides, the Treasurer's statement of October 1st shows that the demand for silver dollars during the month was almost equal to the production of the Mints, and consequently the number of these coins now on hand is only $159,612 in excess of the number in the Treasury September 1st, the number now in the national vaults being nearly $48,000,000. There is an increase in outstanding silver certificates for the month of over $4,500,000, which is so much added to the outstanding paper currency.

THE CHECK STAMP NUISANCE.

Mr. T. R. Roach of Vicksburgh, Miss., hit the nail squarely on the head, in the following brief address before the recent Bankers' Convention. He said:

"The subject of the two-cent stamp tax on bank checks is such a hackneyed one that I scarcely know of any fresh light in which the grievance can be presented. Stamps on tobacco—a luxury; stamps on whisky—a dangerous drug; stamps on cigars—a luxury; may all be very well in their way. At any rate, the tax on the articles represented by these stamps has been greatly reduced since the war.

"The same cannot be said of the two-cent stamp on bank checks. The old figure is maintained, as if banks were not entitled to any part of the relief accorded to other things taxed.

"We draw on the National Park Bank from 10,000 to 12,000 checks per annum—tax $250—to say nothing of the checks on St. Louis, Cincinnati and New Orleans, on which the stamps amount to a very respectable sum.

"The liquor dealer, whom the law is supposed to tax very severely, because of the nature of his business, pays no greater license than this one item of bank taxation. It is true the two-cent stamp is intended to be a tax upon individuals as a punishment (I suppose) for their temerity in dealing with banks, as if all should be discouraged from having a bank account; but, as a matter of practical working, much of the expense of stamps falls upon the country banks. Not a day passes but that many checks come in not stamped; one from this man, who has but half a dozen transactions in a month; one from a countryman who keeps no stamps in the house, &c., &c. Too little to charge to each man for whom the stamp is affixed and canceled, the bank bears the cost of the stamp—a cost that in a year's active business becomes material. So that the poor bankers are again the sufferers. Add to the cost of the stamps the loss of time in affixing them, and the constant care and scrutiny of each stamp, to see that it is properly affixed and legally canceled, and you have an amount of trouble totally disproportionate to the benefit derived by the government from this tax.

"In brief, *it is a nuisance*, and an expensive one to the banks; a nuisance without the mitigating feature of corresponding benefit to anybody.

"Here in the South we can only grin and bear it, while we say to ourselves: 'How long, O Lord! how long, are we to be tormented by this little pest, the two-cent stamp?'"

BANKING IN WISCONSIN.

[An address by John Johnston, Esq., of Milwaukee, delivered at the Convention of the American Bankers' Association, Session of 1880, held at Saratoga Springs, New York, August 11, 12 and 13.]

The first bank in what is now called Wisconsin, was chartered in 1835, by the Legislature of the Territory of Michigan. It was called the "Bank of Wisconsin," and was located at Green Bay.

When, in 1836, the first Territorial Legislature of Wisconsin met in the town of Belmont, in the present county of Lafayette, in the southwestern corner of the State, the Wisconsin of that time was very different from the Wisconsin of to-day. It then embraced all the territory between the Missouri River and Lake Michigan, north of the southern line of Iowa, being all of the present States of Wisconsin, Iowa and Minnesota, and one-half of the Territory of Dakota. The population was then about 20,000, or one person to every thirteen square miles. The Chippewas, the Menomonees, the Winnebagoes, the Outagamies, the Sauks and the Pottowattamies possessed the land.

Those statesmen who met in Belmont, amid "the forests primeval," were men of large ideas, "stern men, with empires in their brains," and, of course, the third bill they passed was one organizing a bank—the Miners' Bank of Dubuque– and at the same session they also chartered the Banks of Mineral Point and Milwaukee. Each of these banks had a capital of $200,000, and was authorized to issue circulation to three times the amount of its capital, making a possible circulation of $1,800,000, without counting the Bank of Wisconsin, at Green Bay. This was a very good beginning for a Legislature representing 20,000 people, scattered over 266,000 square miles!

The Miners' Bank of Dubuque and the Bank of Mineral Point issued circulation and did some business, but the Bank of Milwaukee was not so fortunate. It is true, it had an able board of directors. I have in my possession their minute book, and in 1836 and 1837 they met about as often and as regularly as do the directors of the Bank of England. Their discussions were as warm and lengthy, and, withal, they were not without some very conservative ideas on banking. I find a resolution passed that no paper should be discounted without two good names, approved by the board of directors, and that any person being an indorser on a note which had been protested should not have any further accommodation until the protested note was paid. We feel that such resolutions meant business. Unfortunately, at the very next meeting, I find a resolution "that all the notes discounted at this bank during the first week of January, 1838, payable at ninety days, be and are hereby extended for the term of one year." It does not appear what notes these were, but I suspect they were notes of the directors themselves, in fact, the capital stock of the bank.

I shall not occupy the time of this Convention by any details of the history of these first banks in Wisconsin. What loans they made were to land speculators, and they went down in the storm of 1837, or did not long survive it. They did not have time to get out much circulation, and the population was so small that the total loss, from the collapse of those ephemeral institutions, was very little. There are now six hundred banks in the region then occupied by three.

In 1838 the territory of Iowa was set off from that of Wisconsin, and Wisconsin was reduced to its present limits, containing an area of 54,000 square miles, being larger than the State of New York, or even all England.

Its position is unique. Its feet press the borders of the rich prairies of Illinois, its right arm rests on the Mississippi and its left on Lake Michigan, while its head, stored, not with intellectual, but with mineral resources, and covered with gigantic forests, is kept cool by the waters of Lake Superior.

Wisconsin means "the gathering of the waters," but I am not sure but a name indicating the dividing of the waters would have been as appropriate, for upon its surface is the great water-shed between the valleys of the Mississippi and the St. Lawrence, part of its streams seeking the Gulf of Mexico and part the Atlantic Ocean.

Considering the fertility of its soil and the abundance of its mineral and lumber resources, it is not surprising that its population should have increased some 250 per cent. in the four years from 1836 to 1840.

Financial disasters are not without some compensating good, and as religious persecution and political oppression in former centuries were the great levers which forced emigration from the shores of the old world to the new, so the great financial storms which have periodically, in more recent times, swept over this country, have had the beneficent effect of driving from their anchorage, in the older portions of the Union, thousands of families who have sought new fields of enterprise and labor in the great West. The crisis of 1837 started a mighty wave of migration westward, and Wisconsin got its due portion. Many of these new comers had suffered through bank failures in their former homes, while the old settlers had fresh in their minds the collapse of their own few banks, and the still more frightful examples of banking across the territorial line in Michigan. It is not to be wondered at that the Legislature of Wisconsin not only chartered no more banks, but in every bill granting a charter it invariably put in a proviso that "nothing in this bill shall be construed as authorizing the corporation to transact the business of banking."

Among those who sought the western shores of Lake Michigan in 1839 were two young Scotsmen from Aberdeen, Mr. George Smith and the President of this Convention, Mr. Alex. Mitchell.

They came as promoters of the Scottish Illinois Land Investment Company, but after looking the field over they arrived at the conclusion that there was plenty of scope for profitable investments besides in land.

In 1839 the Territorial Legislature of Wisconsin chartered the Wisconsin Marine and Fire Insurance Company to do an insurance business, and also to receive deposits, issue certificates and lend money, but at the same time providing that the company should not do a banking business. How a corporation could receive deposits and lend money, without doing a banking business, is a question which nobody can answer, unless, perhaps, some surviving member of that Legislature.

George Smith was President, and Alexander Mitchell was Secretary of the new company. Certificates of deposit as small as one dollar were issued. They looked like bank notes, and as the financial hurricane of 1837 had cleared Wisconsin of paper currency, it soon appeared that the certificates of deposit of the two young Scotsmen had a great mission to perform. All over the northwest, from Detroit to St. Louis, and even as far as Cleveland and Cincinnati, they circulated freely. I have no doubt but that General Cass disbursed not a few of their bills when he was candidate for United States Senator from Michigan, and it is extremely probable that an occasional "five" of the "Wisconsin Marine," in the pockets of Stephen A. Douglass and Abraham Lincoln, contributed not a little to the peace of mind of those young men.

The company was chartered in 1839; in 1843 its circulation had reached but $100,000; in November, 1845, it was $250,000; in July, 1847, it was $300,000; in November, 1847, it was over $400,000. On November 1st, 1848, it reached $600,000, and on October 1st, 1849, it was for the first time over one million of dollars, although in some three months it fell to $370,000. In December, 1851, the year before the State Bank Law was passed, its aggregate circulation was $1,470,235. Every dollar of this circulation was redeemed in coin, except some $32,000, which were never presented.

During its career the company encountered the most bitter hostility, which manifested itself in adverse legislation and organized runs by the bankers and brokers of other States. This was natural. George Smith and Alexander Mitchell were not then known as they are now. What security was there that these two young men would not, some fine evening, pack their carpet bags and leave for Aberdeen?

In 1844 the Legislature repealed the company's charter. This action had no effect on its business. Mr. Smith and Mr. Mitchell maintained that their charter could *not* be repealed, but that if they were acting illegally they could be reached only by a *quo warranto*. Accordingly they at once issued a manifesto, in which occurred the following sentence: "The recent action of the Legislature will not affect our rights, or interrupt our business; our notes will continue to be redeemed, as heretofore, in Milwaukee, Chicago, Galena, St. Louis, Detroit and Cincinnati."

The action of the Legislature, and the response it elicited, strengthened the company and its officers very much in the eyes of the public. It was reasoned that if these young men were ever to leave, they would have done so when the Legislature repealed their charter, but inasmuch as they held their heads up fearlessly, and acted squarely, they were good men to trust.

There were several very severe runs, which tested, in no ordinary degree, the mettle of the officers. The Peninsular Bank of Michigan, on more than one occasion, sent large amounts of the company's circulation stealthily around in a steamboat, but the coin was always ready.

Probably the worst run of all was one organized by the brokers of Chicago, in November, 1849. The last Thursday of that month being Thanksgiving day, George Smith, like a good Christian and patriot, closed his bank. Word was at once sent to Milwaukee and over the West that George Smith's bank, in Chicago, had closed its doors, and at the same time the brokers sent on their accumulation of notes to Milwaukee for redemption. Mr. Mitchell had had no warning of the approaching run, but as soon as he knew what was going on, he sent for coin, both by lake and land, to meet it. I have said by lake and land, and this double line of supply was intentional and not accidental. The steamboat might meet with an accident, or the vehicle on land be waylaid, and all risks were to be avoided; as a matter of fact the wagon did break down, and came in on three wheels. The run had been met, and met successfully, before the coin sent for arrived.

The depositors never ran the company, but, on the contrary, they turned out *en masse* to assist it, and farmers, twenty miles away, on hearing that Mr. Mitchell was being run, have been known to stop their work and hurry to the rescue with what little coin they could command. After a career of some fourteen years, as prosperous as it was eventful, the old Wisconsin Marine and Fire Insurance Company, with Mr. Mitchell as sole owner, organized under the general banking laws of Wisconsin, in 1853.

In 1848 a State Constitution was drafted, and although several private banking houses had been established in some of the more important places, yet so tenacious were the anti-bank prejudices of the members of the Constitutional Convention, that a clause was inserted prohibiting the Legislature from ever giving banking privileges to any corporation or individual whatsoever. But at the last moment,

> "Conscience, anticipating time,
> Already rued the enacted crime,"

and they felt that they dare not lay such an insuperable obstacle in the path of the prosperity and progress of the State.

So a proviso was inserted, enacting that the question of "banks, or no banks," be submitted to a vote of the people, at a general election. In the mean time the population had, since 1840, grown a thousand per cent., and amounted to over 300,000. It is needless to state that the vote of the people was in favor of banks, and in 1852 the Legislature passed a general banking law, which had again to run the gauntlet of a vote of the people, but was supported by a majority.

The banking law of Wisconsin was much the same as the free banking law of New York. Circulation might be issued by the comptroller, to any bank, for an amount not larger than the capital stock of said bank, provided an equal amount of State stocks or bonds, worth par, were deposited with the State Treasurer, to secure this circulation. If the stocks or bonds were worth less than par, then notes only to the amount of 90 per cent. of their market value should be issued; provided, also, that if, in the opinion of the bank comptroller, together with the Governor and Secretary of State, any stocks offered should be deemed insecure, they should not be received.

It was enacted that all banks should redeem their notes at their counters, in coin, and that they should, every six months, render a statement of the condition of their affairs to the bank comptroller. Under this law the first State banks of Wisconsin were organized, in January, 1853, and their number continued to increase till it amounted, in 1861, to one hundred and seven, with a circulation of over four millions. After it had been in existence some six or seven years, the banking system of Wisconsin was in great danger of coming into disrepute, through the establishment of banks for no other purpose than the issuing of circulation. It is true the State law contemplated the redemption, in coin, of all notes on presentation at the counter of the bank issuing them. That stipulation was easily got around. The banks in question were located in some impassable swamp, or in some dense forest, where no notary, who had any regard for nature's first law, would dare to go, especially with a large quantity of money; and if he had succeeded in reaching the so-called bank, he would have found that the bank was not open a great many hours of the day, or a great many days in the week.

So great did this evil become, that the respectable bankers of the State combined to devise a remedy, and in 1858 the law was amended so that the comptroller was prohibited from issuing notes, except to banks doing a regular discount, deposit and exchange business in some inhabited town, village or city.

Nothing of moment occurred in the history of banking in Wisconsin till 1861, when the first shot on Fort Sumpter shook every bank in the Union. More than one-half of the four millions of Wisconsin bank note circulation was secured by bonds of the Middle and Southern States. To have protested these notes and to have sold the bonds for a mere nothing, would have entailed serious loss to the holders. To suspend specie payments was impossible, under the State Constitution, without a vote of the people at a general election.

As usual, in such cases, the Legislature found a way over the Constitution. The bank comptroller was instructed to take no proceedings against banks which failed to redeem their circulation. A law was also passed forbidding notaries public to protest the notes of banks till December 1st, 1861.

Praiseworthy action was also taken to place the circulation of Wisconsin on an unimpeachable basis, after December, 1861, by enacting that thereafter none but the bonds of the United States and the State of Wisconsin should be taken as security for circulation, and that, thereafter, all banks should redeem their issues either at Milwaukee or Madison.

While the result of this legislation was to place the banks on a firmer footing after December 1st, 1861, it left them, for more than six months, without any specie redemption whatever.

There was, therefore, no means of testing the standing of the banks, and a Bankers' Convention was held, which attempted to establish what bank notes it would be safe for the public to take, and what it would not. Fifty-seven of the most responsible banks of the State, desiring to allay public uncertainty and apprehension, published a list of seventy banks, whose issues were to be received and paid out as current.

Some banks and railroads, however, refused to co-operate with the subscribing banks, and the latter, finding that they were not likely to be successful, had to give up their laudable endeavors.

This led to the Milwaukee bank riots of June, 1861, which were important rather from what they might have done than from what they actually did do.

The bankers of the State and the merchants of Milwaukee then raised $100,000, to be used in making good the securities of the circulation of the weakest banks.

The war had already been waged for several months, and Wisconsin, second to no State in patriotic devotion to the Union, issued bonds to the amount of $800,000, for the purpose of equipping its forces for the field. Although Wisconsin had, up to this time, a debt of only $100,000, when the Governor and Treasurer offered the new bonds in New York, they were bid only sixty cents on the dollar.

The State officers and Bankers' Committee then devised a plan by which the State banks should dispose of the bonds of other States, deposited to secure their circulation, for what they would bring in coin, and Wisconsin bonds should be put in their place. Thereby the State was enabled to dispose of its war bonds. Through the assistance of the fund contributed by the merchants and bankers, the value of the securities of all the banks on the list of seventy were brought up to par before the last of August, except four, whose notes had been retired at the face. This fact goes far to justify the action of the fifty-seven subscribing banks in their attempt to prevent the discrediting of those seventy.

It was not sufficient, however, to have bonds deposited to secure the circulation. The first of December was drawing on apace, when the redemption of their bills, in specie, would be demanded of all the banks, and it was evident that some of them would be unable to meet the demand. It was agreed that the circulation of such banks should be retired. The doubtful bills were no longer paid out by the banks, but were assorted and sent to the Bankers' Committee, in Milwaukee, who paid for them in certificates of deposit, bearing 7 per cent. interest, to be taken up when the securities deposited with the State Treasurer should be sold.

Through the excellent management of the Bankers' Committee and the co-operation of the substantial banks of the State, on the first day of December, 1861, every bank of Wisconsin had its notes well secured, and stood ready to redeem them in coin, and continued so until the day when specie payments were suspended by authority of the national government.

Through the fearless and intelligent action of the responsible bankers of the State, seconded by the public spirit and liberality of the business men, the circulation of Wisconsin came through the dangers to which it was exposed comparatively scathless, and the amount actually lost by the people, when it is calmly computed, will be found to be much smaller than is generally supposed.

Not one of the bank notes of Wisconsin ever got so far below par in coin as did the "greenbacks" a year or two later, and I am at a loss to know why some of those great financiers, who discovered the greenback to be an unvarying medium of exchange, and the ultimate standard of all values, hesitated not to call some of our Wisconsin currency wild-cat, stump-tail, and such like euphonious epithets!

In this country, where everything is great, and majorities are supposed to be always right, the very magnitude of our irredeemable paper circulation after the war, confused the minds of men otherwise clear-headed. They failed to see that any paper currency, whether issued by an individual, a bank or a government, so long as it is not maintained at par with coin, is of the same family as the old "red-dog" and "wild-cat," who had no friends.

When the United States Government suppressed the bank circulation of the individual States, to substitute a national system which knows no North, no South, no East, no West, but is equally good over all, the Wisconsin banks found themselves with Wisconsin bonds back of their circulation, which they had taken to help the State to put its soldiers in the field, but which were unknown in the money centres of the country. It was impossible to dispose of these bonds, except at a great sacrifice.

The national government had not hesitated to put through whatever measures were necessary to its financial ends, and the State of Wisconsin was an apt pupil.

It called in the mortgages of the school fund and invested the proceeds in Wisconsin bonds.

It enacted that all the insurance companies of other States, doing business in Wisconsin, should deposit a certain percentage of their premiums in Wisconsin bonds with the State Treasurer, provided they could buy them at not over par. If they could not buy them at par, then they might substitute United States bonds.

As a matter of course, the insurance companies raised a great outcry against such legislation, but every company which put the bonds up made money out of the investment.

Some of the States had certainly but little reason to condemn this treatment of their companies by Wisconsin.

The life and fire companies of New York, for instance, take annually from Wisconsin large sums in the way of premiums, while not one dollar is returned there for investment, since the law of this great Empire State prohibits its companies from lending any money outside of its own borders.

Under the pressure of the National Government, the Wisconsin State currency was speedily withdrawn, and a number of the State banks at once organized under the national system. The business of the State banks and national banks in Wisconsin is at present about equal, while the business of the private bankers is about twenty per cent. of that of the national and State combined.

I am not sure but that I have in the foregoing remarks given too much time to the facts pertaining to the circulation of the Wisconsin banks, for after all, as I need not mention in this Convention, the issue of circulating notes is no essential part of banking.

Of the one hundred and forty banks in Wisconsin to-day, not more than forty of them have any circulation.

Perhaps the general development of banking in Wisconsin will best be indicated by a table showing the amount of discounts and deposits, during the last twenty-five years, of all the banks and bankers in the State. Such a table is as follows:

Year.	Deposits.	Loans and Discounts.	Deposits per Head.	Loans per Head.
1856	4,965,567	5,058,613	8 32	8 47
1857	7,098,488	8,176,571	11 00	12 74
1858	4,938,417	7,092,746	7 20	10 34
1859	5,251,111	7,774,657	7 20	10 63
1860	5,814,410	7,527,558	7 50	9 70
1861	5,919,505	6,059,117	7 45	7 63
1862	5,198,183	4,709,501	6 40	5 80
1863	7,405,003	6,075,377	8 90	7 30
1864	9,869,757	6,695,422	11 60	7 87
1865	9,172,702	6,441,344	10 60	7 43
1866	9,276,443	6,178,305	10 24	6 82
1867	11,130,405	8,619,959	11 80	9 14
1868	11,642,655	8,638,651	11 87	8 81
1869	9,970,964	8,005,551	9 80	7 93
1870	10,219,824	8,193,251	9 68	7 77
1871	13,680,662	10,589,455	12 55	9 70
1872	16,077,567	13,416,945	14 25	11 90
1873	19,243,634	16,001,592	16 53	13 75
1874	21,241,586	14,127,672	17 70	11 77
1875	20,049,427	16,656,836	16 20	13 46
1876	19,602,170	15,871,935	15 45	12 50
1877	19,496,777	15,878,432	15 00	11 73
1878	18,743,795	14,470,856	14 00	10 84
1879	21,210,384	16,181,521	15 50	11 00
1880	28,131,642	20,895,227	20 00	14 91

From these figures it would appear that Wisconsin had not recovered from the effects of the crisis of 1857 when it was caught in the storm of the war of the rebellion, and that it was not till 1871 that it had fairly started out in the career of prosperity which has marked it since that time.

The truth is that it is hard to realize how severely the war pressed upon the people and resources of Wisconsin. Although the din of the fearful conflict was not heard within several hundred miles of its borders, Wisconsin, with a population of but eight hundred thousand, sent over eighty thousand men to the front. Wisconsin's was not a cheap patriotism. Its sacrifices were felt on the farm, in the workshop and in the counting room. It received no compensating pecuniary advantages. None of the millions spent for guns or food or clothing were expended within its borders.

Is it to be wondered that the withdrawal of 80,000 of its bone and sinew and brain to the field of war should tell on its apparent wealth, notwithstanding the general inflation through an expanded currency?

The foregoing table shows that the banking business in Wisconsin has more than doubled during the last ten years, and the explanation is not far to seek. The past ten years has been an era of most bountiful crops. Even of the panic of 1873 not a trace is to be seen in the banking statistics of Wisconsin.

The wheat, the wool, the cheese, the pork, the lumber, the iron, and other commodities produced in Wisconsin, have increased with giant strides since 1870.

And not alone the crops of Wisconsin, but also those of Iowa, Minnesota and Dakota tell on the business of the ports on Lake Michigan.

Look for instance at the wheat shipped from Milwaukee since 1870. The following figures give the shipment of each year's crop:

	Total Bushels.
1871	15,000,000
1872	27,000,000
1873	40,000,000
1874	29,000,000
1875	34,000,000
1876	18,000,000
1877	38,000,000
1878	28,000,000

The crop of 1879 has not yet been all shipped.

The receipts of other productions, though not so large as those of wheat, show a much greater increase. For instance, the receipts of barley have increased from 585,000 bushels in 1870 to 3,900,000 in 1879. The receipts of cheese have increased from almost nothing in 1870 to 13,000,000 pounds in 1878; the receipts of potatoes have increased from 76,000 bushels in 1871 to 378,000 bushels in 1879; the receipts of lumber have increased from 79,000,000 feet in 1870 to 180,000,000 feet in 1879, and of shingles from 15,000,000 feet in 1870 to 160,000,000 in 1879. I might go on in this way through the whole list of the productions of the mine, the forest and the farm.

I previously stated that the amount lost through Wisconsin currency was remarkably small, and it is still more worthy of remark that not a Wisconsin bank, of any account, closed its doors in the crisis of 1873, and hardly a dollar was lost by any of the depositors in Wisconsin banks at that time.

I believe the loans and deposits of the Wisconsin banks appear small, in proportion to the amount of general business done by its business men, and the number and magnitude of the transactions over the counters of the banks.

The Comptroller of the Currency, in his able address before the Convention of last year, told us that the deposits of the United States were two thousand millions, which would be forty dollars per head. Of course these figures are, to some extent, deceptive. A deposit made in Madison, Wisconsin, may be remitted to a bank in Milwaukee, and by it remitted to New York. This sum will be counted as deposits in Madison, Milwaukee and New York.

New York especially, being the "*terminus ad quem*" of most of the surplus money of the country, shows more deposits, not its own, than any other city.

Still, making allowance for duplicate deposits, inasmuch as the apparent deposits of the country are $40 per capita, and those of Wisconsin are only $20 per capita, it does look as if Wisconsin were a very poor State.

From some remarks made at the former Conventions, I judge that there is a tendency, among bankers, to estimate the wealth of a community, not by its assessment roll, but by its bank deposits. But money finds its way into the bank only when its owner cannot use it more advantageously elsewhere. While in Milwaukee, and the other cities and towns of Wisconsin, the working men have not large sums on deposit in the banks, it is because they, to a great extent, own their own homesteads; if our farmers have not been accumulating money in the bank, it is because they have been increasing the improvements on their farms; if the bank accounts of our merchants have not shown increasing balances, it is because they have been reaching forth, all over the Northwest, for a more extended business.

The bank has been well said to be a grand reservoir for the thousands of petty sums, each trifling in itself, but, taken as a whole, of mighty power to drive the wheels of commerce. The little streams that trickle down the mountain side, taken singly, are but of little use, but when they flow together and make a great river, they drive the wheels of factories and carry on their bosom the heavily-laden ships. So the many little sums in many separate hands are of little use, but when accumulated in the banks, they become a great power for the development of industry and trade.

To follow this simile a little farther, it is only the water which is not absorbed by the soil and growing crops which makes the streams. Where the ground is hard and poor, there will be less of the rainfall absorbed and more to run into the rivers than where the soil is rich and deep. In Wisconsin there are so many fields where the merchant, the manufacturer, the mechanic and the farmer can use their earnings to advantage, that less idle money will find its way into the banks than in those States where such opportunities do not present themselves.

There is one drawback to banking in Wisconsin, and I am not sure but the same holds good in many other places.

It is apt to be either a "feast or a famine," so far as the demand for money is concerned. During the Summer there are millions of idle money. It goes to New York, and is no unimportant part of the pabulum on which the speculation of Wall street feeds. By and bye the crops begin to move. Railroad trains, day and night, thunder along the valleys and over the prairies of the West, laden with grain destined for the older States and Europe. At an equal speed currency starts westward from New York, and the financial shoe of the great city begins to pinch. Then the pork packer appears upon the scene, and by midwinter the Wisconsin banker is at his wit's end to know how to meet the legitimate demands of his customers. This may not be the case in the future, but it has often been so in the past.

For many years Wisconsin owed the East so much that it was hard work to pay the interest, but the tables are being turned rapidly, and New York exchange is more than half the year at a discount between banks in Milwaukee. The time is not far distant when the West will owe the East nothing. If the bankers of the United States judge of the ceaseless labor and unwearying energy which are at work in the great agricultural States of the Northwest from their bank statistics, they will be greatly deceived.

The trade of the quiet, conservative city of Milwaukee is greater than was that of Venice, when

> "Her daughters had their dowers
> From spoil of nations, and the exhaustless East
> Poured in her lap all gems in sparkling showers."

According to the Report of Commerce and Navigation of the United States for 1879, the tonnage annually entered and cleared in the Milwaukee Custom House district is larger than that in the districts of either Boston, Philadelphia or Baltimore. The figures are as follows:

TOTAL TONNAGE ENTERED AND CLEARED.

Milwaukee	7,505,233
Baltimore	5,968,274
Boston	5,681,001
Philadelphia	4,615,320

The commerce of the ports of Lake Michigan, judged by the tonnage of vessels entered and cleared, *is almost as large as the whole foreign commerce of New York City*, the former being eighteen millions and the latter twenty millions.

The commerce of the Lake ports is as large as the whole foreign commerce of the United States.

I believe that the business of the banks located in the cities on the western side of Lake Michigan is but in its infancy. The great railroads converging there are daily pushing their outposts westward, and even now they are crossing the Missouri River.

The immense volume of the grain production of the Northwest during recent years has revolutionized the banking business in connection with it.

There was a time when the merchants of Milwaukee and Chicago bought the wheat of the Northwest and shipped it on their own account to New York, the banks in the western cities carrying their paper for thirty, sixty or ninety days. Now grain is mostly shipped on orders from the East, and it is drawn against at sight. During the last few years the western banks have taken little or no time grain paper. The banking facilities of the West may carry the grain to Milwaukee and Chicago, but when once it is on shipboard, the money of the New York consignee takes it just as soon as the fast mail can reach him with a demand draft.

I am not sure but that there are to be still more changes in the grain and provision business in the near future. Within the last year or two there has been a marked increase in the transactions of our western dealers direct with Europe. It has been the custom of the English miller to buy his wheat from the Liverpool merchant, who bought it from the New York merchant, who bought it from the Milwaukee or Chicago merchant, who received it from the buyers along the lines of railroad. The indications are that, before long, one-half of these intermediate dealers must be dispensed with. If the Milwaukee and Chicago dealers are left out, and the New York merchants correspond directly with the buyers along the lines of railroad, it would seem as if that would entail a change in the grain business anything but advantageous to the banks of receiving cities like Milwaukee, Chicago, Toledo and St. Louis. If, on the other hand, the Liverpool merchant sends his orders direct to the receiving cities, then such a change must affect the business of the commission merchants and the banks of New York. In that event the foreign exchange and other business of the western banks would greatly increase in magnitude and importance.

It is a question, also, which time alone can solve, what effect the magnificent improvements now in progress on the Canadian canals will have on the European traffic of the Northwest.

It is claimed that in a few years vessels of nearly 2,000 tons will lie at the docks of Milwaukee and Chicago, receiving cargoes direct for British ports.

The route from Lake Michigan to Liverpool, *via* the Welland Canal, St. Lawrence and Montreal, is over four hundred miles shorter than that *via* Buffalo, the Erie Canal and New York, and it is important that the City and State of New York should realize the necessity of reducing to a minimum all charges and tolls of every name and nature upon the trade of the West, if they wish to retain it in its present channel.

The banking statistics of Wisconsin show the remarkable fact that the deposits, during the last year, have grown from twenty-one millions to twenty-eight millions, being an increase of 33 per cent. This result is the culmination of a series of good harvests and generally productive business, coupled with the great "boom" in prices during the past eighteen months. The rapid increase of deposits indicates that the people have no longer the usual good fields for the use of their money, or they are too timid to occupy them. The figures show that the banks are in a like position, for the loans have not increased in anything like the same ratio as the deposits. Forty per cent. of the deposits do not appear to be loaned out, without saying anything of the capital. So much idle money has had the effect of materially reducing the rate of interest. The fact that government four per cent. bonds are at a premium of nearly ten per cent., demonstrates that the state of the money market all over the country is the same as it is in Wisconsin. What will be the upshot of all this? It seems as if the owners of these vast sums of idle money will, by and by, withdraw it and seek more lucrative investments than a credit on the books of a bank. They will put it into manufacturing, or farming, or mining, or commerce, or some schemes that it would be hard to classify, or they will lend it to men who will put it into such enterprises for them.

It may be said there are no longer very lucrative investments open. Perhaps not; but people who are timid now will, by and by, become bolder and more venturesome, and it will be easier to convince them that an enterprise is to pay handsomely, whether it will or not.

The credit system is beneficent, but it is also dangerous. Daniel Webster said: "The system of credit which now prevails is the vital air of commerce, and has done more, a thousand times, to enrich the nations than all the mines in the world."

Like many other agencies capable of untold good when properly used, the credit system is capable of corresponding mischief when abused. When a railroad train runs off the track, the havoc and ruin which follow outweigh the disaster from the overturning of a stage coach as much as the railroad outstrips the stage coach in usefulness. So with the credit system, so with banks. Men will abuse the most beneficent instrumentalities, and every ten or twenty years we see the credit system abused. We find everybody trusting everybody, prices rising, everybody scrambling to be rich, and everybody thinking that he is getting rich. New schemes of speculation are born with every rising sun. We see new banks, new railroads, new mines, new city plats, trust funds invested in bubbles, fortunes made without labor, splendid equipages and entertainments. Some fine morning when least expected, the bubble bursts. We now see merchants bankrupt, real estate unsalable, mortgages foreclosed, debtors absconding, widows and orphans ruined.

Such are the rocks on which the numerous craft which sail on the sea of credit are periodically dashed. Can anything be done to prevent it? I do not know. Any warnings, to be efficient, any action, to be useful, must come from the banks of the great monetary centres. The bankers of Wisconsin may raise their little flags of danger and blow their little fog-horns, but they will do no good.

From the signal service office in Washington, the sailor is forewarned of the approaching storm, and gets ready to meet it. I have sometimes dreamed of a great and wise financier from the vantage ground of a vast experience, sending forth to the remotest corners of the land his cautionary signals to prevent the outbreak of a monetary cyclone. Let us hope that something like this may be realized in the not remote future; for I believe banking is a profession which has a great future. It was the off-spring of the grand era of commerce and civilization which dawned with the discovery of the mariner's compass and the art of printing. Many occupations have become obsolete, and many others must become so in time. Banks may be improved as men progress, but it is difficult to see how civilization can ever outgrow them.

If nations shall ever become sufficiently civilized to live in peace, there will be no need of the soldier; if man ever becomes so well acquainted with his own body that he can run it as skillfully as he does a steam engine, there will be no need of the doctor; if men become sufficiently advanced to at all times respect the rights and property of each other, there will be little need of the judge and the lawyer; but I cannot conceive of a time when there will be no need of a banker. However that may be, I feel that we should magnify our calling. The merchant comes to us both in the hour of prosperity and adversity. We are the custodians alike of the hard-earned savings of the poor, and the fortunes of the rich.

As Gilbart said fifty years ago, and it is much more true now: "Bankers perform the functions of conservators of the commercial virtues. From motives of private interest they encourage the industrious, the prudent, the punctual and the honest, while they discountenance the spendthrift, the gambler and the knave. They hold out inducements to uprightness, which are not disregarded even by the most abandoned."

"There is many a man who would be deterred by the frown of his banker, though he care but little for the admonitions of a bishop."

The returns of foreign commerce at the port of New York for September exhibit features of more than ordinary interest. Of merchandise and specie combined, the importations are found to be heavier than for any previous month on record, save September, 1879, while the export total has been equaled but once—in June of the current year. Merchandise exports exceed imports of merchandise by $2,676,045—a circumstance that has not occurred since October, 1879. The specie importations were $18,605,255 in excess of shipments, but do not reach the enormous total of September last year by $8,632,159. For the first quarter of the fiscal year the aggregate imports exceed the exports by $29,193,389. Of this excess, no less than $27,790,917 is, however, in specie, so that of merchandise exclusively the imports are but $1,402,712 greater.

FROM OUR OWN CORRESPONDENT.

MONETARY AFFAIRS IN ENGLAND.

LONDON, Sept. 25, 1880.

The new measure to still further popularize the Postal Saving Banks may be regarded as almost equivalent to turning the Post Office into penny banks. Some objections have indeed been urged that the Post Office will be overloaded with business. The report of the Postmaster states that the Penny Bank has received a great momentum from the public lectures on thrift, which have been delivered. Lord Derby, it may be remembered, gave a very pertinent statement of the question some time ago in Liverpool, and his example has been extensively followed.

The scheme recommended by Mr. Fawcett for this further extension of the Postal Savings Bank, though excellent in principle, is open to some objection. The depositor would receive a penny stamp to be affixed to a card, and when this card contained twelve stamps, the amount would be entered in a savings bank book. Such a system would undoubtedly open the door to petty peculations of stamps, both within and without the Post Office. It is therefore suggested that instead of a stamp, the Post Office mark should be placed in the designated place. By this means, and by having a duplicate form if necessary, there could be no possible abuses.

The great financial operation of the week has been the contract entered into between the Dominion Government, Messrs. Morton, Rose & Co. of London, the Societe Generale of Paris, and the Bank of Montreal, for the completion of the Canadian Pacific. The railway in question does not seem to be too favorably regarded, either by the financial or the general public. As nothing can really be done before the meeting of the Canadian Parliament in February, there will be ample time for a full consideration of the matter. The "Times" has contained several very adverse opinions in its monetary column, and the "Economist" also thinks that more profitable investments may be made. There is not, in fact, the same confidence in the prosperity of Canada as in that of the United States, and the present moment seems rather inopportune, when we are receiving accounts of the emigration of the Canadian population to the United

States. A line running one thousand miles to the north of the United States Pacific lines is considered as rather too "wintry."

But while there is some difficulty in procuring money for Canadian railways, there seems to be little in getting loans for New Zealand and the Australian Colonies. During the past year these Colonies borrowed no less than $110,000,000 in this market. The public debts are steadily increasing, being as follows: New South Wales £15,000,000, New Zealand £26,500,000, Queensland £12,000,000. As the population of the latter is only 220,000, and of the three Colonies not more than 1,400,000, it may be said that the proportion of debt is calculated to cause some uneasiness.

The American rate of exchange is still a cause of disquietude. Another is the increasing want of good investments, and some discussion of a probable conversion of consols at a lower rate of interest. It would be a mistake to estimate the prosperity of the country from the mere fact of an increase in the exports. The agricultural interest is severely tried, and the diminution of the profits of the classes of farmers and landowners must eventually exert a great influence. At present, however, this, though not mere speculation, has not excited much attention.

The Bank of England held its half-yearly meeting the day before yesterday. The net profits for the year ending August 31, amounted to the large sum of £692,169. The dividend allowed was £4.15.

The Stock Exchange has been divided in sentiment with regard to a new rule which is as follows: "All tickets representing stocks as shares, which are subject to arrangement by the Settlement Department, shall be passed through the account at the making up price of the day before the ticket day, but the member issuing a ticket shall have the consideration money stated in the deed at his price."

The International Congress of Commerce and Industry, which has been held this year at Brussels, was not marked by any very valuable contributions. The better regulation of stock companies was discussed, and contradictory opinions offered. The association of capital was regarded by one speaker as its democratization, while others believed it gave undue strength to capitalists.

The discount market for paper has shown the following quotations:

Bank bills,	two and three months	2¼	per cent.
do	four months	2⅜	do
do	six months	2⅝@2¾	do
Trade bills,	three months	2½	do
do	four months	3	do
do	six months	3¼@3½	do

The rates of discount in the principal continental cities have been as follows:

	Bank Rate. per cent.	Open Mak't per cent.
Paris	2½	2¼
Berlin	5½	4⅞
Frankfort	...	4⅞
Hamburg	...	4¾
Amsterdam	3	2¾
Brussels	3	2⅝
Vienna	4	3½
St. Petersburg	6	5

The following gives a comparative view of the bank returns, rates of discount, &c., during the past four years and in 1870:

At corresponding dates with the present week.	Sept. 14, 1870.	Sept. 19, 1877.	Sept. 18, 1878.	Sept. 17, 1879.	Sept. 15, 1880.
	£	£	£	£	£
Circulation (excluding bank post bills)	23,957,576	27,583,275	26,697,820	28,095,910	26,654,205
Public deposits	6,065,582	4,879,243	4,583,838	5,601,485	6,219,884
Other deposits	19,546,144	22,224,951	20,330,055	31,550,540	24,940,429
Government securities	12,483,399	14,121,093	13,754,031	16,336,224	15,420,851
Other securities	18,762,395	19,684,015	17,981,957	17,248,167	17,619,541
Reserve of notes and coin	13,48[illegible],352	11,899,404	11,788,005	22,124,165	16,673,280
Coin and bullion	21,547,952	24,432,679	23,485,825	35,220,075	28,327,485
Bank rate of discount	3 per ct.	3 per cent.	5 per ct.	2 per cent.	2½ per ct.
Price of consols	92⅜	95⅝	95¼	97¾	97⅞
Average price of wheat	48s. 1d.	59s. 0d.	45s. 0d.	47s. 11d.	42s. 2d.
Exchange on Paris (sht)	25 20 26	25 12½ 17½	....	25 30 37½	25 35 42½
— Amsterdam (sht)	11 18½ 19½	12 2 2½	....	12 1¾ 2¾	12 2¾ 3¾
— Hamburg (3 months)	13 10¼ 10¾	20 72	....	20 65	20 72
Clearing-House return	63,887,000	99,583,000	97,952,000	94,602,000	82,101,000

The rates of interest given by the joint-stock banks for deposits at notice and call have been:

Private and joint-stock banks, at notice		1½ per cent.
Discount houses, at call		1½ per cent.
do	seven days' notice	1¾ per cent.
do	fourteen days' notice	1¾ per cent.

The silver market has been unsettled. Bar silver declined to 52 1-4 a 52 3-16. Mexican dollars sold at 51 1-8.

FROM OUR OWN CORRESPONDENT.

BANKING AND FINANCE IN CANADA.

MONTREAL, Oct. 1, 1880.

The development of Banking in Canada since the period of your great war against slavery has been immense. From a recent article in a leading financial journal it appears that the bank note circulation increased from $9,183,343 in 1863, to $29,086,128 in 1874, its highest point. It now stands at about $20,000,000, in addition to $5,000,000 or thereabouts of government legal tenders. But it is in deposits that the most startling progress has been made. Deposits in the chartered banks in 1863 were $21,209,697. In 1874 they were no less than $63,588,772, as appears by the government returns for December of that year. By the last published returns deposits were $69,312,398, an increase over 1874 notwithstanding the depression and losses of the intervening period. This increase is the more remarkable because since 1863 innumerable private banks have sprung into existence all over Canada, as well as some score of trust and loan companies, whose deposits amount to a large sum in the aggregate and are constantly increasing. Should the ordinary increase for the Fall months of 1880 be equal to that of preceding years it is probable that the deposits will touch $80,000,000 before the end of December next. One result of this plethora of money has been to compel our bankers to have recourse to your principal money markets, and for the last twelve months they have employed something like $30,000,000 there, chiefly in call loans. The probability is that the bulk of that sum will be recalled before the close of another year to be employed in home development.

The principal topic of conversation in financial as well as political circles during the past month has been the ministerial mission to England in connection with our northwest railway across the continent. This railway is a measure to which Canada committed itself by the terms of the confederation of the British Provinces, and has long been a bugbear to the government. In 1873 the cabinet of Sir John A. Macdonald were forced to resign on the Pacific Railway question, and their successors found the road the most difficult of all the many difficult problems they had to solve, and when they again gave place to Sir John Macdonald, five years later, comparatively little had been done towards completing the railway. Sir John Macdonald, since his return to power, has not been idle, and a contract which awaits but the consent of the Governor-in-Council has been entered into for the immediate completion of the road, and for its working for ten years after completion. It is understood the contract involves the payment of 25,000,000 acres of land and $25,000,000 in cash, the portions of the road already completed and those under construction to be handed over to the new company. I do not vouch for the correctness of these statements; before you go to press, however, the facts will no doubt have been officially disclosed. The ultimate effect of this great stroke of policy it is impossible to realize—the opening up for settlement of hundreds of millions of acres of food-producing lands; the building of a new route to the Pacific and "gorgeous East," are matters of universal importance, and their effect on banking and commercial affairs generally will be no less fraught with momentous consequences to Canadians and to the world.

A noteworthy feature in banking in Canada is the growing importance of the private banking interest. Within the last five years private banks have established themselves in every town of importance in the Dominion. There are now probably one hundred private bankers in Canada where formerly there were not twenty, and judging from the wealth and character of the men engaged, it would seem that the movement is no ephemeral one, as I before informed you.

The power of issuing notes of denominations below fives has been taken away from the chartered banks. It now seems as if the result of this will be to deprive small centres of banking facilities, for the advantage of the small note circulation was what the chartered banks mainly relied on for profits in the smaller towns; the establishment of private bankers in these places will be greatly promoted unless the government intends to adopt your national bank system, with banks of small capital as it is said they intend to do.

The combined effect of the success of Sir John A. MacDonald's mission, and of the improvement of business in the country generally, has been to advance the price of bank stocks very materially. Bank of Montreal has gone up 14 per cent., Merchant's 9, Bank of Commerce 7, Toronto 6, Ontario 7, Peuple 7, Molsons 12, Dominion 7, Federal 9, Hamilton 7, Imperial 6, Jacques Cartier 15, and so along the whole list every stock showing an advance of from 5 to 15 per cent. Other stocks have done even better. Telegraph shows an advance of 30 per cent., Navigation of 20, City Passenger of 20, Montreal Gas of 24 per cent., while many other stocks formerly unsalable, have come into demand at good prices. All this has occurred within the last two months. May the movement continue.

[*LAW DEPARTMENT OF RHODES' JOURNAL.]

BANKING AND FINANCIAL LAW.

Savings Bank Trustees—Their Responsibility.—The New York Court of Appeals has sustained the verdict against the Trustees of the Central Park Savings Bank in the suit brought against them by the Receiver. He charged that the bank Trustees were bound to act as a prudent business man would if he should find his affairs in a bad state, and that there could be no valid excuse for purchasing real estate at a troubled period in the bank's career.

The Trustees urged that they acted for what they considered the best interests of the bank and its depositors, and that it was unfair to permit a jury to try their action in the light of events that followed it. The suit was tried before Judge Van Brunt and a jury, and the verdict was against the defendant Trustees. The General Term affirmed the judgment entered upon this verdict, and the Court of Appeals has now reaffirmed it.

This decision is of special interest to the officers of savings banks, as well as the public in any way interested in these institutions. It had previously been settled by repeated decisions that Directors and Trustees of corporations are liable for all loss sustained by investments, loans and other acts which are contrary to the powers conferred by their charters, even though they acted in good faith and with entire honesty, and although the investments, etc., were upon perfectly good securities. The Trustees must obey the charter at their peril. Judge Van Vorst, in a recent case, laid down this doctrine with much force.

But the decision in question goes further, and holds that even when such officers act within their conceded powers, they are liable for all losses unless they act with that degree of care, skill and prudence which the Court, or the jury, decides that a prudent business man would have exercised under the same circumstances. It does not exonerate them to say that they were honest and acted in good faith, orthat they made no profit from their acts.

The charter of the bank authorized the Trustees to buy land

*The editor of the Law Department of RHODES' JOURNAL will be pleased to furnish, on application of subscribers, detailed information regarding any case referred to herein, or will answer questions in banking law. Address: *Law Department, RHODES' JOURNAL, 13 Spruce Street, New York.*

"requisite for a building for a banking house." In April, 1873, the Trustees decided that it was expedient to build a banking house, and they therefore bought a lot at the Northwest corner of Third Avenue and Forty-eighth street, for the price of $29,250, with the intention of erecting on it a building worth $25,000, which they covenanted to do. The bank failed on November 30, 1875, and the plaintiff was appointed its receiver. The building on the lot was then nearly finished.

The Receiver asserted that in the condition in which the bank was in April, 1873, it was an act of gross negligence and a gross abuse of the discretion of the Trustees for them to pay $29,250 for a lot, and to erect a building at an expense of $25,000. He, therefore, brought a suit against the Trustees who had voted for the purchase of the lot, for the loss occasioned by the improvident transaction. He showed that, at the time of the purchase, the bank had been running behindhand for five years, and not earning the dividends (except in one year) which it had declared. That at that time it owed its depositors $70,000, while its assets only amounted to $64,000 on their face, some of them being of doubtful value.

The Trustees insisted that it was committed to them to decide what was best for the interests of the bank, and that it was a great hardship that it should be left to a jury, seven years after the event, and in the light of subsequent events (as the panic of 1873, etc.,) to pass upon the exercise of their discretion, and to say whether the act was wise and prudent.

But Judge Van Brunt, who tried the case, and the Judges of the General Term, and the Court of Appeals, all said that such Trustees (and all corporate managers and agents) must remember that they act under a trust, for others, and that they are bound to exercise that degree of care, skill and diligence which men of ordinary prudence use in their own affairs, and that they run the risk of having their acts overhauled by Courts and juries; and that not only the Court, but also a jury, at the option of the plaintiff, is the proper tribunal to pass on the question.

The jury rendered a verdict against the Trustees, and the judgment has been affirmed both by the Supreme Court, and by the Court of Appeals.

This case also settled the important point that such causes of action against Trustees, and every cause of action "for unliquidated damages arising from torts," are not affected by a discharge in bankruptcy unless the petition in bankruptcy is filed after judgment.

Enforcing State Debts.—The Legislature of New York at its recent session passed a statute authorizing the State to bring suits against other States which are indebted to its citizens. Whether it affords any effectual means of compelling these States to pay their defaulted debts is a matter of interest. The statute in question authorizes individual holders of such State debts to transfer them to the State of New York, so that suit may be brought in the name of the State against the defaulting States. It is understood that the efficacy of this statute will be tested immediately by instituting and prosecuting suits under it. Almost everybody outside the States that may be made defendants in these suits, and many persons in those States, will be very glad to see the suits successfully prosecuted to the conclusion. There are, however, many difficulties to be overcome after obtaining judgment against these States, before the money can be obtained. In the absence of State property to satisfy the judgments, perhaps the Supreme Court may order a levy of taxes to satisfy them. There's the rub! If the people refuse to pay the taxes, and the legislatures of the States refuse to enforce the levy, will the United States marshals have the power, or will they be given the power by the general government, to enforce such levy?

NOTES OF BANK CASES.

UNITED STATES CIRCUIT AND DISTRICT COURTS.

COLORADO.

JURISDICTION—NATIONAL BANKS—PARTIES.—The Federal Courts have jurisdiction over all suits by and against national banks, irrespective of the subject-matter. Joining merely nominal or personal parties has no effect either to confer or exclude the jurisdiction; but trustees, executors and the like are not formal parties, within the meaning of the rule, where, in fact, interested in the litigation. Foss *vs.* First National Bank. Circuit Court. Decided July, 1880.—The Federal Reporter, August 17, 1880.

KANSAS.

DEBTOR AND CREDITOR—APPLICATION OF MONEY.—Where money has been received in part payment of a running account, and no specific application has been made of the same, a Chancellor can, in his discretion, apply such money to that portion of the account which remains unsecured, without regard to the order of time in which the indebtedness for the several items of account was incurred.—Schulenburg *vs.* Martin. Circuit Court. Decided June 14, 1880.—The Federal Reporter, July 6, 1880.

MUNICIPAL BONDS—NEGOTIABILITY—BONA FIDE PURCHASER—FRAUD.—It is competent for the Legislature to make the negotiability of municipal bonds dependent upon their delivery by the Treasurer of State. A purchaser of such bonds, purporting upon their face to have been issued under the provisions of a statute containing such condition, is not a *bona fide* purchaser, without notice, where such bonds were fraudulently issued without being delivered by the Treasurer of State. Lewis *vs.* County Commissioners. Circuit Court. Decided July 23, 1880.—The Federal Reporter, August 17, 1880.

BILLS OF EXCHANGE—RESTRICTIVE INDORSEMENTS—ASSIGNMENT—PRIVITY.—Two bills of exchange, belonging to the plaintiff at Chicago, were indorsed for collection to a bank at Atchison, and by said bank to one at Kansas City, and by the latter to defendant, a bank at Hutchinson, Kansas. *Held*, that they remain the property of plaintiff, all the indorsements being restrictive. An indorsement on a bill of exchange directing the drawee to pay to another "on account of" the indorser, or "for collection," is a restrictive indorsement, the effect of which is to restrict the further negotiability of the bill, and to give notice that the indorser does not thereby give title to the bill or to its proceeds when collected. Although there may be no privity between the owner of the bill and the last indorsee, yet, if the latter collects the bill, he is bound to pay the proceeds to the owner, and the latter may recover in assumpsit, on the ground that the defendant has property in his possession which belongs to the plaintiff, and refuses to pay the same over. First National Bank of Chicago *vs.* Reno County Bank. Circuit Court. Decided August 11, 1880.—The Federal Reporter, August 24, 1880.

MARYLAND.

INDORSEE—STATUTE OF LIMITATIONS.—In a suit by the drawee of a bill of exchange against an indorser, where such bill was drawn by the Treasurer of the United States, and the name of the payee forged, the Statute of Limitations does not begin to run until judgment has been obtained by the United States against the drawee. Merchants' National Bank of Baltimore *vs.* The First National Bank of Baltimore. Circuit Court. Decided June 30, 1880.—The Federal Reporter, August 3, 1880.

NEW JERSEY.

BANKRUPTCY—FRAUD—LIMITATIONS.—A bankrupt living in North Carolina failed to include certain railroad bonds in his schedule. The petition in bankruptcy was filed May 28, 1868. Shortly afterwards the bankrupt removed to New Jersey, and died there in 1877. His son, who was his executor, claimed these bonds as his own property, asserting that they had been transferred to him by his father, in payment of advances. While this controversy was pending in the Essex County Orphans' Court, this suit was brought by the assignee, claiming the bonds as the property of the bankrupt.

It appeared that the bankrupt had delivered the bonds to C in New York, some of them to be held subject to his order, others as collateral security for debts which were afterwards paid. The bonds were all delivered back to the bankrupt shortly after the petition was filed, and he drew the dividends until his death.

Held, 1. That, in the absence of all proof to the contrary, the deposit of the bonds with C was a device to defraud creditors, and that the bonds belonged to the assignee.

2. That there was no evidence of laches in the assignee, and the suit was not barred by the lapse of time.

3. Where an action is brought to redress fraud concealed by the bankrupt, or fraud which by its nature remains secret, the Statute of Limitations does not begin to run until the fraud is discovered. Assignee of Fullings *vs.* Fullings's Executrix et al. District Court. Filed July 1, 1880.—The N. J. Law Journal, August, 1880.

MASSACHUSETTS.

PROMISSORY NOTE—PRESENTMENT TO MAKER—PAYMENT BY INDORSER UPON FALSE NOTICE OF DISHONOR.—Where the maker of a note has no place of business, and the note does not specify any place of payment, it is payable at the maker's house, and the presentment at the place which had formerly been occupied as a place of business by the maker, without any inquiry as to his place of residence, is not a good presentment, and does not show such diligent search for the maker, and failure to find him, as would excuse a want of presentment of the note and demand of payment. Such a note would not be dishonored, and the indorsers would be discharged from all liability; and if, relying on the notice of dishonor given them as true, they pay the note, such payment would be made under mistake of fact on their part, and they would be entitled to recover the amount paid in an action for money had and received. Talbot *vs.* National Bank of the Commonwealth. Supreme Judicial Court. —The Massachusetts Law Reporter, July 24, 1880.

RHODES' JOURNAL

ARBITRATED POINTS.

This department is a new feature of the JOURNAL. Questions relative to Banking (generally actual cases where differences have arisen) are submitted for arbitration. The statement of fact is clearly set forth, and an unbiased opinion given after careful research.

We do not undertake to review such points as are submitted, in every number, though it may be necessary to do so if the work accumulates on our hands.

The following are among the points to be considered in the next number of the JOURNAL:

STATEMENT.—A applied for a loan on his promissory note secured by National Bank stock. It was granted on the supposition that the stock stood in his name. When, however, he brought it in and asked for his loan, it appeared that the stock stood in the name of "B, trustee" (B being his wife). On the back of the stock certificate was the usual form for a transfer, which was executed in blank by "B, trustee." A held that the stock was good to bearer, and would, on presentation at the Registry office, be transferred to bearer, and was, therefore, good collateral for his (A's) note. The lender held that it was not good collateral, since the only record of the registry would be a direct transfer from "B, trustee," to the lender, and the lender's only explanation of such transfer would be A's pledge, and that, therefore, to make it good collateral, the lender must have the permission for the pledge both from "B, trustee," and from the one or other for whom B acted as trustee. Which is right?

STATEMENT.—A, B and C are owners of a mining property. They jointly agree for a valuable consideration, in a so-called bond that they will deed the property to D, E and F within ninety days for $9,000. D, E and F, on the strength of having this bond, convey to different parties interests in said mine. Before the expiration of the time fixed in the bond, to wit, about eighty days after it was made, D, E and F call on A, B and C to get their deed, making tender of the $9,000 and taking receipt for the same. They all sign the deed, but C, knowing the parties had conveyed interests that the record really did not show, now refuses, notwithstanding his bond, to acknowledge his signature before a Notary Public, unless he gets $1,000 extra. D, E and F, in order to avoid further trouble, make a note to C for $1,000, C's partners being ignorant of this fact. Therefore C acknowledges his signature. The note becomes due. C presents it to D, E and F. They refuse payment. Can C recover on this note from D, E and F?

STATEMENT.—No lien exists at Common Law upon the shares of a shareholder who is indebted to the bank. But it may be established by legislative enactment, by charter provisions, by embodiment in the articles of association, or by virtue of a usage. In case a particular bank seeks to establish it by a *by-law*, would this method be sufficient?

STATEMENT.—The indebtedness of a banker, being an ordinary indebtedness at Common Law, the Statute of Limitations will run against it, as against any other simple debt. Now, then, from what time will the statute commence to run? What conclusion is derivable from the conflicting decisions of the courts?

STATEMENT.—A is indebted to a National Bank and is sued by the bank. Can A immediately set off against the bank's claim the amount of bills of the bank held by him? Or is it a prerequisite to this set off that he should first recover judgment on the bills? Would the fact that the bank bills in question had been for a time circulating at a value below par affect the relative obligations of the bank or A?

Replies to Questions Addressed to the Editor.

DETROIT, Mich., Sept. 15, 1880.

EDITOR RHODES' JOURNAL:

What is the origin of the term Notary, and is it a fact that, if there be no Notary Public within reach, the protest of negotiable paper may be made before any two respectable inhabitants?

NOTARY.

Ans. The origin of the term "Notary" is traced as far back as the ancient Roman Republic, when the term *Notarius* was applied to a person who was occupied in taking down the words of a speaker in notes or writing (*notae*). The *notarii* were short hand writers, and that they used symbols of abbreviation is clear from many passages of ancient writers; the persons employed in this service were often slaves. But the functions of the modern Notary Public were doubtless derived from a class of public officers, mentioned under the later Roman law by the name of *tabelliones*, whose business it was to draw up contracts, wills and other legal instruments to be presented to the courts of law, or other authorities of the State. To make these documents legal evidence for judicial purposes, it was at length found necessary to require by law that they should be attested by witnesses, and that the Notary (*tabillio*) should be present in person at the drawing up of the document, and also should affix his signature and the date of the execution. Under the Frankish kings, officers exercising similar functions were called *cancellarii* and *notarii*. In England notaries appear to have been known as public officers before the Norman conquest. Spelman cites some charters of Edward the Confessor as being executed for the King's Chancellor by notaries (Gloss., Lit. Notarius). It is certain that they were employed at a very early period to attest and authenticate instruments of moment and solemnity. They are mentioned in the statute of 27 Edw. III., c. 1. It is generally supposed that the power of admitting notaries to practice was vested in the Archbishop of Canterbury by 25 Hen. VIII., c. 21, § 4. Very great importance is now attached to the attestation of a Notary Public, and he is recognized as a public officer all over the commercial world. Indeed, this statement would not have been far from the truth if employed as to the European commercial world even two centuries ago. In his History of the Ecclesiastical Law, 9th edition, Vol. III., § 11, Burns says that "one Notary Public is sufficient for the exemplification of any act; no matter requiring more than one Notary to attest it." The rule of the Canon Law is that "one Notary is equal to two witnesses." Who knows but that the dramatist Massinger was satirically alluding to some such rule when, in the drama of the "New Way to Pay Old Debts," written before 1633, Sir Giles Overreach is made to declare,

> "Besides, I know thou art
> A Public Notary, and such stand in law
> For a dozen witnesses."

As to the latter part of our correspondent's query, Judge Story has said that, in many cases, even with regard to foreign bills of exchange, the protest may, in the absence of a Notary, be made by other functionaries, and even by merchants. See Burke *vs.* McKay, 2 How., 66. See, also, Read *vs.* Bank of Kentucky, 1 T. B. Mon., 91, in which case it was held that it was no objection that a note held by a bank was protested, in the absence of a Notary, by a private person who was a stockholder in the bank, it being sufficient that the witnesses themselves were disinterested. It is not necessary for the witnesses in such case to subscribe their names. It was also held in this case that a private individual has no right to charge fees for protesting. It is held, however, in New York State that a Notary Public who is a stockholder of the bank cannot make an admissible protest of a note for the bank. Mr. Brooke, in his treatise on the office and practice of a Notary in England, says it does not appear that there is a usage, in the case of the protest of a foreign bill by a private inhabitant of the place, to require any witnesses to such protest, p. 103. In the case of inland bills, it is required by the statute 9 and 10 William III., c. 17, that the protest by a private person be made in the presence of two or more credible witnesses. It is provided by the Commercial Code of France that all protests for non-acceptance or non-payment shall be made by two Notaries, or one Notary and two witnesses, or by a bailiff and two witnesses. Vide Article 173, Code Civile; Bayley on Bills, c. 17, § 2; Chitty on Bills, p. 333.

BOSTON, Oct. 1, 1880.

EDITOR RHODES' JOURNAL:

I see the JOURNAL in the —— Bank, where I am employed, and have become much interested in it. Many of your readers in this section would doubtless like to know something about the general features and security of Savings Banks having a capital stock. Are the stockholders actually liable?

Ans. The Illinois Supreme Court has recently decided that the stockholders of savings banks are individually liable for deposits.

This applies, of course, to savings banks organized on the stock plan. Nearly all the banks in the West and South, transacting a savings business, are based on capital stock the same as a commercial bank.

All the savings banks in the New England States, New York, New Jersey and Maryland (besides six banks in Pennsylvania, one in Cleveland, Ohio, and one in Minneapolis, Minn.) are provident institutions, having no capital stock; the entire assets consist of investments made with the depositors' money, or their deposits in cash, and, after paying expenses and reserving enough to keep the surplus or guarantee fund up to a respectable amount, the profits are returned to depositors in the shape of interest on their deposits.

INDIANAPOLIS, Sept. 30, 1880.

EDITOR RHODES' JOURNAL:

There is something very fascinating in the idea of gathering gold and silver out of the earth, and while there is so much of practical value to bankers in your excellent JOURNAL, I should like to find in it, from time to time, more facts and figures concerning the mining industry.

Would you object to giving a list of mining stocks, supplemented by facts and figures, from which a correct idea of value could be obtained? CASHIER.

Ans. Yes, we do object to giving a list of mining companies, as suggested by our correspondent, because this does not legitimately belong to the business of journalism. In the advertising department of the JOURNAL will be found the names of those who deal in mining stocks, buy and sell mining properties, &c., and from this source those who wish specific information will surely be accommodated. The advertising department of this publication receives a liberal patronage, and therefore we conclude that it is a valuable assistant to both the buyer and the seller, to banks and bankers, and in fact, all those in any way interested in financial affairs.

But "Cashier" will find from time to time articles and items of interest relative to mining, and if he is a regular reader of the JOURNAL, he may occasionally discover some points which will help him to a correct understanding of the mining business as at present conducted.

BANKING AND FINANCIAL NEWS.

Children's Savings Banks.—In matters of thrift the French are generally foremost, though the easy and delightful method of initiating the young into habits of economy by means of the *caisse d'epargne scolaire* is borrowed from Belgium and Switzerland. M. Francisque Sarcey in the *XIXe Siecle* draws attention to the success of the experiment in one or two arrondissements of Paris, as well as some provincial towns. Oddly enough, the first proposal to attach money boxes or miniature savings banks to the communal schools was outvoted by the Municipal Council of Paris. Nothing, however, hindered individual Mayors from trying the scheme in their own arrondissement, and M. Ferry (Mayor of the Ninth) has every reason to congratulate himself on the result of his endeavors so far. In certain schools of this arrondissement 80 per cent. of the children attending them have "opened an account," and in most of them the proportion of the little depositors—all, be it remembered, belonging to the humblest and poorest classes—is 40 to 60 per cent. The savings of these poor children, contributed a sou at a time, have reached in M. Ferry's division alone the sum of 15,000 francs—this in spite of much prejudice on the part of the parents. It is difficult to make them believe that the sou thus dropped into the money box is not for the benefit of the school rather than the scholar. The organization of this movement varies in each arrondissement, much ingenuity being therein displayed. When the school savings bank becomes national there is little doubt that, as M. Sarcey anticipates, the savings of these juvenile capitalists will amount to millions. It is hopeless in England to expect to see the children of middle-class parents thus trained to thrift. But might not something be done with the little ones of the poor?—*Pall Mall Gazette.*

Exchanges at New York.—The exchanges at New York, in comparison with those of last year, have been peculiarly affected during the past month by the changes in activity of stock speculation. Deducting the par value of stocks sold—which is ordinarily a little less than double the market value—the remaining exchanges at New York compare with those of last year, and with exchanges at other cities, as follows:

	At New York			At other Cities		
	1880.	1879.	per ct.	1880,	1879.	per ct
Sept. 4	$472,666,393	$327,457,366	+44.4	$204,876,584	$177,668,107	+15.3
" 11	467,597,983	367,316,349	+27.3	206,150,228	170,967,521	+20.6
" 18	495,243,855	375,630,467	+31.9	210,214,498	184,047,463	+14.2
" 25	430,611,102	348,920,761	+11.1	208,485,221	185,604,903	+12.3

The operations in stocks, which were of extraordinary magnitude at this season last year, added from $130,000,000 to $200,000,000 each week to exchanges, while the sales this year have been not as large and less variable in amount.

The New York Banks.—Taking the figures of October 1, the New York banks have about $50,000,000 more loans than they had at this time last year, and their deposits are nearly $65,000,000 larger. Their aggregate reserve is $18,300,000 larger, however, and would be ample for any emergency if the loans were not unusually extended. As matters stand, however, the great ease of the money market shows that there is no general apprehension of stringency in the near future.

The Condition of Trade.—"Our reports about business," says the "Evening Post," "are to the effect that while a conservative feeling—the exact opposite of the high pressure speculative craze of a year ago—prevails, there is a very large and on the whole satisfactory trade doing; and the reports are confirmed by Clearing House returns, which it is to be remembered are contrasted with those of a year ago, when overtrading was a distinctive feature."

A Defeated Monopoly.—The Western Union Telegraph Company is fast losing its grip on the public. Its cast-iron contracts, giving it exclusive rights over certain railroads, will not stand in the light of law and reason. On the 1st inst. Justice Miller, of the United States Supreme Court at St. Louis, delivered the opinion of the Court in the suit of the Western Union Telegraph Company *vs.* The Union Pacific road, the Kansas Pacific road and the American Union Telegraph Company. The decision gives to the Union Pacific the right it sought to exercise of transmitting public business over the Kansas Pacific wires for all companies, without discrimination. This decision sustains the demand made by the American Union last February, that the Union Pacific should transmit public telegraph business for the American Union Company under the acts of Congress relating to the Pacific Railroads, which provide that those railroads shall at all times maintain and operate a continuous railroad and telegraph line for the public without discrimination.

An Old Game.—On the afternoon of the 29th ult. two well-dressed men drove up to the German Bank in Baltimore, and one them, alighting, stepped into the bank, and throwing $50 on the counter, told the cashier, who was alone, that the gentleman in the carriage wished to speak to him in regard to a deposit of his niece. The cashier without suspicion stepped out to the carriage, and while he was engaged in conversation the man in the bank stepped coolly behind the counter and cleaned out three pigeon-holes which were filled with bank notes, amounting to $1,350. He then walked out, passing the cashier on the steps, and jumping into the carriage, both men drove off at a rapid pace.

An English View of It.—The London "Economist" of the 18th ult., as usual of late, devotes its leading editorial to the "money market." After showing that the reserve of the Bank of England was September 15th £5,500,000 less than on September 17th, 1879, it discusses the gold movement to the United States as follows:

"The incidence of the demand for specie for export to the United States has, at present, been rather on France and Germany than on this country. The condition of the harvest in Europe may be taken to explain this. The harvest of this year appears to have been worse in the Eastern portions of Europe than in the Western. The French harvest has not turned out of the quality which was expected. The position of Germany in respect of food supplies is always much influenced by that of Russia, and the Russian harvest is stated to be distinctly deficient. These circumstances have directed the demand of gold for export to the United States in the first instance on France and Germany rather than on England.

"That some specie will be required from this country for this purpose is probable. But it is also probable that what we may expect to receive from Australia will go far to make up for this. Meanwhile, the prosperity which continuous good harvests has brought to the United States is showing its fruit in stimulating imports of various kinds.

"Some specie will probably go before the account for the year is finally settled; but as there is little or no advantage in the employment of money on the other side compared with what can be obtained for it here, the demand for export to the other side will probably be slack for the present."

The National Bank Note Circulation.

Statement of the Comptroller of the Currency, showing by States the amount of National Bank circulation issued, the amount of Legal-Tender Notes deposited in the United States Treasury to retire National Bank circulation, from June 20, 1874, to Oct. 1, 1880, and amount remaining on deposit at latter date.

STATES AND TERRITORIES.	*Addition'l circulat'n iss'd since J'ne 20, '74*	Legal-Tender Notes Deposited to Retire Nat'l B'k Circulat'n since June 20, '74. *For redempt'n of notes of liquidati'g banks.*	*To retire circulat'n und'r Act J'ne 20, '74*	*Total Deposits.*	*Leg'l t'd's on deposit with U. S. Treasurer at date.*
Maine	$1,461,180	$317,000	$600,000	$917,000	$196,102
New Hampshire	632,865	72,997	55,800	128,797	32,376
Vermont	1,798,310	184,597	1.148,240	1,332,837	189,006
Massachusetts	20,760,150	234,800	8,262,300	8,497,100	1,724,457
Rhode Island	1,810,320	32,350	954.985	987.385	201,409
Connecticut	2,495,360	65,350	2,226.330	2,291,680	757.171
New York	20,857,845	2,182,878	25,311.181	27,494,059	6,502.647
New Jersey	1,712,665	241,660	1,562,280	1,803,940	313,288
Pennsylvania	10,979,040	1,294,226	7,162.321	8,456,547	1,760,033
Delaware	232,275	......	......	......	......
Maryland	1,302,310	166,600	1,646,380	1,812.980	80,277
District of Columbia	456,500	422,664	458,060	880,724	48,659
Virginia	800,500	915,369	907,510	1,812,980	246,256
West Virginia	226,810	731,060	355,185	1,086,245	167,214
North Carolina	1,235,660	128,200	1,012,585	1,140,785	143,020
South Carolina	90,700	......	953.380	953,380	21,741
Georgia	520,350	287,725	437,675	725,400	78,297
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	139,500	229,500	94,405
Mississippi	......	......	......	......	291
Louisiana	1.285,110	650,750	2,099,250	2,750,000	181,168
Texas	368,100	29,800	229,340	259,140	18,480
Arkansas	171,000	......	171,000	171,000	26,290
Kentucky	3,811,430	629,867	1,504,933	2,134.800	365,481
Tennessee	647,170	370,401	533,859	904.260	167,114
Missouri	767,260	998,510	3,742,390	4,740,900	726,864
Ohio	3,132,480	1,583,754	3.077,887	4.661.641	896,410
Indiana	3,239,380	1,235,897	6,388,483	7,624,380	2,021,322
Illinois	2,545.365	1,769,434	6,605,446	8,374,880	1,010,284
Michigan	2,075,410	409.500	2,449.975	2,859.475	671,266
Wisconsin	780,530	653,860	1,013.439	1,667,299	404,861
Iowa	1,533,400	813,669	1,599,955	2,413,624	425,087
Minnesota	1,017,800	420.095	1,748,445	2.168,540	646,035
Kansas	147,600	781,721	190,550	972,271	222,176
Nebraska	67,500	45,000	233,080	278,080	43,490
Nevada	36,000	......	......	......	1,888
Colorado	572.400	138,083	149,400	287,483	20,502
Utah	134,900	161,191	196,800	357,991	16,963
Montana	129,600	91,800	45,000	136,800	40,953
Wyoming	3,600	......	......	......	......
Washington	135,000	......	......	......	......
Dakota	175 500	......	......	......	......
New Mexico	90,000	......	......	......	......
California	732,600	......	......	......	......
Legal tenders deposited prior to June 20, 1874.				3,813,675	
Totals	$91,250,975	$18,150,800	$85,172,944	$107.137,427	$20,363,283

JOHN JAY KNOX,
Comptroller of the Currency.

National Bank Statistics.

STATEMENT of the Comptroller of the Currency on October 1, 1880, showing the amounts of National Bank Notes and of Legal Tender Notes outstanding at the dates of the passage of the Acts of June 20, 1874, January 14, 1875, and May 31, 1878, together with the amounts outstanding at date, and the increase or decrease.

NATIONAL BANK NOTES.

Amount outstanding June 20, 1874	$349,894,182
Amount outstanding January 14, 1875	351,861,450
Amount outstanding May 31, 1878	322,555,965
Amount outstanding at date*	342,579,833
Increase during the last month	148,185
Increase since Oct. 1, 1879	9,754,713

LEGAL TENDER NOTES.

Amount outstanding June 20, 1874	$382,000,000
Amount outstanding January 14, 1875	382,000,000
Amount retired under Act of January 14, 1875, to May 31, 1878	35,318,984
Amount outstanding on and since May 31, 1878	346,681,016
Amount on deposit with the Treasurer U. S. to redeem notes of insolvent and liquidating banks, and banks retiring circulation under Act of June 20, 1874	20,363,283
Increase in deposit during the last month	671,415
Increase in deposit since October 1, 1879	7,179,962

*Circulation of National Gold Banks not included in the above.....$1,325,060

JOHN JAY KNOX,
Comptroller of the Currency.

Statement For the Month Ending September 30, 1880.

U. S. BONDS HELD AS SECURITY FOR NATIONAL BANKS.

U. S. bonds for circulation—deposited	$2,471,000
U. S. bonds for circulation—withdrawn	3,649,100
Total held for circulation	359,935,450
Total held for deposits	14,827,000

LEGAL TENDER NOTES.

Deposited under Act of June 20, 1874	1,057,060
Total now on deposit in Treasury U. S., inc. notes of liquidating banks	20,363,283
Retired under Act of January 14, 1875	35,318,984
Total greenbacks outstanding	346,681,016

NATIONAL BANK NOTES.

Additional circulation issued	196,040
Circulation surrendered and retired	344,225
Total amount outstanding:	
Currency	342,579,833
Gold notes	1,325,060
Notes received for redemption from	
New York	1,150,000
Boston	344,000
Philadelphia	2 0,000
Other places	1,575,000
Total	$3,349,000

The National Debt Statement, October 1, 1880.

AND FOR COMPARISON, THE SEPTEMBER STATEMENT.

[Compiled from the official statements—cents omitted.]

	September 1, 1880.	October 1, 1880.
INTEREST-BEARING DEBT.		
Bonds at 6 per cent	$229,44[illegible],150	$222,8[illegible]9,050
" 5 "	480,410,450	474,531,550
" 4½ "	250,000.000	250.000,000
" 4 "	738,241,350	738,263,950
Refunding certificates	1,106,450	1.083,850
Navy pension fund	14,000,000	14,000,000
Principal	$1,713,198,400	$1,700,698,400
Interest	15,072,400	18,134,508
DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.		
Principal	$6,128,035	$6,011,665
Interest	771,412	764,356
DEBT BEARING NO INTEREST.		
Old demand and legal-tender notes	$346.741,896	$346,741,841
Certificates of deposit	11,300,000	9,965,000
Fractional currency	7,181,995	*7,181,940
Gold and silver certificates	20,835,940	26,033,660
Principal	$386,059,831	$389,922,441
Unclaimed Pacific Railroad interest	7,327	8,077

* $15,874,929 37 less $8,375,934, estimated as lost or destroyed, act June 21, 1879.

	September 1, 1880.	October 1, 1880.
TOTAL DEBT.		
Principal	$2,105,386,256	$2,0[illegible]6,632,506
Interest	15,851,139	18,906,936
Total	$2,121,237,406	$2,115,539,443
Total cash in the Treasury	196,668,332	199,945,260
Debt, less cash in the Treasury	$1,924,569,074	$1,915,594,182
Decrease of debt during month	12,027,167	8,974,891
Decrease of debt since June 30, 1880	17,603,221	26,578,112
CURRENT LIABILITIES.		
Interest due and unpaid	$2,964,803	$2,401,809
Debt on which interest has ceased	6,128,035	6,011,665
Interest thereon	771,412	764,356
Gold and silver certificates	20,835,940	26,033,660
U. S. notes held for red'n of certificates of deposit.	11,300,000	9,965,000
Cash balance available	154,668,141	154,[illegible]68,769
Total	$196,668,332	$199,945,260
AVAILABLE ASSETS.		
Cash in the Treasury	$196,668,332	$199,945,260

Bank Changes, New Banks, Etc.

New National Banks.—The Comptroller of the Currency furnishes the following statement of National Banks organized since our last report:

2492– Citizens' National Bank, Saginaw, Michigan. Authorized capital, $100,000. Paid-in capital, $50,000. Daniel Hardin, President; D. W. Briggs, Cashier.

ARKANSAS.—*Change in Officers:* Hot Springs Bank and Safe Deposit Co., Hot Springs; Charles N. Rix, Cashier, in place of Van L. Runyan.

CALIFORNIA.—London and San Francisco Bank, San Francisco; capital reduced to £420,000.

Change of Title: First National Gold Bank, Santa Barbara; now First National Bank.

COLORADO.—*New:* Daniels, Brown & Co., Animas City.

CONNECTICUT.—West Meriden Post Office changed to Meriden.

FLORIDA.—*Change in Firm:* Knowles & Brent, Pensacola; dissolved. Business continued by F. C. Brent.

B. C. Lewis & Sons; B. C. Lewis, deceased. Business continued by George & Edward Lewis. Same style.

GEORGIA.—*Change in Officers:* Bank of the State of Georgia; F. M. Coker, Jr., Cashier, in place of W. M. Peel.

First National Bank, Rome; E. A. Williams, Cashier, in place of B. I. Hughes.

Change of Title: Hargrove & Williams, Rome; now R. T. Hargrove.

IOWA.—*New:* Home Bank (Hasbrouck & McCulloch), Humeston.

KANSAS.—*New:* Marshall County Bank, Marysville.

Change of Title: Kollock & Chenault, Peabody; now F. H. Kollock.

MASSACHUSETTS.—Metropolitan National Bank, Boston; removed to No. 4 Post Office Square, corner Water Street.

Lee, Higginson & Co., Boston; admit Charles Fairfield.

MICHIGAN.—*New:* Bank of Quinnesec (I. A. Cronkhite), Quinnesec.

Change of Title: Mercer & Goodsell, Saranac; now W. Mercer & Son.

Discontinued: H. W. Robson & Co., Edmore.

NEBRASKA.—*New:* Cheney & Adams, Neligh.

A. E. Wells & Co., Oakland.

NEVADA.—*New:* Paxton, Curtis & Co., Reno.

NEW YORK.—*New:* Hamlin & Steele, East Bloomfield.

NEW YORK CITY.—*Change in Officers:* National Park Bank Safe Deposit Vaults; William H. Dakin, Manager, in place of J. W. Dominick.

OHIO.—*New:* Bank of Fremont, Fremont; L. Wideman, President; C. M. Spitzer, Cashier.

Change in Officers: First National Bank, Cardington; no Cashier in place of J. I. Lamprecht.

ONTARIO, CAN.—*New:* Federal Bank of Canada, Petrolea.

Gordon, Rogers & Co., Stayner.

PENNSYLVANIA.—*Discontinued:* Bank of Coleville, Coleville; reported suspended.

Thompson & Co., Philadelphia; failed.

RHODE ISLAND.—*Change in Officers:* Nathaniel R. Swinburne, Treasurer, in place of B. Mumford, deceased.

TEXAS.—*New:* Collin County Bank, McKinney.

UTAH.—*Change of Title:* J. E. Dooly & Co., Ogden; now Guthrie, Dooly & Co.

Discontinued: Fred. J. Kiesel & Co., Ogden.

VIRGINIA.—*New:* Lynchburg Fire Insurance Co., Lynchburg.

Lynchburg Fire Insurance Co., Wytheville.

*RHODES' JOURNAL RECORD OF DEATHS.

JOHN S. HARBERGER, President of the Manhattan Company Bank, died at his home in Plainfield, New Jersey, October 9, 1880, in the sixty-third year of his age.

Mr. Harberger was a native of Philadelphia. When quite a young man he came to this city, and his first banking experience was a clerkship in the old United States Bank. About 1842 he was called to the Manhattan Company as assistant transfer officer. About a year ago, on the retirement of Mr. Morrison from the Presidency, Mr. Harberger was elected President of the institution, having worked up to that position through a series of well-deserved promotions. During a business career of over forty years he filled with marked ability and fidelity many positions of trust and responsibility, and leaves a spotless record.

JOHN R. COOK, President of the First National Bank of Rochester, Minnesota, died September 10, 1880, in the fifty-sixth year of his age.

Mr. Cook was born in Ashland County, Ohio, in 1825, and when twenty-four years of age he went to Wolf Lake, Indiana, and carried on a prosperous mercantile business there until 1856, when he removed to Minnesota. He established the First National Bank of Rochester in 1864, and was its President up to the time of his death.

Mr. Cook was a very careful and conservative financier, and all his dealings were marked by strict integrity.

COOK BORDEN, President of the National Union Bank of Fall River, Massachusetts, died September 20, 1880, aged seventy years.

Mr. Borden was a member of the Board of Investment of the Union Savings Bank of Fall River, and a Director in the Chase, Richard Borden and Tecumseh Mills. He had long been identified with the business interests of the city, and died highly respected.

HENRY WALDRON, President of the First National Bank of Hillsdale, Michigan, died at that place September 13, 1880, in the sixty-first year of his age.

The Hon. Henry Waldron was born in Albany, N. Y., October 11, 1819, and was graduated at Rutgers College in 1836. He became a civil engineer by profession and settled in Michigan. He began his political career as a member of the Legislature of that State in 1843. He served as a Representative in Congress from 1855 to 1858, inclusive, being a member of the Committee on Mileage. Re-elected to the thirty-sixth Congress, he served on the Committee on Territories. His constituents sent him also to the Forty-second, Forty-third and Forty-fourth Congresses, in which he did service as member of the Committees on Banking and Ways and Means, and as Chairman of the Committee on Mining. Mr. Waldron had been prominent as a banker and a highly respected citizen of his State for over twenty-five years.

BENJAMIN BALCH, one of the ablest statisticians in the country, died at Newburyport, Massachusetts, September 24, 1880, at the age of seventy-five.

Mr. Balch was the originator of the National Banking system, advocating it long before the war. He organized the first life insurance company in the country, projected several railroads, and for fifty years past had been a warm advocate of the Darien Ship Canal.

GORHAM P. LOW, President of the Cape Ann National Bank, died at Gloucester, Massachusetts, August 5, 1880, aged seventy-four years.

C. S. CROSBY, Cashier of the Rock County National Bank of Janesville, Wisconsin, died at that place August 12, 1880, aged thirty-four years.

B. MC. E. SHAFER, Cashier of the National Bank of West Troy, New York, died August 17, 1880, aged thirty-six years.

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*The Editor solicits correct data, with the necessary particulars, from which to prepare brief notices of recently deceased bankers for this department of the JOURNAL.

The Failed Banks.—The Comptroller of the Currency has declared a dividend of 70 per cent. in favor of the creditors of the First National Bank of Newark, N. J.; 75 per cent. has already been paid to creditors of the First National Bank of Brattleboro', Vt., and 50 per cent. to creditors of the First National Bank of Meadville, Pa. which are the only national banks that have failed during the present year.

Treasury Payments during September.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$4,606,715
On account of war	3,623,915
On account of navy	1,785,824
On account of interior (Indians)	780,648
On account of interior (Pensions)	4,134,000
Total	$14,931,104

The above does not include payments made on account of the interest or principal of the public debt of the United States.

Texas and Pacific Bonds.—The following information is published respecting the Texas and Pacific Income Land Grant Bonds. The bonds run until the year 1915 and are registered issues; they bear interest at the rate of 7 per cent. per annum, payable July 1. The interest on them is payable out of the surplus in the treasury of the company after paying interest on the mortgage debt (firsts and consolidated amounting in all to $25,000 per mile). The road, it is now claimed, is already earning the interest on these $25,000 bonds per mile and on the income bonds as well. The interest on the Income bonds up to July last was met by the issue of scrip. In addition to whatever security the bond may have as an Income bond, there is this additional one, to-wit: that the bonds, the entire issue of which is $8,908,000, are a mortgage on 4,800,000 to 5,000,000 acres of lands granted by the State of Texas in the year 1873, and which lands have been selected by the company, and have now a market value ranging from $1 50 to $5 00 per acre.

The Bank of France calls attention to the change in the water-mark in the 100 franc note, which was introduced on April 30th. The head of Mercury is the same, but the light and shades are transposed. Thus in the old bills the light comes from the left; the full face, the hair and the left wing appear light, while the eyes, nose and general features are marked in shade. The contrary disposition is to be observed in the new bills.

The crops in England are not turning out as well since the thrashing began as had been expected, and prices are somewhat stiffer. A report by mail from one of our consuls in France—which has probably been two or three weeks on the way—states that the French crop of wheat will reach 102,000,000 hectolitres, but commercial estimates are that the yield will probably not exceed 95,000,000 hectolitres. No material change has occurred in the state of information as to the Russian crop, which does not now seem likely to permit any important exports of wheat from that country this year.

The London "Economist" of the 11th ult., commenting on the position of the Imperial Bank of Germany, says: "While we hardly think Germany would improve her position by reverting to the double standard, it is clear that, unless the state of commerce keeps the balance of trade in its favor, the Reichsbank will find it very difficult to preserve the convertibility of its notes, meet its obligations in cash, and maintain a sufficient specie reserve."

THE PULISHERS' BULLETIN.

REFERENCE LIST OF BANKS AND BANKERS.

A new feature of the JOURNAL is its SPECIAL REFERENCE LIST OF BANKS AND BANKERS, shown in this issue.

We have given the plan and scope of the Reference List careful attention, and have no hesitation in recommending it to Banks and Bankers, in good standing, anywhere in the United States and Canada. We believe that, after a fair trial, the small expense for space in the List will be regarded as a good investment.

It will be observed that the annual cost of representation in the List covers a subscription to the JOURNAL, and this in turn includes a copy of the BANKER'S YEAR BOOK. To recapitulate:

TEN DOLLARS ($10) WILL PAY FOR

1. Annual Card in the JOURNAL'S REFERENCE LIST.
2. Annual Subscription to the JOURNAL.
3. A copy of the BANKER'S YEAR BOOK.

Space in the List for remaining issues of the year will be furnished FREE, all orders dating on our books as of January, 1881.

A bill, as above, will be sent in January, after the YEAR BOOK is out.

THE JOURNAL'S ADVERTISEMENTS.

A great deal of information regarding the Banks and Bankers in various parts of the Country may be obtained by consulting the Advertising Department of the JOURNAL.

It is hardly necessary to call attention to the fact that the business Department of this Magazine is duly appreciated as a means of reaching the best customers of Banks and Bankers, as well as the large class of investors wishing to either buy or sell Investment Securities, or those seeking business connections with the Banks and moneyed men generally.

Especial attention is directed to a number of new names added to the JOURNAL'S list of advertising patrons, in this issue.

Permanent advertisers have their cards regularly referred to in the JOURNAL'S Reference List without any extra charge.

REASONS WHY IT PAYS.

We submit the following good reasons why it pays to advertise in the JOURNAL: (1.) Our aim is to make it of the highest practical value; and, (2.) No other publication directly addressed to the monetary interest, has so large, evenly distributed, and influential a circulation throughout the United States and Canada.

THE BANKER'S GAZETTE.

The Money Market and Financial Situation.

NEW YORK, October 8, 1880.

The New York Money Market is easy beyond expectation. This is accounted for by the Treasury's purchase of $2,500,000 bonds each week, for the Sinking Fund, to the imports of gold from abroad, and to a slight falling off in the demand for currency from the West. During the month of September there was a large demand for money from the interior. There is evidence of business prosperity in the fact that on the first of October there was over $21,000,000 less in the vaults of the Sub-Treasury and the associated banks of this City than there was on the first of last August, and $64,000,000 less than there was a year ago. What makes these figures all the more interesting is that the outflow has been mainly in gold coin instead of the more easily transported bank notes, showing clearly that the demand for money outside of this city is not a momentary caprice. It is thought, too, that a large share of this money will remain outside of New York, nor will it be attracted to other centres as it is needed in the growing industries of the country. This is a sign of abiding prosperity. The trade of the interior is unquestionably much larger than it was at this time last year. More laborers are employed than ever before, and the amount of money required to pay their wages and to serve for currency in the interior is larger than ever. The more important cause of disappearance of money—the hoarding of their savings by laborers at the South and West—is still in full operation, and at this season larger wages are being paid to a greater army of workers than were paid last Fall.

It is hardly possible that either the October or November elections will seriously affect the financial situation. Of course Wall Street combinations use every pretext to further their own interests, but the good sense of the people promptly comes forward with the balance of power.

During the month of September, and up to this writing in October (8th), considerable irregularity in prices has been experienced at the Stock Exchange. The course of the leading speculative stocks is indicated in our tables published under this head.

The following table shows the total transactions at the New York Stock Exchange compared with the previous three months:

	June.	July.	August.	September.
U. S. Government Bonds.. ..	$2,324,800	$2,504,800	$1,836,450	$2,020,200
State bonds....................	350,000	193,000	448,800	814,500
Railroad bonds.................	50,844,280	32,829,160	34,144,330	36,621,400
Bank stocks......shares......	1,513	708	946	415
Railroads, &c., "	8,159,307	6,056,230	5,477,365	6,461,854

The condition of the New York associated banks for several weeks past, the range of call loans and rate of commercial paper is shown in the following table:

	Sept. 11.	Sept 18.	Sept. 25.	Oct. 2.
Loans and discounts...........	$313,716,200	$314,123,500	$310,204,000	$309,323,600
Specie...........................	66,310,300	65,517,300	65,147,600	65,256,300
Circulation.......................	19,353,600	19,344,500	18,882,500	18,636,700
Net deposits....................	298,350,500	298,928,700	294,806,900	295,611,400
Legal tenders....................	13,948,200	13,517,700	13,197,200	13,016,300
Legal reserve	74,587,625	74,732,175	73,701,725	73,902,850
Reserve held....................	80,288,500	80,035,000	78,344,800	78,302,600
Surplus...........................	5,700,875	5,302,825	4,643,075	4,399,750
Range of call loans............	2@3	2@3	2@3	2@3
Rate of prime paper...........	5@5½	5@5½	5@5½	5@5½

A statement of the amount of bank notes which are authorized but uncalled for by the national banks under the existing law has just been prepared by Mr. Comptroller Knox. The statement shows that the total circulation authorized is $391,392,933, of which the amount issued is $322,135,371. Hence the total of bank notes not called for by the banks is $69,257,562, of which $18,709,601 are for the Eastern States; for the Middle States, $29,473,411; for the Southern States, $3,166,645; for the Western States, $16,166,105; and for the Pacific States, $1,741,800. It is to be expected that the aggregate of bank note issues will be decreased during the coming year, when the 5 per cents are redeemed which the banks have deposited for circulation at Washington.

Touching the future rate of interest, it is interesting to note that the trustees of a prominent New York savings bank have directed that interest accruing from and after January 1st next, on all bonds and mortgages held by the bank, shall be charged at the rate of 5 per cent. per annum.

The market for foreign exchange continues dull and without special feature. There appears to be a free supply of cotton, grain and provision bills. The imports of specie continues without any signs of falling off. The Bank of England and the Bank of France both show a considerable decrease in specie, but exactly how much of this was for America cannot now be determined. From this time forward the supply of commercial bills will no doubt be largely increased.

Quotations for foreign exchange are as follows:

OCT. 8.	60 days.	Demand.
Prime bankers' sterling bills on London...............	4.80¾@4.81½	4.83¼@4.84
Prime commercial..	4.79½@4.80	4.82 @4.82½
Documentary commercial..............................	4.78½@4.79½	4.81 @4.82
Paris (francs)..	5.28¾@5.25⅝	5.25⅝@5.23⅛
Amsterdam (guilders)...................................	39⅝@ 39¾	39⅝@ 40
Frankfort (reichmarks)..................................	93¾@ 94⅛	94½@ 94¾
Bremen (reichmarks)....................................	93¾@ 94⅛	94½@ 94¾

The following were the rates of domestic exchange on New York at the undermentioned cities October 8: Savannah, buying ⅜, selling ⅛@¼ off; Charleston, buying ⅜@7-16 discount, selling par; New Orleans, commercial $2 discount, bank par; St. Louis, 75c. discount; Chicago, 50@60 discount; Boston, 40@45 discount.

The following are quotations in gold for the various foreign and domestic coins and bullion:

Soveriegns................	$4 83 @$4 85	Silver ¼s and ½s............	99¾@ par
Napoleons..................	3 83 @ 3 86	Five francs..................	92 @ 95
X X Reichmarks.........	4 73 @ 4 76	Mexican dollars.............	88½@ 89
X Guilders................	3 96 @ 4 00	do uncommercial.......	87 @ 88
Spanish Doubloons.......	15 60 @15 75	English silver.............	4 70 @ 4 80
Mex. Doubloons..........	15 50 @15 60	Prussian silver Thalers.....	67 @ 69
Fine silver bars...........	1 13 @ 1 13½	Trade dollars................	99⅝@ 99⅝
Fine gold bars............	par @ ¼ prem.	New silver dollars...........	99¾@par ½
Dimes and ½ Dimes......	99¾@ par.		

The following summary shows the condition of the New York Clearing House

banks, the premium on gold, rate of foreign exchange, and prices of leading securities and articles of merchandise. on or about the first of Oct. in 1878, 1879 and 1880:

*STATISTICAL SUMMARY ON OR ABOUT OCT. 1, 1878, 1879 AND 1880.

	1880.	1879.	1878.
NEW YORK CITY BANKS—			
Loans and discounts	$310,204,000	$260,763,700	$246,322,500
Specie	65,147,600	20,017,400	18,199,600
Circulation	18,882,500	21,531,900	19,617,800
Net deposits	294,806,900	229,983,000	216,332,000
Legal tenders	13,197,200	40,047,700	45,680,700
Legal reserve	73,701,725	57,495,750	54,083,000
Reserve held	78,344,800	60,065,100	63,880,300
Surplus	4,643,075	2,569,350	9,797,300
MONEY, GOLD, EXCHANGE—			
Call loans	2@3	5@7	3@4
Prime paper	5@5½	5@6	4@5½
Gold	100	100	100⅜
Silver in London per oz	52¼d	51 9-16d	51 9-16d
Prime Sterling bills, 60 days	4 81½	4 81½@4 82½	4 80¼@4 81
UNITED STATES BONDS.			
6s, 1881, coupon	104¼	105	108¼
6s, currency, 1898	124	122½	119⅞
5s, 1881, coupon	102⅝	103	106¼
4½s, 1891, coupon	108½	105¼	103¾
4s of 1907, coupon	107⅝	101⅝	100¾
RAILROAD STOCKS.			
New York Central & Hudson Riv	130	119	113¾
Erie (N. Y., L. E. & W.)	39	33	13⅞
Lake Shore & Michigan Southern	107¾	95	69
Michigan Central	95⅞	89¾	71¼
Chicago, Rock Island & Pacific	118⅝	139	118½
Illinois Central	112⅝	91⅞	82⅞
Chicago & Northwestern, common	105¼	83⅝	41½
Chicago, Milw. & St. Paul, com	91¼	67⅞	81⅞
Delaware, Lackawanna & Western	89¼	67⅝	55⅝
Central of New Jersey	72¾	60½	36
MERCHANDISE.			
Cotton, Middling Uplands, per lb	11½	10⅝	10¾
Wool, American XX, per lb	36@45	33@40	33@38
Iron, American Pig, No. 1, per ton	25 50@27 00	29 00@30 00	16 50@18 00
Wheat, No. 2 Spring, per bush	1 06@1 08	1 20½@1 22	1 02@....
Corn, Western mixed, per bush	51@52	53	49@49½
Pork, Mess, per bbl	16 50@17 50	9 50@9 75	8 75@8 85

The following table shows the total sales of each class of Government bonds at the New York Stock Exchange for the month of September, and the closing prices† on the dates named:

	Interest Periods.	Total Sales.	Sept. 4.	Sept. 11.	Sept. 18.	Sept. 25.	Oct. 2.
6s, 1880, reg	J. & J.	....	102¼	102¼	102¼	102⅜	102¼
6s, 1880, coup	J. & J.	....	102¼	102¼	102¼	102⅜	102¼
6s, 1881, reg	J. & J.	$21.000	104⅝	104⅝	104⅝	104½	104¼
6s, 1881, coup	J. & J.	134,450	104⅝	104⅝	10 ⅝	104½	....
5s, 1881, reg	Q.— Feb.	48,000	102⅝	102⅝	102¾	102⅝	101⅝
5s, 1881, coup	Q.— Feb.	53,500	102⅝	102⅝	102⅝	102⅝	102½
4½s, 1891, reg	Q.—Mar.	673,400	110⅝	110¾	110½	109¼	108⅝
4½s, 1891, coup	Q.—Mar.	817,350	110⅝	110¾	110½	109¼	108⅝
4s, 1907, reg	Q.—Jan.	30,000	109¼	10 ⅜	109⅛	108⅛	107⅝
4s, 1907, coup	Q.—Jan.	213,000	110¼	110⅜	110⅛	109⅛	107½
6s, currency, 1895, reg	J. & J.	....	125	125	125	125	125
6s, currency, 1896, reg	J. & J.	....	126	126	126	125	125
6s, currency, 1897, reg	J. & J.	....	127	127	127	125	125
6s, currency, 1898, reg	J. & J.	....	128½	128	128	125	125
6s, currency, 1899, reg	J. & J.	20,000	129¼	129	129	125	125

* Corrected from compilations made by the "Commercial Chronicle," New York.

† The prices *bid* are given; these furnish the most reliable quotations of *sales* at the Board.

Railroad and Miscellaneous Stocks in September.

The following table shows the number of shares sold, and the lowest, highest and closing prices of the active Railway and Miscellaneous Stocks at the New York Stock Exchange during September; and, for comparison, the closing prices August 31:

RAILROADS.	Closing Aug. 31.	Range in Sept. Low-est.	Range in Sept. High-est.	Range in Sept. Closing Sept 30.	Shares Sold.
Can. Southern	59⅜	57½	63¾	58¾	5,975
C., C. & Ind	71	68½	72¾	70	3,422
C., C. & I. C.	19	16	21¾	18⅝	76,731
Ches. & Ohio	18¾	17¾	21¾	19	15,481
Chic., St. P. Minn. & O.	42½	39⅜	45¾	42	43,568
do pref.	82½	80½	85⅞	81½	31,987
Northwestern	99⅜	99¼	106	105	263,950
do. pref.	118½	118	126½	122	20,303
Mil. & St. Paul	87⅞	87½	95⅛	91	596,322
do. pref.	109¼	111	114	109	9,183
Del. Lack. & West	89⅝	87⅛	92⅝	89⅛	544,929
Del. & Hud. C. Co	84½	81½	88⅛	84	73,008
Houston & Texas	60	63¾	65	61	600
Hannibal & St. Jo	41¾	36⅜	44⅝	39¼	183,750
do. pref.	83⅞	79	86⅞	82¾	127,388
Illinois Central	111¾	111⅜	116¼	112¾	23,479
Lake Erie & Western	31	31	35	35½	87,415
Louisville & Nashville	131	130	160½	156	24,065
Lake Shore	106⅜	105½	111	107⅞	310,538
Manhattan R.R	27½	26¾	31⅞	29½	120,346
Metropolitan Elevated	90	88	96	89	4,346
Michigan Central	94	92¼	97¾	95½	77,655
Mobile & Ohio	23⅝	21	25	22¼	11,920
Mo., Kan. & Texas	36¼	30⅞	37½	35¾	235,046
Nash., Chat. & St. L	68	50	71½	60	58,300
N. J. Central	76	69	80¼	72¾	404,091
N. Y. Central	129¾	128⅛	133	129¾	63,218
N. Y., L. E. & W	38¼	37⅜	40⅝	38⅞	754,480
do. pref	66¼	66	71¾	....	34,810
Northern Pacific	29⅞	27¾	32	28¾	22,405
do. pref.	53	51	57½	53¼	52,654
N. Y., Ont. & W	24¾	20	26	22	40,620
Ohio & Mississippi	34½	31½	37¼	33⅞	334,689
do. pref.	75¼	73½	77¼	73	1,520
Phila. & Reading R. R.	23⅝	22⅞	32¼	30⅜	215,640
St. L., I. M. & S.	56⅝	46⅛	58⅝	50½	165,490
Union Pacific	93⅛	85	95¼	88⅝	148,004
W., St. L. & Pacific	39¼	34½	39⅞	36¾	121,517
do. pref.	70¼	64	70⅜	68⅝	337,860
Am. Dist. Tel	75	74¾	77½	75¼	18,740
At. & Pac. Tel	43½	39½	45	40	6,030
Western Union Tel.	103⅝	95½	107¾	98½	310,700
Pacific Mail	39	37	43⅝	39⅜	136,165
Climax Mining	1⅛	1¼	1⅝	1	400
Little Pittsburgh	3⅞	2¼	4	2½	8,845
Standard Mining	28½	27½	30¾	29	17,014
Sutro Tunnel	1½	1½	1¾	1½	45,345

STATE BONDS.—Recorded sales and range of prices for the month were as follows:

	Highest.	Lowest.	Sales.
Ala. Class A	70	67⅛	$101,500
do C	78	77	6,000
Ark. 6s, funded	20	20	1,000
do 7s, L. R. & Ft. S. iss	9½	8	37,000
do do M. & L. R	8	8	5,000
do do L. R. P. B. & N. O	10	8	61,000
do do M. O. & R. Riv	9½	9	6,000
do do Ark. Central R	10	8	3,000
do do M. Q. & Red R	7⅛	7½	10,000
La. 7s, Cons	49½	48	90,000
Mo. 6s, '87	109	109	1,000
do '88	109¼	109¼	1,000
do funded	112	112	1,000
N. C. 6s, new, C. R. R	3½	3½	1,000
do do special tax class 3	4	4	20,000
do 4s, consolidated	78	78	12,000
S. C. 6s, non-fundable	5	3¼	253,000
Tenn. 6s, old	42	38	58,000
do do new bonds	33	31	47,000
do do new series	31¾	31½	15,000
Va. 6s, ex-matured coupon	60	59⅝	41,000
do deferred	7½	7½	10,000
D. of C. 3-65s coup	99⅝	98	185,500
do do reg	99½	98	32,500
do funding 5s, reg	106½	106½	2,000

Additional quotations of State bonds are published on another page.

The annexed table shows the leading bonds dealt in, range of prices and the amount of recorded transactions for the month just closed.

	Highest.	Lowest.	Closing. Sept. 30.	Amount Sold.
Cent of N. J. con. ass'd	109	106¾	....	$114,000
Lehigh & Wilkes con. ass'd	96⅝	94	96	372,000
Morris & Essex 1st consol	114½	112	....	165,000
Rome W. and Ogd. 1sts	68	62	....	461,000
St. Paul sinking fund	115½	114	115¼	295,000
H. and St. Jo. conv. 8s	108¾	107¾	....	121,000
N. Y. C. 1sts coup	130¼	130	....	17,000
Canada South. 1sts	95	93	94⅝	532,000
Toledo and Wabash C. C	103⅛	100	....	44,000
Cen Pacific 1sts	112¼	111⅜	....	122,000
Tex. do Income	65	69⅞	68	297,000
Union do 1sts	113	110½	112¼	394,000
Kansas do do con.	97⅞	95⅞	96¾	1,268,000
do do D. D. A. C. C	111¼	109¾	....	88,000
Den. & Rio Grande 1sts	109	106	108¼	568,000
Mo. Kan and Texas 1sts con. ass'd	107½	102⅛	107½	803,000
do 2ds	67¾	58	63½	1,567,000
Erie new con. 2ds	90	87¼	88¾	13,287,000
do do 5s funded	89	81½	....	798,000
do do con. 7s	121½	120	....	269,000
C. C. & I. C income	49¼	41¾	45¼	1,323,000
do 1sts T. C. C. A. supplem'y	96	90½	95¼	1,604,000
I. Mountain 2d pref. income	88⅝	80½	85	451,000
do 1st do do	89¾	86	....	311,300
do 2ds	106½	104¾	105¼	194,000
C. & Ohio Currency 6s	42	38⅝	38¾	298,000
do do 1sts series B	71¼	67¾	69	271,500
N. Y. Elevated 1sts	112½	110⅛	111⅛	280,000
Met. do do	103¼	99½	102	1,658,500
Bost. Hart. & E. do	42⅛	38⅞	39	115,000
Oregon 1sts	108	99¾	....	754,000
Mobile & Ohio 1st deb	88⅛	79⅞	82	826,000
do 2d deb	52	45½	51⅛	416,500
Bur. C. R. and Northern 1sts	95	93	...	254,700
Lake Erie & W. income	69⅜	64	68	387,000
Ohio Central income	52⅜	49⅛	51	470,000
do 1sts	93½	91½	93¼	173,000

Additional quotations of railroad bonds at New York and other principal cities appear in the general list of Stock and Bond Quotations, printed on the pages at the close of this department.

STOCKS AND BONDS—PRICES IN NEW YORK AND OTHER CITIES.

The following tables give the latest bid and asked prices at the New York Stock Exchange; also Southern securities, a full list of general stocks not called at the Exchange, and correct quotations from other cities.

Quotations in New York are to October 7, latest mail advices from other cities.

The prices named represent the percentage upon a par basis.

*** Indicates ex-interest. § With interest added. x Dividend.**

Securities.	Bid.	Askd
STATE STOCK.		
Alabama 5s, 1883	...	...
do 5s, 1886	...	...
do 8s, 1886	...	...
do 8s, 1888	...	...
do 8s M & Eufala R R	...	...
do 8s Ala & Chat R R	...	...
do 8s of 1892	...	...
do 8s of 1893	...	...
do consols class A	68	69
do do do B	90	95
do do do C	77	80
Arkansas 6s funded	19	20
do 7s L Rk & Ft S iss	8⅞	9
do 7s Memp & L R	8¾	...
do 7s L Rk P B & N O	8	...
do 7s Miss O & R Riv	8	9
do 7s Ark Cent R R	8	9
Connecticut 6s	107	...
Georgia 6s	103	...
do 7s new bonds	109½	...
do 7s endorsed	109	110
do 7s gold bonds	112	...
Illinois coupon 6s, 1879	...	...
do war loan	...	...
Kentucky 6s	...	...
Louisiana 6s	...	...
do new bonds	...	...
do 6s new floating debt	...	...
do 7s penitentiary	...	...
do 5s levee bonds	...	...
do 8s do	...	...
do 8s do of 1875	...	...
do 8s do of 1910	...	...
do 7s Consolidated	48¼	49
do 7s Small Bonds	45	...
Michigan 6s 1878-1879	...	...
do 6s, 1883	103	...
do 7s, 1890	115	...
Missouri 6s due in 1883	103	...
do do in 1886	108	...
do do 1887	107	...
do do 1888	108½	...
do do in 1889 or 1890	110	...
Asyl or Univs'y due 1892	110	...
Fund'g bds due in 1894-5	112½	...
Han & St. Jos. due 1886	106	...
do do 1887	107	...
New York 6s gold reg'd, 1887	109	...
do 6s do coup., 1887	109	...
do 6s do loan, 1883	107	...
do 6s do do 1891	118	...
do 6s do do 1892	119	...
do 6s do do 1893	121	...
N Carolina 6s old Jan & July	31	...
do Apr & Oct	31	...
do N. C. R., Jan & July	115	...
do do Apr & Oct	115	...
do do cp off Jan & July	90	...
do do cp off Apr & Oct	90	...
do funding act, 1866	11	...
do do 1868	11	...
do new bonds Jan & July	19	...

Securities.	Bid.	Askd
N. C. new bonds, April & Oct	19	...
do special tax, class 1	3	...
do do class 2	3	5
do do class 3	3	4¼
Ohio 6s, 1881	105	...
do 1886	110	...
Rhode Island 6s	116	...
South Carolina 6s	...	...
do Jan & July	...	...
do April & Oct	...	...
do funding act 1866	...	...
do land C 1889 Jan & J	...	...
do land C 1889 Apr & O	...	...
do 7s of 1888	...	...
Non-fundable bonds	3¾	4
Tennessee 6s, old	36½	37½
do 6s, new	31	32
do new series	31	32
Virginia 6s, old	25	...
do 6s, new bonds, 1866	26	...
do 6s, do 1867	26	...
do 6s, consol. bonds	90	...
do 6s, ex-mat'd coup	59¼	59⅜
do 6s, 2d series.	27	...
do 6s, defer'd do	7¼	...
Dist. of Col. 3-65's 1924	98	99
do Small Bonds	97½	...
do Registered	97½	98
CITY AND COUNTY.		
Brooklyn 6s	...	...
do 6s, water loan	114	118
do 6s, imp'm't stock	...	...
do 7s, do	...	...
do 6s, pub, p'k loan	118	120
do 7s. do do	133	136
Jersey City 6s, water loan	102	103
do 7s, do	110	111
do 7s, improvement	105	106
Kings county 6s	103	115
New York City 6s, 20-50's, 1876.	...	...
do do 6s, 1877.	...	...
do do 6s, 1878.	...	...
do do 6s, 1887	...	...
do do G'd 6s, Con. 1902.	123	128
do do 6s, ..1896.	117	118
do do 6s Dock b'ds	118	120
do do 6s co. b'ds	...	...
do do 6s Cen. Park	117	118
do 5s, 1890	108	109
do 5s, 1898	106	108
RAILROAD BONDS.		
Boston, H. & E. 1st m	38¼	39¾
Boston, H. & E. 1st m guar	...	...
B., Cedar Rap. & N. 1s 5s g	94⅝	94¾
Chesapeake & Ohio 6s 1st mtg.	...	...
do do ex-coupon	...	...
Chicago & Alton 1st mortgage.	121½	123
do income	105½	106½
Joliet & Chicago 1st mortgage.	103	108
La. & Mo., 1st guaranteed.	105	112½
St. L Jacksonville & Chic 1st.	111½	116
Chic. Bur. & Qu. 8 per ct. 1st m	109½	111

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid.	Askd	SECURITIES.	Bid	Askd
Chic. Bur. & Qu. cons......M 7s	124½	125	RAILROAD BONDS.		
do do 5s Sinking Fund	96	103	M. So & N. I. Sink. fd 7.........	111	112
Chic. R. I. & Pacific..............			Cleve. & Tol. sink. fd...........	109½	111
do 6s 1917, coupon...	......	122⅞	Cleve. & Tol. new bonds........	106	......
do 6s 1917, registered	123⅜	......	Cleve. Painesv & A bonds 7s...	116	120
Keokuk & Des Moin. 1st 5s.....	96	96½	do do new do....	......	......
Central R R of New Jersey....			Buff. & Erie, new bonds...	118	124
Cen. R of N. J. 1st 7s. 90.....	116¾	118	Buff. and State Line 7s.........	......	......
do cons. assent.	105½	106	Kala. & W. Pigeon 1st m........	101	108½
do convertible	108⅛	108¼	Det. Mon & Tol 1st 7s 1906......	116	117
L. & W. B'e. con. assented....	96¼	96¾	Lake Shore div. bonds..........	118	125
Am' Dock & Imp. bonds as'd	111	111	do con c'p 1st 7s........	124	126
Chic. Mil. & St. Paul R. R			do con reg 1st bds.....	124	124
M. & St. P. 1st mtg 8s P. D...	130	131	do con coup 2d 7s......	118	118½
do 2d 7 3-10 P. D.....	116	117½	do con re'gd 2d m.....	119½	120
do 1st 7s $ gold R. D	119	120	Marietta & Cin. 1st m..	109⅜	117
do 1st 7s £ do	113	113½	Mich. Cent. consol. 7s 1902.......	124¼	126
do 1st M. LaC. D.....	115	115½	do 1st m. 8s '82 s f	109	111½
do 1st M. I. & M. D..	115	115⅜	do equipment bds.....	108½	......
do 1st M. I. & D......	114½	115	New Jersey So. 1st m. 7s........	......	......
do 1st M. H & D.....	......	......	do consol 7s........	......	...
do 1st M. C. & M.....	117	120	N. Y. Cent. 6s, 1883............	......	......
do consolidated s f..	115	115½	do do 6s, 1887.........	......	......
do 2d mortgage 7s...	105	......	do do 6s, real estate......	......	......
Chic. & N. W. sinking fund....	109½	111	do do 6s, subscription...	......	......
do do int. bonds.......	106½	......	do do & Hud 1st m c.....	130½	130½
do do cons. bonds.....	126	127	do do do 1st m reg....	130½	131½
do do exten. bonds...	......	111	Hud. Riv. 7s 2d m s f 1885.....	109½	112
do do 1st mortgage...	109½	111	Harlem 1st m 7s coupon......	130½	......
do do coup gd bonds..	120	......	do do reg'd.........	130½	......
do do reg'd do	120¼	......	North Missouri, 1st mort.	......	......
Iowa Midland 1st m. 8s......	120	121	Ohio & Miss cons s f............	116	116¼
Galena & Chicago extension.	103	105	do consolidated.......	116	116
Peninsula 1st m. conv........	108	......	do 2d do...........	116½	118
Chicago & Mil. 1st m.........	117	119	do 1st Springfield div.	105	......
Winona & St. P. 1st mort.....	109⅞	111	Pacific R R bonds........		
do do 2d mort.....	115	116	Cent Pacific gold bonds......	111¾	112½
C. C. C. & Ind's 1s m. 7s s. f.....	122	......	do San Joaquin branch....	104	105
do consol, M. bonds.	111¾	112	do Cal & Oregon 1st.........	105	......
Del., Lack. & W. 7s conv.......	100¾	102	do State aid bonds	105	......
do do m. 7s.........	120	.....	do land grant bonds.........	105	107
Morris & Essex 1st mor.......	131½	13[illegible]	Western Pacific bonds.........	108	108½
do 2d do	114	114¾	Union Pacific 1st m bds.......	112½	113
do bonds, 1900...	104	110	do land grants. 7s...	116½	117
do constr'n.....	105	110	do sinking fund.....	115	117
do 7s of 1871.....	113	......	Pacific R of Mo. 1st m..........	107½	108
do 1s con. gd....	115½	116	do 2d m. 7s..........	110½	......
Del. & Hud. Can. 1s 7s. 1884....	106	106½	do Income 7s........	......	.....
do do 1891....	......	111	do 1st Carnod't B....	......	......
do Coup. 7s 1894...	108	117	Pennsylvania R R		
do Regis'd 7s 1894....	108	117	Pitts, Ft W & C 1st m	136	137
Albany & Susq. 1st 7s..........	113½	115	do do 2d m.......	126	130
do do 2d do.......	107½	114	do do 3d m.........	118	......
do do 3d do.......	115	.....	Cleve & Pitts con s f....	123	......
do do 1st c gua'd....	113½	......	do 4th do........	110	112
Rens'r & Sara. 1st 7s, Coup..	128	131	Col. Chic & Ind 1st m.........	93	......
do do 1st reg'd 7s ...	128	128	do do 2d m........	......	......
Erie 1st mort. extended.....	124	128	Rome, Water'n & Og con 1.....	66	66½
do 1st do endorsed...	103½	......	St. L. & Iron M 1st m...........	116½	118
do 2d do ex. 5s, 1919..	......	105	do do 2d m..........	104¾	106
do 3d do 7s, 1883.......	106¼	106½	St. L. Alton & Terre Haute....		
do 4th do 7s, 1880.........	......	106	Alton & Terre Haute 1st 7s..	111¾	113¾
do 5th do 7s, 1888.......	112½	......	do 2d do pref....	105½	107
do 7's cons. m'ge gd bds.....	120¼	120½	do 2d do inc.......	97	99
Long Dock Bonds...........	118	......	Bell & S. Ill R. 1st m 8s.......	110	117
B., N. Y., & E. 1st m 1916.....	121	124	Tol, Peo & War, 1st E D..........	134	135
Han. & St. J. 8s convertible m.	108	108½	do do do W D.........	135	135
Illinois Central,............			do do do Burl div.....	......	......
Dub. & Sioux City 1st m......	101	......	do do do 2d m.........	60	75
do do 2d div....	106	......	do do do consol 7s....	66	70
Cedar Falls & Minn. 1st m....	109	110	Toledo, Wabash & Western....		
Indp's Bloomn & W'n 1st p....	115	..	Tol & Wab 1st m ex...........	110⅝	......
do do 2d ...	......	64	do Ex coupon...	......	......
Lake Shore Bonds			do 1st m St L div......	104½	106
			do Ex mat'd coup. ..	......	......

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Tol & Wab 2d m	105	105½
do Ex & Nov 77 coup.	......	......
do equipment bonds	35	42
do cons conv'ble	101½	102½
do Ex Aug 78 & priv's.	......	......
Gt West'n 1st m 7s 1888	109¼	109½
do Ex coupon	......	......
do 2d 7s 1893	104¾	105
do Ex & Nov 77 coup.	......	......
Quincy & Tol 1st m, 1890	107	107
do Ex M & Nov 77 c p.	......	......
Illinois & S Iowa 1st m 7s	100¾	104
do Ex coupon	......	......
Han & Cent Mo 1st m.	......	......
Pekin, Lnc'n & Decat'r 1st m.	......	....
West'n Un bds, 1900, c'pon	116	120
do do do reg	116½	120
MISCELLANEOUS LIST.		
Arkansas Levee 7s	5	8
Atchison & P Pk 6s gold	......	......
Atchison, Top & S Fe 7s, g	100	105
Cairo & Fulton 1st 7s	118¾	119
California & Oregon 6s g'd	......	......
California Pac R R 7s gold	109	111
do 6s 2d m gold	100	102
Central Pac 7s gold, conv	100	103
do land grant	......	......
Cent of Iowa 1st M 7s new	......	......
Chi & Southwestern R R 8s	113	115
Chi & Eastern Ill. 1st 6s	100	102½
do do income 7s	92½	93½
Chi & Mich Lake Shore 8s.	106	112
Chi & Can South 1st m'g 7s	37½	54
Chi, St. P. & Min 1st M 6s	......	......
do land grant 6s	111	115
Cin, Rich & F W 1 m g 7s	90	100
Cleve, Mt V & Del 7s gold	65	75
Connecticut Valley 7s gold	65	70
Connecticut Western 1st 7s	36	40
Col & Hock Val 1st 7s 30 ys	110	112
Dan, Urb, Bl & P 1st m 7s g	......	......
Denver Pacific 7 gold	96¾	98
Denv and Rio Grande 7s g	......	......
Det, Hillsdale & Ind R R 8s	......	......
Dixon, Peoria & Han 8s	......	......
Erie & Pittsburg 1st 7s	102½	103½
Evans & Crawfordsville 7s	104	107
Evans, Hend. & Nashville 7s	102½	107½
Evansville, T & H Chic 7s g	82½	90
Flint & Pere M 7s land grant	102	108
do 7s consol	86	89
Fort W, Jackson & Sag 8s	60	80
Grand River Valley 8s	107½	110
G'd Rapids & Ind 1 guar 7 g	112	115
G'd Rapids & Ind 1st 7s g	105	110
Houst, & Gt N. 1st m g 7s	......	......
Houst. & Tex. C. 1st M L	......	......
do 1st W D	......	......
do Con. 8s	......	......
Ill Grand Trunk 8s	113	115
Ind, Bl & W Ext 1st m g 7s	......	......
Indianapolis & Mad. 1st m 7s	100	103
Int'national R R Tex 1 m g 7s	......	......
Ind. Bl. & W., 1st 7s, pref	......	......
do 1st	......	......
do 2ds	......	......
do Income	......	......
do stock	......	......
Indianapolis & Vinc's 1st 7s gr.	105	110
Indianapolis & St. Louis 7s	80	90
Io Falls & Sioux City 1st 7s	108	110
Jack. Lansing & Sag. 1st m	105	110
Jeff'ville, Mad & Ind 1st m 7s	114	117½
Kala'zoo & South H 8s guar	107	112½

Securities.	Bid	askd
Kal, Alleghan & G R 8s gr	110	115
Kal & White Pigeon 7s	105	110½
Kansas City & Cameron 10s	115	120
Kan Pac 7s ex Ma & No g	......	......
do 7s land gr Ja & Jy g.	......	......
Kan Pac 7s do 2d m	......	......
do 6s gold June & Dec.	......	......
do 6s do Feb & Aug.	......	......
do 7s Leaven Branch	......	......
do Income No 11	......	....
do do No 16	......	......
do stock	......	......
Michigan Air Line 8s	105	110
Mil & North 1st m 8s	72½	75
Mo. Kan & Tex assent'd bds	......	......
do 2d inc	......	......
N. J. Midland 1st 7s gold	67½	70
N. Y. & J. 7 s, con. gold	......	......
Omaha & S West'n R R 8s	115	120
Oregon & Cal 7s gold	28	30
Oswego & Rome 7s guar	100	110
Ott, Oswego & Fox R V 8s	......	......
Pitts, Cin & St Louis 1st 7s	117½	118
Pt Huron & L M 7s g end	35	40
Quincy & Warsaw 8s	......	......
Rome, W & Ogdensburg 7s	68	69
Sand, Mans & Newark 7s	110	112½
Sioux City & Pacific 6s	......	......
South Side (L I) 7s	97½	105
Southern Central N Y 7s	75	90
Steubenville & Indiana 6s	101	104
Southern Minn construc 8s	......	......
St. Jo & C Bl 1st m 10s	......	......
St. Louis, Vanda & T H 1st	......	......
do do 2d	......	......
St L & S Eastern 1st 7s gold	100	110
Union Pacific So br 6s gold	100	105
Union & Logansport 7s	100	105
Texas & Pacific L G 7s	......	......
CINCINNATI.		
STATE, CO. AND CITY BONDS.		
Ohio State 6s	111	112
Hamilton County 6s	105	......
do do 7s	118	......
City of Cincinnati 6s	110	......
do do 7s	120	122
do do 7 3-10	x1 6½	127½
City of Covington, Ky 6s '81	102	......
do do 7 3-10, '81	102	104
RAILROAD BONDS.		
L Miami & I & C con 6s	100	x 101
do do 1st 6s '83	102¾	103
Cin, Ham & Day 1 m 7s '80	......	......
do do 2 m 7s '85	106	x108
do do 3 m 8s	......	......
Dayton & Mich, 1 m 7s '81	101¼	101¾
Dayton and Mich, 2 m 7s '84	105	105¼
do do 3 m 7s '88	x101	......
Cin, Rich & Chi, 1 m 7s '95	100	x102
Cin, Han & Ind 1st m gr 7s	103	x 104
Marietta & Cin 1st m 7s '91	87	90
do do 2d m 7s '96	30	32
Indianap & Cin 1st m 7s '88	105	110
Cin & In guar 1st m 7s '92	105	110
do 2d m 7s '77 '82	100	......
Indianap C & L 1st m 7s '97	100	......
Day & W 1 m, 1881	101x	102
do 2 m, 1905	......	100
MISCELLANEOUS STOCKS.		
Columbus & Xenia 50	131	x 133
Cin, Ham & Dayton 100	95	x97½
Dayton & Mich 3½ guar 50	52	x 55
Little Miami 50	131	132

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Marietta & Cin 1st pref.......50	......	5
do do 2d do....... .50	......	8
Cin Gas Light & Coke Co....100	175½	x 176
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s	103	105
do 8s	108	112
Augusta, Ga 7s bonds	103	105
Charleston stock, 6s	69	70
Charleston, S. C. 7s F L bonds	70	75
Columbia, S. C. 6s	50	60
Columbia, Ga. 7s bonds	90	95
Lynchburg 6s	102	......
Macon 7s bonds	90	95
Memphis bonds 6s	30	33
do new consols	40	50
do end, M & C R R	30	......
Mobile 5s	25	......
do 8s	25	......
Montgomery 8s	75	......
Nashville 6s old	100	105
do 6s new	100	105
New Orleans 5s	34	36
do consol, 6s	44	47
do bonds, 7s	33	36
do to railroads 6s	35	40
Norfolk 6s	100	105
Petersburg 6s	102	105
Richmond 6s	112	114
Savannah 5s	81	84
RAILROADS.		
Atlantic & Gul, consol	104	106
Central Georgia cons, 7s	111	114
do do stock	96	100
Charlotte Col & A, 1 m 7s	106	108
do do stock	42	......
E Tenn & Georgia 6s	99	101
East Tenn, Va & Geo 1st m 7s	112	114
do do stock	95	......
Georgia R R 7s	110	......
do stock	103	106
Greenville & Col 7s guar	105	110
do do 7s certiff	100	110
Macon & Western Stock	105	107
Macon & Augusta bonds	95	......
do do endorsed	100	105
Memphis & Charleston 1st 7s	102	104
do do 2d 7s	98	102
do do stock	39½	40½
Mississippi Central 1st m 7s	102	105
do do 2d m 8s	107	110
Mississippi & Tenn 1 m	125	......
do do cons, 8s	108	......
Motg'y and West P, 1st 8s	103	106
do do 1st end	......	......
Mobile and Ohio Sterling	80	......
do do do ex ctfs	80	......
do do 8s interest	40	......
N Orleans and Jackson 1st m	110	112
do do 2d m	110	114
Nash and Chattanooga 6s	98	102
Norfolk and Petersb 1st m 8s	100	105
do do 2d do	100	105
Northeastern, S C, 1st m 7s	125	130
do do 2d do	115	118
Orange and Alex 1st 6s	107	......
do do 2d 6s	111	114
do do 3d 8s	93	......
do do 4th 8s	55	55
Rich and Peters'b 1st m 7s	......	......
do do 2d m 6s	......	......
do do 3d m 8s	102½	105
Rich and Fred'b and Pot 6s	102	......
do do do con 7s	105	......

Securities.	Bid	Askd
Rich and Danv 1st con 6	104	......
do Piedmont 8s	110	112
do 1st 8s	......	......
Southside Va 1st m 8s	104	......
do 2d m guar 6s	97	......
do 3d m 6s	92	......
do 4th m 8s	......	......
Southwest R R, Ga 1st m	106	108
do do stock	105	108
S. Caro R R, 1st m 7s, new	102	......
S. Caro R R 6s	38	......
do 7s 2d	80	85
Virginia and Tenn 2d 6s	102	104
do do 3d 8s	117	120
West Ala, 8s guar	110	112
Wilmington and Weldon 7s	110	112
PAST DUE COUPONS.		
Tennessee State coupons	10	20
Virginia consol coupons	90	92
Memphis city coupons	20	......
South Carolina consols	......	......
BOSTON.		
STATE BONDS.		
Maine 6s 1889	114⅝	......
N. Hampshire 6s 1876–84	118	......
Vermont 6s, 1874–78	......	......
Massachusetts 5s, 1883, g	112¼	112½
CITY BONDS.		
Boston 5s, 1880–86, gold	115	......
do 6s, currency	120½	122
Chic 7s, 1890–95, riv. impr	118½	119
do 1884	......	......
RAILROAD STOCKS AND BONDS.		
A T and Santa Fe, 1st m 7s	......	......
do do L G	115¼	116
do do stock	118½	119
Bost and Alb'y 6s, '75 (W RR)	115	......
do 7s, 1892	......	......
do stock	150½	......
Boston and Lowell 7s, 1892	117¾	......
do stock (par 500)	88½	......
Boston and Maine, stock	133¼	133½
Boston and Providence, stock	141	......
Bur & Mo R 7s, '93, land grant	115	......
do do 8s, 94, conv	109¾	110
do do 8s, 83 (in Neb)	......	......
Chicago, Bur and Quincy	137⅝	137¾
Bur & Mo Riv stock (in Neb)	......	......
Cheshire 6s, 1898	105½	106
do preferred stock	52½	55
Cin, San, and Cleve, 7s, 1890	99⅝	100
do do com stk (par 50)	16	......
Concord stock (par 50)	......	......
Conn and Pass Rivs 7s, 1893	112¾	113
do do 7s, notes	......	......
Connecticut River, stock	......	149
Eastern stock	31½	32
Fitchburg, stock	131	132
Manch and Lawrence stock	157	......
Nashua and Lowell, stock	116	......
Northern (N. H.) stock	101½	......
Norwich and Worcester stock	141	......
Ogdenburg and L Champ stock	23	23¼
do do pref stock	......	......
Old Colony stock	116½	117
Phil, Wil & Balt stock (par 50)	68½	......
Portl, Saco & Portsmouth st'k	108	109
Portsmouth, Gt F & Con'y s	......	......
Rutland pref. stock	26½	27
Vermont and Canada stock	......	......
Vt. Ct. 1st m 7s, 1886 cons	......	......
do 8s, '91	......	......

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Vermont and Mass.	......	......
do do stock	122	......
Worcester and Nashua	......	57
MISCELLANEOUS STOCKS.		
Boston Land Co	5⅞	6
Boston Water Power	8½	8¾
Pullman Palace Car	118¼	118½
PHILADELPHIA.		
STATE AND CITY BONDS.		
Penn. 5s, new, reg, '92 1902.	114¾	115
do 6s, 10-15, reg, '77 1882	106	106½
do 6s, 15-25, reg, '82 1892	106	106½
Philadelphia 6s, old	......	113
do 6s, new, over 1895	125	126
Pittsburg 5s, reg, 1913	95	......
do 7s, water loan	119	......
do 7s, street improv	105	108
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96	121½	122
Bel & Del R R, 1st m 6s, 1902	110	......
do 2d do '85	104	108
do 3d do '87	100	....
Cam & Amboy R R 6s, 1883	103	105
do do do 6s, 1889	110	110
do do do m 6s, 1889	114	116
Cam & A. T. 1st m 7s, gold, 1893.	117	122
do do 2d do cur, 1879.	108	......
Cataw R R new 7s, 1900	115	......
Connecting R R 6s. cp. 1900	110	......
Del & B B R 1st m. 7s, 1905	115	116
El. & Wmsp't R R, 1 m, 7s, '80	105	109¾
do do 5s c. perpe'l	82	90
H. & B. T. 2d m 7s, gld 1895	109	......
do 3d do cur. 1895	......	64½
Lehigh Valley, 1st m, 6s, c,'98	118	......
do do r g '98	119	120
do 2d m, 7s, reg 1910	130	130½
do cons. m, 6s reg 1923	114½	115
do do 6s, coup. 1923	114	115
N Cent. 2d gd. m. 5s, cp'n 1926	107	108
North Penn, 1st m 6s, c 1885	115	......
do 2d m 7s, c. 1896	116½	117½
do gen. m 7s, c. 1906	114	114½
do do reg., 1906	114½	115½
Oil Creek 1st m 7s, coup '82	102½	103½
Pittsb'h Titus & Buff 7s, c, 1896.	75	77
P & N Y C. & H. R. 7s, r&c 1896.	120	122
Penna. 1st mort 6s, c, 1880	101¾	102
do gen do 6s, c, 1910	122	123½
do do do 6s reg 1910	119½	123
do cons m, 6s reg. 1905	117¾	......
Phila & Erie 1st mort 6s c 1881.	104	105
do 2d mort 7s, c 1888.	113	113½
Phila & Reading 1st m 6s, 1880	110	......
do 2d m 7s, c 1893	113	117
do cons m 7s c 1911	116	......
do do m 7s r 1911	116	......
do do 6s, g r & c 1911	107	107½
Pitts, Cinn. & St. L 7s c 1900	118	119
Tex & Pac 1st m, 6s, g 1905	106	106
do cons m, 6s, g 1905	94	95
Un & Titus 1st m, 7s, 1890	84	88
War. & F. 1st mort. 7s, c 1896	103	104
West Jersey 6s, d coup 1883	100	103¾
West Jersey 1st mort 6s, c 1896.	116	......
do do 7s, r & c '99	112	......

SECURITIES.	Bid.	Askd
West Penn 6s, coup, 1893	106	106¼
do 6s. p b c, 1896	105	......
CANAL BONDS.		
Lehigh Nav. m 6s, r 1884	107	108
do M.R. R. r, 1897	109	......
do M conv g. r. 1894	103	106½
do M. gold, r. c, 1897	107	108½
do cons m 7s r, 1911	106	107
Schuyl. Nav. 1st m 6s, reg 1897	98	100
do 2d do r. 1907	71	71
do m 6s, coup. 1895	25	......
do 6s, bt&car r 1913	60	70
do 7s, bt&car r 1915	50	75
RAILROAD STOCK.		
Camden & Atlantic pref.... 50	25	30
Catawissa.... 50	10	10
do pref..... 50	45	47
do new pref..... 50	44¼	44½
Elmira & Williamsport.... 50	34	......
do do pref.. 50	52	......
Lehigh Valley.... 50	52⅜	52½
Liltle Schuylkill.... 50	47	47¼
Minehill	56½	56¾
Nesquehoning Valley	54⅜	55
Norristown.... 50	102½	......
Northern Pacific	27⅞	28¼
do pref	51¾	52
North Pennsylvania.... 50	48	48½
Pennsylvania.... 50	58⅜	58½
Philadelphia & Reading.... 50	15⅛	15¼
Pitts. Titus. & Buffalo	16⅛	16¼
St. Paul & Duluth	32	35
do pref	65	65
United Cos. of N. J....100	174	1.5
CANAL STOCKS.		
Lehigh Navigation.... 50	34⅞	35
Morris Canal grd 4 p c....100	......	......
do preferred 10 p c....100	......	......
Schuylkill Navigation	6½	6⅞
do do pref	6½	7
BALTIMORE.		
Maryland 6s, defence, J. & J	108	109½
Virginia 10-40s, J. & J	41⅜	41⅝
do deferred, J. & J	7	8
do consol. do	60½	60⅝
do do 2ds do	24	26
do consol coup, p due	90¾	91
do do June 1889	......	......
N. Carolina 6s, Jan. & J., old	80	......
Tennessee 6s, do old	36	......
do 6s, do new	31	......
do , do n. s.	31	......
Balt. 6s, J., A., J., O., 1890	116	116⅛
do 6s, J. & J., 1902	120	......
do 5s, M. & N., ex., 1916	118	118½
Memphis City 6s, J. & J., n	......	......
Balt. & Ohio, May & N....100	167	170
do 1st preferred	117	......
do 2d do	113	......
Northern Central, M. & N....50	37½	37¾
Central Ohio, June & Dec....50	45	45¼
do preferred....50	50	54
City Passenger R'y, J. & J....25	37½	38

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
Balt. & Ohio 6s, 1880, J. & J.	......	......
do 1885 A. & O.	109	110
Pitts. & C. 1st 7s, 1898, J. & J.	117	119
N. Cent. 6s, 1885, J. & J.	108	109
do 6s, 1900, A. & O.	112	114
do 6s, gold, 1900, J. & J.	112	......
Cen. O. 6s, 1st m., 1890, M. & S.	110	112
South Side, 1st 8s, J & J	108	110
do 2d 6s, do	98	101
do 3d 6s, do	95	100
Cin. & Baltimore 1st 7s	105	110
W. M. 1st m 6s gu. 1890, J. & J.	112	......
do 1890, J. & J.	110	112
W. Maryland 2d m (pref)	105	110
W. M. 2d m. 6s gu. by W. Co.	112	......
M. & Cin. 1st m 7s F and A 1892	114	115
do 2d m 7s M. and N.	80	81
M. & Cin. 3d m 8s 1900 J. and J.	42	43
Rich. & Dan. 1st m. M. and N.	106	110
Union R. R., End. Cant. Co.	115	......
Canton Co., 1st 6, gold, J and J.	110	......
Orange, Alex. and Mn's 7s do.	92½	94
Orange & A. 1st 6s, M. and N.	110	......
do 2d 6s, J. and J.	114	......
do 3d 8s, M. and N.	95	......
do 4th 8s, M. and S	48	55
Virginia & Tenn 6s 2d J. and J.	102	103½
do 8s, J. and J.	118	120
W. & W. 7s gold 1900 J. and J.	112	......
W. and Columbia and Aug. 7s.	103¼	103½
Ohio & Miss, 2d 7s, A & O.	117	119
Balt. Gas, J. and Dec. 100	......	......
do gold certif. 100	......	......
People's Gas, J. and J. 25	......	......
Consumer's Gas	......	......
do gold 6s, J & J, 1892	......	......
Georges Creek Coal, J & J	......	......
Chesapeake and O. Canal bonds	72	80
Balt. Warehouse Co, J & J.	18	20
Cincinnati 7-30s, J. and J.	......	......
Norfolk Water, 8s	121	125
LOUISVILLE.		
CITY AND CANAL BONDS.		
City improvement 6s	*104	105
do bounty 6s	*104	105
do school 6s	*104	105
do wharf (old) 6s	*104	105
do do (new) 6s	*104½	105½
do water works (old) 6s	*104	105
do do (new) 6s	*104½	105
do L. and N. R. R. (M. S.) 6s	*104	105
do L. and N. R. R. (L. E.) 6s	*104½	105½
do E. and P. R. R. 7s (old)	*108	......
do E. and P. R. R. 7s (new)	*114	......
do old liabilities due 1880	*100	......
do St. Louis A. L. R. R.	*108	......
Canal bonds, 3d issue, 6s	*100	......
do 4th issue, 6s	*106	......
Louisville Bridge Co. 7s	*110	......
RAILROAD BONDS.		
Greensbury Branch	*106½	107
Louis. and Nash. Leb. Br.	*100	......
Louis. and Nash. Cons	*116½	......
L. and N. 2d mort	*104½	......
Louis., Cin. and Lex. 1 m 7s	*116	......
do do 2 m 7s	*107	108
Jefferson. M. and I. 1st m 7s	*114	115
do do 2d m 7s	107	108
Eliz. and Paduc. 1st m. 8s	......	......

Securities.	Bid	Askd
E. and P. Louisville Br'ch 7s	......	......
Shelby, 1st mortgage 8s	100	......
Owensboro and Russel, 1 m 8s.	......	......
MISCELLANEOUS BONDS.		
Kentuc. State bonds (old) 6s	......	......
do do (new) 6s	......	......
New Albany City	*107	......
Water Works bonds, 6s	*107½	......
Louisville Transfer Co. 8s	*108	......
STOCKS.		
Louisville and Nashville R. R.	140	......
Gas Company stock	117	......
Louisville Bridge Co. stock	117	......
ST. LOUIS.		
Corrected by H. H. Wernse, Bond and Stock Broker, 223 Pine Street, St. Louis.		
BANK STOCK. Par.		
Bank of Commerce 100	335	......
B'k Bartholow, Lewis & Co. 100	105	......
Biddle Market Sav'gs Bank. 100	67	70
Boatmen's Sav'gs Bank 100	115	116
Bremen Sav'gs B'k..80½pd. 100	......	......
Citizens' Sav'gs Bank 100	60	60
Commercial Bank 100	190	200
Fourth National Bank 100	235	......
Franklin Bank 100	90	95
German Sav'gs Institution. 50	50	55
German American Bank 100	85	100
Mechanics' Bank 100	93	95
Merchants National Bank 100	102	104
Mullanphy Sav'gs Bank 100	76	80
Continental Bank 100	80	90
Provident Sav'gs Bank 100	45	50
International Bank 100	90	95
Lafayette Bank 100	70	75
St. Louis National Bank 100	100	103
State Sav'gs Association 50	106	......
Tenth Ward Sav'gs Bank 100	112	......
Third National Bank 100	99	101
Union Sav'gs Bank 100	......	30
Valley National Bank 100	103	105
Northwestern Sav'gs Bn'k. 100	......	......
SUNDRY STOCKS & BONDS.		
ST. LOUIS CITY AND COUNTY BONDS.		
City 6s, Bridge Approach	110	112
do Sterling bds, due 1898	112	114
do Water b'nds, due 1887	107	108
County 6s, gold	109	......
City 5s, due 1900	105	105½
do 10-20 years	104	105
STOCKS. Par.		
American Cent. Ins. Co. 25	33	35
Marine Insurance Co. 100	104	107
B lcher's Sug. Refin'g Co. 100	....	75
Laclede Gas Light Co. 100	105	......
St. Louis Gas Light Co. 50	250	255
Iron Mountain Co. 1000	975	......
Pilot Knob Iron Co. 100	......	92

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BUSINESS QUESTIONS IN THE LATE CAMPAIGN.

Now that the election is over, and the character of the national administration is fixed for another executive term, we may calmly survey the scene of the recent conflict, and indicate some of the lessons taught by the result.

Without challenging or assailing partisan prejudices, we think we may safely affirm that the result has been controlled and determined by the business interests of the country. It has been less a partisan triumph than the calm decision of the business men of the country that it was unsafe to expose the business of the country to any hazard of change.

It is true, of course, that the Republican party, being in possession, had the advantage in appealing to this sentiment. Had Mr. Tilden been elected four years ago, and had the conditions of trade, finance and general prosperity attended upon his administration, which have attended upon that of President Hayes, the Democrats would have had this advantage in their favor.

But it must be conceded, we think, that they needlessly aggravated the disadvantages under which they labored in seeking to dislodge the Republicans at a period of great prosperity, by making the alleged necessity for a change a conspicuous feature in their platform, and in the conduct of their campaign. They foisted into their platform a declaration that alarmed a very large body of voters. Finding out this mistake at a late day, they sought to recover from it by protestations that it was a meaningless declaration, and obliged their candidate to stultify himself by renouncing the offensive declaration in the platform to which he had already given his unqualified adherence and approval.

The effect of this upon the minds of business men, was to impress them with the utter insincerity of the professions of the Democratic party. If there was any real and true conviction in the enunciation for a tariff for revenue only, it should have been steadfastly adhered to—and the issue should have been fought out on that line. To have done this would have been bold, manly and consistent, and would have won respect and confidence, when the policy actually pursued wrought distrust and something very like contempt.

The doctrine of free trade, or a revenue tariff only, either can have something said in its favor or it cannot. If it cannot, it should never have found a place in the Democratic platform. If it can, then having found a place therein, it should have been stoutly, vigorously and aggressively supported.

The vacillation and timidity displayed by the Democratic party upon this question, emphasized to business men the sea of uncertainty upon which the business interests of the country would be launched, by investing that party with power. There seemed to be nothing definite or tangible to which the party was willing to anchor.

Again, the Democratic party unquestionably forfeited the confidence of the country by its attitude upon the financial question. Its dalliance in Maine with the Greenback party, the hailing of the result in that State in the election of a Greenback Governor, the known hostility of the Southern wing of the party to the policy which has given stability to the national finances and the national currency, indeed the generally obstructive course of that party to the measures which have produced these results, all served to alienate the support of thousands who, upon other issues, were in sympathy and accord with that party.

From all this we learn that neither Republicans nor Democrats will adhere to the fortunes of their party from merely sentimental considerations. The reasoning and reflecting class of the community, which embraces the great mass in control of the business of the country commercially, financially, and in manufacturing, are governed by considerations which they regard as vital to the material interests to be affected by any avowed policy of administration. This is not selfishness purely, for it is based upon the conviction that what affects their interests affects also the interests of the country at large, and *vice versa.*

We learn, too, that the business men of the country have it in their hands, at any time to dictate the policy of the government. They hold between the parties the balance of power. It is they who have achieved the result. The votes of Democrats have elected Garfield, and administered a rebuke to the managers of their party for seeking to trifle with their intelligence concerning matters which they understand, and which to them outweigh the real questions which divide the political parties.

The intelligent American voter will neither be coerced by a partizan war-cry, nor deceived by assertions in the hour of peril, which belie acts of premeditation done in the coolness of deliberative councils.

Whenever the Republican party shall, in like manner, seek to betray or to impose on the confidence of its members, a like fate will justly reward its temerity.

TAXATION OF SAVINGS BANKS.

"*Reasons why Savings Banks should not be taxed by the State of Connecticut.*

1. It involves double taxation, in so far as the real estate on which these banks hold mortgages, and the corporations in whose stocks and bonds they invest, are already once taxed.

2. It violates national law, in so far as the banks are taxed on the United States government securities which they hold as an investment.

3. The banks are not stock corporations for money making, but benevolent ones for money saving. There are no stockholders among whom the profits of business ventures are divided. The banks exist merely to enable people to save money conveniently, to secure a low rate of interest, and to get their money safely back on demand. They educate people into good habits, and make sure to them the beneficent results of those habits.

4. The banks own nothing. They are simply agents for others. The money they have is an aggregate of small individual deposits. which would, if separate, be exempt from taxation. An agent should not be taxed because of the business he does for others at cost. Nor should prudent and thrifty persons be taxed because they combine and employ an agent.

5. A tax hinders the accumulation of a surplus. By Connecticut law, a bank can, in any event, only accumulate a small surplus (and that of course is the property of its depositors); but some surplus a bank should have, both in case of possible loss, and as an aid in earning interest. It acts as a balance-wheel. making the on-goings of the institution smooth and steady. The Stateof New York does not tax its savings banks, and their great strength and stability is its reward."

The foregoing succinct statement of Reasons against the Taxation of Savings Banks is prepared and distributed in the form of a circular by the Dime Savings Bank, of Norwich, Connecticut. Of course it does not assume to cover the entire ground of argument on the question, which might be elaborated at great length. The most comprehensive and satisfactory discussion of the question which we have ever seen, is to be found in "Keyes' History of Savings Banks," vol. 2, pp. 142, etc. The subject is there considered from the stand-point of expediency as well as of justice and equity.

The only theory upon which the taxation of savings banks can be logically maintained is, that *all property* should bear its proportion of the burdens of taxation. But that is a dogma of theorists only. It is not practicable; and if it were possible to devise a scheme of taxation that would reach with equal certainty every form of human possession, it would be most unwise and unjust. It would take from the wages of the laborer as well as from the capital of the employer—though the former were already diminished in order to contribute a portion of the latter.

In short, that taxation should be equal upon all property, is the cry of the fool or of the demagogue—it has no place in any rational political economy. It is stating no paradox to say that equal taxation, in the sense in which the term is used, would be in its ultimate effects upon human interests, most unequal taxation. On the contrary, an unequal scheme of taxation, that is one that should wisely select the proper subjects of taxation, and impose the *legal obligation* upon those only, would bring into operation the natural law of distribution to equalize the burden, by imposing it upon the various human interests in the ratio of their ability to bear it.

How many millions of church property are exempt from taxation in the United States? And why? The great class of worshipers in these are of the class best able to pay taxes. These costly edifices are a part of their luxurious belongings. In them, and the associations connected with them, they take pride, comfort and satisfaction. Why should they not be taxed? The answer of society, in its organized form of government is, that these are a part of the conservative, moral machinery of society, which it is expedient to encourage. The healthful, restraining influence exerted by them is deemed to be more than an equivalent, in dollars and cents. for the taxes remitted to them.

Without going into any discussion of the subject, or raising the question whether there may not be some limit to the investment in this form which should escape taxation, it is sufficient that we find society very generally agreed upon the abstract proposition of remitting taxes in the interest of organizations possessing or assumed to possess a certain moral force in the community.

In another way, but just as certainly, savings banks are a moral force, restraining from vice and crime by the encouragement they afford to industry, frugality and thrift. Not only so, but they, by promoting industry, increase the wealth of the State, diminishing the ratio of taxation, while increasing the tax-paying *power* of the people. Besides, they are reservoirs of capital upon which the government, State or National, may draw in time of need. Wherever government or municipal bonds are offered in the market, there you will find the savings bank, by its eager competition, putting up the average price, thus maintaining the public credit and diminishing the public burden in the form of interest charge.

If these were corporate enterprises only, seeking their own gain, they could not claim exemption from taxation because of incidental benefits conferred upon the public in this way. But they are merely a trust, in the interest of great numbers of people, whose small savings, gathered through toil and sacrifice, are here aggregated for their own safety and the public good. They are a recognized part of our social and financial economy. Their encouragement, protection and improvement, under wiser and stricter laws, are everywhere recognized as amongst the first and highest duties of the State. Beneficent in their origin, purpose and results, they should be left free to work out that purpose in the social state, without being compelled to *pay* for the privilege.

This is altogether apart from the question, sometimes illogically raised in this connection, as to the propriety of taxing individuals of large or ample means, who make the savings bank a refuge from the tax-gatherer. That question belongs and must be relegated to the discussion of the proper mode of reaching the property which it is determined ought to bear the burden of taxation. If a way is devised, whereby always to know for a certainty where one has ten, twenty, or fifty thousand dollars in any given form of property, and if the scheme of taxation enforced, demands that when found it shall pay its share—then the question will become pertinent, which is the wiser course—to follow the property into the savings bank, and tax it to the owner there, or keep it out of the savings bank, and tax it somewhere else.

We are now only considering the taxation of savings banks, as corporations, upon the aggregate of the deposits held by them in trust for millions of people, and reaching the $5 of the widow as well as the $5,000 of the more prosperous laborer, clerk or merchant.

We believe the principle which imposes such taxation is radically wrong and pernicious. It has never been recognized in this State, and we hope the efforts making to secure its abrogation in other States will be successful.

SPIRIT OF THE FOREIGN PRESS.

AMOUNT OF UNITED STATES DEBT HELD ABROAD.

Conjectures have frequently been made as to the amount of the debt of the United States held out of that country. A very curious estimate on the point is to be found among the speeches of Mr. Sherman, Secretary of the United States Treasury. Speaking in the Senate on March 2, 1870, Mr. Sherman estimated that $1,000,000,000 of the debt was held out of the country. By 1878 this figure was greatly changed. Mr. Sherman, in his speech at Toledo, on August 26, 1878, referred to the sum then held out of the United States, and said: "Two years ago the general estimate was $600,000,000. Now, after the most careful examination, it is estimated somewhere near $200,000,000 to $250,000,000." The reduction in the amount is very remarkable. It is really equivalent to a reduction of the debt of the United States of about £150,000,000 in eight years, as far as the charge on the property of the people is concerned. The transfer of this immense sum must also have a great effect on the foreign trade of the country. Of course, the sum due for interest out of the country has followed the fluctuation in the amount of the debt held outside its limits. We may roughly sum up the results in a tabular form, thus:

AMOUNT OF THE UNITED STATES DEBT HELD OUT OF THE COUNTRY.

Year.		Amount of Debt. £		%	Interest Payable Thereon. £
1870	(say)	200,000.000	(say)	6	12,000,000
1876	"	120,000,000	"	5½	6,600,000
1878	"	40,000,000 to 50,000,000	"	5	2,000,000 to 2,500,000

(Converting the dollar as 5=£1.)

If this estimate is correct, and no export of bonds of other descriptions took place during the period referred to, the United States roughly, on an average, bought back for eight years the indebtedness of their country, including interest and principal, at the rate of above £25,000,000 sterling a year. As the balance of trade was not uniformly to the same extent in their favor during the whole of the time, the amount cannot be supposed to have been taken with anything like uniformity, but principally in the latter years of the series. It will be clear that now that this means of paying the demands which the United States can make through the balance of its trade is comparatively exhausted throughout Europe, gold is more likely to be exported than before; but in some form or other a demand for commodities is most likely to ensue.—*London Economist.*

EXTENSION OF AGRICULTURE IN THE UNITED STATES.

The following table, showing the amount of public lands disposed of during the last ten fiscal years, has been published by the United States Land Office:

Fiscal Year.	Sold for Cash. Acres.	Timber Claims. Acres.	Homest'd, Acres.	Total under these Hd's. Acres.
1871	1,389,982	..	4,600,326	5,990,308
1872	1,370,320	..	4,671,332	6,041,652
1873	1,626,266	..	3,793,612	5,419,878
1874	1,041,345	803,945	3,518,861	5,364,151
1875	745,061	464,870	2,356,057	3,565,988
1876	640,691	607,984	2,875,903	4,124,584
1877	740,686	520,673	2,178,098	3,439,457
1878	877,555	1,870,434	4,418,344	7,166,333
1879	622,573	2,766'533	5,260,411	8,649,517
1880	1,455,724	2,129,705	6,070,507	9,655,936

These figures show an enormouse increase in the demand for land during the past three years, and probably during the current year a still larger expansion of the occupied area will be shown, for immigrants are now crowding into the States in unparalleled numbers. It may be doubted, however, whether the extension of cultivation will go on long at so rapid a rate as at present, for it is wtth difficulty that a market can be found for the whole of the present agricultural product of the States, and if the supply is further increased a fall in price sufficient to check production is far from improbable. But however that may be, it is clear that owing to the rapidity with which new lands are being brought under cultivation, the American competition with the agriculturists of this country is likely to grow still keener. —*London Economist.*

THE AMERICAN TRADE IN AGRICULTURAL PRODUCTS.

The official statistics of the trade of the United States for the past year, which have just been issued, show a great increase in the exports of agricultural produce. Taking first wheat and flour only, we find the quantities exported and average prices during the 10 years to have been—

Fiscal Year.	Bushels.	Value. $	Average per bush. $ c
1879-80	183,309,890	225,879,502	1 23¼
1878-79	150,502,506	160,268,798	1 06½
1877-78	93,139,296	121,964,842	1 32¼
1876-77	57,043,936	68,799,509	1 20½
1875-76	74,750,682	92,816,369	1 24
1874-75	72,912,817	83,320,333	1 14
1873-74	91,510,398	130,679,553	1 42¾
1872-73	52,014,715	70,833,918	1 36
1871-72	38,995,755	56,870,744	1 45¾
1870-71	52.574,111	69,236,608	1 31¾

Of all breadstuffs the exports in the past two years were:

	1879-80. $	1878-79. $
Barley	784,819	401,180
Bread and biscuit	686,158	682,471
Indian corn	53,298,247	40,655,120
Indian corn meal	981,361	1,052,231
Oats	308,129	1,618,644
Rye	2,362,765	3,103,970
Rye flour	24,728	15,113
Wheat	190,546,305	130,701,079
Wheat flour	35,333,197	29,567,713
Other small grain and pulse	1,272,028	817,536
All other preparations of breadstuffs	2,439,098	1,740,471
	$288,056,835	$210,355,528

This class of products constituted in 1878-79 about 30 per cent. of the total exports of the United States, while in 1879-80 it amounted to 35 per cent. Last year, moreover, in addition to breadstuffs, the following agricultural products were shipped:

	1879-80. $		1879-80. $
Living animals	15,882,120	Mutton	176,218
Cotton	211,535,905	Butter	6,090,687
Fruits	2,091,624	Cheese	12,171,720
Hay	206,819	Condensed Milk	121,013
Hops	2,573,292	Pork	5,930,252
Oil cake	6,259,827	Potatoes	522,039
Lard oil	816,447	Seeds	2,776,823
Cotton seed oil	3,225,413	Tallow	7,689,232
Provisions	61,310,588	Tobacco	16,379,107
Lard	27,920,367		
Eggs	14,148		392,170,842
Preserved meats	7,877,200		

Adding to this total the value of the breadstuffs, we find that the total exports of agricultural exports for the year amounted to $680,000,000, or 82 1-2 per cent. of the whole export trade of the country. These figures are instructive. They show, for one thing, how largely dependent Europe is upon the United States for its food supplies, and they further give an insight into the working of the protective policy of the States. It is the unprotected industry of agriculture that is prospering and extending, while the protected manufacturing industries are showing themselves unable to make any material progress against the competition of the producers of other countries. —*London Economist.*

THE COST OF A CURRENCY.

It is not a very easy thing to compute with accuracy what the cost of the currency of a country has been to it. Different cases differ from each other very much. In this country the cost of the coinage may be put down as the cost of the mint establishment, minus the profit made on the "token" portions of the currency—the silver and the bronze coins. The maintenance of the currency is, however, more costly than the establishment, and the State has probably in this country a heavy expense before it in the cost of restoring the gold coinage to its proper weight. A very large portion of the gold coinage now circulating in England and Ireland is deficient in weight, and the expense of restoring it should be met by the Government. To call in the coin not up to the legal weight, and to mulct the last holder with the difference, cannot be considered equitable, though it was the method adopted the last time our gold coinage was rectified, more than thirty years ago. Yet a deficiency of 2 per cent. in our coinage, should the difference be as great as that, is not a very heavy price to pay when considered as extended over a period of more than a third of a century. In the case of Australia, the mints established at Sydney and Melbourne have been sources of revenue—besides being of immense value to the colonies by marking the gold they have raised with its proper value. The establishment of the gold currency of Germany, on the other hand, appears to have been an immense expense. We may put it in this way: Some £50,000,000 of silver has been sold, and gold bought in its place. If we roughly put the loss on selling the silver at 12 per cent., this would equal £6,000,000; on the other hand, a profit on the gold coinage of £411,599, and on the silver, reckoned, doubtless, on the difference on the full weighted silver and the token mark coinage, of £2,080,943, was recorded to December 31, 1879. The Bank of Germany is reported now not to hold more than £9,000,000 in gold. It has thus in its keeping a sum which though larger than the expense of selling the silver, is still comparatively small. A change in the currency circulation of a country is always an expensive matter. In the case of the United States, the immense prosperity of the population has enabled them to surmount what was ever a most difficult matter, a return to specie payments from a paper currency with comparative ease.—*London Economist of Oct. 9.*

ARE TRUSTEES BOUND TO BE ALWAYS WISE.

The Court of Appeals has recently rendered a decision in the case of the Central Park Savings Bank of this City, which is of much interest as bearing upon the question of the personal responsibility of directors in financial institutions. The bank was organized in 1867, did a rather small and unremunerative business, and failed in 1875. Finding that a bank building was in course of erection, upon an up-town corner lot, which was bought in 1873, the receiver brought suit against such of the trustees as had voted to take the step of putting up this building, for recovery of the resulting loss. The case was first tried in the Supreme Court at Special Term: the verdict then obtained by the receiver was upheld by the General Term, and the Court of Appeals has now re-affirmed it. The grounds for the decision are an interesting subject to examine.

It is not claimed that there was any violation of express statute on part of the trustees. By the existing law of 1875, a bank building must be suitable for revenues— *i. e.*, it must be one whose construction permits renting of some portions—and its total cost must not exceed one-half the net surplus. But no such law existed in 1873, and bank trustees had a legal right to expend depositors' funds in a building; as trustees, they were chargeable with only the duty of ordinary judgment and diligence, and the ground of action in this case was—and could only have been—that they failed in this duty, and were guilty of such negligence and incapacity as made them rightfully responsible in their own persons for the result.

Whether this proposition was well taken opens a wide field for inquiry and for variance of opinion. It is entirely clear now, and was so in 1875, and probably in 1874, that the matter of the building was an unfortunate one; but the defendants urge, with unquestionable force, that it is not fair to permit a jury to pass upon their action in the light of events which followed it. Very great stress and consideration should be given to such a plea, for it so easy and common to be wise after the event that few of us have not rather forgotten how we felt in 1872. A few men, seers among the vast majority, foresaw the trouble, and acted accordingly; but which of us could not turn back to some investment or expenditure, made before the break, which proved unfortunate and would gladly have been undone when too late? Yet every such step was made according to the best light and judgment of each one of us who made it at the time, and certainly no man can be fairly held to a greater degree of diligence, care, prudence, and good judgment, when acting as a trustee, than when acting for himself.

In fact it is the highest standard of action in a fiduciary capacity, that a man should care as well for others' interests as for his own. The law wisely restricts trustees of corporations and estates somewhat, on the ground that some risks which a man might take with his own property he may not take with that of others; but in open action, where individual judgment is allowed free play, it is obvious that any man will do for himself the best he knows how. The bank receiver in this case claims only that the trustees were bonnd to act as a prudent business man would act if he should find his business affairs in a bad state, and that there could be no valid excuse for their purchasing real estate at a troubled period in the bank's career. Judge Earl, who delivered the Court of Appeals decision considers it fairly inferable that their object was to improve the bank's condition by attracting deposits. He says:

Their project was to buy this corner lot and erect thereon an imposing edifice, to inspire confidence, attract attention, and thus draw deposits. It was intended as a sort of advertisement of the bank—a very expensive one, indeed. * * * It is not legitimate for the trustees of such a bank to seek deposits at the expense of present depositors. It matters not that the trustees purchased this lot at no more than a fair value, and that the loss was occasioned by the subsequent general decline in the value of real estate. They had no right to expose their bank to the hazards of such a decline. If the purchase was an improper one when made, it matters not that the loss came from the unavoidable fall in the value of the real estate purchased. * * * We conclude, therefore, that the evidence justified a finding by the jury that this was not a mere case of error or mistake of judgment on the part of the trustees, but that it was a case of improvidence, of reckless and unreasonable extravagance, in which the trustees failed in that measure of reasonable prudence, care and skill which the law requires.

Now the law did not and could not require more care and skill than this—in other words, more than that a man should use the best judgment he had. Giving the best there was in him, he necessarily exhausts the possibilities in his own case. Of course, there must be admitted a liability for the grossest negligence; and yet it seems undeniable that the question of negligence must be determined by the question of fact as to the excercise of the individual's best faculties, *and this question must depend upon the individual.* For illustration, suppose a case of trusteeship of any sort, all specific limitations upon action by statute being absent, and that a trustee makes some obviously foolish investment. Does not the question whether his estate should be held responsible, depend largely or chiefly upon who and what he is? If he is some business man of proved capacity, everybody will say that it is useless for him to plead having acted as well as he could, and that he must have known better; but if he is a man jnst legally capable of administering his own affairs, the case is obviously different. This is only saying—what nobody can reasonably deny—

that one man is not to be required to use the judgment of some other man; the contrary would lead to the proposition that every man is bound to be as wise and successful as the wisest man, and to make as few mistakes. Probably a thousand men could be found in this city who would have foreseen, in the beginning of 1873, that it was not judicious for this savings bank to attempt erecting a building and that liquidation at once would have been wiser; but the trustees who voted for the building were not such men. If a man thought, at that time, that the apparent general prosperity was going straight on, what a multitude there are who have no right to fling a stone at him; if these trustees thought that to crowd on all sail, put on appearances, and attract business by a tasteful building, was the way to put the bank on a substantial footing, does that prove more than that their judgment was less sound than that of others? This was before savings banks had begun breaking; the tide was beginning to ebb; but because some are prophets in their generation, are all under obligation to be?

Moreover, it is not to be overlooked that this decision tends towards the doctrine—not yet enunciated, but clearly following from it—that trustees are to be responsible in their own persons for the results of their official action. Such a doctrine is of course equivalent to putting them in the position of general partners as respects the institution they have in charge. It is obviously inconsistent with existing restrictions of law upon fiduciary action. Thus, by law, savings bank trustees are rigidly and minutely tied up as to investments and bills were proposed, last winter, which would have tied them more tightly still; there is no corporation of a public character in the country whose directors are entirely free, as they are in their own affairs. The theory is that the trust will be protected by certain restrictions, but this is inconsistent with additional protection from unlimited personal responsibility of directors. We have repeatedly objected to some restrictions proposed, as going too far, because, if trustees are to be made automata, without any scope for their judgment, they will decline to act, and the result will be to deprive trust funds of the services of the persons who are most desirable to secure. This result would even more surely be accomplished were the doctrine to be established that trustees must make good any losses arising from their own errors of judgment, for responsibility without power, at least, wil not be accepted. Such a doctrine the country cannot afford to establish.—*Financial Chronicle.*

THE IMMIGRATION FROM EUROPE.

The political economists of Europe are awaking to the fact that the emigration to this country constitutes a serious pecuniary loss—that is—if in addition to the amount of hard cash which the average emigrant takes with him, is added the money value of his labor. French writers have mourned over the loss of the relative commercial and military position of the nation. They have pointed out that large nations have a *prestige* which must and does exert a favorable influence on their commerce and industry. The English speaking people now number 80,000,000, and thus, we have China, Great Britain, the United States and Russia as the great nations of the present day. But the position of the United States is one of peculiar promise, and the factors which contribute thereto it is unnecessary to mention here. The immigration at one time threatened to degenerate into a migration of paupers, and otherwise undesirable citizens. This year on the contrary, when immigration has so largely increased in quantity, has also been marked by a great improvement in its quality. Nearly 500,000 souls will have landed on these shores during the year 1880. Estimating the cash which the average immigrant possesses on landing, we have some $35,000,000 added to the monetary wealth of the country. As some 46 per cent. of the immigrants are between 15 and 40 years of age, the average working time of the mass may be placed at 15 years, which, at $600 per annum for males, and one-fourth that sum for females, represents an enormous sum. Making all reasonable deductions, the actual money value of each immigrant may be placed at one thousand dollars, thus adding annually the gigantic sum of $500,000,000 to the capital of our country. But even this manner of regarding the question is insufficient when we consider that a great deal of the human force now coming is invaluable in building up our manufactures, in tilling the virgin lands of the West, and in aiding us to attain that predominant position in the world's commerce which an increased, intelligent and industrious population can alone insure us.

That emigration contributed in former times to the commerce of the mother countries admits of no doubt. The countries which have had the largest emigration, as England and Holland have to-day the greatest foreign trade per head of the population, but this exodus took rather the form of colonization, and it was directed to new or half civilized countries. Now, of all forms of commerce, that of a highly civilized country with one which is both productive and undeveloped, is the most profitable. This special form of emigration is no longer in force as regards the United States, which being itself highly civilized, attracts to itself all the advantages which a desirable class of immigrants may confer. The continual drain of the best artisans and farm workers is beginning to be seriously felt. A letter from Basle (Switzerland), states that the "passementerie" workers of that city are leaving *en masse* for the United States. The silk weavers of Lyons have now to compete with their emigrated countrymen in Paterson. And war, a succession of bad harvests, or a commercial crisis would precipitate an immènse emigration.

It must not be supposed that there is a great superabundance of trained labor in Europe. There is a growing lack of female and juvenile labor for mills, and though wages have been advanced of late years, they are still far below those current in this country, while the whole social conditions and future of the working classes are immeasurably more favorable. The loss of so many of the real working forces must eventually, in conjunction with the military system, act most prejudicially on the industrial fabric of Europe, and so cripple it, that it will not be able to contend with the manufacturing freedom and enterprise of the United States.

THE SWISS BANKING SYSTEM.

SUPERIORITY OF THE AMERICAN SYSTEM.

Whatever defects may be inherent to our political, and even to our commercial system, we may, at the present time, look with a great deal of complacency on our national banks. The unlimited liability system of Scotland has been tried and found wanting, the German Imperial procedure shows evident signs of not fulfilling the requirements of the finance methods of the day when politics and trade give such violent shocks to the money market, and now Switzerland, peaceful and unimportant as the country may be, is thrown into a semi-revolution by its defective banking.

There is nothing that strikes the popular mind like bank failures. The strongest passions and interests are aroused, and thus State monopoly is introduced, simply owing to the idea of stability, which is thereby connected. Banks of issue have enjoyed privileges in Switzerland which have been disabused to some small extent, and now owing to losses incurred by the people at large, there is an urgent demand that the Federal Government should be authorized to issue notes instead of the private and Cantonal banks (in this case equivalent to our State banks), and that private banks should in any case be required to have a metallic reserve equal to fifty per cent. of their circulation.

But, although there have been some losses incurred, there seems to have been no such abuses as could justify this Constitutional change. Even the great objection made against the private banks, viz., that the circulation is not sufficiently guaranteed, is in fact, to a great extent destitute of truth. Each Canton having its own banking legislation, one of the principal causes of complaint is really this diversity, which, in financial matters, will always be found to work prejudicially. Thus, the Cantonal banks are really at war with the rights of the citizens. In some cases the State furnishes the whole or part of the capital, or guarantees it, while the bank on the other hand is naturally in a condition of tutelage; in other Cantons the issue of notes is subject to Government approbation. In other Cantons again, the circulation must not exceed one tenth of the share capital. In Berne, Thurgovia, etc., the bank notes are guaranteed by the entire fortune of the State. Soluthurn, which furnished half the capital, guarantees the circulation to the same extent. An equal diversity prevails in the operations of the banks. Out of the thirty-six banks of issue, eight confine their operations to discount business, and what is known as Lombard's seven adopt the *commandite* (equivalent to some extent with our "sleeping partners"); nine in loans on mortgages; eleven take in the above three varities of banking transactions, and finally, others act as Cantonal Savings Banks.

The banking business of Switzerland is, considering its size, population, and interior position, really extraordinary. The discount business amounts to $400,000,000, or one fourth of that of the Bank of France and its branches, while the population of Switzerland is only one-thirteenth of that of France. The capital of the banks amounts to $22,400,000, while the circulation does not exceed $16,400,000, the metallic reserve has also never been less than fifty per cent. of the circulation. Their average dividend has not exceeded five per cent.

A petition signed by upwards of 52,000 voters has been presented to the Federal Council, demanding the revision of the banking legislation, and giving over the issue of notes to the Confederation, and a division of the profits (doubtless *pro rata*)among the different Cantons. This movement will fail for the present, at least, owing to the fact that while the Constitution is capable of revision, it is not so on one single point—with the view of avoiding the continual tinkering to which all legislation is subject. It will be seen from the above, however, that the Swiss private banks of issue are guaranteed sufficiently, and that no reasonable grounds of complaint can be made against them. Why, then, this movement? Simply because socialism, and especially State Socialism is one of the signs of the times.

FINANCIAL LEGISLATION ABROAD.

There seems to be a great movement in France, Germany and Austria, towards more effective legislation of joint-stock enterprises, of whatever nature they may be. This has originated in the immense losses occasioned by the undue development of speculation in Vienna and Berlin. Nothing very practical seems to have been yet effected either by the Prussian or Austrian legislators. The abuse of the check system in Austria is calling for interference, but the evil has simply arisen from the fact that the English check was adopted without any of the English legal protection, which has been found so efficacious. Checks have actually been looked upon as if they were gold certificates, and this lack of business knowledge is observable among large classes of the Continental peoples. It is thus, that there is no equivalent to the English Clearing House, and that the *role* of the Bank of England is imperfectly filled by any similar institution.

France, more than any other European country, has endeavored to place large financial undertakings under control, and the Code contained some very able financial legislation on the subject. The Empire is in a great measure responsible for the breaking down of the safeguards which Napoleon the First established. The manner in which companies are now "run," is exceedingly dangerous, and injurious to legitimate enterprises. The nominal and the paid-up capital are separated by such an immense distance that many of the directors seem to despair of ever seeing them meet. The consequence generally is, that a company issues shares at one-hundred francs, of which 25 francs constitute the first payment. Many of the joint-stock companies are composed of seven persons (the minimum number allowed by French law), who after the first payment verify and approve the "accounts," and pocket the first payment as general expenses. The Cash-box is now empty, but the advertisements continue to assure the public that the society will offer five-hundred franc shares at seven-hundred, eight-hundred, or one-thousand francs.

The abuses connected with this system have unfortunately been transferred to some of the newer banks. Some of those great industrial undertakings which have astonished even persons who have read Jerome Paturot, by their cosmopolitan character, have adopted the plan of founding a bank with a nominally gigantic capital, in order to throw a glamour over the parent establishment. Yet these schemes become banks of issue *de facto*, and there very existence is in direct violation of the privileges of the Bank of France.

*A HISTORY OF STATE DEBTS.

The history of State debts may properly be said to date from the year 1830, when the States of this Union owed only about $13,000,000. During the next seven years, the greater part of the debt which caused so much financial embarrassment in 1841-42 was contracted, and the State governments laid the foundation for a series of financial disasters which have since overtaken many of our States, and disgraced us both at home and abroad. The increase in the whole public debt of the States from 1830 to 1840 amounted to $178,409,084. In 1830 the aggregate State debts of the States of Pennsylvania, Maryland, Indiana Illinois, Michigan, Arkansas, Florida and Mississippi amounted to $6,976,689; and in 1840 these States alone owed $94,242,699—an increase of $87,266,010. The State debts of the different sections of the country, so near as can be ascertained with the meagre data attainable, were as follows, June 25, 1842:—

Eastern States	$7,158,274
Middle States	73,348,072
Southern States	73,340,017
Western States	59,931,553
Total	$213,777,916

The seven years following the election of General Jackson in 1829 formed one of the most extraordinary financial periods the world has

*This elaborate paper on the debts of the several States was prepared by Mr Robert P. Porter, of the Census Bureau, for the "International Review," and it appears complete in the November number of that publication. Very full foot-notes, showing the sources from which Mr. Porter obtained his information, and a few paragraphs of minor importance, are omitted herein. We are permitted to place the substance of this very interesting paper before the JOURNAL'S readers through the courtesy of Messrs. A. S. Barnes & Co., publishers, of this city.

About two weeks before the late general election, several political newspapers of this city published certain parts of Mr. Porter's paper, distorting it into a campaign document, to demonstrate the idea that honesty belongs to one section of the country, while dishonesty and repudiation belongs exclusively to the other. We believe that Mr. Porter has carefully compiled the facts and written the paper from an unbiased stand-point, and it is the height of folly, not to say injustice, to array the subject as in any respect a partisan or sectional measure. We believe in telling the whole truth—but then let it stand alone for what it is worth. We are a united and prosperous people, and every good citizen should do all in his power to bury sectionalism out of sight forever.—THE EDITOR.

ever seen. The mania for creating State debts had its origin at this time. The affairs of all commercial and manufacturing countries were in a hopeful condition. A writer of those times describes wealth as increasing, population greatly multiplying, production enlarging still faster than population, and the general condition of man in most civilized countries as improved. When General Jackson became President, there was a general and well-grounded belief that the financial affairs of the country were prosperous, and that the United States was in a condition to go forward with accelerated speed. Before the close of his first term, the last instalment of the national debt was paid, and hence no money went out of the country through this channel. This event was considered, said Judge Benjamin Curtis in an essay written in 1844, an important omen at home and a striking novelty abroad. It is hardly surprising, then, that this fact tended, as Judge Curtis aptly puts it, "To raise the spirits of the country, give the people great confidence in their resources, and to incite them to large undertakings." A vehement desire arose to construct great public works, chiefly such as facilitate and promote internal commerce. It has been truly said that the people of the United States have not much taste for cathedrals and palaces, but, "the useful magnificence of roads and bridges" excites their admiration. Said Judge Curtis: —

"They knew well enough that a canal or railroad piercing a great tract of country was of immense importance to them; they quite comprehended its objects, and did not underestimate its effects; and when their hopes had been raised and their judgment somewhat disordered by the fever in their veins, and they saw the means of accomplishing these great objects not only within reach, but almost thrust into their hands, it is not strange that they seized upon them with incautious eagerness and expended them with a prodigality somewhat in proportion to the ease with which they were obtained."

As before said, our foreign commercial debt had been paid with so much promptness that European capitalists formed a very high opinion both of our resources and our honor, and they took the stocks of the States as freely as if they had been gold and silver until it reached the enormous proportion given in the preceding table. Then came the calamity. The Bank of England found itself in a critical condition. There was a scarcity of money in England; prices fell, stocks were unsalable, the United States Bank of Pennsylvania stopped payment, and its example was followed by every bank south of Philadelphia. Men's eyes were at last opened; they saw that the country had not recovered from the effect of years of speculation, and that the attempts to return to a false position had but increased their difficulties. A panic followed. All property for a time seemed to have lost its value.

Such was the condition of affairs when it became necessary for some of the States, to which I shall more particularly refer, to refuse, and others omitted, to provide for the interest which had become payable on their debts. At that time Pennsylvania led the list of pecuniarily embarrassed States. On the 1st of August, 1842, the interest on its funded debt became due, and was not paid. It having been foreseen that there would be no money in the treasury with which to meet the dividends, an act was passed by the legislature directing the treasurer to borrow the sum necessary for its payment; and, in the event of its being unable to obtain it on the terms proposed, authorizing the issue of certificates to the persons entitled to dividend of interest for the sums due to them, payable one year from the date of issue, and to draw six per cent. interest. The funded debt of this State was about $36,000,000 at the close of 1840, payable at different periods, and in different sums, the last of which was to fall due in 1870. Of this amount no less than $30,000,000 had been incurred for building railways and canals; no less than seven hundred and ninety-three miles of railways and canals had been completed, and one hundred and forty miles of canals were at that time in process of completion. There was no fear felt that Pennsylvania would fail to pay its debt.

Second to Pennsylvania came the State of Maryland. This State, for the two years prior to 1844, had failed to pay the interest on her public debt. About fifteen million dollars' worth of bonds had been issued, but of this amount no less than $3,175,000, issued to the Baltimore & Ohio Railroad, had not been negotiated; so the real debt of the State was nearly $12,000,000. This debt had been contracted wholly for purposes of internal improvements, and trouble seemed to have arisen from the legislature having relied too much on the income from the improvements with which they had hoped to meet the interest of the debt. Efforts were made to delude the people of Maryland into a belief that their legislature had not the constitutional power to contract these debts, and that the legislature had power to tax the people only "for the support of the government;" that the construction of the railroads and canals was not one of the legitimate objects of government, and hence not within the constitutional power of the legislature to tax the people to make or pay for them. Pennsylvania, I believe, never hinted at repudiation; and in Maryland, though some tried to shirk the responsibility of paying for these internal improvements, the best and most influential men renounced this miserable sophistry, and acknowledged that the debt was conscientiously incurred and must be honestly paid.

Until this time the word "repudiation" had not entered into the financial history of American States. The word originated in the State of Mississippi, and was ushered into existence by Governor McNut, of that State, in January, 1841, in a message suggesting the plan of "Repudiating the sale of certain of the State bonds on acconnt of fraud and illegality."

It may be interesting at this time briefly to refer to the facts which induced Mississippi to take this action upon the subject of its debt. In 1838 the State chartered the Mississippi Union Bank, and, in order to provide capital for the institution, it was enacted in the charter that the directors should borrow $15,500,000, and that the Governor might issue seventy-five hundred bonds for $2,000 each, bearing five per cent. interest, and redeemable in twelve, eighteen, and twenty years, and deliver them to the officers of that institution from time to time in proportion to the amounts subscribed for bank-stock, the price of which was to be secured to the satisfaction of the directors. The bonds were made negotiable for the expenses of the president and cashier of the bank; the governor, by an additional act, was authorized to suscribe in behalf of the State for $5,000,000 of the stock of the bank, and he did so. In June, 1838, he delivered to the bank two thousand five hundred bonds, amounting to $5,000,000, payable in twelve and twenty years, on the fifth day of February, 1838, and bearing five per cent. interest from their date. The charter required the bank to appoint three commissioners for the sale of the bonds, and imposed this restriction on their authority— that the bonds should not be sold under their par value. On the 18th of August, 1838, the commissioners sold all the bonds to Mr. Biddle for the sum of $5,000,000, payable in five equal instalments of $1,000,000 each, on the first day of February, 1838, and the first days of January, March, May, and July, 1839, without interest. This money was punctually paid to the bank, which went into operation, and before January, 1841, lost all its capital. In commenting on this, Judge Curtis, in his essay on State debts heretofore referred to, says:—

"Now, we feel constrained to say that if this matter had rested here, the State of Mississippi would not be legally bound to pay this debt. We think the commissioners did not conform to their authority in making the sale; they were in terms prohibited from selling the bonds under their par value. The par value of a bond is the amount which is due upon it, and this includes interest as well as principal. This seems to us the plain meaning of the charter, and any other construction would render the restriction itself nugatory; since by allowing the interest to accumulate long enough, the commissioners would have had it in their power to obtain five million dollars for the bonds, though at the very moment when they sold them seven million dollars might be due upon them. They made such a sale as not to receive in cash the amount equal to the liability of the State on the bonds, and therefore we believe that they exceeded their authority."

It must be acknowledged that the State had the legal right to insist, at a proper time, on this want of authority even against the subsequent purchasers of these bonds, because any one who takes a title through an agent is bound by law to look to the authority delegated to him, and to see that he acts or has acted within its scope in making the title. In response to the message of the governor in January, 1841, the legislature of the State of Mississippi passed a resolution to the effect that the State was bound to the holders of the bonds of the State sold on account of the bank, for the amount of the principal and the interest; and, furthermore, that the State of Mississippi would pay her bonds and preserve her faith inviolate. The legislature at this time repudiated with great vigor the insinuation that the State of Mississippi would repudiate her bonds and violate her plighted faith; and, moreover, declared that any accusation of this kind was a "calumny upon the justice, honor, and dignity of the State." Having thus acknowledged the validity of the debt, and pledged her word for its redemption, all further discussion as to its legality ended. These bonds were never formally repudiated, but fell into default; and, although successive governors urged payment, no provision was made, and in 1852 the appropriation therefor was defeated by four thousand four hundred majority on a popular vote. There is a proposition now before the legislature of Mississippi for a compromise with the holders of the old repudiated bonds of that State. This proposition from the English bondholders, received after adjournment of the last legislature, and consequently a year old, is for a waiver of all consideration for interest since 1840, and a reissue of the $7,000,000 to begin at three per cent., and increase annually at the rate of one half per cent, giving the State the option of receiving the bonds for any unoccupied State lands, at three hundred and twenty acres for a thousand-dollar-bond, that immigration of workers may be induced. The proposition, says the published report, was received politely, and action was taken looking to a joint committee for its consideration; but if correctly reported, its terms are obviously impracticable, being penal in severity: hence its acceptance must be deemed hopeless.

Unhappily, at this time Michigan had denied its obligations to pay a part of its outstanding bonds. The history of what has usually been termed the "unrecognized" or "part-paid" portion of the five-million-dollar loan of Michigan is substantially this: By an an act approved March 21, 1837, a loan not exceeding $5,000,000 was authorized by the legislature to be expended for internal improvements; bonds to the full amount of the loan were prepared and executed, and a contract made with the Morris Canal and Banking Company, of New Jersey, to place the loan on the market in instalments, the com pany to be paid a commission for their services. A portion of the bonds were disposed of under this contract and the proceeds paid over to the State. A new contract was then made by which said company became the purchasers from the State of that portion of the bonds then remaining unsold, payment to be made in instalments. The United States Bank of Pennsylvania became security for the fulfillment of this contract on the part of the Morris Canal and Banking Company, and the bonds were delivered. Under the two contracts, the State received pay in full for $1,387,000 bonds; for the remainder but a small portion of the amount was paid to the State when the Morris Canal and Banking Company failed. A further small sum was paid by the United States Bank of Pennsylvania as surety, when that bank also failed. It was ascertained that a large amount of the bonds, for which only partial payment to the State had been made, had been transferred by the Morris Canal and Banking Company to the United States Bank of Pennsylvania, the latter necessarily having full knowledge of the fact that they had not been paid for. As soon as the State of Michigan became aware that it would not receive full consideration for the bonds, notice was given that it would consider itself bound to repay only the money actually received. This was done by Act No. 60, approved Feb. 17, 1842, which required the governor to issue a proclamation, to be published in New York and Philadelphia alike, that holders of the "part-paid" bonds should return these to the State and receive bonds for the amount of money that had been paid in the State thereon. Such proclamation was issued in April, 1842. A report made by the State treasurer, Dec. 6, 1842, stated that these "part-paid" bonds were principally held by the United States Bank of Pennsylvania, and that they had been hypothecated to different houses of Europe. This hypothecation was reported to the legislature, to be made under the understanding that they did not affect the equities of the State. Such, in brief, is the history of the case. The State made strenuous efforts to secure something from the wreck of the two banks, but with small results; and upon becoming aware that it would not receive full consideration for the bonds, promptly gave notice that it would consider itself bound to pay only the money it had actually received, and this while the bonds were owned by a bank that had full knowledge of all the facts. All but $21,000 of the "unrecognized" or "part-paid" bonds have been surrendered, and new bonds for the amount received by the State, and interest thereon, taken in their stead. The State of Michigan claims that she has always been ready to recognize, and will recognize, as a just debt and pay in full, with interest without abatement, every dollar of her bonds for which she received consideration. And this notwithstanding the fact that all the money that actually was received on the bonds under consideration was squandered on works for which the State received no benefit or reimbursement except what was realized on the sale of the Central and Southern Railroad. In the early days the State also loaned its credit by issue of bonds to certain railroad companies, with the understanding that such companies were to take care of both principal and interest. The companies failed but the State paid the bonds. This is the Michigan side of the question. There is another view. If the United States Bank of Pennsylvania and the Morris Canal and Banking Company held these bonds, the State might justly have refused to consider any greater amount of them as due than paid for; but the trouble was, these corporations had a title which the State had given them to transmit the ownership of these bonds, which they did to European bankers. These bankers in turn parted with their money in good faith. The position of the State, then, is based upon this fallacy--that because the property had not been paid for, it was not the property of the corporations to which it had been sold, and that the holder thereof could not give a good title to it. "Such a doctrine," says an eminent jurist, "would offset half the sales made in the country."

The credit of Louisiana had been loaned to several banking corporations, the capital stock of which was secured by mortgages on real estate. The bonds, as our table shows, amounted to about $23,000,000, of which some $17,000,000 had been sold. Capital had been greatly in demand in New Orleans, and twenty years prior to this date the method of obtaining it by means of loans to banks whose stock was secured by mortgages on real estate was devised. New Orleans, like the rest of the country, had partaken of the unnatural excitement of the times, and on account of its vast business interests had felt the depression even more severely. During the period of prosperity, the banks discounted an immense amount of paper which was found bad when the day of trial came. April 5, 1843, the legislature of Louisiana passed a law providing that all debts due to the banks in question may be paid in State bonds issued by the banks, which bonds are to be received in payment in part. This was manifestly unfair, not to say dishonest; for it must be borne in mind that the capital stock of these banks consisted in obligations of those who subscribed if the stock to pay were sums for which they subscribed, secured by mortgage on real estate; and before these bonds were issued it was provided by law that these obligations of the stockholders, together with the mortgages by which they were secured, should be deposited in the offices of the banks for safekeeping, and as a guarantee for the reimbursement of the principal and interest of the bonds to be issued by the State, and that all the hypothecated obligations of this nature, subscribed by individuals in favor of the banks, should stand as collateral security for the payment of the money loaned on the bonds of the State, and the interest which should accrue thereon. Now, there is not the smallest doubt that this law amounted to a contract made by the State and the banks with every bondholder that these mortgages should be held by the banks in trust to secure the payment of the money loaned on the bonds. When the State placed these banks in liquidation, and thus took control of their affairs, it was bound to regard this trust strictly and faithfully. It had no right to receive depreciated bonds at par for well-secured debts which it held in trust for third persons.[1]

Illinois and Indiana, at this time, with a population of five hundred thousand and seven hundred thousand souls respectively, had

* Life and Writings of B. R. Curtis, Vol. II., page 128.

each a debt of upwards of thirteen millions. The amount of taxable property in Indiana was returned at ninety-seven millions. In Illinois we have no return; but in 1850, the total assessed value of property was $114,782,645. Said Governor Carlin, in a message delivered to the legislature about this time:—

"Unfortunately at an unguarded moment, the State was allured from the path of wisdom and economy by the seductive spirit of speculation and the wild fury of popular delusion which spread over every part of the Union, and induced us to embark in an expensive system of internal improvements at a period when the country was literally deluged with an inflated circulating medium, which gave the semblance of success to the most visionary and chimerical enterprises."

It was literally impossible for these States to pay, and hence the legal adage, "If the obstacle be real time must be given; for no one is bound to an impossibility." Both Indiana and Illinois had vast undeveloped resources; and the fact that every dollar of these old debts has been paid, and that Illinois stands to-day practically out of debt, and that Indiana's State debt is $4,998,178, while the valuation of its property has increased from $97,000,000 to upwards of $880,000,000, is sufficient proof that the obstacle, though real at the time, has been overcome, and the State's honor and integrity remain inviolate. When Judge Curtis wrote his interesting review of State debts, he found, as I have shown above, two distinct cases, which, to use his language, were: "States whose resources and means of payment are ample, and who have never questioned the binding force of their contracts; and States able to pay, but refusing upon the ground that they are not bound to pay."

After the lapse of forty years, it will be interesting to review again the subject of State indebtedness; to study the changes that have taken place since then both in the debts and in the resources of the States; to observe the fluctuation of the principal, the accumulation of the interest, and the ups and downs of the value of the different State securities. The methods adopted to pay these debts by some States, and to avoid paying them by others, will be by no means the least interesting part of this inquiry. The view would be incomplete unless, to some extent at least, the purposes for which these liabilities were contracted came under consideration, and certainly it would be unfair to condemn any of the States for refusing to pay their debts until after a careful examination has been made into the methods of issuing the bonds, and the benefits received from them by the State.

It is doubtful if any two persons equally eminent as writers and equally careful as statisticians, could examine and arrange the varied and oftentimes contradictory statements of State debts which annually emanate from the capitals of the several States of the Union, and make their totals correspond. This being the case, I shall in the figures which will be given later on, present in every instance the authority from which my information was derived. After careful examination of the auditors,' treasurers', and comptrollers' reports, and a glance at all the governors' messages, I have taken for my totals the data which seemed in my judgment to be the most reliable. According to these figures, taken from thirty-eight different sources, the State debts of the Union at the present time aggregate $250,732.081. The assessed valuation of the property of the several States, obtained in the same manner, amounts to $16,244,585,708. Were it possible to take a bird's eye view of the financial reports of the various States of the Union, we should find on the face of them that no less than $61,846,830 of the $250,000,000 of debt had been incurred to aid railroads, and about $17,000,000 to aid in the improvement of water transportation and for the purpose of building levees. Could we go back of these reports, undoubtedly this large amount, aggregating nearly eighty millions of money, would be greatly increased, because many of the old bonds that were given in aid of all manner of internal improvements have been refunded, and appear upon the State records of to-day as "consolidated funding bonds," etc. One would also be struck with the fact that but a very small portion of this debt has been incurred for the relief of the treasury, or, in other words, for the current expenses of the State. It is safe to say that this indebtedness of upwards of $250,000,000 has been incurred for purposes of aiding railroads and improving the water transportation of the country; for all sorts of permanent improvements; for aiding and putting down the Rebellion; for educational purposes; for building State capitols, and for various State institutions. Below, we present a carefully-prepared table, showing the State indebtedness of the six New England States for the fiscal years ending in 1842, 1852, 1860, 1870, and 1880:—

States.	1842.	1852.	1860.	1870.	1880.
Maine	$1.734,137	$471.500	......	$8,067,900	$5,873,900
New Hampshire	None.	74,399	50,087	2,817.869	3,573,550
Vermont	None.	48,436	115,346	1,002,500	None.
Massachusetts	5,424,137	6,259,930	7,132,627	28.270,881	33.020.464
Rhode Island	None.	......	No debt.	2,913.500	2,534,000
Connecticut	None.	8,000	......	7,275,900	4,967,600
Total	$7,158,274	$6.862,265	$7,398,060	$50,348,550	$49,979,514

The debt of Maine consists of war-loan bonds, bounty-loan bonds, and the municipal war debt which the State assumed; the rate of interest paid is six per cent. The bulk of the debt of New Hampshire is the war loan coupon bonds, the municipal war-loan bonds, what are called State bonds, and the loan of 1879; the first three series of bonds drawing six per cent, and the last, five per cent. interest. The State of Vermont had no indebtedness until 1859. In the Winter of 1858–59 the State-house was burned, and the debt of $148,000 was incurred to rebuild. This was all paid by 1864. In 1861 and 1862 a further issue of bonds was authorized to supply funds for war expenses, amounting to $1,650,000. Of this amount there is now unpaid about $4,000, and of the agricultural College fund held by the State treasurer in trust, due 1890, $135,500; but the State has funds on hand more than the total of State liabilities of all sorts. Prior to 1837 Massachusetts had not issued for many years any permanent loans. At that date aid was granted to several railroads, and scrip issued amounting to about $5,000,000. Of this sum the Western Railroad, from Worcester to Albany, had $4,000,000, payable in thirty years in London, at five per cent. interest per annum. Other roads had dollar-bonds at the same rate, payable at the treasury in twenty years. These were paid, with the exception of $400,000 to the Norwich and Worcester Railroad, which were extended twenty years at six per cent., and paid in 1877. There were also issued $995,000 five per cent. twenty year bonds, to pay for the Commonwealth's subscription to stock in the Western Railroad for $1,000,000; these were paid at maturity in 1857. In 1849 the State began the construction of a Reform School, Lunatic Hospital, Almshouse, etc., and a debt was created of $1,314,000 in that and the subsequent years to 1858, which has all been paid. In 1861 scrip was issued to pay off an accumulation of temporary loans amounting to $300,000; this has also been paid. In 1861 and 1862 there were issued $3,000,000 of six per cent. Union-loan bonds, and $600,000 of five per cents. These have been paid; and also the $3,505,000 war-loans six per cent. currency bonds issued in 1866 and 1867. The total debt of Massachusetts is now $33,020,464; and the sinking fund amounts to $12,235,248.29, leaving a balance of $20,785,215.71. The debt of Rhode Island consists entirely of six per cent. war bonds. In Connecticut, all the bonds issued, excepting the new coupon bonds, were to pay for war expenses. The debt of the State was originally made for raising and equipping troops for the war, the amount being at the close of the war $10,000,000, now reduced to $4,967,600. The present assessed valuation of property in the New England States is $2,499,113,899.

Next in order come the Middle States, and the following tabular statement shows the fluctuation of their State indebtedness at the close of the last four decades:—

STATES.	1842.	1852.	1860.	1870.	1880.
New York	$21,797,267	$22,623,838	$33,570,238	$32,409,144	$9,186,000
New Jersey	None.	71,346	None.	2,996,200	2,096,300
Pennsylvania	36,336,044	41,524,875	37,969,848	31,111,662	22,190,668
Delaware	None.	30,000	None.	. ....	940,000
Maryland	15,214,761	15,260,667	14,876,959	13,317,475	11,259,607
Total	$73,348,072	$79,510,726	$86,416,045	$79,834,481	$45,672,575

The present debt of New York State was incurred for the purpose of improving its canals. The New Jersey State debt is the remains of a war loan; and nearly all the State debt of Pennsylvania has been incurred at different times for internal improvements. Delaware had no debt until 1865, when its first issue of bonds was made for war purposes: it virtually has no debt at all now, and the assets in the State treasury exceed its indebtedness by $160,000. Maryland incurred a large debt by assisting canals and railroads, which, however, has been very much reduced of late years; it now amounts to $11,259,607. The State holds stocks and bonds, upon which the interest is promptly paid, amounting to $3,585,327, leaving as the net debt upon which interest has to be provided, $7,674,280. The State has also a large amount of unproductive assets, aggregating $25,000,000, which the governor claims would be more than sufficient to provide for its entire indebtedness if sold. The total assessed value of property in the Middle States is $5,316,699,137. We have already seen that the reverses which followed the year 1837 afflicted alike the Middle, Western, and Southern States. Louisiana, Mississippi, Alabama, Tennessee, South Carolina, and Virginia at this time had heavy debts, though the change in the commercial condition of affairs more particularly affected, as I have shown, Mississippi, and Louisiana. The preparation of the table on page 684, showing the fluctuation of the debt of twelve Southern States since the year 1842, has been a stupendous task. In some States the records have been destroyed, and in others suppressed, for partisan reasons. The United States Census made no attempt to collect data of this kind until 1870, and hence the only assistance derived from that source is contained in the column of debt for 1870. Of course, I do not claim that the table is absolutely correct, nor do I believe that it is possible to obtain a correct exhibit of this class of indebtedness. The figures which I present on page 684 have been obtained from over fifty different sources. * * * *

West Virginia has no debt; the legislature is prohibited by its constitution from creating one.[1] Virginia's certificates have been sometimes improperly quoted as West Virginia, and the people of Virginia consider that $15,239,370.74 of the debt of the Commonwealth of Virginia properly belongs to West Virginia. The convention which assembled in Wheeling in 1861 to reorganize the government of Virginia, and for other purposes, and which is looked upon by the people of West Virginia as the first legal convention of Virginia since the convention of 1851, on the twentieth day of August 1861, passed an ordinance providing for the formation of a new State out of the territory of Virginia. The ninth section of this ordinance provides that the State shall take upon itself a just proportion of the public debt of the Commonwealth of Virginia prior to the first day of January, 1861, to

1 "Article X., Section 4.—No debt shall be contracted by this State except to meet casual deficits in the revenue, to redeem a previous liability of the State, to suppress insurrection, repel invasion, or defend the State in time of war; but the payment of any liability other than that for the ordinary expenses of the State shall be equally distributed over a period of at least twenty years."

be ascertained by charging to it all State expenditures within the limits thereof, and a just proportion of the ordinary expenses of the State government since any part of the State debt was contracted, and deducting therefrom the moneys paid into the treasury of the Commonwealth from the counties included within said new State during the same period. The first constitution of West Virginia contained a provision declaring that "an equitable proportion of the public debt of the Commonwealth of Virginia prior to the first day of January, 1861, shall be assumed by this State, and the legislature shall ascer-

FLUCTUATION OF THE DEBTS OF TWELVE SOUTHERN STATES SINCE THE YEAR 1842.

STATES.	1841.	1852.	1860.	1870.	Date after the War when Debt Reached the Highest.	1880.	Amount of Debt Repudiated and Scaled Down between Period Debt was Highest and June 1880.
	$	$	$	$	$	$	$
West Virginia.	....	....	....	....	....	No Debt	....
Virginia	6,994,307	13,573,355	31,779,062	47,390,839	47,390,839	29,345,226	18,045,613
N. Carolina	None	977,000	9,699,000	29,900,045	29,900,045	3,629,511	26,270,534
S. Carolina.	5,691,234	3,144,931	4,046,540	7,665,909	24,782,906	7,175,454	17,607,452
Georgia.........	1,309,750	2,801,972	2,670,750	6,544,500	20,197,500	10,334,000	9,863,500
Florida.........	4,000,000	2,800	4,120,000	1,288,697	5,512,268	1,391,357	4,120,911
Alabama........	15,400,060	8,500,000	6,700,000	8,478,018	31,952,000	11,613,670	20,338,330
Mississippi	7,000,000	7,271,707	None	1,796,230	3,226,847	379,485	2,847,362
Louisiana	23,985,000	11,492,566	4,561,109	25,021,734	40,416,734	12,635,810	27,780,924
Texas	....	5,725,671	None	508,641	5,782,887	5,782,887	....
Arkansas	2,676,000	1,506,562	3,092,623	3,459,557	18,287,273	5,813,627	12,473,646
Tennessee	3,198,166	3,776,856	20,898,606	38,539,802	41,863,406	25,685,822	16,177,584
Kentucky......	3,085,500	5,726,307	5,479,244	3,892,480	3,892,480	180,394	3,712,086
Totals....	73,340,017	64,499,727	93,046,934	174,486,452	273,205,185	113,967,243	159,237,942

tain the same as soon as may be practicable, and provide for the liquidation thereof by a sinking fund sufficient to pay the accruing interest and redeem the principal within thirty-four years." In 1871 West Virginia appointed commissioners to treat with the authorities of Virginia on the subject of the proposed adjustment of the public debt of that State prior to the first day of January, 1861. These commissioners adopted as the principal, if not the only, basis of the adjustment of the debt *the benefits conferred* on the two States by the proceeds of the bonds which represented the debt, *and not territory and population;* and they arrived at the conclusion that the balance due to Virginia was $953,360.33. No agreement was reached by this conference. Later in the same year the legislature of Virginia passed what is known as the funding bill, proposing to the creditors of Virginia holding bonds issued prior to the first day of January, 1861, that they should surrender for each bond, or the aggregate of these bonds, all obligations of Virginia; one a bond for two-thirds of the amount of the bonds surrendered, and the other a certificate of indebtedness for the remaining third, signed by the treasurer and second auditor of Virginia, payment of which was to be provided in accordance with such settlement as shall hereafter be made between the States of Virginia and West Virginia. In response to this proposition many bonds were surrendered, and new bonds and certificates were received therefor. West Virginia, however, was in no way a party to this arrangement, and many of its citizens claim that, when the creditors have thus voluntarily surrendered these bonds and accepted the obligations of Virginia only, they have released West Virginia from any legal obligations to them. On the other hand, the people of Virginia claim that the certificates, or in other words, the one-third of the debt, are statements merely of amounts due from West Virginia. Having thus generously placed upon the shoulders of West Virginia one-third of the debt, which of course, that State refuses to recognize, Governor Kemper, in his message of Oct. 5, 1877, says: "Virginia can never become liable for any part of West Virginia's third except by virtue of a settlement hereafter to be concluded between the two States." In the mean time the people of West Virginia are highly indignant to think that these "Virginia certificates" are constantly called "West Virginia's third," "West Virginia bonds," and "West Virginia certificates;" and as they are worth only from five to ten cents on the dollar, the State securities create neither a favorable nor a correct impression of the financial condition of the State.

In 1842 the debt of Virginia was $6,320,000; in 1852, it was $13,573,355. Just prior to the war it had reached $31,779,067. In 1870, according to the census report, it had increased to $47,390,839, which, so far as I am able to ascertain, was the maximum of the debt. The funding act of 1871 provided that two-thirds of the indebtedness, excepting two millions in sterling bonds, might be funded in new six per cent. bonds, and that non-interest-bearing certificates might be given for the other one-third, which was, as before stated, supposed to represent the share of the old debt which West Virginia ought to pay, and payment of interest on this was refused until the account between the two States could be adjusted. In January, 1872, the State Auditor reported the State debt at $47,090,866, of which $44,759,000 was fundable. The State agreed to pay interest on $31,394,000, making an annual charge amounting to $1,865,450. Interest came due, but was not paid. January, 1874, the arrearage of interest amounted to $2,600,000. At the end of the year 1875, according to Governor Kemper, the amount of over-due interest under the funding law alone was $1,816,000. In 1877, according to the same gentleman, the arrearage of interest had increased to $4,188,000. Governor Kemper urged that provisions be made to fulfill the obligations to the State's creditors. His successor, Governor Holliday, in a special message to the legislature March 7, 1878, said that he could find no excuse for a denial of the debt; that the obligation for the contract was unassailed and unassailable, and that the war and its results had nothing to do with, and could not affect, those obligations.[1] A few days later the Senate, by a vote of twenty to five, passed a readjustment bill, which provided that the creditors of the State might "surrender" their six per cent. bonds and receive, in lieu thereof, new bonds bearing three per cent. for eighteen years, and four per cent. for thirty-two years. In the message of Oct. 4, 1878, Governor Holliday resumed the discussion of the debt question. He showed that the total net revenue of the State of Virginia was $2,739,480.52. This, after deducting the cost of collecting delinquent tax, current expenses of the Government, and the amount due to public free schools, left a net revenue, applicable to the payment of the interest of the debt, of $972,262,826.49. The amount of interest on the debt of $29,262.38, at six per cent., is $1,742.865.82; deducting from this the net revenue applicable to the payment of interest, leaves a deficit of $770,603.33. The Governor could see but two ways open for an honorable settlement: taxes must be increased, or a friendly adjustment made with the creditors. A repudiation or forcible adjustment would bring ruin, he said; and though increased taxation might cause suffering and privation for a time it would in the end bring prosperity and peace. To pay the yearly deficit would require an increase of three or four mills in the rate of taxation. The Governor reported that, after an extensive correspondence with the bondholders, he felt warranted in saying that a large majority of them were willing to surrender their six per cent. bonds and receive in exchange four per cent. bonds to the amount of the principal and interest of the old bonds, or to receive four per cent. gold-bearing interest-bonds for the principal and accrued interest of the consols, and three-and-a-half per cents. for all other evidences of indebtedness. Governor Holliday vetoed the readjusters' bill of 1879 on the ground that he did not think it constitutional; and hence the question of repudiation in Virginia is still an open one. There is no reason why a State, so rich in natural resources, and so productive in all things which add to the welfare and prosperity of a country, should not pay every dollar of its debt. With a mild and equable climate, and a beauty of scenery unsurpassed; with cultivated farms and flourishing cities; with upland slopes rich in grass, and valleys well adapted to the cereals; with mines and quarries rich in metals and stone; with vast deposits of bituminous coal along its borders, and adjacent railroads to bring it to the iron ore; with vineyards awaiting cultivation to overflow with wine; and fields of the richest tobacco, with

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1 "We are shut up, then, to the conclusion that we are bound morally and legally to pay this debt. It is hardly necessary to spend time in framing bills to vindicate State sovereignty, or to establish some legal technicality. The debt is on us; it is a plain, practical affair. It is our duty to pay or adjust it, like plain, practical men, in a business way."—*Governor's Message.*

every facility for manufacturing, and every advantage for extending commerce both domestic and foreign; with a thrifty merchant marine, and a developing sheep industry, and with a population of at least 1,600,000 souls,—what right, I ask in all sincerity, has Virginia to hint even at repudiating a debt which amounts to a trifle over eighteen dollars per capita of its population, on the ground of poverty and general bankruptcy?

The State of North Carolina was comparatively free from debt until the year 1849. It had, previous to that time, endorsed or assumed the bonds of a few hundred thousand dollars issued by one or two of its first railroads. The General Assembly, at its session of 1848–49, and 1850–51, authorized the issue of $490,000 of bonds of the registered class, without coupons, which were the first State bonds issued. At the same session (1848–49), the first coupon bonds were authorized, which were for the construction of the North Carolina Railroad from Goldsborough to Charlotte. The first of these bonds bore date Jan. 1, 1853. Under various acts of the legislature, large sums of money were voted during the next ten years, principally for the aid of railroads; and at the opening of the war the debt of this State amounted to about $10,000,000. The recognized debt, including bonds issued by the Funding Debt Act of March 10, 1866, and Aug. 20,1868, amounted to $18,167,300. Under acts of the general Assembly, by which various classes of bonds were retired, this debt was largely reduced. The General Assembly of 1879 passed "An Act to compromise the amount and settle the State Debt." The Act provides that the bonds shall be exchanged for the principal of outstanding bonds, some at 40 per cent., which are old or ante-war bonds; some at 25 per cent., which are bonds issued for certain railroads since the war; and some at 15 per cent., which are the bonds issued under what are known as the Funding Acts of March 10, 1866, and Aug. 20, 1868. Of the $18.167,300 of debt there had been retired, to the date when the compromise act of 1877 was passed, $2,484,255. This amount, with the bonds issued for the North Carolina Railroad otherwise provided for, being deducted, leaves the amount of bonds authorized to be exchanged under the compromise act, $12,727,045, classified as follows:—

Bonds to be exchanged.		Bonds to be issued.
$5.577,400	at 40 per cent. in new bonds	$2,230,960
3,261,045	at 25 " " "	815,261
3,888,600	at 15 " " "	583,290
$12,727,045		$3,629,511

Under the operation of the compromise act, the bonds exchanged to the 17th of June, 1880, amount to $6,461,445, for which new four per cent. bonds to the amount of $1,901,496.25 were issued. There were outstanding June 17, and exchangeable under the compromise act, $6,165,600. No less than $12,805,000 of bonds have been absolutely and unequivocally repudiated by North Carolina. These are the bonds that were issued (with the exception of $215,000 to the Chatham Railroad in 1862) by acts of the legislature in 1868 and 1869. To the Chatham Railroad, $1,030,000; to the Williamstown and Tarborough Railroad, $450,000; to the Western Railroad. $1,320,000; to the Western North Carolina Railroad $6,640,000; to the Wilmington, Charlotte, and Rutherford Railroad, $3,000,000; to the Atlantic, Tennessee, and Ohio Railroad, $106,000; and for the State penitentiary, $44,000; making a total (including the bonds for the Chatham Railroad issued in 1862) of $12,805,000. These bonds were issued in the years 1868 and 1869, and, it is claimed, fell into the hands of the officers of the railroads, who engineered through the legislature the schemes by which the bonds were finally issued. Whether they were afterwards sold on the market or not it is impossible to say, but it is evident that the State received practically no benefit from them. With the acknowledged debt of the State it was different. Nearly all of the recognized debt of the State was contracted to aid, directly or indirectly, in promoting internal improvements. The larger part of this indebtedness is represented by bonds issued more than twenty years ago, together with the issues under the funding loans of 1866 and 1868, whose objects were, first, to fund the interest which had accrued previously and inclusive of the years named; and, second, to retire a portion of the ante-war bonds that had been matured. When the original bonds were placed on the market, the credit of the State was rated very high. Its bonds at one time commanded a considerable premium, and were regarded as safe investments by managers of trust funds as well as by some of the wise private corporations. Many savings institutions in the city of New York and elsewhere in the Northern States became purchasers of these bonds, and still hold them. Many individuals who invested in them the savings of years have been reduced to the most straitened circumstances—some of them almost to beggary—by the failure of the State to pay the coupons as they became due, and to make some adequate provision for the settlement of the principal. Not including the bonds issued to the North Carolina Railroad Company, the holders of which look to that corporation for payment, the debt on October 1, 1876, was (exclusive, of course, of the $12,805,000 repudiated special tax bonds) $14,446,045 principal, $6,963,338 estimated interest; making a total of $21,409,383. Ignoring the accrued interest, the State has, as I have shown, funded this debt by bonds which, when they are all on the market, will amount to $3,629,511. The bondholders were by no means Shylocks in this case, and they were willing to offer a settlement which would have cost the State of North Carolina about $10,704,691. The State was able to pay the interest on this sum, and is able to do it to-day; and a sinking fund could have been created by which the principal of the debt might have been cancelled within a period of thirty years. But unwise legislation preferred repudiation, and so they forcibly scaled down upward of $18,000,000 bonds which they recognized as valid debt, and refused to recognize upward of $12,000,000 more, which, it must be admitted, bore upon its face the taint of corruption. Taxes in North Carolina are to-day very light. To pay the interest on a debt of $10,000,000 and defray the current expenses of the State, on the basis of the last few years, calls for about $1,200,000. The total assessed value of the property of North Carolina is $157,967,481. This is much below the real value of the property, which is, at the lowest estimate, $300,000,000. Taking the State at the assessors' valuation, the tax rate would be seven and one-half mills, or seventy-five cents on one hundred dollars. To plead inability to meet so reasonable a demand indicates an unwillingness on the part of the State to deal fairly with its creditors. Until 1830, North Carolina ranked high among the States of the Union. In a recent visit there I was told repeatedly "that its resources were capable of such development as shall restore its old rank;" and this is not unreasonable to one familiar with its climate, the varied products of its soil, and its inexhaustible mineral resources. Nature has indeed contributed its choicest gifts with lavish hand. The soil yields abundantly wheat, corn, and rye, with other cereals; various kinds of wood-crops grow in luxuriance; tobacco, cotton, rice, and flax also thrive; while in cattle and sheep-raising the State is second to but few in the Union. Its territory embraces more than twelve million acres of the finest timber in the world; hickory, oak, maple, ash, walnut, lime, pine, and spruce are the natural growth of its forests. Its water power is in itself a staple source of wealth, and abounds in all parts of the State except the coast division. Its mountains and valleys abound in iron, coal, copper, lead, zinc, mica, silver, and gold. To develop these resources needs capital, which North Carolina virtually pushed away when it passed the refunding bill to wipe out and scale down its legal and recognized debt, and refused absolutely to recognize a part of its indebtedness, which at least, in order to keep the credit of the State inviolate, should have been carefully investigated; and where the State had received a dollar's worth of benefit, that dollar should have been returned to those who loaned it in good faith.

It is almost impossible to state with any degree of accuracy the aggregate indebtedness of South Carolina at any time within the last thirty years. In 1860 the comptroller gives the debt proper at $4,046,540 and in 1870 the census report shows us that it had reached $6,544,500. The comptroller general, in his report for the fiscal year ending October, 1871, placed the debt at at $7,665,708.98; at the same time Mr. Trenholm, of the taxpayers' convention, gives it at $9,869,108. The governor, in his statement to the congressional committee, made it $9,528,964.10. The Committee of investigation of the South Carolina legislature, appointed about that time, made it \$9,865,908.98. On the 12th of May, 1871, the tax-payers' convention, which met at Columbia, presented a statement, which undoubtedly was very nearly correct, of the bonds and stock of the State on which its name appeared outstanding, as near as it was possible for them to ascertain; this shows the total indebtedness of the State as principal and guarantor, exclusive of war-debt, to be \$20,045,151.19: \$5,790,992 of this money was of the old debt of 1867; \$4,558,550 of it was issued during the years 1868 and 1870; and \$8,695,608.20 was what was then termed the contingent liabilities of the State of South Carolina, arising from endorsement of Railroad bonds. These liabilities were incurred to aid the South Carolina railroad to the extent of \$2,093,312.40; the Charleston and Savannah Railroad \$505,000; Savannah and Charleston Railroad, \$245,750; Laurens Railroad \$75,000; Spartansburg and Union Railroad, \$350,000; Greenville and Columbia Railroad, \$1,426,545.80; Blue Ridge Railroad, \$4,000,000—making a total of \$8,695,608.20. There can be no doubt but this debt was incurred by a set of rascals, and it is more than probable that men equally bad took possession of the bonds. The State was not benefited by them, and the frauds and extravagances which prevailed in the Legislature of South Carolina during the period in which this debt was created will ever be a disgrace, not only to that State, but to a country in which it was possible for such a condition of affairs to exist. There are extenuating circumstances for repudiation in South Carolina which do not, in my opinion, exist in any other State. The legislature was controlled by a horde of ignorant men whose cupidity was quickly excited, and who became ravenous for plunder. The Report of the Joint Investigating Committee on the Public Frauds of South Carolina, a book of nine hundred pages, is one of the saddest as well as the most disgraceful pages of our history. The House and Senate of a free State was converted into a bar-room, where wines, liquors and cigars were dispensed free of charge. These supplies were absolutely purchased *with* the State's money, and for a time a reign of carousing and corruption was inaugurated. The most glaring frauds were committed. It is said that an estimate cannot be formed of the amount of wines, liquors ,and segars which were used in a single session; but the bills rendered and the pay-certificates issued for this kind of indulgence demonstrate that, to have used all that was purchased, every member of the House and Senate of South Carolina must have consumed one gallon of whiskey per day, with a few extra bottles of ale and wine thrown in, and smoked not less than a dozen cigars within the same time.

Prior to this time, legislation in South Carolina had been conducted in rather a primitive form and without the extravagance of wealthier communities. The old legislature had been contented with five-dollar clocks: the new one purchased six-hundred-dollar clocks; forty-cent spittoons soon gave way to eight-dollar cuspidors; four-dollar benches were abolished to give place to two hundred-dollar crimson plush sofas. The legislator who was content to serve his State upon a dollar-chair, in the new era leisurely lounged upon sixty dollar plush Gothic chairs; eighty-dollar library-desks took the place of four-dollar pine-tables; and twenty-five cent hat-pegs were abolished to give place to thirty-dollar hat-racks; ten-dollar office-desks were abandoned, and others costing $175 substituted; coats that formerly hung upon fifty-cent coat hooks were, under the new dispensation, carefully put away in one-hundred-dollar wardrobes; cheap matting was taken up, and body Brussels substituted; the finest Havana cigars took the place of clay pipes, champagne of whiskey, six-hundred-dollar mirrors of four-dollar looking glasses, while six-hundred-dollar brocatel curtains and lambrequins adorned the windows from which formerly hung two-dollar-curtains. During such a carnival, it is difficult even to estimate with any accuracy what obligations were incurred, but it is safe to say upwards of $14,000,000 of the debts incurred during this reign of extravagance have been repudiated.

The recognized debt of Georgia is now $10,334,000. The constitutional amendment in 1877 declared void several issues of bonds and railroad endorsements, including all the semi-gold bonds of 1870, $1,180,000 and $102,000 of the quarterly bonds, the Brunswick and Albany bonds, $1,500,000 and all railroad endorsements except $1,950,000, Macon and Brunswick; $194,000, Alabama and Chattanooga; $240,000, Northern and Southern Georgia; and $34,000, Memphis Branch. The Southern Georgia and Florida Railroad has $164,000 bonds endorsed, but the company pays interest, and the road is estimated to be worth the bonds. It was claimed by the repudiationists that the governor had issued to certain roads bonds to a larger amount than was provided for by law. They also asserted that he took a large amount of these bonds and pledged them for loans without authority of law; and hence, when the new Government came in, the State refused to pay them. On the other hand, it is claimed there is nothing to show that these bonds were not issued in good faith, and it is urged that a State with the resources of Georgia ought to have paid them. The aid to railroads and the endorsements of the bonds undoubtedly had a tendency to attract to the State large amount of Northern and foreign capital; and it is said some $15,000,000 was expended in building and equipping six hunded miles of these subsidized roads. But the doctrine of repudiation, once introduced, soon got the better of the good sense and honesty of the community, and Georgia has repudiated upwards of $9,000,000 of its debt. In 1878 Georgia produced 38,843,500 pounds of cotton, valued at over $10,500,000; nearly 25,000,000 bushels of corn, valued at $14,882,000; wheat, 2,758,000 bushels; oats, 7,754,280 bushels. The assessed value of its property is nearly $235,000,000, and the valutation is very low. It is reported that 22,200,000 out of its 37,000,000 acres of timber remain still untouched; that its mineral resources in extent and value are unsurpassed; and it is impossible to estimate the value of its gold mines. There are now in the State twenty iron foundries, with a producing capacity of 300 tons per day, or 100,000 tons of pig iron per annum; and added to this an abundant supply of coal, with railroad connections leading to all ports. The water powers of Georgia are very great, and not excelled by any other State. The State has more cotton spindles than any other Southern State, and its mills are in a flourising condition. Georgia wants capital, and it would have been well for her to have taken a more straigthforward course with her creditors.

Florida has always been in debt, even when a Territory, and has never taken any steps to pay. A debt of over four millions, with an arrearage amounting to five or six millions more, was contracted by the Territory of Florida between 1833 and 1839. Of this debt $100,000 had been incurred for frontier defence against the Seminoles; $3,000,000 for banks; $400,000 for life insurance and trust companies, and $500,000 for banks and railroads. The debt has never been recognized; hence the credit of the State has never been good, and its prosperity has been somewhat retarded. Several railroads were destroyed during the war, and another burden of one million dollars, on account of contingent liabilities which the State had assumed in behalf of the companies, was thrown upon the State. In 1870 the legislature issued $4,000,000 worth of eight per cent. bonds, which money was loaned to a railroad company, and the first-mortgage bonds of the company accepted as security. These bonds were sold by the agents of the railroad company at a very heavy discount, and some of them passed into the possession of foreign capitalits. The Supreme Court of Florida has decided that these bonds are unconstitutional, and hence neither the principal nor interest has been paid. Thus $8,000,000 of its debt is absolutely "unrecognized," and the remaining recognized debt amounts to $1,391,357.

So far back as 1841, Alabama had contracted a debt of $11,500,000. This debt had decreased in 1852, and a slight decrease is again noticeable in 1860; but in 1870, according to the census report, it amounted to $8,478,018. Much confusion existed in the public mind in 1877, when Alabama talked of repudiation. A careful examination of all the reports issued by the Comptroller and State officers shows that in 1874 the direct and contingent indebtedness of the State, recognized and unrecognized, including interest due and unpaid, was $31,952,000. Of this amount the following, issued under the State-aid law, were unrecognized: East Alabama and Cincinnati Railroad bonds, $400,000; Selma and Gulf Railroad. $640,000; Montgomery and Eufaula Railroad bonds, $1,280,000; Selma, Marion and Memphis

Railroad bonds, $765,000; Selma and New Orleans Railroad bonds, $320,000; eight per cents. issued to Montgomery and Eufaula Railroad, $300,000; unpaid interest on above about $1,000,000; total of unrecognized and no provision made for $4,705,000. For the $2,000,000 of State eight per cent. bonds issued to the Alabama and Chattanooga Railroad, under Act of Feb. 11, 1870, the State, as a full settlement, turned over to the bondholders the lien which the State held on the lands granted to that railroad, variously estimated as being from 500,000 to 1,200,000 acres. A general summary of the debt, old and new, shows the disposition made of it by the readjusters:

	Old debt.	New Debt.
Five per cent. State certificates	$1,040,000	$1,040,000
Educational Fund interest	2,810,670	2,810,670
Total Class A	7,416,800	7,127,709
" B	1,192,000	596,000
" C	5,300,000	1,000,000
Total	$18,759,470	$12,574,379

Unprovided for except as above explained:—

Alabama and Chattanooga Railroad	$2,000,000
Other State endorsements	4,705,000
Total, without overdue interest	$25,464,470

There were unquestionably over-issues of bonds in Alabama; but Governor Lindsay of Alabama, who went to New York in 1871 to investigate the bonds issued to the Alabama and Chattanooga Railroad, reported that $4,000,000 of them were "regular, legal, and valid." Upon *all* railroad bonds, these among the rest, Alabama now pays $11,860 annual interest, being two per cent. on $593,000. The total amount of railroad bonds issued by the State aggregated fully $13,000,000. It is surprising so short-sighted a policy as repudiation should have gained root in a State which needs capital as Alabama does. According to the latest statistics, seven-tenths of the great forests of Alabama are still existing, amounting to 20,630,963 acres. The grazing capacity of the State is great. Up to 1860 it was the second cotton-producing State of the Union. In that year the cotton crop of the United States was 5,387,052 bales, and Alabama had produced 989,955, or nearly one-fifth of the entire crop. The corn crop of Alabama that year was 33,226,384 bushels. There are 6,500,000 acres of government lands in Alabama subject to entry under the national homestead pre-emption laws. Rich in these twin powers, coal and iron, with 1,800 miles of railroad, and magnificent water transportation, and soil well suited to cotton and corn culture, there appears to me no valid reason for poverty being urged as an excuse for not paying valid indebtedness, and sustaining the credit of the State.

The early repudiation of Mississippi, as described in the account of State indebtedness in 1841, so greatly injured the credit of the State that since that time it has been debarred from the luxury of going into debt. With accrued interest, that debt now amounts to about \$23,000,000. The total recognized debt of the State, however, is \$379,485.

In 1842, as I have shown, the debt of Louisiana amounted to \$23,985,000. The methods then adopted to tide over the depression of 1842 have been explained, and the debt at the opening of the war was about \$4,561,109. The census of 1870 gives it at \$25,021,734. It is evident that these figures were taken from a report issued about that time by a committee of property-owners and taxpayers, who computed the legal debt of the State to Dec. 31, 1870, to be this amount, and at the same time classed the "accruing debt" as illegal and not recognized. This "accruing debt" amounted to \$15,395,000, making a total of \$40,416,734. These taxpayers claim that the State had exceeded its limit of indebtedness, the total amount of which was limited, by an amendment to the constitution, to \$25,000,000; and they then and there notified banks, brokers, and dealers in securities that all loans over and above this amount would be considered as null and void. The circular was distributed widely and translated into three languages, and the effect of it, according to Governor Warmouth, was to stop negotiations which he then had on foot for levee bonds, and to break down the credit of the State. He declared it was "an act of madness inspired by a wily and cunning rival for the Texas trade, and the political prejudices of the opposition were toyed with to influence the people to sign it. It was wrong in policy, and the statement was false in fact." He denies that the actual debt of the State was then over \$25,000,000, and declared that it was less than \$22,000,000, and that the contingent debt had been increased to upwards of \$40,000,000 by incorporating items "that were unfair and untruthful." In 1874 Louisana funded her debt in new bonds bearing seven per cent. interest for sixty per cent. of the face of the old debt. According to the auditor's report, Jan. 1, 1880, the amount of bonds funded to date under the act of 1874 was \$19,636,268.65, for which new consolidated bonds to the amount of \$11,781,761.17 had been issued. The total amount of the debt, when the funding is completed, will be about \$12,000,000. The same report shows us that there is now outstanding, \$3,971,000 not fundable. Probably the most outrageous proposition ever made to the people of a State was the report of the majority of the committee on State debts, appointed by the Constitutional Convention of Louisiana, which recommended, June 1, 1879, the repudiation of about five-sixths of the outstanding bonds and other valid obligations of the State. They recommended the wiping out of \$39,987,500 worth of bonds by the payment of \$4,082,358, on the ground that the legislature which passed the funding act was not chosen by the people, but upheld by a military arm of the Federal Government; consequently the funding act was invalid. The constitutional amendment of 1875, they declared, was not ratified by the people, the returns having been counted by the Returning Board "in direct violation of facts, and not promulgated by law." In a minority report by the same committee it was shown that the total face value of all bonds, warrants, interest warrants, and past due coupons, which, under the funding act and under the provisions of the Supreme Court, are fundable, amounted to $20,323,456.77. If entirely converted into consols, this indebtedness would produce $12,194,674.04. It appears, further, that in the issue of these bonds and other obligations the State actually received in cash and cash equivalent $13,912,420.28. Of this, $7,643,507.31 was actual money, from which, it is seen, the State realized for the original idebtedness $1,720,000 more than the face of the new consolidated bonds when all issued. That is to say, when the funding now going on is completed, the State of Louisiana will have realized for each outstanding consolidated bond a net cash equivalent of one hundred and three and a half cents on the dollar. In view of these facts it is not surprising that even the press of New Orleans denounced this whole business as "an act of criminal folly, which meant, if carried out, the utter and eternal disgrace of Louisiana in the eyes of the civilized world."

Arkansas was troubled with a debt of $2,676,000 as far back as 1842. The census report of 1870 shows the debt had not materially changed at that period, but it is evident that the accrued interest had not been paid; for the State treasurer, in a report issued in 1872, made the whole amount of the debt at that time $9,885,000. This included $4,450,000 aid to railroads; $2,185,000 in levee bonds; $300,000 ten years' bonds; and $200,000 of floating indebtedness. According to the "Financial Chronicle," the debt of this State in 1876 amounted to $15,908,310, which included $4,127,682 of defaulted interest. January, 1877, the same authority estimated the debt at $17,306,822, including unpaid interest to Jan. 1, 1876; and $1,398,512 of State scrip issued up to that time. Estimating the entire amount of defaulted interest to be $6,489,000, the total debt, with accrued interest of this State, was, at its maximum, $18,287,273. In June, 1877, the Supreme Court of Arkansas declared null and void bonds issued to railroads to the amount of $5,350,000, which, with accrued interest, amounted to $6,135,298. The next year, the Supreme Court declared void $1,986,773 of the levee bonds on which interest had accrued, making a total of $2,855,288. The State constitution of 1868 provides that on the final passage of every act a vote of every member shall be taken by yeas and nays. In respect to the act authorizing the issue of the "levee bonds," the vote was not so taken; and on this legal and technical point, and not on the equities of the bondholders, the decision was made. The Little Rock

"Gazette," in commenting on the decision said: "It is a correct one, and will be sustained by the approbation of every unprejudiced and legal mind in the State. We congratulate the people of Arkansas upon this decision, which lifts a burden of nearly $3,000,000 from their shoulders." The next proposition was one proposing an amendment to the constitution, repudiating what are known as the Holford and other bonds. It was to read in this way:

"ART. XX.—The General Assembly shall have no power to levy any tax, or make any appropriation to pay either the principal or interest, or any part thereof, of any of the following bonds of the State, to wit:—"

This proposition has been submitted to the people of Arkansas, and the repudiators have been defeated. It was bitterly opposed by many of the best citizens of Arkansas, and especially by those who had the interests of the State at heart. In a speech delivered at Rushville, Ark., July 12, 1880, U. S. Senator Garland of the State said: "I tell you, people of Arkansas, that the day you pass this amendment you set us back fifty years." He declared, moreover, that the legislation looking towards repudiation had been altogether too one-sided; that the State had not had the manhood to come to a settlement and determine whether she got anything in return for her bonds or not. He urged that every dollar that the State had received ought to be paid, whether the evidences of that debt were legally or illegally issued. A report just issued by the Auditor gives the total undisputed debt of Arkansas at $5,646,275, and the total disputed debt at $11,031,417.

The debt of Tennessee was not very large in 1842, it then aggregating $3,116,916. But little change took place during the next decade, but at the opening of the war the debt had reached the sum of $20,898,606, of which $12,700,000 might be classed as contingent indebtedness, on account of railroads and other internal improvements. Of course, interest stopped during the war. The accumulation of interest during the war was funded by act of 1866, and that which accrued during the next year was funded under the act of 1868. One authority claims that the debt of Tennessee reached, in 1872, $41,000,000, while another says that the highest estimate was $34,990,000. After several operations, by which the creditors of the State suffered considerable loss in interest, arrears of interest for 1874 and 1875 appear to have been paid, and the debt somewhat reduced by the payment of railroads in State bonds in portions of their indebtedness. The "Financial Chronicle" puts the principal debt of Tennessee, June, 1877, at $24,328,000, an apparent decrease, if we take $34,990,000 for the maximum indebtedness in 1872, of more than $10,000,000 in about five years. The debt is now about $20,250,000, and the past due interest brings it up to $25,685,822. More than two years ago a large body of the bondholders offered to fund at fifty cents, and Governor Porter, at the beginning of 1879, strongly urged the acceptance of this proposition. On February 13, 1879, a proposition from New York bondholders, made in January, to receive six per cent. fifty-year bonds, representing sixty per cent. of principal and accrued interest, or four per cent. bonds with tax-receivable bonds, with the full face of bonds and interest, was referred to the appropriation committee of the Tennessee Senate. On February 19, the House refused, by twelve to thirty-two, to adopt a resolution for settlement by four per cent. bonds on the basis of fifty cents; but the opposition was understood to be upon grounds other than the intrinsic merits of the proposition. In March, the legislative investigating committee submitted two reports, a majority and a minority one, the latter arguing that there should be no discrimination between creditors, and that all outstanding bonds should be met as they are. The Senate committee submitted the majority report, which recommended the rejection of certain bonds and the funding of others on terms varying from thirty-three to sixty cents. March 31 the bill was passed to settle at fifty per cent., and four per cent. interest, and shortly after the bondholders' committee reported to the governor that two thirds of the State's creditors would accept this. Judging from the tone of a recent convention, it is not at all improbable that the repudiators may be defeated in Tennessee. Tennessee can now settle her State debt, with the consent of her creditors, upon such terms as will enable her to pay the interest, and in a reasonable time the principal, and still have nineteen-twentieths lower taxation than any of the States of this Union. No question can now arise as to the validity of the public debt, with the exception of the inconsiderable amount issued to the Mineral Home Railroad, which has been declared fraudulent. The people of Tennessee, through their representatives, in the most solemn manner recognized this indebtedness when they declared the bonds of any series receivable in place of the purchase-money for delinquent railroans. It was recognized by the funding act of 1873, by which the obligation of the State was renewed to pay interest on the entire debt, and the principal at maturity; and the validity of the several series of bonds has been recognized by the Thirty-ninth and Fortieth General Assembly of the State by being declared receivable in discharge of debts due to the State; and it would be impossible for any judicial tribunal to pronounce now against the funded and registered bonds of this State.

Kentucky has been peculiarily fortunate, and has never had any debt to speak of, and virtually to-day owes nothing.

Leaving these Southern States, with their solemn promises broken and their plighted faith disregarded, with their obligations cancelled by the mere will, and with the binding force of a contract, which depends upon a law that neither kings nor people enacted nor can repeal, utterly disregarded, we will pass on to an examination of the

State debts of the Western States, the fluctuation of which, since 1842, has been as appears in the following table:

STATES.	1842.	1852.	1860.	1870.	1880.
Ohio	$20,000,000	$15,520,768	......	$9,732,078	$6,472,640
Indiana	12,751,000	6,712,880	$10,179,267	4,167,507	4,998,178
Illinois	13,527,292	17,500,000	10,277,161	4,890,937	257,459
Michigan	5,611,000	2,307,850	2,316,328	2,385,228	905,149
Minnestota	None.	......	318,636	350,000	2,525,000
Kansas	......	......	None.	1,593,306	1,129,175
Missouri	8,042,261	857,000	25,952.000	17,866,000	16,758,000
Nebraska	......	......	......	247,300	599,267
Wisconsin	None.	12,892	......	2,252.057	2,252,057
Iowa	None.	81,795	351,933	534,498	545,435
Colorado	......	......	......	......	123,000
Total	$59,931,553	$42,993,185	$49,395,325	$44,018,911	$36,565,360

The State debt of Ohio, which was nearly $13,000,000 in 1841, and upwards of $15,500,000 in 1852, has gradually decreased to $6,472,640. The State of Indiana, bowed down in 1842 with a yoke which it seemed almost impossible to remove, has gradually liquidated its debt until now it is less than $5,000,000. In reality, Indiana's only debt is the foreign debt. The domestic debt consists of different sums which have been donated to the school fund, and amounts for which the State has become indebted to the school fund by using its moneys; and that this money might inure to the benefit of the school, non-negotiable bonds have been issued by the State to the school fund, which in reality is a debt she owes herself, and should not be classed or considered as a debt of the State. Deducting the school-fund bonds from the total debt, Indiana only owes $1,093,395 to outside parties. Illinois has done even better than Indiana. Its indebtedness reached its maximum in 1852—$17,500,000. It is now virtually out of debt, as the current taxes on the Illinois Central Railroad will pay off its entire liabilities this year.

Michigan is practically free from debt, for the reason that there is in the sinking fund more than enough money to pay all of its outstanding bonds, which amount to a trifle over $900,000. Minnesota has forever disgraced herself by refusing to recognize $2,275,000 of railroad bonds issued in 1858, almost before Minnesota had become a State. The investment proved unfortunate, when the State suddenly discovered that the law was unconstitutional. Minnesota seized and kept the mortgaged property, including some 4,000,000 acres of prairie land granted by Congress, after repudiating the bonds which that security was given to cover. These bonds are signed by the governor, and bear upon their face the seal of the State. They were issued for grading and work actually done upon the roads at a specified rate. The State obtained the benefit of the securities it took for its indemnification, and re-granted the property it acquired, free from all liens to the present companies. Justice and honor alike require the State to recognize these bonds as binding upon it. A State with such a future before it as the State of Minnesota cannot afford to bear the odium of repudiation. A proposition to compromise with the holders of the railroad bonds was defeated by a large majority in 1877. The "Pioneer Press" and some of the other leading newspapers of the State strongly advocated the recognition and payment of this debt. On the other hand the constant influx into the State of foreign emigrants, totally ignorant of the circumstances under which the debt was contracted, and easily influenced by the cry that many of the bonds were held by "rich and selfish capitalists," and that the scheme for their payment was only one method to wring money from the hard earnings of our people, has raised up an opposition powerful enough to defeat honest legislation. The readjusters in the South, and the demagogues in the West have alike learned to speak evil of those whom they were going to plunder.

The State of Kansas has issued bonds twenty-five different times, covering a period from July 1, 1863, to March 15, 1875. The amount of these issues now outstanding is $1,129,175, due from 1883 to 1899. The permanent school fund, sinking fund, State University fund, etc., holds $713,700 of these bonds, leaving only $415,475 held by individuals. The debt of Missouri, which is larger than that of any Western State, was mainly incurred in aiding railroads. This does not include the contingent liability of the State in $3,000,000 of bonds loaned to the Hannibal and St. Joseph Railroad Company. The debts of Nebraska, Wisconsin, Iowa, and Colorado are very small, and consist mainly of war and defence bonds, school-fund bonds; and, in the case of Nebraska, the bonds were to assist the grasshopper sufferers. The total indebtedness of the Western States at present amounts to $36,565,360, while the assessed valuation of property is $5,518,681,307. The State debts of the Pacific Coast are as follows:—

STATES.	1842.	1852.	1860.	1870.	1880.
California	......	$2,159,403	......	$3,429,027	$3,486,170
Oregon	......	......	......	106,583	521,219
Nevada	......	......	......	642,894	5[illegible]0,000
Total	......	$2,159,403	....	$4,178,564	$4,547,389

Of the bonded indebtedness of California, $2,690,000 is held by the State school fund and the university endowment fund leaving $713,000 held by unknown persons. The debt of Oregon mainly consists of war bounty and Indian war bonds. The Modoc bonds, due Juiy 1, 1880 amounting to $132,858 were not provided for by the preceding legislature; consequently they are in the hands of the holders, and overdue. The debt of Nevada is less by over $100,000 than it was in 1870.

Having thus passed in brief review the debts of the different States of the Union, I shall attempt, in conclusion to summarize the result of our inquiry, and ascertain the general effect of these debts upon the country at large. The results may thus be stated:—

States.	1842.	1852.	1860.	1870.	1880.
New England..........	$7,158,274	$6,862,265	$7,398,060	$50,348,550	$49.979,514
Middle..................	73,348,072	79,510,726	86,416,045	79,834,481	45,672,575
Southern	73,340,017	64,499,727	93,046,934	174,486,452	113,967,243
Western...........	59,931,553	42,993,185	49,395,325	44,018,911	36,565,360
Pacific.................	....	2,159,403	....	4,178,504	4,547,349
Total............	$213,777,916	$196,025,306	$236,256,364	$352,866,898	$250 732.081

The aggregate of the State debts to-day only exceeds by $36,946,-065 the aggregate of the same class of indebtedness forty years ago, yet the assessed value of property since then has increased $12,000,-000,000. The aggregate State indebtedness is $102,143,817 less now than it was in 1870. If, instead of the total debt in 1870, the total of the debt of the Southern States, when those debts reached their highest after the census of 1870, be inserted, the debt to-day is nearly $200,-000,000 less than it was eight or ten years ago, and the Southern States' table shows that fully $160,000,000 of this amount has been declared invalid and repudiated. Every Southern State excepting Kentucky has thus disposed of part of its indebtedness, while Minnesota alone of the Northern States can be classed among those who have thus been dishonored. The following table, showing the increase in the assessed valuation of real and personal property in the same sections of the country, is instructive in this connection. The tables of 1842 are imperfect, but those of the last four decades may be relied on as official:—

States.	1842.	1852.	1860.	1870.	1880.
New England.	$410,680,000	$1.128,194,515	$1,606.468,193	$2,717,562,801	$2,499.113,899
Middle.........	1,141,360,000	1.593,256,934	2,773,302,936	4,393,728,339	5,316,699,137
Southern......	799,900,000	2,489,426,300	4,861,970,635	2,433,253,840	2,226,144.381
Western.......	223,000,000	879,666,617	2,643,662,269	4,026,368,368	5,518,681,307
Pacific.........	....	28,986.647	158,679,582	327,183,551	683,946,984
Total....	$2,574,940,000	$6,117,531,013	$12,044,083,615	$13.898,096,899	$16,244,585,708

In order to ascertain the average value of all the State securities on the market since repudiation of State debts was begun * * I have prepared, with great care and labor, the following table.

In the calculation the fractions have been omitted in order to simplify the table.

FLUCTUATIONS IN STATE SECURITIES FROM 1872 TO 1879 INCLUSIVE, WITH THE AVERAGE VALUE FOR THE SAME TIME.

States.	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	Av'r'ge value of securities for 8 yrs.
Maine	100	100	100	100	100	100	100	100	100
New Hampshire	100	100	100	100	100	100	100	100	100
Vermont	100	100	100	100	100	100	100	100	100
Massachusetts	103	103	103	103	103	103	103	103	103
Rhode Island	99	99	99	102	107	110	105	110	104
Connecticut	99	99	99	103	105	109	106	106	103
New York	104	105	106	109	110	113	115	114	110
Pennsylvania	99	99	100	100	100	100	100	100	99
Maryland	102	102	102	102	102	102	102	102	102
Virginia	50	42	35	35	44	39	36	36	38
North Carolina	21	29	21	30	19	24	24	33	25
South Carolina	34	27	15	28	31	32	31	11	26
Georgia	73	87	68	81	98	101	104	107	90
Alabama	90	57	25	43	26	26	29	60	45
Louisiana	68	50	19	25	35	39	61	67	46
Texas	88	73	83	96	101	101	101	101	93
Arkansas	50	30	19	12	15	11	8	7	19
Tennessee	65	79	69	58	44	42	35	33	53
Kentucky	96	96	98	100	101	101	101	101	99
Ohio	100	101	100	102	107	106	104	106	103
Indiana	100	102	100	99	100	100	100	100	100
Illinois	99	95	95	99	101	100	102	103	99
Michigan	98	97	94	102	105	104	104	107	101
Missouri	94	90	90	96	101	103	104	105	98
California	110	110	110	105	105	105	105	105	107

Secretary Sherman has made an offer to pay 102 3-4 for any United States six per cent. bonds maturing December 31 next, which may be presented to him in lots of not less than five thousand dollars. Formal proposals are received at the New York Sub-Treasury on Wednesday of each week. It would be well if holders of what were formerly known as the 6s of 1881 would examine their bonds and see if among them are any of the kind which mature December 31 next. As explained in our Monetary Review in this issue of the JOURNAL, the Treasury in offering to pay 102 3-4 for them offers a very liberal price. It is to be hoped that enough of these bonds will be presented to avert such a stringency in the money market, as it is reasonable to expect if the surplus revenues of the government are to be locked up in the Treasury until the close of the year. Since August the money market has been recruited by about four million dollars gold per week, and by something more than two million five-hundred thousand dollars currency from the Treasury. And yet with all this the bank reserve has fallen to within two million dollars of the line at which bank loan contraction must begin. The Treasury is very properly sending notices to all holders of registered 6s of 1881, calling attention to the favorable terms at which the government will now buy the bonds.

FROM OUR OWN CORRESPONDENT.

MONETARY AFFAIRS IN ENGLAND.

LONDON, Oct. 16, 1880.

The apprehensions which were entertained a few days ago with regard to the bank reserve, have been set at rest, owing in some measure to the influx of gold, consequent on the Bank of France resolving to pay out coin. About one million sterling has been shipped to London during the week, although probably the greater part will be eventually sent to the United States. This movement on the part of the Bank of France was accompanied by a rise in the rate, and shows that the Bank is about to pursue more closely the policy of the Bank of England, so as to protect its reserve. A great deal will now depend on the price and demand for American cereals, so that thus we see that bankers must now study the grain—and more especially the transatlantic—markets.

Despite the still threatening character of the situation in the East, there has been a more confident feeling in financial circles than for some time. The South American difficulty is in a fair way of settlement, and Peruvian bondholders are bouyant. The Board of Trade returns for September show a remarkable increase in the volume of trade, at least with the Oriental countries. The increase in imports is 23 1–2 per cent., and in exports 15 per cent., and there is now little doubt that the improvement will continue, for it is not connected with the disturbed countries of Europe. Under such circumstances the diminished profits of farmers, landlords, and the country traders is almost lost sight of, but it is more than likely that the income tax returns will show decreases from this source.

The financiers who have been founding banks in Paris for some time past, have now extended their operations to this City. The latest banking scheme is the English and French Bank (limited) with a capital of £1,000,000. I see that some Paris correspondents of foreign journals have somewhat severely criticised the enterprise. The mere fact of international banking would not be in itself a matter for innuendoes, for any visitor to the city must be struck with the cosmopolitan titles of our leading financial institutions. The Anglo-Austrian Bank has been very successful in Vienna despite the efforts which have been made to withdraw public favor from it. The report of the New London and Brazil Bank shows a net profit of £101,364 for the year ending July 31. A dividend of eight per cent. has been declared and, as it is stated that owing to their increase of business in Montevideo additional capital is requisite, 5,000 shares will therefore be issued. Our advices from Brazil are, in fact, very encouraging, but the rate of exchange constitutes a serious loss in large remittance to this country.

There are complaints, on the other hand, that some of our own colonies—New Zealand, particularly—are overdoing the borrowing business. Here is the "miserable" little town (as a writer in a leading journal terms it), of Invercargill, coming into the market with a prospectus of a new loan. The amount, £20,000, is insignificant, but as no reference whatever is made to previous loans, we see that communities are not at all—at least, in New Zealand—more candid than impecunious individuals.

The Royal Bank of Ireland is to become a limited liability bank, with a subscribed capital of £1,500,000. The sum of £900,000 is to stand as a reserve capital, which is not to be called in, except in the event of the company being wound up. The descendants of the old banking firm of Digges, Latouche & Co. are, if I am not mistaken, the leading shareholders in the concern. The authorized circulation of the bank is £3,738,428, but the average circulation at present is £2,589,050. Whether the unsettled condition of the country, and the decrease in profits of farming will affect the branches of English and Irish banks in the non-manufacturing towns, is a question which remains to be seen.

A gold mining company, with a capital of £75,000 has just been formed to purchase some five hundred acres of land in the Madras Presidency. India, once the land of gold and diamonds has sadly fallen off, but it would seem that the attention of speculators is turned to it at present. The Phœnix Gold Mining Company, with a capital of £150,000 is to work some mines in the Devala District.

The discount market for paper has shown the following quotations during the week:

Bank bills,	two and three months	2	per cent.
do	four months	2⅛@2¼	do
do	six months	2½	do
Trade bills,	three months	2¼@2½	do
do	four months	2½@3	do
do	six months	3 @3½	do

The rates of discount in the principal continental cities show a decided rise, owing to causes above alluded to. They were as follows:

	Bank Rate. per cent.	Open Mak't per cent.
Paris	3½	3
Berlin	5	4¼
Frankfort	...	4¼
Hamburg	...	4¼
Amsterdam	3	2⅞
Brussels	3	2¾
Vienna	4	3½
St. Petersburg	6	5

The following gives a comparative view of the bank returns, rates of discount, &c., during the past four years and in 1870:

At corresponding dates with the present week.	Oct. 12, 1870.	Oct. 17, 1877.	Oct. 16, 1878.	Oct. 15, 1879.	Oct. 13, 1880.
	£	£	£	£	£
Circulation (excluding bank post bills)	24,337,010	28,304,500	29,836,830	28,839,760	27,282,580
Public deposits	4,116,726	5,147,500	3,156,132	5,077,552	5,315,968
Other deposits	19,320,978	20,629,635	27,321,433	33,676,097	26,794,525
Government securities	12,949,145	15,718,604	16,937,672	19,370,528	17,165,070
Other securities	16,169.455	18,575,244	23,024,358	17,771,748	17,556,465
Reserve of notes and coin	12,187,640	9,478,439	8,517,315	19,591,042	15,828,742
Coin and bullion	22,292,413	22,782,939	23,354,145	33,430.802	27,611,822
Bank rate of discount	2½ per ct.	5 per cent.	6 per ct.	2 per cent.	2½ per ct.
Price of consols	92½	96	94⅝	97⅞	98⅝
Average price of wheat	46s. 1d.	52s. 2d.	39s. 9d.	48s. 8d.	41s.
Exchange on Paris (sht)	....	25 15 20	25 27½ 37½	25 27½ 32½	25 32½ 40
— Amsterdam (sht)	11 18 18½	12 2 2½	12 2 3	12 1¼ 2¼	12 2 3
— Hamburg (3 months)	13 10¼ 10¾	20 75	20 81	20 62	20 68
Clearing-House return	65,103,000	115,364,000	102,827,000	103,031,000	93,374,000

The rates of interest given by the joint-stock banks for deposits at notice and call have been:

Private and joint-stock banks, at notice		1½ per cent.
Discount houses, at call		1½ per cent.
do	seven days' notice	1¾ per cent.
do	fourteen days' notice	1¾ per cent.

There has been a slight improvement in the silver market, and 52 5-16 per ounce has been obtained. Mexican dollars remained at 51 1-8.

BANKING AND FINANCIAL NEWS.

Harvard, Neb.—In our "Record of Deaths," in this number, will be found the obituary notice of William A. Farmer, of Payne & Farmer, Bankers, of Harvard, Nebraska. Referring to the business of the firm, Mr. L. A. Payne the surviving partner, writes as follows: "The capital of our firm will remain the same, and for the present the business will be continued in the firm name as heretofore."

Foreign Banking Items.—Among the passengers on the French steamer "L' Amerique," October 27, was M. Lehericey, who has full power of attorney for the Credit Lyonnais, a branch of which has been for some time in successful operation in this city.

La Caisse Generale, it is reported, intend to give up their New York branch.

The tax laws of New York State are not conducive to the accumulation of foreign banking capital in this city.

The Legal Tenders.—It is said that in the forthcoming report Secretary Sherman will recommend that the legal-tender quality of the United States (legal-tender) notes be taken away; this is a step in the right direction. It would make the notes simply promises to pay or ordinary demand debt. This would be a step toward their extinction by funding them with time debt or bonds. Of course, as soon as they are deprived of their legal-tender quality, they could no longer serve as bank reserve. They were originally made legal-tender so that the acceptance during the stress of the war could be forced upon all creditors. As mere promises to pay they would undoubtedly continue to circulate from hand to hand on sufference; and they would be accepted, so long as they are payable in gold, in place of gold, because they are more convenient for use. But they would be demonetized, and this would be a great point gained toward a sound currency. If Congress will agree to fund such part of the $346,000,000 of legal-tender notes, as the Treasury cannot redeem out of its coin balance, there would undoubtedly be a ready market for a 3 per cent. bond instead of a 3½ per cent., which latter the Secretary proposes to take the place of the 5 and 6 per cent. bonds maturing within the coming year.

Buffalo, Cleveland & Chicago.—This company has been incorporated in Ohio for the purpose of building a railroad from the Pennsylvania line by way of Cleveland and Toledo to the Indiana line. The route described is generally a few miles south of the Lake Shore road and parallel to it. The capital stock is fixed at $6,500,000. The incorporators are nearly the same as those of the company lately organized in New York State under the same name, and the intention is to consolidate the two companies.

Chicago, Burlington & Quincy—Wabash, St. Louis & Pacific.—The recent conference in New York between the officers of these companies, resulted in an informal agreement that the proposed Wabash line to Shenandoah shall be built in common by the Wabash and the Chicago, Burlington and Quincy, provided that the Iowa, Missouri and Pacific line (the Wabash extension) can be taken out of the hands of the two trustees, Messrs. Thomas Thatcher and J. J. Slocum, which might be done by allowing the trustees to complete the road, and the C. B. & Q. Company to pay the Wabash for half the cost.

Railroad Earnings Second Week of October.—Railroad earnings for the second week of October not only maintain the ratio of increase that has been reported all along, but make a still further improvement. Twenty-five roads have thus far been received, and these show a gain of 30 per cent. on the exceptional figures of last year. For the first week in October the gain was but 26 per cent. While being better in the average, the increase is also much more general than for the previous week. It will be noticed that among the roads below there is not a single one that shows a decrease. For the first week there were five that had a decrease. The St. Louis, Iron Mountain and Southern, for instance, which last week reported a falling off of $4,346, owing in part, no doubt, to the backwardness of the cotton in Arkansas, this week reports a small increase—$2,990, namely. In reference to all roads, but to the Iron Mountain in particular, it should be remembered that the receipts last October were very heavy. Following are the figures in detail:

EARNINGS SECOND WEEK OF OCTOBER.

	1880.	1879.	Increase.
Burlington, Cedar Rapids & Northern	$48,098	$38,125	$9,973
Chicago & Alton	199,657	176,898	22,759
Chicago & Eastern Illinois	30,506	19,916	10,590
Chicago, Milwakee & St. Paul	362,000	278,065	83,935
Chicago, St. Paul, Minnesota & Omaha	44,832	28,827	16,005
Cincinnati & Springfield	23,392	21,930	1,462
Cleveland, Columbus, Cincinnati & Indianapolis	104,660	89,319	15,341
Denver & Rio Grande	101,973	27,940	74,033
Des Moines & Fort Dodge	8,916	6,402	2,514
Flint & Pere Marquette	36,246	26,203	19,043
Grand Trunk of Canada*	238,639	213,880	24,759
Great Western of Canada†	120,335	112,872	7,463
Hannibal & St. Joseph	53,738	53,698	40
International & Great Northern	64,399	46,315	18,084
Louisville & Nashville	223,200	128,862	94,338
Memphis & Charleston	30,492	15,175	15,317
Missouri, Kansas & Texas	94,600	84,226	10,374
St. Louis, Alton & Terre Haute (main line)	32,591	24,715	7,876
" " (branches)	17,570	16,085	1,483
St. Louis, Iron Mountain & Southern	175,900	172,910	2,990
St. Louis & San Francisco	75,108	46,617	28,491
St. Paul, Minnesota & Manitoba	76,498	60,996	15,502
St. Paul & Sioux City	38,063	27,220	10,843
Scioto Valley	6,252	6,244	18
Wabash, St. Louis & Pacific	433,067	302,033	131,034
Total	$2,640,732	$2,025,465	$615,267
Net increase (30.37 per cent.)			615,267

*Week ending October 16. †Week ending October 15.

As the increased earnings are to some extent the result of increased mileage, we repeat our table of last week, showing the miles of road operated this and last year by each of the above companies.

MILEAGE SECOND WEEK OF OCTOBER, 1880 AND 1879.

	1880.	1879.	Increase.
Burlington, Cedar Rapids and Northern	492	435	57
Chicago and Alton	840	840	......
Chicago and Eastern Illinois	220	152	68
Chicago, Milwaukee and St. Paul	3,047	2,256	791
Chicago, St. Paul, Minneapolis and Omaha	292	261	31
Cincinnati and Springfield	80	80	......
Cleveland, Columbus, Cincinnati and Indiana	391	391	......
Denver and Rio Grande	551	337	241
Des Moines and Fort Dodge	84	84	.....
Flint and Pere Marquette	311	298	18
Grand Trunk of Canada	1,273	1,271	2
Great Western of Canada	823	823	......
Hannibal and St. Joseph	292	292	......
International and Great Northern	529	529	....
Louisville and Nashville	1,840	1,107	733
Memphis and Charleston	330	330	......
Missouri, Kansas and Texas	786	786	......
St. Louis, Alton and Terre Haute (main line)	195	195	......
" " (branches)	71	71	......
St. Louis, Iron Mountain and Southern	686	686	......
St. Louis and San Francisco	593	473	120
St. Paul, Minneapolis and Manitoba	656	563	93
St. Paul and Sioux City	500	372	128
Scioto Valley	100	100	......
Wabash, St. Louis and Pacific	1,817	1,557	260
Total	16,799	14,284	2,515

The increase in mileage is 17 per cent. against 30 per cent. in earnings, leaving a margin of 13 per cent. attributable to the growth in the volume of traffic. It will be seen several roads report handsome gains, though operating no more mileage than last year. Chief among these are the Chicago and Alton, the Cleveland, Columbus, Cincinnati and Indianapolis, the International and Great Northern, and the St. Louis, Alton and Terre Haute, main line. It is on such roads that the forces at work to swell railroad receipts are most pointedly shown. Larc crops, good rates, an augmented passenger movement and an expansion in the volume of general freight, with more return traffic, are the influences to which we are indebted for the present earnings, and just so long as they remain in operation is the future full of hope and bright with the promise of continued gains.—*Commercial and Financial Chronicle, Oct.* 23.

Treasury Payments during October.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$6,336,537
On account of war	2,879,576
On account of navy	1,085,882
On account of interior (Indians)	551,880
On account of interior (Pensions)	4,234,238
Total	$15,088,113

The above does not include payments made on account of the interest or principal of the public debt of the United States.

The National Bank Note Circulation.

Statement of the Comptroller of the Currency, showing by States the amount of National Bank circulation issued, the amount of Legal-Tender Notes deposited in the United States Treasury to retire National Bank circulation, from June 20, 1874, to Nov. 1, 1880, and amount remaining on deposit at latter date.

STATES AND TERRITORIES.	*Addition'l circulat'n iss'd since J'ne 20, '74*	Legal-Tender Notes Deposited to Retire Nat'l B'k Circulat'n since June 20, '74. *For redempt'n of notes of liquidati'g banks.*	*To retire circulat'n und'r Act J'ne 20, '74*	*Total Deposits.*	*Leg'l t'd's on deposit with U. S. Treasurer at date.*
Maine	$1,461,180	$317,000	$600,000	$917,000	$190,933
New Hampshire	632,865	72,997	55,800	128,797	31,370
Vermont	1,799,660	274,597	1,148,240	1,422,837	269,866
Massachusetts	20,875,150	234,800	8,352,300	8,587,100	1,772,567
Rhode Island	1,810,320	32,350	954,985	987,335	191,899
Connecticut	2,500,610	65,350	2,293,330	2,359,180	805,261
New York	20,942,845	2,272,878	25,446,181	27,719,059	6,588,052
New Jersey	1,713,165	298,303	1,505,637	1,803,940	292,396
Pennsylvania	11,082,540	1,294,226	7,385,121	8,679,347	1,935,181
Delaware	232,275	......	......	......	......
Maryland	1,302,310	166,600	1,646,380	1,812,980	29,657
District of Columbia	456,500	422,664	458,060	880,724	45,034
Virginia	845,500	915,369	907,510	1,822,879	236,422
West Virginia	226,810	731,060	355,185	1,086,245	162,774
North Carolina	1,235,660	128,200	1,012,585	1,140,785	139,560
South Carolina	99,700	......	953,380	953,380	20,701
Georgia	520,350	287,725	437,675	725,400	75,727
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	139,500	229,500	90,795
Mississippi	......	......	......	......	291
Louisiana	1,285,110	650,750	2,099,250	2,750,000	122,738
Texas	368,100	29,800	229,340	259,140	17,720
Arkansas	171,000	......	171,000	171,000	25,500
Kentucky	3,811,430	629,867	1,504,933	2,134,800	356,351
Tennessee	647,170	370,401	533,859	904,260	161,619
Missouri	767,260	998,510	3,742,390	4,740,900	704,094
Ohio	3,134,180	1,587,057	3,074,584	4,661,641	862,519
Indiana	3,239,880	1,235,897	6,388,483	7,624,380	1,960,962
Illinois	2,563,365	1,769,434	6,662,146	8,431,580	1,027,553
Michigan	2,142,910	409,500	2,449,975	2,859,475	657,475
Wisconsin	780,530	653,860	1,013,439	1,667,299	391,881
Iowa	1,533,400	813,669	1,599,955	2,413,624	410,157
Minnesota	1,017,800	420,095	1,748,445	2,168,540	635,165
Kansas	147,600	781,721	190,550	972,271	213,2[illegible]6
Nebraska	67,500	45,000	233,080	278,080	42,320
Nevada	36,000	......	......	......	1,878
Colorado	572,400	138,083	149,400	287,483	18,242
Utah	134,900	161,191	196,800	357,991	16,443
Montana	129,600	91,800	45,000	136,800	35,663
Wyoming	3,600	......	......	......	......
Wasinghton	135,000	......	......	......	......
Dakota	175 500	......	......	......	......
New Mexico	90,000	......	......	......	......
California	777,600	......	......	......	......
Totals	$91,748,275	$18,390,754	$85,684,998	$104,065,752	$20,560,012
Legal tenders deposited prior to June 20, 1874, and remaining at that date				3,813,675	
Total				$107,889,427	

JOHN JAY KNOX,
Comptroller of the Currency.

The Last National Bank Statement.

ABSTRACT of Reports made to the Comptroller of the Currency, showing the condition of the National Banks in the United States, including National Gold Banks, at the close of business on Friday, the 1st day of Nov. 1880.

RESOURCES.

Loans and discounts		$1,037,061,441 42
Overdrafts		3,915,826 11
U. S. Bonds to secure circulation		357,789,350 00
U. S. Bonds to secure deposits		14,777,000 00
U. S. Bonds on hand		28,843,400 00
Other stocks, bonds, and mortgages		48,863,150 22
Due from approved reserve agents		134,562,778 70
Due from other National Banks		63,023,796 84
Due from State Banks and bankers		15,881,197 74
Real estate, furniture, and fixtures		48,045,837 54
Current expenses		6,886,182 01
Premiums paid		3,488,470 11
Checks and other cash items		12,726,601 77
Exchanges for Clearing-House		121,097,650 14
Bills of other National Banks		18,210,942 00
Fractional currency		367,172 73
Specie, viz: Gold coin	$47,512,589 31	
Gold Treasury Certificates	7,175,560 00	
Gold Clearing-House Certificates	48,167,000 00	109,346,509 49
Silver coin	5,326,240 18	
Silver Treasury Certificates	1,165,120 00	
Legal-tender notes		56,640,458 00
U. S. certificates of deposit for legal-tender notes		7,655,000 00
Five per cent. redemption fund with Treasurer		15,921,740 90
Due from Treasurer other than redemption fund		1,182,125 10
Aggregate		$2,105,786,625 82

LIABILITIES.

Capital stock paid in		$457,553,985 00
Surplus fund		120,518,583 43
Other undivided profits		46,139,690 24
* National Bank notes issued	$321,283,560 00	
Amount on hand	3,933,524 00	
Amount outstanding		$317,350,036 00
State Bank notes outstanding		270,045 00
Dividends unpaid		3,452,504 17
Individual deposits		873,537,637 07
U. S. deposits		7,649,995 14
Deposits of U. S. disbursing officers		3,534,856 63
Due to other National Banks		192,032,532 95
Due to State Banks and bankers		75,536,922 73
Notes and bills re-discounted		,178,232 50
Bills Payable		5,031,604 96
Aggregate		$2,105,786,625 82

No. of Banks, 2,090.

JNO. JAY KNOX,
Comptroller of the Currency.

National Bank Statistics.

STATEMENT of the Comptroller of the Currency on November 1, 1880, showing the amounts of National Bank Notes and of Legal Tender Notes outstanding at the dates of the passage of the Acts of June 20, 1874, January 14, 1875, and May 31, 1878, together with the amounts outstanding at date, and the increase or decrease.

NATIONAL BANK NOTES.

Amount outstanding June 20, 1874	$349,894,182
Amount outstanding January 14, 1875	351,861,450
Amount outstanding May 31, 1878	322,555,965
Amount outstanding at date*	342,518,162
Decrease during the last month	61,671
Increase since Nov. 1, 1879	6,783,864

LEGAL TENDER NOTES.

Amount outstanding June 20, 1874	$382,000,000
Amount outstanding January 14, 1875	382,000,000
Amount retired under Act of January 14, 1875, to May 31, 1878	35,318,984
Amount outstanding on and since May 31, 1878	346,681,016
Amount on deposit with the Treasurer U. S. to redeem notes of insolvent and liquidating banks, and banks retiring circulation under Act of June 20, 1874	20,560,012
Increase in deposit during the last month	196,729
Increase in deposit since November 1, 1879	7,652,813

*Circulation of National Gold Banks not included in the above.....$1,315,945

JOHN JAY KNOX,
Comptroller of the Currency.

Chicago & Northwestern.—The Chicago "Tribune" reports that the Chicago & Northwestern Railroad Company by Nov. 1, 1880, will have the track laid on its Deadwood extension to Pierre, Dakota, on the east bank of the Missouri River, opposite Fort Pierre, and from that date this company will have a through route to Deadwood —rail to Pierre, and stage thence to Deadwood. The Northwestern Express Stage & Transportation Company, with which the Northwestern Road will run in connection, has already prepared a superior outfit for service on this line, and will daily—upon the arrival of trains at Pierre—dispatch coaches to Deadwood in sufficient numbers to accomadate all through passengers. Through cars will be run between Chicago and Pierre, thus necessitating but one change between Chicago and Deadwood in either direction, an advantage that no other line can even approach. In the matter of distance this line will stand without a rival, as will be seen by the following figures: Chicago to Pierre, 780 miles, all rail; stage, Pierre to Deadwood, 170 miles; total 950 miles—a saving in distance over all other routes from 200 to 400 miles. All classes of passengers will be allowed 150 pounds of baggage as far as Pierre. The Stage Company will carry fifty pounds on first and second class tickets, and 100 pounds on third class.

The rates from Chicago will be as follows: To Pierre, Dakota, $28.65 first class; $20 second class. To Deadwood, $49.25 first class; $39.65 second class, and $30 third class. First class tickets should be unlimited; second class to Pierre, six days' limit; second and third class to Deadwood, eight days' limit.

National Banks of New York City.

Abstract of reports made to the Comptroller of the Currency, showing the condition of the National Banks in the City of New York, at the close of business on Friday, October 1, 1880, and also on October 2, 1879, and October 1, 1878.

RESOURCES.	1880. Oct. 1. 47 banks.	1879. Oct. 2. 47 banks.	1878. Oct. 1. 47 banks.
Loans and discounts	$238,428,500	$195,975,975	$169,716,953
Overdrafts	66,824	......	......
U. S. bonds to secure circulation	21,170,500	25,745,500	24,195,500
U. S. bonds to secure deposits	820,0.0	4,671,650	26,715,550
U. S. bonds on-hand	7,011,450	10,140,900	11,463,900
Other stocks, bonds and mortgages	10,420,603	8,843,712	9,193,663
Due from other National banks	14,191,524	10,957,673	11,365,999
Due from State banks and bankers	3,010,707	2,245,184	2,981.296
Real estate, furniture and fixtures	10,048,430	9,883,678	9,465,819
Current expenses and taxes paid	1,045,084	953,465	995,332
Premiums paid	750,762	827,971	1,767,166
Checks and other cash items	2,444,390	1,969,659	1,765,187
Exchanges for Clearing House	94,520,215	93,487,351	62,454,791
Bills of other National banks	1,534,823	1,467,887	1,560,623
Fractional currency	48,387	55,672	67,702
Specie:			
Gold coin	15,729,858	19,349,867	13,294,602
Silver coin	374,997		
U. S. gold certificates	6,399,460		
U. S. silver certificates	1,090,240		
C. H. gold certificates	36,189		
Legal-tender notes	9,726,363	19,738,584	14,893,468
Y. S. certificate of dep. legal-tenders.	1,310,000	12,900,000	21,600,000
Five per cent. redemption fund.	940,537	......	......
Due from U. S. Treasurer	411,383	1,624,370	1,221,207
	$477,684,044	$420,840,104	$384,778,766
LIABILITIES.			
Capital stock paid in	$50,650,000	$50,750,000	$53,800,000
Surplus fund	18,185,383	16,006,434	15,920,230
Otheir undivided profits	10,396,427	9,096,919	8,659,800
National bank notes outstanding	18,594,918	22,328,624	20,025,861
State bank notes outstanding	47,482	53,251	73.339
Dividends unpaid	188,701	202,726	190,704
Individual deposits	242,044,721	213,354,222	172,441,668
United States deposits	276,099	3,135,877	26,090,296
Deposits of U. S. disbursing officers	132,117	157,193	131,225
Due to other National Banks	105,933,843	81,915,319	68,125,491
Due to State banks and bankers	31,234,349	23,098,278	19,311,699
Bills payable	......	......	8,000
	$477,684,044	$420,840,104	$384,778,766

The National Debt Statement, November 1, 1880.

AND FOR COMPARISON, THE OCTOBER STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	October 1, 1880.	November 1, 1880.
Bonds at 6 per cent	$222,819,050	$217,699,550
" 5 "	474,531,550	469,651,050
" 4½ "	250,000,000	250,000,000
" 4 "	738,263,950	738,368,600
Refunding certificates	1,083,850	979,200
Navy pension fund	14,000,000	14,000,000
Principal	$1,700,698,400	$1,690,698,400
Interest	18,134,503	11,704,948

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

Principal	$6,011,665	$5,615,665
Interest	764,356	754,662

DEBT BEARING NO INTEREST.

Old demand and legal-tender notes	$346,741,841	$346,741,841
Certificates of deposit	9,965,000	8,765,000
Fractional currency	7,181,940	7,181,861
Gold and silver certificates	26,033,660	34,568,460
Principal	$389,922,441	$397,257,162
Unclaimed Pacific Railroad interest	8,077	8,077

TOTAL DEBT.

Principal	$2,096,632,506	$2,093,571,228
Interest	18,906,936	18,464,687
Total	$2,115,539,443	$2,112,035,915
Total cash in the Treasury	199,945,260	203,545,487
Debt, less cash in the Treasury	$1,915,594,182	$1,908,490,427
Decrease of debt during month	8,974,591	7,103,755
Decrease of debt since June 30, 1880	26,578,112	33,681,867

CURRENT LIABILITIES.

Interest due and unpaid	$2,401,809	$3,000,826
Debt on which interest has ceased	6,011,665	5,615,665
Interest thereon	764,356	751,661
Gold and silver certificates	26,033,660	36,568,460
U. S. notes held for red'n of certificates of deposit	9,965,000	8,765,000
Cash balance available	154,768,769	150,843,873
Total	$199,945,260	$203,545,487

AVAILABLE ASSETS.

Cash in the Treasury	$199,945,260	$203,545,487

Bank Changes, New Banks, Etc.

New National Banks.—The Comptroller of the Currency furnishes the following statement of National Banks organized since our last report:

2493*—First National Bank of Rondout, New York. Authorized capital, $300,000. Paid-in capital, $300,000. Thomas Cornell, President; Charles Bray, Cashier.

2494—Manufacturers' National Bank of Waterbury, Connecticut. Authorized capital, $100,000. Paid-in capital, $50,000. David B. Hamilton, President; Charles R. Baldwin, Cashier.

2495—Citizens' National Bank of Cincinnati, Ohio. Authorized capital, $1,000,000 Paid-in capital, $500,000. B. L. Cunningham, President; Geo. W. Forbes, Cashier.

2496—First National Bank of Granville, Ohio. Authorized capital, $50,000. Paid-in capital, $30,000. H. L. Bancroft, President. E. M. Downer, Cashier.

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*This bank went into liquidation Oct. 11, and re-organized Oct. 18th.

CONNECTICUT.—*Change in Officers:* National Iron Bank, Falls Village; A. C. Randall, President, in place of G. W. Peet; D. E. Dean, Cashier, in place of A. C. Randall.

DAKOTA.—*New:* J. B. Nation, Bridgewater.

GEORGIA.—*Change in Officers:* Gate City National Bank, Atlanta; L. J. Hill, President, in place of L. M. Hill.

ILLINOIS.—*New:* John Greene, Raymond.

Change in Officers: First National Bank of Rochelle; William Stocking, President, in place of P. Smith.

Change of Title: Coffin & Young, Batavia; succeeded by Gammon & Newton.

Shannon & Beall, Mount Carmel; now E. F. Beall. T. J. Shannon deceased.

IOWA.—*New:* L. Holland, Farmington.

Spencer Brothers, Randolph.

Change of Title: Maple Valley Bank, Ida Grove; succeeded by Baxter & Kule.

KANSAS.—*New:* John Reid, Augusta.

Exchange Bank, Cherry Vale.

Bank of Delphos (Frank M. Sexton), Delphos.

Change in Firm: Sumner County Bank, Wellington; sold to J. E. Neal & Son, of the Wellington Bank.

KENTUCKY.—*Change in Officers:* Bank of Woodford, Versailles; D. P. Robb, Cashier, in place of E. K. Thornton.

MASSACHUSETTS.—*Change in Officers:* National Exchange Bank, Boston; J. S. Learoyd, Cashier, in place of J. M. Pettingill.

Pacific National Bank, Boston; J. M. Pettingill, Cashier, in place of F. J. Chick.

National Union Bank, Fall River; Daniel Wieber, President, in place of C. Borden.

First National Bank, Lowell; W. M. Sawgler, Cashier, in place of G. B. Allen.

Milford National Bank, Milford; Charles F. Claffiin, President, in place of A. C. Mahew.

First National Bank, South Weymouth; J. H. Stetson, Cashier, in place of B. F. White.

Change of Firm: Richardson, Hill & Co., Preston; admit Frank E. James and George A. Farlow.

MICHIGAN.—*New:* Leonard & Divine, Belding.

First National Bank, Northampton; Frank N. Kneeland, Cashier, in place of H. Roberts, deceased.

Change in Officers: First National Bank, Flint; David S. Fox, President, in place F. F. Hyatt.

First National Bank of Greenville; Henry Hill, Cashier, in place W. J. Just.

First National Bank, Hillsdale; Charles N. Waldron, President, in place of H. Waldron, deceased.

Discontinued: W. N. Pettee & Co., Belding. W. N. Pettee, deceased.

MINNESOTA.—*New:* Wright County Bank (Dittmann & Roosen), Delano.

Bank of Herman (C. F. Washburn & Co.), Herman.

D. C. Corbett & Co., Le Roy.

Fillmore County Bank (E. A. Abey & Co.) Mabel.

Bank of Sauk Centre, Sauk Centre; Sol. Pendergast, President; Lucas Kells, Cashier.

Capital Bank, St. Paul; capital, $100,000; Lathrop E. Reed, President; William D. Kirk, Cashier.

NEW HAMPSHIRE.—*Change of Title:* Under act of Congress approved June 11, 1880, the title of the City National Bank of Manchester has been changed to "The Merchants' National Bank of Manchester."

NEW JERSEY.—*Change in Officers:* Bloomsburg National Bank, Bloomsburg; Louis Anderson, Cashier, in place of J. F. Woodruff.

Union National Bank of Frenchtown; B. Haring, Cashier, in place of W. S. Stover.

NEW YORK.—*Change in Officers:* Bank of Buffalo, Buffalo; Josiah Jewett, Vice-President, in place of G. B. Gates, deceased.

Black River National Bank, Lowville; Charles P. Leonard, President, in place D. W. C. West.

Change of Title: First National Bank, Rondout; now Rondout Bank. Same capital.

OHIO.—*Change in Officers:* Citizens' Bank, Greenfield; C. W. Price, Cashier, in place of A. J. Smart.

Madison National Bank, London; B. F. Clark, Cashier, in place of H. Toland.

Change of Title: Citizens' Savings & Loan Association, Miles; now A. G. Bentley & Co.

PENNSYLVANIA.—*New:* Du Bois Deposit Bank, Du Bois; Wm. McBryar, President; Wm. C. Bovard, Cashier.

Change in Officers: Second National Bank, Mauch Chunk; Thomas L. Foster, President, in place of C. Albright; James M. Dreisbach, Cashier, in place of T. L. Foster.

Argyle Savings Bank, Petrolia; Edgar A. Taylor, Cashier, in place of E. G. Taylor.

Citizens' National Bank, Towanda; George W. Buck, Cashier, in place of G. A. Guernsay.

Wyoming National bank, Wilkes Barre; Charles Dorrance, Jr., Cashier, in place of G. W. Jones.

Change of Title: Samuel Doane & Son, Canton; now Bank of Canton, Geo. A. Guernsay, President.

Discontinued: John Moss, Jr., Philadelphia; reported suspended.

TEXAS.—T. R. Beard, Richmond; deceased. Business continued under same style by Mrs. Beard.

Change of Title: Killough & Porter, Whitney; now Porter, Caruthers & Co.

VERMONT.—*Change in Offiers:* National Bank of Barre; no President in place of N. W. Braley.

WISCONSIN.—*Discontinued*: J. F. Cleghorn, Clinton; reported suspended.

THE PULISHERS' BULLETIN.

REFERENCE LIST OF BANKS AND BANKERS.

A new feature of the JOURNAL is its SPECIAL REFERENCE LIST OF BANKS AND BANKERS, shown in this issue.

We have given the plan and scope of the Reference List careful attention, and have no hesitation in recommending it to Banks and Bankers, in good standing, anywhere in the United States and Canada. We believe that, after a fair trial, the small expense for space in the List will be regarded as a good investment.

It will be observed that the annual cost of representation in the List covers a subscription to the JOURNAL, and this in turn includes a copy of the BANKER'S YEAR BOOK. To recapitulate:

TEN DOLLARS ($10) WILL PAY FOR

1. Annual Card in the JOURNAL'S REFERENCE LIST.
2. Annual Subscription to the JOURNAL.
3. A copy of the BANKER'S YEAR BOOK.

Space in the List for remaining issues of the year will be furnished FREE, all orders dating on our books as of January, 1881.

A bill, as above, will be sent in January, after the YEAR BOOK is out.

THE JOURNAL'S ADVERTISEMENTS.

A great deal of information regarding the Banks and Bankers in various parts of the Country may be obtained by consulting the Advertising Department of the JOURNAL.

It is hardly necessary to call attention to the fact that the business Department of this Magazine is duly appreciated as a means of reaching the best customers of Banks and Bankers, as well as the large class of investors wishing to either buy or sell Investment Securities, or those seeking business connections with the Banks and moneyed men generally.

Especial attention is directed to a number of new names added to the JOURNAL'S list of advertising patrons, in this issue.

Permanent advertisers have their cards regularly referred to in the JOURNAL'S Reference List without any extra charge.

REASONS WHY IT PAYS.

We submit the following good reasons why it pays to advertise in the JOURNAL: (1.) Our aim is to make it of the highest practical value; and, (2.) No other publication directly addressed to the monetary interest, has so large, evenly distributed, and influential a circulation throughout the United States and Canada.

*RHODES' JOURNAL RECORD OF DEATHS.

CHARLES ALBRIGHT, President of the Second National Bank of Mauch Chunk, Pa., died Sept. 29, 1880.

General Albright achieved prominence as a soldier during the war, and occupied high political trusts, and was a member of Congress. He was a leading member of the Methodist Episcopal church, acting as lay delegate from the Philadelphia Conference to the General Conference of 1872, and he was a reserve delegate to the General Conference of 1880. He took great interest in Sunday-school and church work, and his death is a great loss, not only to the church, but to the entire community in which he lived and labored.

WILLIAM A. FARMER, of the banking firm of Payne & Farmer, Harvard, Clay County, Nebraska, died October 16, 1880, in the thirty-second year of his age.

His partner writes:—"Mr. Farmer was one of the first settlers in this vicinity, coming here in 1871. Commenced practicing law in 1874, and in 1878 engaged in banking in above-named firm; was entirely a self-made and self-educated man, and was eminently successful in all his business undertakings."

AARON CLAFLIN MAYHEW, President of the American Trust Company, of Boston, and also President of the Milford National Bank, died on Sabbath, September 26, 1880, aged sixty-eight.

Mr. Mayhew was one of the most prominent citizens of Milford, Massachusetts. He had been State Senator for two terms, Representative for two years, a member of Governor Banks' council, and Presidential elector in 1872. He was universally respected.

CHARLES DEWEY, President of the Raleigh National Bank, of Raleigh, North Carolina, died October 20, 1880, aged eighty-two years.

HENRY ROBERTS, Cashier of the First National Bank of Northampton, Mass., died September 20, 1880, aged forty-eight years.

E. A. WILLIAMS, Cashier of the First National Bank of Rome, Georgia, died October 10, 1880.

JOHN F. WOODRUFF, Cashier of the Bloomsburg National Bank, died at Bloomsburg, New Jersey, September 21, 1880, aged forty-seven years.

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*The Editor solicits correct data, with the necessary particulars, from which to prepare brief notices of recently deceased bankers for this department of the JOURNAL.

THE BANKER'S GAZETTE.

The Money Market and Financial Situation.

NEW YORK, November 10, 1880.

As referred to elsewhere, the recent statements of the New York City banks are not favorable to ease in the money market, though with the continued heavy imports of gold no immediate stringency will be felt.

The last statement of the New York City banks reflected the following changes: An increase of $6,490,000 in loans, $5,214,600 in deposits, $319,300 in specie, and $45,300 in circulation, and a decrease of $1,027,100 in legal tenders. The movement results in a loss of $2,011,450 in the surplus reserve, leaving only $1,732,125 in excess of legal requirements on Saturday, Nov. 6, the date the referred to above.

Upon this showing the reserve of lawful money is 25.56 per cent. of the deposits, against 26.23 a week earlier, 26.11 on October 23, 26.57 on October 16 and 26.45 October 9.

Notwithstanding the unfavorable showing, the money market has thus far worked comfortably enough, the great bulk of business in call loans, on pledge of stock collateral, being readily effected at 3@ 4 per cent., with exceptional transactions as high as 6 and as low as 2 per cent. Quite a heavy business has been recently transacted in time loans at rather higher rates of interest, but the offerings of capital has been equal to the demand on the part of borrowers.

In the discount market prime mercantile paper is selling at 4@5½ per cent., according to date of maturity. In view of the demand for currency created by the immense development of the various industries of the country, there appears to be some reason to doubt that the monetary situation will for a long period continue to be characterized by great ease.

In the last paragraph of the item on page 701, the figures "1881" should read 1880. Secretary Sherman has issued a circular relative to the payment of the 6s of 1880. On the first of January last there were outstanding of these bonds, which mature December 31st next, the sum of $18,415,000, of which $14,730,000 were registered and $3,685,000 coupon issues. On the first of the present month the amount outstanding was $13,414,000, of which $10,888,000 were registered and $2,526,000 coupon issues.

At the present time the Treasury is offering 102¾ for these bonds, but few are obtained. If the bonds were in the hands of Wall Street people or dealers, they would undoubtedly be sold to the Treasury at its own price, which is very liberal, as will be seen when it is remembered that the holder, up to December 31st, will get the principal of the bond (100) and the half-yearly interest of 3 per cent. or only 103. By selling now at 102¾ the seller gets his money which can be lent for 4 per cent., and if held for call loans may command very much more before the year closes; whereas if he refuses to sell now at 102¾ and holds for 103 on December 31, he gets interest on his nvestment for the remainig fifty-six days at the rate of less than 2 per cent. per annum—the exact figures being 1.629 per cent.

During the past month the Stock Exchange business was large, with great animation, and the general buoyancy had not been equaled at any time since the depression of May last. Stocks jumped up five and ten per cent. in a single day, and the great talk of the Street was on stock dividends—the Louisville & Nashville Railroad having declared such a dividend of 100 per cent. Railroad earnings were so large, too, as to encourage the idea of increased dividends.

STOCK EXCHANGE TRANSACTIONS, PAST FOUR MONTHS.

The following table shows the total transactions at the New York Stock Exchange compared with the previous three months:

	July.	August.	September.	October.
U. S. Government Bonds.. ..	$2,504,800	$1,836,450	$2,020,200	$4,308,800
State bonds....................	193,000	448,800	814,500	473,000
Railroad bonds................	32,829,160	34,144,330	36,621,400	63,471,600
Bank stocks......shares... ..	708	946	415	925
Railroads, &c., "	6,056,230	5,477,365	6,461,854	7,795,453

In Foreign Exchange the slightly advanced rates are due, in a measure, to some large transactions in the export of securities, which accounts for the balance in favor of the United States, as the merchandise movement was not sufficient to account for it.

Quotations for foreign exchange by principal drawers here are as follows:

Nov. 10.	60 days.	Demand.
Prime bankers' sterling bills on London...............	4.81¼@4.82	4.83½@4.84
Prime commercial...	4.80½@4.81½	4.82½@4.83½
Documentary commercial..............................	4.79 @4.79½	4.81 @4.81½
Paris (francs)..	5.26¼@5.25	5.23¾@5.22½
Amsterdam (guilders)....................................	39⅞@ 40	40⅛@ 40⅜
Frankfort (reichmarks)...................................	94¼@ 94½	94⅞@ 95⅛
Bremen (reichmarks)......................................	94¼@ 94½	94⅞@ 95⅛

The following were the rates of domestic exchange on New York at the undermentioned cities Nov. 6: Savannah, buying 3-16 off, selling 1-16@par; Charleston, shade easier, buying 5-16@⅜ discount, selling par; New Orleans, commercial $1.25 discount, bank, par; St. Louis, ⅛ discount; and Chicago, 50@60 discount.

Both before and after the election government bonds were notably strong, the 4 per cents. leading the advance as will be seen in our table. The determination of Secretary Sherman to purchase only the 6s of 1880 took the market by surprise, though prices were not affected thereby.

The following table shows the total sales of each class of Government bonds at the New York Stock Exchange for the month of October, and the closing prices† on the dates named:

	Interest Periods.	Total Sales.	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.	Nov. 6.
6s, 1880, reg...	J. & J.	$20,000	102⅜	102½	102½	102⅝	102¾
6s, 1880, coup	J. & J.	....	102⅜	102½	102⅝	102⅝	102¾
6s, 1881, reg	J. & J.	119.500	104⅜	104⅝	104¾	104⅞	104¼
6s, 1881, coup	J. & J.	160,250	104⅜	104⅝	104¾	104⅞	104¼
5s, 1881, reg................	Q.—Feb.	85,000	101⅜	101½	101¾	101⅞	101⅝
5s, 1881, coup..............	Q.—Feb.	298,000	102½	102¾	102⅞	103	101⅝
4½s, 1891, reg	Q.—Mar.	289,000	108¼	110½	110	110½	110
4½s, 1891, coup..	Q.—Mar.	480,000	108¼	110½	110	110½	111
4s, 1907, reg.........	Q.—Jan.	1,550,100	107¼	10[illegible]½	109	109⅝	109¾
4s, 1907, coup	Q.—Jan.	1,318,000	107¼	109⅝	109	109⅝	109¾
6s, currency, 1895, reg	J. & J.	....	125	125	125	125	126
6s, currency, 1896, reg	J. & J.	....	125	126½	125	125½	127
6s, currency, 1897, reg....	J. & J.	....	125	127	125	126	128
6s, currency, 1898, reg....	J. & J.	....	125	128¾	125	126	129
6s, currency, 1899, reg....	J. & J.	....	125	128	125	127	130

† The prices *bid* are given; these furnish the most reliable quotations of *sales* at the Board.

There are indications that the importation of gold will not fall off, but on the contrary, increase. The gold imports should rise to $6,500,000 to $7,000,000 per week to put the New York loan market on the same footing as before the presidential election, in the matter of resources. The gold imports from August have averaged about $4,000,000 per week; but then the market had received from the Treasury currency enough to pay for $2,500,000 bonds bought for the sinking fund. At present purchases are practically discontinued.

NEW YORK CITY BANK MOVEMENTS IN OCTOBER.

The condition of the New York city associated banks for several weeks past, the range of call loans and rate of commercial paper is shown in the following table:

	Oct. 9.	Oct. 16.	Oct. 23.	Oct. [illegible]0
Loans and discounts	$313,521,200	$315,811,900	$317,043,300	$317,880,200
Specie	66,992,200	67,3[illegible]4,300	65,613,900	66,372,400
Circulation	18,573,700	17,629,1[illegible]0	18,700,600	18,646,500
Net deposits	301,013,600	302,566,900	300,831,000	302,582,100
Legal tenders	12,[illegible]29,600	13,035,000	13,15[illegible],300	13,016,700
Legal reserve	75,253,400	75,641,725	75,207,750	75,615,525
Reserve held	79,621,800	80,399,300	78,778,200	79,389,100
Surplus	4,368,400	4,757,575	3,565,450	3,743,575
Range of call loans	2@3	2@3	2½@4	2½@4
Rate of prime paper	5@5½	5@5½	5@5½	5@5½

The following are New York quotations in gold for the various foreign and domestic coins, and bullion:

Soveriegns	$4 83 @$4 85	Silver ¼s and ½s	99¾@ par
Napoleons	3 83 @ 3 86	Five francs	92 @ 95
X X Reichmarks	4 73 @ 4 77	Mexican dollars	88 @ 88½
X Guilders	3 96 @ 4 00	do uncommercial	87 @ 88
Spanish Doubloons	15 70 @15 85	English silver	4 70 @ 4 80
Mex. Doubloons	15 50 @15 60	Prussian silver Thalers	67 @ 69
Fine silver bars	1 12 @ 1 12½	Trade dollars	99½@ 99⅝
Fine gold bars	par@ ¼ prem.	New silver dollars	99¾@par.
Dimes and ½ Dimes	99¾@ par.		

The following summary shows the condition of the New York Clearing House banks, the premium on gold, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of Nov. in 1878, 1879 and 1880:

*STATISTICAL SUMMARY ON OR ABOUT NOV. 1, 1878, 1879 AND 1880.

NEW YORK CITY BANKS—	1880.	1879.	1878.
Loans and discounts	$317,880,200	$271,238,600	$244,511,800
Specie	66,372,400	29,675,300	24,144,100
Circulation	18,646,500	22,600,500	19,904,800
Net deposits	302,582,100	234,412,000	215,443,400
Legal tenders	13,016,700	28,615,900	40,219,000
Legal reserve	75,645,525	58,603,000	53,860,850
Reserve held	79,389,100	58,291,200	64,363,1[illegible]0
Surplus	3,743,575	Def. 311,800	10,502,250
MONEY, GOLD, EXCHANGE—			
Call loans	2½@5	7 @7	4 @6
Prime paper	4 @4½	5½@6	5@6
Gold	10[illegible]	100	100⅛
Silver in London per oz	51¾d	53 ¾d	51 ⅛d
Prime Sterling bills, 60 days	4 82@4 82½	4 80½@4 81½	4 82 @4 82½
UNITED STATES BONDS.			
6s, 1881, coupon	104⅞	105¼	108¼
6s, currency, 1898	130	12[illegible]	121¾
5s, 1881, coupon	102	102⅛	105
4½s, 1891, coupon	110½	105¾	104
4s of 1907, coupon	109½	102¼	100
RAILROAD STOCKS.			
New York Central & Hudson Riv	137⅛	130½	111½
Erie (N. Y., L. E. & W.)	44¾	40¾	19⅛
Lake Shore & Michigan Southern	116⅝	101¼	70
Michigan Central	10[illegible]¼	94½	69¾
Chicago, Rock Island & Pacific	12[illegible]	148	115¾
Illinois Central	118	98	79⅞
Chicago & Northwestern, common	115¾	90	41⅝
Chicago, Milw. & St. Paul, com	105⅝	74¾	51¾
Delaware, Lackawanna & Western	99½	89	51
Central of New Jersey	78¾	78¼	29
MERCHANDISE.			
Cotton, Middling Uplands, per lb	11 1-16	11 5-16	9 7-16
Wool, American XX, per lb	38@47	38@45	30@ 36
Iron, American Pig, No. 1, per ton	24 50@26 00	28 00@29 00	16 50@17 50
Wheat, No. 2 Spring, per bush	1 15@....	1 31 @1 33	93 @ 96
Corn, Western mixed, per bush	55¾@56¼	58 @60	45@47½
Pork, Mess, per bbl	15 00@ ...	10 50@ ...	7 75@8 00

* Corrected from compilations made by the "Commercial Chronicle," New York.

Railroad and Miscellaneous Stocks in October.

The following table shows the number of shares sold, and the lowest, highest and closing prices of the active Railway and Miscellaneous Stocks at the New York Stock Exchange during October; and, for comparison, the closing prices September 30:

RAILROADS.	Closing Sept. 30.	Range in Oct. Lowest.	Highest.	Closing Oct. 31.	Shares Sold.
Can. Southern	58¾	59¼	69¾	68	45,129
C., C. & Ind	70	70	82⅞	82½	27,314
C., C. & I. C	18⅜	17¼	20½	18⅝	42,225
Ches. & Ohio	19	19	21	20¼	8,594
Chic., St. P. Minn. & O	42	41⅛	47	45	108,288
do pref	81½	81⅛	86⅞	84¾	68,968
Northwestern	105	105	117⅜	115½	363,665
do. pref	122	122¾	142¼	139¼	43,783
Mil. & St. Paul	91	91	106½	105⅛	580,553
do. pref	109	109½	121	119¼	35,637
Del. Lack. & West	89½	88¾	99½	99⅛	230,839
Del. & Hud. C. Co	84	82⅝	88	86¾	55,436
Houston & Texas	61	64	77	76	17,680
Hannibal & St. Jo	39¼	37½	43¼	42⅞	85,895
do. pref	82¾	80¼	90½	89½	82,290
Illinois Central	112¾	111¾	119¾	118	24,229
Lake Erie & Western	33½	30	34½	33	37,939
Louisville & Nashville	156	155	173	169	30,680
Lake Shore	107⅞	107½	117¼	115⅞	422,461
Manhattan R.R	29½	30	39¾	37	136,459
Metropolitan Elevated	89	89	113½	111	23,755
Michigan Central	95½	95½	110	108⅝	159,129
Mobile & Ohio	22¼	22	24	23⅝	16,023
Mo., Kan. & Texas	35¾	35	39¾	39¼	240,460
Nash., Chat. & St. L	60	59½	64	60	27,830
N. J. Central	72¾	72⅝	78⅝	78⅛	381,449
N. Y. Central	129¾	129¾	138½	136⅜	181,718
N. Y., L. E. & W	38⅞	38¾	45¼	44½	1,108,605
do. pref	....	70	76	74¾	57,784
Northern Pacific	28¾	26⅝	30⅞	29⅝	24,720
do. pref	53¼	50¾	55⅛	52¾	36,322
N. Y., Ont. & W	22	20¾	24¼	24⅞	126,375
Ohio & Mississippi	33⅞	32½	37⅝	37½	138,225
do. pref	73	72	79¾	79	6,035
Phila. & Reading R. R	30⅝	29½	48¾	46	239,536
St. L., I. M. & S	50½	48¼	53	52	117,920
Union Pacific	88⅝	87½	94	93⅝	106,580
W., St. L. & Pacific	36¾	36	44½	44⅝	163,419
do. pref	68⅝	67½	78½	78	436,178
Am. Dist. Tel	75¼	72½	78⅞	74	27,815
At. & Pac. Tel	40	39	64½	41¾	8,310
Western Union Tel	98½	96⅞	104¼	101½	362,640
Pacific Mail	39⅝	39¼	47½	46¾	260,550
Climax Mining	1	1	1	...	10
Little Pittsburgh	2½	2	2⅞	2¼	3,660
Standard Mining	29	25⅝	29½	26¼	13,555
Sutro Tunnel	1½	1	1⅝	1⅛	82,060

The annexed table shows the leading bonds dealt in, range of prices and the amount of recorded transactions for the month just closed.

	Highest.	Lowest.	Closing. Oct. 30.	Amount Sold.
Cent of N. J. con. ass'd	110¼	106	....	$243,000
Lehigh & Wilkes con. ass'd	100	95⅛	100	1,145,000
Morris & Essex 1st consol	117⅛	116	....	15,000
Rome W. and Ogd. 1sts	75¼	62⅛	74¼	1,643,000
St. Paul sinking fund	121	115	121	681,000
H. and St. Jo. conv. 8s	109⅝	108	109	85,500
N. Y. C. 1sts coup	132¾	130¼	132¾	68,660
Canada South. 1sts	100	94⅝	....	1,094,000
Toledo and Wabash C. C	106⅛	102¼	....	155 ,000
Cen Pacific 1sts	113⅞	112¼	....	106,000
Tex. do Income	75⅝	67⅛	74⅞	2,654,000
Union do 1sts	114¼	112¼	114⅛	264,000
Kansas do do con.	93⅝	96	99⅛	1,231,100
do do D. D. A. C. C	114	109⅛	114	103,000
Den. & Rio Grande 1sts	111¾	107⅛	111¾	370,000
Mo. Kan and Texas 1sts con. ass'd	112	105⅛	112	1,764,000
do 2ds	70	60⅞	69⅝	3,942,500
Erie new con. 2ds	97⅜	88⅝	96⅞	22,058,300
do do 5s funded	92⅝	84	91⅝	1,806,000
do do con. 7s	126¼	120	125½	278,000
C. C. & I. C income	47	44¾	45¾	381,000
do 1sts T. C. C. A. supplem'y	96⅛	94¼	....	899,000
I. Mountain 2d pref. income	76¾	75	75	477,000
do 1st do do	90½	87	89	237,210
do 2ds	109	105⅛	....	302,000
C. & Ohio Currency 6s	42½	39	41¾	752,000
do do 1sts series B	72⅞	69⅞	....	1,164,500
N. Y. Elevated 1sts	115	111¾	114⅛	314,0.0
Met. do do	104	102⅛	103⅝	1,591,100
Bost. Hart. & E. do	42¾	38⅛	42	581,500
Oregon 1sts	107	104⅞	106⅛	323,000
Mobile & Ohio 1st deb	86	82	85½	1,113,500
do 2d deb	58	51	...	467,100
Bur. C. R. and Northern 1sts	97⅛	94	97⅝	473,600
Lake Erie & W. income	68	65	66½	215,000
Ohio Central income	58¾	51	57⅛	914,000
do 1sts	98⅛	98	98⅛	447,000

Additional quotations of railroad bonds at New York and other principal cities appear in the general list of Stock and Bond Quotations, printed on the pages at the close of this department.

STATE BONDS.—Recorded sales and range of prices for the month were as follows:

	Highest.	Lowest.	Sales.
Ala. Class A	70⅛	69⅞	$79,000
do C	78	77	6,000
Ark. 7s, L. R. & Ft. S. iss	8	8	1,000
Ga. 6s,	110	110	10,000
do 7s, new	105⅛	105⅛	5,000
La. 7s, Cons	49⅛	48¾	21,000
Mo. 6s, '87	107⅛	107⅛	1,000
do H. and St. Jo. '86	107¼	107¼	1,000
N. C. 6s, new, C. R. R	3	3	1,000
do do special tax class 3	3	3	10,000
do do old.	33	33	10,000
do 4s, consolidated	80	78¼	82,000
Ohio 6s, '81	106¾	108¾	4,000
S. C. 6s, non-fundable	3⅝	3	40,000
Tenn. 6s, old	40	37	62,000
do do new bonds	32¾	31	68,000
do do new series	33½	32¼	45,000
Va. 6s, ex-matured coupon	62¼	60	40,000
do deferred	8¾	7⅛	45,000
D. of C. 3-65s coup	99	97½	62,200
do do reg	99⅝	97½	24,000

Additional quotations of State bonds are published on another page.

STOCKS AND BONDS—PRICES IN NEW YORK AND OTHER CITIES.

The following tables give the latest bid and asked prices at the New York Stock Exchange; also Southern securities, a full list of general stocks not called at the Exchange, and correct quotations from other cities.

Quotations in New York are to November 11, latest mail advices from other cities.

The prices named represent the percentage upon a par basis.

* Indicates ex-interest. § With interest added. x Dividend.

SECURITIES.	Bid.	Askd
STATE STOCK.		
Alabama 5s, 1883	.....	.....
do 5s, 1886	.....	.....
do 8s, 1886	.....	.....
do 8s, 1888	.....	.....
do 8s M & Eufala R R	.....	.....
do 8s Ala & Chat R R	.....	.....
do 8s of 1892	.....	.....
do 8s of 1893	.....	.....
do consols class A	69	69½
do do do B	91	.....
do do do C	79	80
Arkansas 6s funded	12½	.....
do 7s L Rk & Ft S iss	8	.....
do 7s Memp & L R	9	.....
do 7s L Rk P B & N O	7⅞	8½
do 7s Miss O & R Riv	.....	8½
do 7s Ark Cent R R	8	8¼
Connecticut 6s	108½	.....
Georgia 6s	106	.....
do 7s new bonds	110	.....
do 7s endorsed	110	110
do 7s gold bonds	113	.....
Illinois coupon 6s, 1879	.....	.....
do war loan	.....	.....
Kentucky 6s	.....	.....
Louisiana 6s	.....	.....
do new bonds	.....	.....
do 6s new floating debt	.....	.....
do 7s penitentiary	.....	.....
do 5s levee bonds	.....	.....
do 8s do	.....	.....
do 8s do of 1875	.....	.....
do 8s do of 1910	.....	.....
do 7s Consolidated	49	49½
do 7s Small Bonds	45	.....
Michigan 6s 1878-1879	.....	.....
do 6s, 1883	105	.....
do 7s, 1890	115	.....
Missouri 6s due in 1883	.....	.....
do do in 1886	107	110
do do 1887	108½	.....
do do 1888	.....	.....
do do in 1889 or 1890	109½	.....
Asyl or Univs'y due 1892	110½	.....
Fund'g bds due in 1894-5	112½	.....
Han & St. Jos. due 1886	108	.....
do do 1887	108	.....
New York 6s gold reg'd, 1887	111	.....
do 6s do coup., 1887	111	.....
do 6s do loan, 1883	105	.....
do 6s do do 1891	117	.....
do 6s do do 1892	119	.....
do 6s do do 1893	120	.....
N Carolina 6s old Jan & July	31	33
do Apr & Oct	31	33
do N. C. R., Jan & July	115	.....
do do Apr & Oct	115	.....
do do cp off Jan & July	90	.....
do do cp off Apr & Oct	90	.....
do funding act, 1866	11	12
do do 1868	11	12
do new bonds Jan & July	19	21
N. C. new bonds, April & Oct	19	21
do special tax, class 1	2¼	.....
do do class 2	2	.....
do do class 3	2	.....
Ohio 6s, 1881	101	.....
do 1886	110	.....
Rhode Island 6s	115	.....
South Carolina 6s	.....	.....
do Jan & July	.....	.....
do April & Oct	.....	.....
do funding act 1866	.....	.....
do land C 1889 Jan & J	.....	.....
do land C 1889 Apr & O	.....	.....
do 7s of 1888	.....	.....
Non-fundable bonds	2⅞	3½
Tennessee 6s, old	40	.....
do 6s, new	38	.....
do new series	40	41
Virginia 6s, old	27	.....
do 6s, new bonds, 1866	27	.....
do 6s, do 1867	27	.....
do 6s, consol. bonds	95	.....
do 6s, ex-mat'd coup	64	65
do 6s, 2d series	24	26
do 6s, defer'd do	8⅝	8⅞
Dist. of Col. 3-65's 1924	99¼	99¾
do Small Bonds	99½	.....
do Registered	99	99½
CITY AND COUNTY.		
Brooklyn 6s	.....	.....
do 6s, water loan	114	118
do 6s, imp'm't stock	.....	.....
do 7s, do	.....	.....
do 6s, pub, p'k loan	118	120
do 7s. do do	134	137
Jersey City 6s, water loan	102	103
do 7s, do	110	111
do 7s, improvement	105	106
Kings county 6s	103	115
New York City 6s, 20-50's, 1876	.....	.....
do do 6s, 1877	.....	.....
do do 6s, 1878	.....	.....
do do 6s, 1887	.....	.....
do do G'd 6s, Con. 1902	123	128
do do 6s, 1896	117	118
do do 6s Dock b'ds	122	123
do do 6s co. b'ds	.....	.....
do do 6s Cen. Park	118	119
do 5s, 1890	108	109
do 5s, 1898	109	110
RAILROAD BONDS.		
Boston, H. & E. 1st m	43	39
Boston, H. & E. 1st m guar	71½	72¼
B., Cedar Rap. & N. 1s 5s g	96⅞	97⅜
Chesapeake & Ohio 6s 1st mtg.	41⅝	41¾
do do ex-coupon	.....	.....
Chicago & Alton 1st mortgage.	124	.....
do income	102	108½
Joliet & Chicago 1st mortgage.	103	108
La. & Mo., 1st guaranteed	113	115
St. L Jacksonville & Chic 1st	114	115
Chic. Bur. & Qu. 8 per ct. 1st m	110	111

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid.	Askd
Chic. Bur. & Qu. cons......M 7s	128	129
do do 5s Sinking Fund	96	103
Chic. R. I. & Pacific..............		
do 6s 1917, coupon...	125	128
do 6s 1917, registered	123⅝	125
Keokuk & Des Moin. 1st 5s.....	99¼	99½
Central R R of New Jersey....		
Cen. R of N. J. 1st 7s. 90.....	118	118¼
do cons. assent.	110½	110½
do convertible.	......	......
L. & W. B'e. con. assented....	100⅞	101
Am' Dock & Imp. bonds as'd	115½	115¾
Chic. Mil. & St. Paul R. R		
M. & St. P. 1st mtg 8s P. D...	133½	135
do 2d 7 3-10 P. D.....	121½	......
do 1st 7s $ gold R. D	123	125
do 1st 7s £ do	113	113½
do 1st M. LaC. D.....	120½	121
do 1st M. I. & M. D..	120	120⅞
do 1st M. I. & D......	120	125
do 1st M. H & D.....	......	......
do 1st M. C. & M.....	124	125
do consolidated s f..	120	120½
do 2d mortgage 7s...	104¼	105½
Chic. & N. W. sinking fund....	110½	111
do do int. bonds.......	103	105
do do cons. bonds.....	131	132½
do do exten. bonds...	......	111
do do 1st mortgage...	109¾	111
do do coup gd bonds..	123⅞	125
do do reg'd do	123¾	124
Iowa Midland 1st m. 8s..... .	121	122
Galena & Chicago extension.	103	105
Peninsula 1st m. conv........	120	......
Chicago & Mil. 1st m.....	120	125
Winona & St. P. 1st mort.....	108	111
do do 2d mort.....	115	116
C. C. C. & Ind's 1s m. 7s s. f.....	121	123
do consol, M. bonds.	115	......
Del., Lack. & W. 7s conv.......	115	115
do do m. 7s.........	120	123
Morris & Essex 1st mor.......	128½	13[illegible]
do 2d do	115	117½
do bonds, 1900...	108	110
do constr'n	107	110
do 7s of 1871.....	117	117
do 1s con. gd....	120	.....
Del. & Hud. Can. 1s 7s. 1884....	107¼	......
do do 1891....	112½	113
do Coup. 7s 1894...	114	116
do Regis'd 7s 1894 ...	114	117
Albany & Susq. 1st 7s	113½	116
do do 2d do........	108¾	.....
do do 3d do.......	......	......
do do 1st c gua'd....	......	......
Rens'r & Sara. 1st 7s, Coup..	130¼	131
do do 1st reg'd 7s ...	128	......
Erie 1st mort. extended.	125	125
do 1st do endorsed...	103½	......
do 2d do ex. 5s, 1919......	107	107½
do 3d do 7s, 1883....... ...	107¾	108¼
do 4th do 7s, 1880...........	..	......
do 5th do 7s, 1888...........	112	......
do 7's cons. m'ge gd bds.....	124	124¾
Long Dock Bonds	118	122
B., N. Y., & E. 1st m 1916.....	122½	124
Han. & St. J. 8s convertible m.	109	109½
Illinois Central,...............		
Dub. & Sioux City 1st m......	101	......
do do 2d div....	106	.. ....
Cedar Falls & Minn. 1st m....	110¼	112
Indp's Bloomn & W'n 1st p....	120	..
do do 2d ...	68	68¼
Lake Shore Bonds		

SECURITIES.	Bid	Askd
RAILROAD BONDS.		
M. So & N. I. Sink. fd 7.........	108	109¾
Cleve. & Tol. sink. fd..........	110½	111
Cleve. & Tol. new bonds........	107	......
Cleve. Painesv & A bonds 7s...	113	115
do do new do....	......	......
Buff. & Erie, new bonds...	122	124
Buff. and State Line 7s.........	102	......
Kala. & W. Pigeon 1st m........	101	108½
Det. Mon & Tol 1st 7s 1906......	117	120
Lake Shore div. bonds..........	119½	125
do con c'p 1st 7s.	126	127
do con reg 1st bds.....	125	126
do con coup 2d 7s......	125	126½
do con re'gd 2d m.....	120	120
Marietta & Cin. 1st m..	115	117
Mich. Cent. consol. 7s 1902......	126	129
do 1st m. 8s '82 s f	107	111½
do equipment bds....	108½	......
New Jersey So. 1st m. 7s........	......	......
do consol 7s........	......	. ...
N. Y. Cent. 6s, 1883............	104	......
do do 6s, 1887............	112⅝	113
do do 6s, real estate......	104	104¼
do do 6s, subscription...	106	.. ..
do do & Hud 1st m c.....	134½	135
do do do 1st m reg....	133	......
Hud. Riv. 7s 2d m s f 1885.....	111	113
Harlem 1st m 7s coupon......	130½	132
do do reg'd.........	129	......
North Missouri, 1st mort.	......	......
Ohio & Miss cons s f............	117	117½
do consolidated.......	117¼	......
do 2d do...........	118½	121
do 1st Springfield div.	116½	......
Pacific R R bonds........... ...		
Cent Pacific gold bonds......	113⅞	114½
do San Joaquin branch....	105	106
do Cal & Oregon 1st.........	106	......
do State aid bonds	105	......
do land grant bonds........	105	107
Western Pacific bonds........	110	112
Union Pacific 1st m bds.......	114⅛	114½
do land grants. 7s...	113½	114½
do sinking fund.....	118½	119
Pacific R of Mo. 1st m..........	108⅛	108½
do 2d m. 7s..........	113	......
do Income 7s.........	......	.. ...
do 1st Carnod't B....	......	.....
Pennsylvania R R		
Pitts, Ft W & C 1st m	139	......
do do 2d m.........	127	130
do do 3d m.........	119	......
Cleve & Pitts con s f....	123	......
do 4th do..........	110	115
Col. Chic & Ind 1st m.........	99	100
do do 2d m..........	......	......
Rome, Water'n & Og con 1.....	73	73½
St. L. & Iron M 1st m...........	117	117½
do do 2d m............	......	104⅝
St. L. Alton & Terre Haute....		
Alton & Terre Haute 1st 7s..	112	113¾
do 2d do pref....	107	108
do 2d do inc......	97	99
Bell & S. Ill R. 1st m 8s........	110	117
Tol, Peo & War, 1st E D........	139	......
do do do W D.......	139	141
do do do Burl div.....	138	141
do do do 2d m........	70	75
do do do consol 7s....	70	......
Toledo, Wabash & Western....		
Tol & Wab 1st m ex...........	112½	......
do Ex coupon...	......	......
do 1st m St L div......	107¾	108
do Ex mat'd coup. ..	. .....	......

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Tol & Wab 2d m	105	106
do Ex & Nov 77 coup	......	......
do equipment bonds	30	35
do cons conv'ble	105½	106
do Ex Aug 78 & priv's	......	......
Gt West'n 1st m 7s 1888	105½	113
do Ex coupon	......	......
do 2d 7s 1893	102¾	......
do Ex & Nov 77 coup	......	......
Quincy & Tol 1st m, 1890	107½	108
do Ex M & Nov 77 c p	......	......
Illinois & S Iowa 1st m 7s	102	104
do Ex coupon	......	......
Han & Cent Mo 1st m	......	......
Pekin, Lnc'n & Decat'r 1st m	......	......
West'n Un bds, 1900, c'pon	118¼	120
do do do reg	118	119
MISCELLANEOUS LIST.		
Arkansas Levee 7s	3	7½
Atchison & P Pk 6s gold	......	......
Atchison, Top & S Fe 7s, g	100	105
Cairo & Fulton 1st 7s	118¾	119
California & Oregon 6s g'd	......	......
California Pac R R 7s gold	109	111
do 6s 2d m gold	100	105
Central Pac 7s gold, conv	100	103
do land grant	......	......
Cent of Iowa 1st M 7s new	......	......
Chi & Southwestern R R 8s	113	115½
Chi & Eastern Ill. 1st 6s	103	103
do do income 7s	90	92
Chi & Mich Lake Shore 8s	106	112
Chi & Can South 1st m'g 7s	40	60
Chi, St. P. & Min 1st M 6s	......	......
do land grant 6s	113	115
Cin, Rich & F W 1 m g 7s	90	100
Cleve, Mt V & Del 7s gold	65	75
Connecticut Valley 7s gold	65	70
Connecticut Western 1st 7s	30	35
Col & Hock Val 1st 7s 30 ys	110	112
Dan, Urb, Bl & P 1st m 7s g	......	......
Denver Pacific 7 gold	98	98½
Denv and Rio Grande 7s g	......	......
Det, Hillsdale & Ind R R 8s	......	......
Dixon, Peoria & Han 8s	......	......
Erie & Pittsburg 1st 7s	102½	103½
Evans & Crawfordsville 7s	105	107
Evans, Hend. & Nashville 7s	102½	107½
Evansville, T & H Chic 7s g	82½	90
Flint & Pere M 7s land grant	102	108
do 7s consol	91	93
Fort W, Jackson & Sag 8s	60	80
Grand River Valley 8s	107½	110
G'd Rapids & Ind 1 guar 7 g	112	115
G'd Rapids & Ind 1st 7s g	105	115
Houst, & Gt N. 1st m g 7s	......	......
Houst. & Tex. C. 1st M L	......	......
do 1st W D	......	......
do Con. 8s	......	......
Ill Grand Trunk 8s	113	115
Ind, Bl & W Ext 1st m g 7s	......	......
Indianapolis & Mad. 1st m 7s	100	103
Int'national R R Tex 1 m g 7s	......	......
Ind. Bl. & W., 1st 7s, pref	......	......
do 1st	......	......
do 2ds	......	......
do Income	......	......
do stock	......	......
Indianapolis & Vinc's 1st 7s gr.	105	115
Indianapolis & St. Louis 7s	80	90
Io Falls & Sioux City 1st 7s	108	110
Jack. Lansing & Sag. 1st m	105	110
Jeff'ville, Mad & Ind 1st m 7s	114	117½
Kala'zoo & South H 8s guar	107	112½

Securities.	Bid	askd
Kal, Alleghan & G R 8s gr	110	115
Kal & White Pigeon 7s	105	110½
Kansas City & Cameron 10s	115	120
Kan Pac 7s ex Ma & No g	......	......
do 7s land gr Ja & Jy g	......	......
Kan Pac 7s do 2d m	......	......
do 6s gold June & Dec	......	......
do 6s do Feb & Aug	......	......
do 7s Leaven Branch	......	......
do Income No 11	......	......
do do No 16	......	......
do stock	......	......
Michigan Air Line 8s	105	115
Mil & North 1st m 8s	72½	75½
Mo. Kan & Tex assent'd bds	......	......
do 2d inc	......	......
N. J. Midland 1st 7s gold	......	......
N. Y. & J. 7 s, con. gold	......	......
Omaha & S West'n R R 8s	115	120½
Oregon & Cal 7s gold	28	30¼
Oswego & Rome 7s guar	100	110
Ott, Oswego & Fox R V 8s	......	......
Pitts, Cin & St Louis 1st 7s	118	120
Pt Huron & L M 7s g end	35	40
Quincy & Warsaw 8s	......	......
Rome, W & Ogdensburg 7s	71	72
Sand, Mans & Newark 7s	112	113
Sioux City & Pacific 6s	......	......
South Side (L I) 7s	100	103
Southern Central N Y 7s	80	90
Steubenville & Indiana 6s	101	104
Southern Minn construc 8s	......	......
St. Jo & C Bl 1st m 10s	......	......
St. Louis, Vanda & T H 1st	......	......
do do 2d	......	......
St L & S Eastern 1st 7s gold	100	110
Union Pacific So br 6s gold	102	107
Union & Logansport 7s	100	105
Texas & Pacific L G 7s	......	......
CINCINNATI.		
STATE, CO. AND CITY BONDS.		
Ohio State 6s	111	112
Hamilton County 6s	105	......
do do 7s	118	......
City of Cincinnati 6s	115	x 116
do do 7s	122	x 132
do do 7 3-10	127	x123
City of Covington, Ky 6s '81	102	......
do do 7 3-10, '81	102	104
RAILROAD BONDS.		
L Miami & I & C con 6s	100	x 101
do do 1st 6s '83	103	x 104
Cin, Ham & Day 1 m 7s '80	......	......
do do 2 m 7s '85	106	x108
do do 3 m 8s	......	......
Dayton & Mich, 1 m 7s '81	101¼	101¾
Dayton and Mich, 2 m 7s '84	105	105¼
do do 3 m 7s '88	x103	103½
Cin, Rich & Chi, 1 m 7s '95	100	x105
Cin, Han & Ind 1st m gr 7s	105½	x 106
Marietta & Cin 1st m 7s '91	87	90
do do 2d m 7s '96	30	32
Indianap & Cin 1st m 7s '88	106	x107
Cin & In guar 1st m 7s '92	106	x107
do 2d m 7s '77 '82	100	......
Indianap C & L 1st m 7s '97	105½	106
Day & W 1 m, 1881	101x	102
do 2 m, 1905	......	100
MISCELLANEOUS STOCKS.		
Columbus & Xenia 50	135	......
Cin, Ham & Dayton 100	93	x94
Dayton & Mich 3½ guar 50	52	x 55
Little Miami 50	132	x 133

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Marietta & Cin 1st pref.......50	......	5
do do 2d do....... .50	......	3
Cin Gas Light & Coke Co....100	174½	175
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s...........	103	105
do 8s...........	108	112
Augusta, Ga 7s bonds..........	105	108
Charleston stock, 6s............	69	70
Charleston, S. C. 7s F L bonds..	70	75
Columbia, S. C. 6s..............	50	60
Columbia, Ga. 7s bonds.........	95	......
Lynchburg 6s..................	102	......
Macon 7s bonds...	95	......
Memphis bonds 6s..	40	......
do new consols..........	45	......
do end, M & C R R......	35	... ..
Mobile 5s......................	35	......
do 8s......................	35	......
Montgomery 8s................	75	......
Nashville 6s old	100	105
do 6s new....	100	105
New Orleans 5s................	33	35
do consol, 6s......... ...	44	47
do bonds, 7s............	33	36
do to railroads 6s.........	35	40
Norfolk 6s.....	102	.. ..
Petersburg 6s.................	102	105
Richmond 6s...	113	.. ...
Savannah 5s	83	84
RAILROADS.		
Atlantic & Gul. consol.........	104	106
Central Georgia cons, 7s... ...	114	115
do do stock............	103	106
Charlotte Col & A, 1 m 7s......	107	109
do do stock...	44	45
E Tenn & Georgia 6s...........	99	101
East Tenn, Va & Geo 1st m 7s..	113	115
do do stock..........	110	......
Georgia R R 7s...............	110	......
do stock............	112	115
Greenville & Col 7s guar.......	105	110
do do 7s certiff......	100	110
Macon & Western Stock.......	107	110
Macon & Augusta bonds.......	95	......
do do endorsed....	100	105
Memphis & Charleston 1st 7s...	102	104
do do 2d 7s.....	98	102
do do stock....	40¼	41¼
Mississippi Central 1st m 7s....	102	105
do do 2d m 8s....	110	112
Mississippi & Tenn 1 m.........	125	......
do do cons, 8s....	110	......
Motg'y and West P, 1st 8s.... .	103	106
do do 1st end.......	......	......
Mobile and Ohio Sterling.......	80	......
do do do ex ctfs....	80	......
do do 8s interest...	40	......
N Orleans and Jackson 1st m..	112	115
do do 2d m......	112	115
Nash and Chattanooga 6s......	100	105
Norfolk and Petersb 1st m 8s...	100	105
do do 2d do..	100	105
Northeastern, S C, 1st m 7s.....	125	130
do do 2d do.....	115	118
Orange and Alex 1st 6s.........	107	......
do do 2d 6s.........	111	114
do do 3d 8s.........	93	.....
do do 4th 8s........	55	55
Rich and Peters'b 1st m 7s.....	... ..	......
do do 2d m 6s..... ..	......	......
do do 3d m 8s.......	102½	105
Rich and Fred'b and Pot 6s...	102	......
do do do con 7s.	105	......

Securities.	Bid	Askd
Rich and Danv 1st con 6........	106	109
do Piedmont 8s......	110	112
do 1st 8s.....	......	......
Southside Va 1st m 8s	104	......
do 2d m guar 6s......	97	......
do 3d m 6s........	92	......
do 4th m 8s.........	......	......
Southwest R R, Ga 1st m.......	106	108
do do stock......	105	106
S. Caro R R, 1st m 7s, new.....	105	......
S. Caro R R 6s.................	38	......
do 7s 2d	87	92
Virginia and Tenn 2d 6s.......	103	.....
do do 3d 8s.	119	120
West Ala, 8s guar..............	111	114
Wilmington and Weldon 7s....	111	114
PAST DUE COUPONS.		
Tennessee State coupons......	10	20
Virginia consol coupons.......	91	93
Memphis city coupons...	20	......
South Carolina consols.........	......	......
BOSTON.		
STATE BONDS.		
Maine 6s 1889..................	114⅝	......
N. Hampshire 6s 1876–84....... .	118	... .
Vermont 6s, 1874–78............	......	......
Massachusetts 5s, 1883, g........	112½	112¾
CITY BONDS.		
Boston 5s, 1880–86, gold.........	115	.. ..
do 6s, currency..........	121	121¼
Chic 7s, 1890–95, riv. impr.......	119	120
do 1884..................	. ....	......
RAILROAD STOCKS AND BONDS.		
A T and Santa Fe, 1st m 7s.....	119	120
do do L G........	118¾	......
do do stock......	133¼	133¾
Bost and Alb'y 6s, '75 (W RR)..	125½	......
do 7s, 1892	......	......
do stock..............	155	......
Boston and Lowell 7s, 1892.....	118¾	......
do stock (par 500)......	102½	103½
Boston and Maine, stock	142	142½
Boston and Providence, stock.	141	.....
Bur & Mo R 7s, '93, land grant.	117	......
do do 8s, 94, conv........	109½	110
do do 8s, 83 (in Neb). ...	......	......
Chicago, Bur and Quincy... ..	157	......
Bur & Mo Riv stock. (in Neb).	......	......
Cheshire 6s, 1898..........	105	106
do preferred stock......	......	......
Cin, San, and Cleve, 7s, 1890....	......	102¾
do do com stk (par 50)..	19⅛	19⅜
Concord stock (par 50).........	.....	92½
Conn and Pass Rivs 7s, 1893....	115½	120
do do 7s, notes...	75	......
Connecticut River, stock	150	......
Eastern stock.......	34½	35
Fitchburg, stock	135	... ..
Manch and Lawrence stock...	157	......
Nashua and Lowell, stock......	120	......
Northern (N. H.) stock...	106	......
Norwich and Worcester stock.	......	......
Ogdenburg and L Champ stock	......	23
do do pref stock....	......	......
Old Colony stock...........	......	122
Phil, Wil & Balt stock (par 50).	71	......
Portl, Saco & Portsmouth st'k	......	......
Portsmouth, Gt F & Con'y s...	20	......
Rutland pref. stock...........	27	28
Vermont and Canada stock....	......	......
Vt. Ct. 1st m 7s, 1886 cons.......	......	......
do do 8s, '91.....	......	......

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Vermont and Mass.	......	......
do do stock	......	......
Worcester and Nashua	56½	59
MISCELLANEOUS STOCKS.		
Boston Land Co	6	6⅛
Boston Water Power	9¼	9½
Pullman Palace Car	121	......
PHILADELPHIA.		
STATE AND CITY BONDS.		
Penn. 5s, new, reg, '92 1902.	115	....
do 6s, 10-15, reg, '77 1882	106	106½
do 6s, 15-25, reg, '82 1892	106½	106½
Philadelphia 6s, old	......	113
do 6s, new, over 1895	127	......
Pittsburg 5s, reg, 1913	95	......
do 7s, water loan	119	.....
do 7s, street improv	105	108
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96	121	122
Bel & Del R R, 1st m 6s, 1902	110	......
do 2d do '85	104	108
do 3d do '87	100	....
Cam & Amboy R R 6s, 1883	105	105¾
do do do 6s, 1889	110	110
do do do m 6s, 1889	115½	116
Cam & A. T. 1st m 7s, gold, 1893	117	122
do do 2d do cur, 1879	109	......
Cataw R R new 7s, 1900	115¾	.....
Connecting R R 6s. cp. 1900	114	......
Del & B B R 1st m. 7s, 1905	115½	116
El. & Wmsp't R R, 1 m, 7s, '80	109	109¾
do do 5s c. perpe'l	82	90
H. & B. T. 2d m 7s, gld 1895	109	....
do 3d do cur. 1895	.....	68
Lehigh Valley, 1st m, 6s, c,'98	119½	......
do do r g '98	120	120
do 2d m, 7s, reg 1910	129	130¼
do cons. m, 6s reg 1923	115¾	117
do do 6s, coup. 1923	114½	115
N Cent. 2d gd. m. 5s, cp'n 1926	85	92
North Penn, 1st m 6s, c 1885	......	......
do 2d m 7s, c. 1896	107	120
do gen. m 7s, c. 1906	114	114½
do do reg., 1906	114	115
Oil Creek 1st m 7s, coup '82	90	101
Pittsb'h Titus & Buff 7s, c, 1896	81½	......
P & N Y C. & H. R. 7s, r&c 1896	120	121
Penna. 1st mort 6s, c, 1880	102	......
do gen do 6s, c, 1910	121¾	122
do do do 6s reg 1910	121¾	123
do cons m, 6s reg. 1905	119	119
Phila & Erie 1st mort 6s c 1881	101¾	102
do 2d mort 7s, c 1888	114½	115
Phila & Reading 1st m 6s, 1880	110	......
do 2d m 7s, c 1893	118	120
do cons m 7s c 1911	119	120
do do m 7s r 1911	119	120½
do do 6s, g r & c 1911	109	....
Pitts, Cinn. & St. L 7s c 1900	118	118½
Tex & Pac 1st m, 6s, g 1905	105	106½
do cons m, 6s, g 1905	99¼	99½
Un & Titus 1st m, 7s, 1890	87	89
War. & F. 1st mort. 7s, c 1896	103	104
West Jersey 6s, d coup 1883	100	103¾
West Jersey 1st mort 6s, c 1896	113	......
do do 7s, r & c '99	112	......

SECURITIES.	Bid.	Askd
West Penn 6s, coup, 1893	106⅛	106½
do 6s. p b c, 1896	107	......
CANAL BONDS.		
Lehigh Nav. m 6s, r 1884	108	110
do M.R. R. r, 1897	115	......
do M conv g. r. 1894	108	......
do M. gold, r. c, 1897	107¾	108⅛
do cons m 7s r, 1911	108	108¼
Schuyl. Nav. 1st m 6s, reg 1897	100	......
do 2d do r. 1907	73	......
do m 6s, coup. 1895	25	......
do 6s, bt&car r 1913	60	60
do 7s, bt&car r 1915	60	80
RAILROAD STOCK.		
Camden & Atlantic pref.... 50	25	28
Catawissa 50	9¼	10
do pref 50	47	......
do new pref 50	43¾	44½
Elmira & Williamsport 50	34	......
do do pref 50	51	......
Lehigh Valley 50	54½	54¾
Liltle Schuylkill 50	47½	48½
Minehill	56½	57
Nesquehoning Valley	54½	55
Norristown 50	104	......
Northern Pacific	29¼	29½
do pref	53	53¾
North Pennsylvania 50	52	......
Pennsylvania 50	62	62⅛
Philadelphia & Reading 50	24	24⅛
Pitts. Titus. & Buffalo	16⅝	16⅞
St. Paul & Duluth	30	32
do pref	60	61
United Cos. of N. J. 100	182½	183
CANAL STOCKS.		
Lehigh Navigation 50	35¼	35⅝
Morris Canal grd 4 p c 100	......	......
do preferred 10 p c 100	......	......
Schuylkill Navigation	......	......
do do pref	8¾	9¼
BALTIMORE.		
Maryland 6s, defence, J. & J.	109	......
Virginia 10-40s, J. & J	43⅛	43¼
do deferred, J. & J	10	10¼
do consol. do	65¼	65½
do do 2ds do	24	26
do consol coup, p due	91¾	92
do do June 1889	......	.....
N. Carolina 6s, Jan. & J., old	79½	......
Tennessee 6s, do old	48	50
do 6s, do new	45	......
do , do n. s.	45	......
Balt. 6s, J., A., J., O., 1890	116	116½
do 6s, J. & J., 1902	121	......
do 5s, M. & N., ex., 1916	121	......
Memphis City 6s, J. & J., n	......	......
Balt. & Ohio, May & N 100	169	172½
do 1st preferred	118	......
do 2d do	115	116
Northern Central, M. & N 50	39¼	39½
Central Ohio, June & Dec 50	44	45
do preferred 50	52	53½
City Passenger R'y, J. & J 25	36	38

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid.	Askd
Balt. & Ohio 6s, 1880, J. & J.	......	20⅞
do 1885 A. & O.	107	108
Pitts. & C. 1st 7s, 1898, J. & J.	116	117
N. Cent. 6s, 1885, J. & J.	107	108
do 6s, 1900,, A. & O.	113	115
do 6s, gold, 1900, J. & J.	113	......
Cen. O. 6s, 1st m., 1890, M. & S.	110½	111
South Side, 1st 8s, J & J	108	......
do 2d 6s, do	98	100
do 3d 6s, do	97	98
Cin, & Baltimore 1st 7s.	100	......
W. M. 1st m 6s gu. 1890, J. & J.	116	......
do 1890, J. & J.	110	112
W. Maryland 2d m (pref)	106	110
W. M. 2d m. 6s gu. by W. Co.	110	......
M. & Cin. 1st m 7s F and A 1892	114¾	115½
do 2d m 7s M. and N.	82¼	82½
M. & Cin. 3d m 8s 1900 J. and J.	42	42½
Rich. & Dan. 1st m. M. and N.	103	......
Union R. R., End. Cant. Co.	115½	......
Canton Co., 1st 6, gold, J and J.	112	......
Orange, Alex. and Mn's 7s do.	94	95
Orange & A. 1st 6s, M. and N.	113	......
do 2d 6s, J. and J.	115	......
do 3d 8s, M. and N.	95	96
do 4th 8s, M. and S	53	54
Virginia & Tenn 6s 2d J. and J.	103	......
do 8s, J. and J.	118	......
W. & W. 7s gold 1900 J. and J.	112	......
W. and Columbia and Aug. 7s.	105	105¼
Ohio & Miss, 2d 7s, A & O.	116	......
Balt. Gas, J. and Dec. 100	......	......
do gold certif. 100	......	......
People's Gas, J. and J. 25	......	......
Consumer's Gas	......	......
do gold 6s, J & J, 1892	......	......
Georges Creek Coal, J & J	......	......
Chesapeake and O. Canal bonds	80	......
Balt. Warehouse Co, J & J.	19	20
Cincinnati 7-30s, J. and J	......	......
Norfolk Water, 8s	116	......
LOUISVILLE.		
CITY AND CANAL BONDS.		
City improvement 6s	*104	105
do bounty 6s	*104	105
do school 6s	*104	105
do wharf (old) 6s	*104	105
do do (new) 6s	*101½	105½
do water works (old) 6s	*104	105
do do (new) 6s	*104½	105
do L. and N. R. R. (M. S.) 6s	*104	105
do L. and N. R. R. (L. E) 6s	*104½	105½
do E. and P. R. R. 7s (old)	*109	......
do E. and P. R. R. 7s (new)	*115	......
do old liabilities due 1880	*100	......
do St. Louis A. L. R. R.	*109	......
Canal bonds, 3d issue, 6s	*100	......
do 4th issue, 6s	*106	......
Louisville Bridge Co. 7s	*110	......
RAILROAD BONDS.		
Greensbury Branch	*106½	107
Louis. and Nash. Leb. Br	*100	......
Louis. and Nash. Cons	*116½	......
L. and N. 2d mort	*106	......
Louis., Cin. and Lex. 1 m 7s.	*116	......
do do 2 m 7s.	*108½	109
Jefferson. M. and I. 1st m 7s.	*115	......
do do 2d m 7s.	108	......
Eliz. and Paduc, 1st m. 8s	......	......

SECURITIES.	Bid	Askd
E. and P. Louisville Br'ch 7s.	......	......
Shelby, 1st mortgage 8s	100	......
Owensboro and Russel, 1 m 8s.	......	......
MISCELLANEOUS BONDS.		
Kentuc. State bonds (old) 6s	......	......
do do (new) 6s	......	......
New Albany City	*108	......
Water Works bonds, 6s	*108	......
Louisville Transfer Co. 8s	*115	......
STOCKS.		
Louisville and Nashville R. R.	168	......
Gas Company stock	121	......
Louisville Bridge Co. stock	117	......
ST. LOUIS.		
Corrected by H. H. WERNSE, Bond and Stock Broker, 223 Pine Street, St. Louis.		
BANK STOCK. Par.		
Bank of Commerce 100	335	......
B'k Bartholow, Lewis & Co. 100	101	105
Biddle Market Sav'gs Bank. 100	67	70
Boatmen's Sav'gs Bank 100	115	116
Bremen Sav'gs B'k. .80½pd. 100	......	......
Citizens' Sav'gs Bank 100	55	60
Commercial Bank 100	190	200
Fourth National Bank 100	235	......
Franklin Bank 100	90	95
German Sav'gs Institution. 50	50	55
German American Bank 100	85	100
Mechanics' Bank 100	92	93
Merchants National Bank. 100	102	104
Mullanphy Sav'gs Bank 100	90	......
Continental Bank 100	80	90
Provident Sav'gs Bank 100	45	50
International Bank 100	90	95
Lafayette Bank 100	70	75
St. Louis National Bank 100	100	108
State Sav'gs Association 50	107	......
Tenth Ward Sav'gs Bank 100	112	......
Third National Bank 100	99	101
Union Sav'gs Bank 100	......	30
Valley National Bank 100	103	105
Northwestern Sav'gs Bn'k. 100	......	......
SUNDRY STOCKS & BONDS.		
ST. LOUIS CITY AND COUNTY BONDS.		
City 6s, Bridge Approach	110	112
do Sterling bds, due 1898	112	114
do Water b'nds, due 1887	107	108
County 6s, gold	109	......
City 5s, due 1900	105	105½
do 10-20 years	104	106
STOCKS. Par.		
American Cent. Ins. Co. 25	33	35
Marine Insurance Co. 100	105	......
Belcher's Sug. Refin'g Co. 100	......	75
Laclede Gas Light Co. 100	105	......
St. Louis Gas Light Co. 50	255	......
Iron Mountain Co. 1000	975	......
Pilot Knob Iron Co. 100	......	95

RHODES' JOURNAL

A RECORD OF AMERICAN BANKING.

NEW SERIES. VOLUME VII. DECEMBER, 1880. No. 12.

TO BANK OFFICERS AND BANKERS WHO MAY RECEIVE THIS NUMBER AS A SAMPLE COPY.

REFUNDING PROSPECTS.

On the 31st day of December, 1880, about $13,414,000 of 6 per cent. bonds will mature, and such portions of them as have not been purchased by the Secretary of the Treasury before that date will then have to be redeemed. It is probable that the surplus revenues of the government will insure their redemption without being supplemented by the issue of new bonds.

On the 1st of May, 1881, $469,651,050 of five per cent. bonds known as new fives will become redeemable at the option of the government, and on the 30th of June of the same year $204,285,550 of six per cent. bonds will be redeemable, of which $711,800 only actually mature, the remainder being redeemable at the option of the government. Of the whole amount of six and five per cent. bonds now outstanding, only $14,125,800 of the six per cents must be redeemed before July 1, 1881, and this amount can be paid from the surplus revenues. The remainder of these classes of bonds are redeemable at the option of the government. If the government should not choose to redeem them they can run on

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indefinitely as they are. At present no provision has been made for their redemption, and until Congress shall enact the necessary laws, the Secretary can neither redeem nor refund.

The high rates of premium which the four per cents now command, indicates a belief in the public mind that the government can, if it sees fit, borrow money at a rate not much above three per cent., and that so soon as it is in its power to do so, the government will refund the five and six per cent. bonds into other bonds bearing interest at as low a rate as the market will bear. The low rates of interest that government bonds net to purchasers is only in a measure due to the fact that money is abundant.

The readiness to invest in government bonds at low rates of interest does not necessarily indicate any decrease in the prosperity of the country, or in business opportunities. At the time the four per cent. bonds were put upon the market, it was argued that the ability on the part of the government to sell a four per cent. bond at par, indicated a very great prostration of the ordinary business interests, and that so soon as business revived the government could not borrow at any such rate. This was fully believed in by many. A number of banks held on to their ten-forties, after they were called, preferring to lose interest rather than purchases fours at a premium of one and two per cent., which they thought would soon vanish. They had hopes of being able to purchase fours below par.

The arguments on which these hopes were based has been fully disproved by the revival of business which has taken place since the resumption of specie payments. Instead of the borrowing power of the government having been weakened by this revival, it has been increased, and the fours have reached 112.

If an investment in government or other bonds of high standing were the same in principle, and had the same financial effect as an ordinary business investment, the argument referred to must have been and is correct, and it would have been sustained by results. That it has not been sustained seems to indicate that such investments are not the same in effect as ordinary business investments. They are rather investments of permanent or temporary surplus. The immediate availability of government bonds, either as a basis for loans or as a credit readily convertible into money, give them under ordinary conditions the character of money itself, and therefore government bonds under such circumstances give additional elasticity and adaptability to the currency. In the case of all those engaged in business there are temporary surpluses of money, on which the holders seek either through the banks or by investment in some easily convertible security, to obtain interest. In such cases the securities of the government are naturally the favorites, and especially now when a decreasing debt, an almost perfect surety of ultimate redemption, place the chances constantly in favor of a gain from rise in premium in addition to interest. As soon as a genuine business opportunity, with its larger percentage of profit is offered, the money comes readily out of the bonds.

The confidence in the credit of the government has been brought to the highest point by the successful refunding of so large a portion of its debt into four per cents, and by the successful resumption of specie payments. The credit of the government is something distinct from its borrowing power, although it is difficult at times to distinguish the one from the other, for even with absolute certainty of the payment of principal and interest as agreed upon, the interest at which money could at a particular time be borrowed, might vary with the amount of money required or offered. At this time every element seems to be favorable both to enhance the credit of the government, and to increase its borrowing power.

With so favorable a condition of affairs, and with so great an expectation on the part of the public, it is hardly possible that the present Congress can fail to make some provision prior to March 4, 1881, for refunding the five and six per cent. bonds. If they should fail to legislate when wise legislation could only bring credit, an extra session of the new Congress will probably remedy this neglect.

There will doubtless some dispute arise as to the rate of interest which the Secretary of the Treasury will be authorized to allow on the new loan, as it is almost impossible to tell in advance to what extent the rate might not be reduced. Perhaps with so experienced a Secretary as John Sherman it might be well enough to leave the matter to that officer to fix the rate of interest on the new bonds at as low a rate as the market might be found willing to bear, for bonds to be sold at not less than par. If from jealousy or other reasons in the minds of the majority, it should be deemed unadvisable to trust so much power to one man, the rate must be fixed, but it should be fixed so low that the government will get the full benefit of its credit and its borrowing power at the time.

It is not the rate of interest alone which controls the actions of investors. In buying the bonds of a government whose securities, though sold at par have invariably gone above, the buyers will take into account the probable rise which at almost any rate of interest, from three to four per cent., will certainly occur if the present condition of affairs in this country continues; and this condition hardly anything except war or a succession of bad seasons can change.

While therefore, the present rate of four per cent. does not indicate that a three per cent. bond can be sold at par, it seems probable that if a three per cent. bond were offered, the tendencies referred to would overcome the slight difference still remaining between the present borrowing power of the government, and such borrowing power as will enable it to place a three per cent. bond at par.

*THE PRINCIPLE OF CREDIT.

If we consider the principle of credit in its widest application and range, we shall be surprised at its omnipresence in human affairs. It is not too much, indeed, to say, that there is no transaction between man and man, nor betwen man and nature, into which, in some form, the principle of credit does not enter.

Where a merchant buys goods, not upon time, but with ready money, and that not borrowed money, but his own inherited or accumulated capital, we are wont to treat the transaction as one from which the element of credit is wholly eliminated. And as between the buyer and the seller of the goods it is so. We leave wholly out of view the question of credit as it would become involved if payment for the goods were made in bank notes or by check, which are themselves a form of credit, and reducing our hypothesis to its simplest form, will suppose payment to be made in coin. As between the parties to the transaction, then, we have eliminated every trace of credit. But how is it as regards the buyer himself, in relation to his own condition, circumstances and estate? He has parted with his money and has received in exchange a miscellaneous assortment of goods, only a small portion of which he can apply, or will care to apply to his own use. Relying upon what, confiding in what, upon the security of what, has he been induced to part with his money? These are certainly natural and pertinent questions concerning such a transaction as we have supposed. But they are precisely the same questions which would have arisen, had the merchant, instead of buying goods, loaned his money to some one upon interest. Relying upon what? confiding in what? upon the security of what? would be the questions which the lender would propound in such case. If, then, the merchant in making a loan of money, gives credit because of his confidence in the borrower, or in the adequacy of the security proffered, does he not invest his money in goods equally because of his confidence and trust in something that will surely make him full adequate return for his investment? What then is that something upon which he relies in parting with his money for goods? Evidently it is upon the continuance of those orderly conditions in the social state, which he has experienced or observed, which will create a demand for the goods which he has purchased, upon terms that will yield him a fair profit upon his investment. Whatever the result may be, whether his hopes and expectations are realized or frustrated, is entirely outside of the fact before us, that it was his confidence in the conditions of a demand for the goods purchased by him, at satisfactory prices, that in-

* The first of a series of articles on Credit and Interest.

duced him to make the investment in question. The principle involved would not be changed in the least, if the party, not caring himself to engage in the trade, but having full confidence in the integrity, sagacity and experience of another to manage such an enterprise, should lend him the money for the purpose. In that case he would accept, in place of his own judgment, concerning the demand for goods at remunerative prices, the judgment of another, instead of his own experience and sagacity in selecting the class and variety of goods most likely to meet the demands of trade, he confides in the experience and sagacity of another, in place of his own tact and skill in attracting the public to examine and purchase his stock, he trusts in the possession of these qualities by another than himself whereby to secure the desired results. And further, he reposes confidence in the honor and integrity of his debtor, that he will faithfully apply the product of sales, so far as required, to liquidate the debt according to its terms. This transaction may or may not involve more conditions of doubt and uncertainty than the other, but the element of credit pervades both alike. We may say, indeed, that there is but a single condition that is not common to both transactions. In the former the merchant knows, of course, that if his conjectures concerning the character of the enterprise are realized, and a profit is made, the advantage will certainly inure to himself; but in loaning his money to another, to be employed in the same way, his confidence in the personal integrity of the debtor may be violated and the proceeds of the enterprise be diverted from their legitimate purpose of paying the debt. In all else the nature of the confidence, or the basis of the confidence is precisely the same in the two cases.

It is not unnatural and it is certainly not unusual, to confide in the judgment, sagacity and skill of another in some special department of business or enterprise with which he is known to be familiar, and in which these qualities have, perhaps, been notably displayed. We can hardly conceive of the existence of a civilized and progressive social state where such confidence is not legitimate and common. Concerning the possession of such qualities, giving substantial and reasonable promise of success when applied to business enterprises, we are more likely to form a correct estimate, than concerning the worth and value of these qualities in ourselves. Hence it is, that in the case first supposed, that of buying goods with ready money—a case commonly held to be free from any taint of credit—the principle of credit really enters as certainly as though the goods were bought on time, or with money borrowed for the purpose. In both cases the ultimate reliance in making the venture is the sale of the goods at a fair profit. In the one case, the result is to be wrought out through the industry and business tact and skill of him who advances or invests the money; in the other, he confides in the business tact and skill of another to effect the desired result. The illustration serves to show how all-pervading is this principle of credit in human affairs, how impossible it is to eliminate it wholly from the simplest of human transactions, how intimately it is associated with all that conduces to material progress and prosperity.

It is upon credit—that is confidence and faith—that the farmer plows the ground, sows the seed, cultivates the growing and harvests the ripened grain. He confides in the orderly course of nature for the growth and maturity of the crop, and upon the orderly recurrence of the great demand of humanity to take from him the surplus beyond his own needs, and give him other products in exchange. But nature may prove unpropitious, a drought may wither and blast, floods may sweep away, insects may devour, and his capital and labor invested prove a total loss; but we shall find him the next year, still confiding in the general course and kindness of nature, again plowing and sowing in trustful expectation of the harvest that shall repay. Wherever capital or labor is advanced upon any form of confidence that an equivalent will be returned at some future time, whether near or remote, there the element or principle of credit enters.

Such is the nature, the condition and the basis of credit. It rests upon a promise to pay, expressed or implied, in the fulfillment of which promise man reposes confidence. All nature, in its orderly course, promises to repay the husbandman for his labor and capital invested in tilling the earth. Whoever invests his means in any enterprise does so upon the promise to him of a profit from the undertaking. That these promises will sometimes fail of fulfillment is inevitable. Credit involves risk. There is no escape from this condition. The most and best that can be done is to reduce the element of uncertainty in which the risk inheres, to the fewest number possible. But they cannot be eliminated altogether.

The abuse of credit consists in relying upon the promise to pay with too slight regard to the conditions upon which the ability to pay must be predicated. Until the nature of man is wholly changed these abuses will sometimes occur. The sanguine nature of some, and the evil nature of others, combine to promote these abuses. They will sometimes occur through the wickedness of man in the form of frauds, defalcations and premeditated bankruptcies — themselves a form of fraud; but oftener they result from man's weakness, from his over-anxiety for great gains, and from his disposition to examine more thoroughly, and to consider more attentively the evidences which favor success, than those which point to possibilities of failure. But for all that, we cannot dispense with credit. It is the condition, not of progress alone, but of existence. In order to set in operation the industrial forces of mankind, wherewith to supply even its animal wants in the near future, some portion of the accumulated capital or wealth of mankind must be employed, that is advanced, for the purpose. The laborer must be fed, clothed and sheltered, while as yet the fruits of his labor are unrealized in any of the ultimate or visible forms of product in which they can be of service to mankind. These material necessities must therefore be supplied to him from the stock already accumulated. Whoever advances these materials, either directly from his own possessions or in the form of money as wages with which they may be procured, makes himself the creditor of that industry, to the future product of which he looks for repayment, with a profit for the employment of his own time, care and skill in the management of the business and for the risk incurred in the investment. If he who directs and controls that industry to which he is making these advances in the form of wages, does so, not from his own resources or capital, but from that which he has borrowed for the purpose from some capitalist, the nature of the credit and the basis of the credit are not thereby in the least degree changed; nothing is thereby changed but the person of the creditor, it being not the employer of the industry, but the capitalist who is now the creditor, and though the employer is the nominal and legal debtor, yet it is to the industry which he commands, that the capitalist or creditor looks for the repayment of the money advanced.

It is therefore, inevitable, in order to keep the machinery of the world in motion, that somebody should continually be making advances from the great storehouse of accumulated wealth, trusting to the future for repayment. But to make these advances upon such conditions is to give credit. We may change the form of the credit, or the relation to it of the various parties concerned, but we cannot, if we would, change the fact. Thus the employer of industry may have property, but not money, and the capitalist, if unwilling to advance money upon the chance of repayment from the proceeds of the industry commanded by the employer, may advance it upon the security, that is the credit, of the employer's property. The basis of the credit which the capitalist now gives is the industry of the past, brought out in forms suited to use; and the employer himself is now the creditor of the future, upon the same terms, and upon the same basis that he would be if he had sold his property for the money with which he employs labor, instead of borrowing it for that purpose. Thus it is that the present, from the accumulations of the past, is ever lending to the future. From this situation there is no possible escape, except through degeneracy into barbarism. We can by prudence and sagacity only modify the conditions of credit, by confining its advances to enterprises the least speculative or doubtful. But there may be excess in the limitation as well as in the expansion of credit. It is possible, by over-caution, to inflict as severe injury upon the public welfare, as by lack of caution. By over-caution we paralyze industry, arrest production, and diminish the aggregate of wealth for distribution among mankind. By lack of caution, we may make advances in aid of enterprises more or less hazardous, but we thereby stimulate industry, and increase the aggregate of wealth in the community. The enterprises may fail to make adequate return to those who have invested in them, but they may add to the stock of general wealth, and increase the facilities for the interchange of products, and open up new avenues to industry and enterprise. The loss is not a dead loss, such as results from a repression of industrial force, but so far as mankind at large is concerned, is a loss sustained by one part of the community, compensated by a corresponding gain enjoyed by another. The interests of all mankind are best promoted by the fullest possible employment of all the industrial force offering to do service. If there were not a tramp or idler in all our broad domain, because every one able to work was usefully employed, doing that which he could best do, how vastly would the condition of mankind be thereby improved! But industrial force can be applied in only two directions—production and distribution, neither can be carried forward without credit. To stimulate industry is to expand credit. If we summon one more laborer to service we must advance to him the wages of labor; and whoever does this, through whatever forms or devices by which to fix the risk of the advance upon one or another, whoever makes the advance is the creditor looking to the product of that man's labor for repayment. There is no escape from this conclusion. Increasing the volume of money will not serve to diminish, but will expand the use of credit. We cannot by the use of money increase in any given ratio the industrial forces employed in production and distribution, without increasing the volume of credit in corresponding ratio, either absolutely, or by transfer of the relation of creditor from one class of persons to another, under highly improved conditions, and to the advantage of all concerned.

Other aspects of the credit question and the correlative question of Interest will be considered in future articles in this JOURNAL.

FIRST NATIONAL BANK, NEWARK, N. J.

The First National Bank of Newark, N. J. was organized in June, 1863, and at once entered on its business career, which closed in June, 1880. The beginning was bright with promise, based upon what appeared to be a sound substantial foundation for hope of great success and prosperity. The end was disaster, ruin and shame. With institutions like individuals, the outcome is not always what might have been expected, and it is always a fair subject for inquiry why this is so. It, therefore, becomes the duty of the Press, and especially that portion of it to which the JOURNAL belongs, to maintain diligent inquiry into the operations and developments of banking and financial institutions, on whose proper management and well-being depends the success—the very life—of all industry and commerce, and to make an impartial record of the results of such inquiry. If in anything said here, it might seem to bear hard on any one or more individuals, it may be justly attributed to the necessity of doing so in order to lay before the reader a clear statement of the causes whence came the elements of decay, whose ravages culminated in the downfall of this once promising financial institution—to the end that the same may serve as a warning to others possibly entering on the incipient steps of a similar career, and to brace them up to greater vigilance in the care, and to more stalwart defense of the interests in their charge. It will also serve to cheer and encourage many who have foreborne under great temptation, to commit wrong by the making and concocting of misleading and deceptive exhibits of their affairs, by presenting to them in strong contrast with their own condition (not as favorable as it might be desired it is true) the degraded and pitable plight in which others who yielded to the tempter find themselves in. It should serve as an incentive to the directors and officers of other banks, who with energy, perseverance and unswerving integrity, have discharged the onerous and trying duties of their great responsibilities, to continue in the course hitherto pursued by them, of strict fidelity to honor and rectitude. If these were the only ends to be reached, the Government discharges a high obligation it owes to the people, when it emphasizes so important an event as the failure of a National Bank, by bringing to justice those who have been recreant to duty, and false to the trusts confided to them, while clothed as it were with national prestige, giving to their acts the constructive sanction and authority of the Government. For so allied to the idea of National Banking, and so much a part of it, is the system of departmental examination conducted by government officials, that the public has become habituated to the thought that national bank officers cannot go far wrong without subjecting themselves to certain detection by the unexpected and supposed to be unadvised visit of the government examiner. So much is this so, that bank stockholders and directors usually accept the failure to detect irregularities by that officer as conclusive evidence of the honesty, faithfulness and accuracy of their officers and employees. It must be admitted, however, that recent occurences have contributed materially to shake this confidence. But of this more another time, if opportunity be afforded. And now let us return and have more special reference to the First National Bank, of Newark, N. J.

This bank was started with a capital of $125,000, which was afterwards increased to $250,000 in February, 1864, and in September, 1869, to $500,000, but was finally reduced to $300,000 by the payment to the stockholder of 20 per cent. and the surrender by him of 20 per cent., the result being a loss to the whole body of stockholders of the sum of $100,000. It had for its President, from the date of organization till April, 1872, the late James L. Dickerson, who proved himself to be a sagacious, prudent and conservative officer, whose business habits secured to the institution, a thorough and complete watch over, and thorough knowledge of all that was going on touching its affairs. Mr. Dickerson was succeeded by Mr. Jabez Cook, who was at the time a director, having held that office from the organization. Mr. Cook continued in the office till the suspension. Of Mr. Cook's efficiency as president, no comment would be necessary, if it were practicable to reproduce here Mr. Cook's testimony on this point given at the recent trial of the cashier. The purport of that testimony was that he had attended to none of the duties of his office, except that of "signing papers." In all other respects he appears to have acted as the subordinate and mere tool to carry out the instructions and designs of the cashier and teller. He confessed to have no knowledge whatever of the books, or of the irregularities which it had been discovered they contained. How far this is to be relied upon will appear further on in connection with another matter. So far as the misappropriating to his own use, or the abstraction for that purpose of the funds of the bank is concerned, no charge has ever been made against Mr. Cook, nor could such a charge for one moment be sustained. He undoubtedly was honest in this regard, but beyond this it is difficult to conceive what his qualifications as a bank president consisted of.

The first cashier was the late Stephen S. Burnett, who was succeeded in July, 1867, by Mr. James A. Hedden. Mr. Hedden had been in the employ of the bank since March, 1864, and had served it as book-keeper and teller. Mr. Hedden was cashier from the date of his appointment to that of the failure. Out of the nine original directors four continued to serve in that capacity during the entire period covered by the existence of the bank. The site secured for the banking house is admitted to be the finest and most valuable corner in the city of Newark, and, as far as locality is concerned, may be justly considered to have an advantage over all the monetary or other institutions in the city. The building originally occupying this site, and used by the bank for the conduct of its business was of unpretentious character, but withal, offering such accommodations as were necessary for the earning of honest dividends. Not content, however, with this humble habitation, and flushed with the excitement of the times, and infected, perhaps, with the mania for show and display prevailing everywhere then, in September, 1871, the Board of Directors resolved to put up a new building—an imposing structure—of brick and iron, the cost not to exceed $100,000. It is understood that this step resulted in the bank being deprived of the services of Mr. Dickerson as its president. who pronounced the step to be unwise, unnecessary, and extravagant. But his warning voice was not heeded, and the new building was erected, though it ever afterward proved a heavy burden and the source of trouble in having diminished the sources of revenue for the payment of dividends. This appears to have been the first important act of the directors, as far as has been ascertained, which contributed to the weakening of the bank. To what extent it proved a failure as an investment it is difficult to state, as the books of the bank afford no information on this point—no account having been opened in the books under which was recorded the receipts for rents. Matters went on with their apparent smoothness and ostensible regularity until December, 1874, when one of the tellers resigned. Since the suspension it has transpired that the cause of this resignation—a defalcation of $100,000—was known to the president, the cashier, two directors, Messrs. James J. Dickerson and Jno. McGregor, and Mr. W. A. Thomas, another teller in the bank's employ. The fact, for over four years, had been studiously kept from the knowledge of all the other directors and stockholders. Since the failure of the bank, and the fact became known, directors and stockholders have expressed in unmeasured terms their estimate of this act of deception and concealment. It is evident from the amount of this defalcation, which was the accumulation of a long series of dishonest acts, that peculation and stealing of the bank's moneys must have been indulged in, back to at least a period near the time when the new bank building was erected. The name of the teller whose name has been linked with these misdeeds, is withheld for the reason that further investigation may reveal the fact that he was not wholly responsible for them, possibly not for any of them, strange as this may appear. What concerns us now, is to state the fact that a system of falsifying the books in order to cover up the defalcation was planned, agreed to, and determined upon, by the parties named as having knowledge of its existence and the execution of this nefarious plan, was left in the hands, it is stated, of the cashier and second teller. This was effected by changing loans and bills discounted falsely with various sums; and when those accounts became inconveniently loaded, changes would be made by crediting them and charging other accounts, such as sundry Banks, &c. It is not difficult for the uninitiated, even, to perceive what facilities for abstracting the funds of the bank were put in the hands of those who were constantly in possession of those funds, and if, even up to this time, they were ignorant of any method by which to cover such depredations, here was one presented to them by and with the consent of the very men whose duty it was to keep such knowledge from them, and to use every precaution in guarding against the putting in practice knowledge of such a nature. In the face of this fact, several of the directors made notes and other notes were borrowed from a firm of which a teller in the employ of the bank was a member, for the purpose of being presented at examination among the discounted paper as genuine assets of the bank, the understanding being, nevertheless, that neither maker nor endorser, were expected to pay the paper at maturity, or at any other time.

On several occasions during the three years or more preceding the failure there were several series of notes, varying in amount from $10,000 to $30,000, made by certain directors and the firm referred to, on which money was obtained in New York and used to bolster up the tottering bank, all of which paper at maturity was paid, however, by the bank, with the exception of the last series made, and which did not mature until some time after the suspension. This latter was held by the Chase National Bank of New York, and amounted to $24,000 and upwards. One of the notes forming part of this amount, to the extent of $5,000, was paid by the maker, Mr. Jno. McGregor, but for the remainder, the Chase National Bank proved against the failed bank and has been paid 80 per cent.—the amount of dividends already paid to the creditors. It is not a matter of great wonder that it was testified to on the recent trial, that it had been found that falsifications amounting to more than $400,000 existed in the books at the date of the suspension.

But the system of falsifying accounts did not stop here, for such apparently was the ease and indifference with which this particular crime was committed, that although the books themselves were false, and for years had not been kept so as to give a true showing of the condition of the bank, the reports made to the Comptroller of the Currency by and under the oath of the cashier and attestation of not less than three of the directors, were more grossly false than the books. The falsifications in the report were three-fold.

First—False as including among the assets of the bank those creations by means of false entries in the books.

Second—False by reason of a re-arrangement of the assets and liabilities—entirely different in almost every particular from the books of the bank.

Third—False in that in their gross footings they exceeded the footings of the daily statement of the assets and liabilities of the bank.

It is impossible to account for the falsifying of the reports made to the Comptroller on any other ground than that they were so falsified for the purpose of deceiving him, the stockholders, and the public, as to the real condition of the bank. To make this bank, depleted of its assets, and utterly unable to meet its obligations, appear not only solvent, but in a flourishing and prosperous condition, doing its full share of safe and remunerative business, comparing favorably with some of the soundest and most successful banks in the vicinity. It may serve a good purpose to quote here section 5211 of the Revised Statutes: "Every Association shall make to the Comptroller of the Currency not less than five reports during each year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president or cashier of such Association, and attested by the signature of at least three of the directors. Each such report shall exhibit, in detail and under appropriate heads, the resources and liabilities of the Association at the close of business on any past day by him specified; and shall be transmitted to the Comptroller within five days after the receipt of a request or requisition therefor from him, and, in the same form in which it is made to the Comptroller—shall be published in a newspaper published in the place where such association is established, or if there is no newspaper in the place, then in one published nearest thereto in the same county, at the expense of the Association; and such proof of publication shall be furnished as may be required by the Comptroller. The Comptroller shall also have power to call for special reports from any particular Association whenever in his judgment the same are necessary in order to a full and complete knowledge of its condition."

Some of the distinctive features of this section are as will be perceived the following: A provision for an exhibit in detail of the resources and liabilities of the bank, on the date of the report. The publication in a newspaper of the exhibit made to the Comptroller—proof of such publication to be furnished the Comptroller. Explanatory of the whole purpose of the making these exhibits or reports, is the latter part of the closing clause of this section which reads: "*In order to a full and complete knowledge of its condition.*" And in order to provide for the highest guaranty of the accuracy of the statements contained in the reports it is required that they shall be vouched for by the oath of a responsible officer and the attestation of three at least of the directors.

This section is founded on justice and benevolence, and if its provisions are honestly carried out, they afford adequate security to the stockholders and creditors of national banks. The violation of it, therefore, is justly regarded as a very grave offence. It was under an indictment for such violation in a report of the condition of the bank at the close of business, on the 23d April, 1880, that Cashier Hedden was tried and convicted in the U. S. District Court, at Trenton, N. J., before Judge Nixon and a jury. Although argued to the contrary by the defendant's counsel, Hon. G. M. Robeson, who defended his client with skill, zeal and persistence rarely exhibited, it is impossible, after a full review of all the facts and circumstances of this remarkable failure, to come to any other conclusion, than that the government's attorney, Hon. A. Q. Keasby, manifested a keen appreciation of the real nature of the case in electing out of the eighteen indictments found against Hedden, to try him on this one. The stockholders of a bank are especially interested in the accuracy of these reports, for they were designed by the legislature of the nation to yield to that class of people the fullest and best information obtainable, as to the safety of their investments. But beyond this, they are of all bank papers and documents, to which the public have access, *the* guide which may be consulted in order to ascertain the standing or solvency of a national bank, and on the showing made by these reports, frequently depends the welfare of not only those who are in fairly good circumstances and surrounded with ample means for their future comfort and subsistence, but also of the widow and the orphan, whose moneys are often invested in the securities of these associations. In the case now under consideration, several investments in the stock of the bank were made within a short period—a few months only—before its failure. To some of those unfortunate ones this meant great hardship and privation. It seems, therefore, that to try the cashier for making such statements in the reports published in the newspapers as to mislead the public so seriously was simply an act of justice, not only to the stockholders, but to every member of the community. To try him for making these statements in the report of April 23, 1880, was an act of not only justice to the defendant, but one showing him great consideration. This was the last report he had made, and on a date so recent that it could not possibly tax his memory greatly to remember the general facts upon which this report was founded, to a degree certainly which would enable him to account satisfactorily if such was possible, for discrepancies as charged against him, amounting to over $400,000. Such a difference between the report and what was charged to be the actual facts, could not of course be explained away on the theory of clerical error or inadvertence, and was startling enough to challenge explanation. No explanation, however, was attempted.

To afford the reader some idea of the degree and nature of the falsifications alluded to, let reference be made to the testimony adduced at the trial:

It was stated that while the amount of loans and discounted paper held by the bank on the day named, was only about	$160.000 00
While according to the books of the bank they appeared to be	258,090 00
And in the report made to the Comptroller, they were represented to be...	414,000 00

While the actual amount in the hands of approved Reserve Agents was shown to be less than...	2,000 00
According to the books it was	61,863 16
And in the report to the Comptroller...	161,863 16

The actual amount due from other National Banks (than Reserve Agents), banks and bankers, was less than	37,000 00
According to the books it was	155,367 71
And according to the report made to the Comptroller	118,954 00

The actual cash on hand was less than	50,000 00
According to the books it was	163,771 44
And according to the report to Comptroller	63,761 44

The amount actually due to other banks was stated to be over	145,000 00
But according to the books	108,043 23
And according to the report to the Comptroller	105,803 75
Being a difference between the books and report of $2,239 47.	
Suspense account according to the books was	20,476 81
And as reported to the Comptroller	50,476 81

Now whether this manipulation and re-arrangement of figures in the report was designedly false, may be left to the judgment of our readers—largely composed of bank officers, bankers and skilled financiers—who are qualified in the highest degree to judge rightly in such matters. But a word or two to those who are not as yet familiar with these subjects, and who may happen to peruse the JOURNAL, will not be amiss. It will be observed that the difference between loans and bills discounted in the books of the bank, and in the

Report made to the Comptroller is		$155,222 18
This difference was made up by a transfer from the cash of.	$100,000 00	
The omission from the report of an asset which appears on the ledger and daily statement, designated "bills re-discounted" (an asset, in the very nature of things, false on the very face of it), and its transfer to bills discounted, amounting to	25,222 18	
Add to this the amount suspense account (on the other side) was increased in report	30,000 00	
And you have the amount of the discrepancies		$155,222 18

It would not have done to show cash on hand to the extent of $163,771.44 for two reasons. First.—In all probability it would have aroused the suspicions of the Comptroller as to the *reality* of that asset, and thus set investigation on foot. Second.—In view of the fact that the bank was constantly represented to be making money, it was necessary to show activity in the revenue producing accounts; so the "deadwood" of the cash was pressed into this service, and falsely reported to be actively employed in earning money for the stockholders, in the discounting of paper in the ordinary course of business.

The reader will have noticed that the decrease of amount due from National Banks (other than Reserve Agents) Banks and Bankers is $41,413.71, and that that precise sum was added to the amount, the books claimed to be due from Reserve Agents, and with that addition reported to the Comptroller. Was this, or was it not, done for the purpose of showing compliance with the statute, in regard to the amount to be kept with Reserve Agents? It is scarcely necessary to point to the decreasing of the amount due to other Banks, and the increasing thereby of the earnings or undivided profits—the *double entente* of this, and the increase of $30,000 in the balance of suspense account, and the carrying of it over to swell bills discounted, is only too apparent. Indeed, the latter falsification had a third result *i. e.*, the showing of an absolute increase in the assets and liabilities of $30,000 as between the report and daily statement. Mark one feature of these changes in the liabilities. Wherever made, care was taken that it should be in an account, the increase or decrease of which would add to the apparent strength or solvency of the bank.

Now, to bring to a close this narrative, already too long, let it be stated that if the report made to the Comptroller of the condition of this bank on the 23d of April, 1880, had been true, and at the close of business of that day it had been determined to wind up its affairs, it would have been possible to return to the stockholders the full face value of their stock—$300,000, and to divide between them a clear surplus of $120,853.57, less any expense attending the "winding up." Between the date of this report, and the 10th of June, the bank met with no serious loss, yet on the latter day its drafts went to protest in New York, and its doors and business career of seventeen years and upwards were finally closed.

On the 15th June the Comptroller of the Currency appointed Hon. Garret A. Hobart, of Paterson, N. J., Receiver of the defunct bank, and it is but just to say, that in the management of the trust and its affairs, he has exhibited administrative ability of the highest order, and has achieved satisfactory results out of as chaotic a condition of things as could well be conceived, and it were well if the same energy and promptitude were displayed in the settlement of the affairs of all insolvent banks. The results of the receivership are a severe comment on the professed truthfulness of the report we have had under consideration. It has demonstrated the fact that not only the surplus in favor of stockholders had wholly disappeared, but the entire capital stock had been wasted, and the moneys of the creditors had been misappropriated to an extent which made it incumbent on the Comptroller to assess the shareholders to the full extent allowed by law, namely, 100 per cent. of the value of their stock.

To sum up, the failure of this bank may be attributed justly to the following causes, viz.: Incompetent and unfaithful officers. The deception practiced on their fellow directors by Messrs. Cook (the president), Dickerson and McGregor. The employment of clerks, book-keepers and tellers who lacked a just appreciation of the nature of their duties, to the extent that they do not seem to have hesitated to execute directions issued to them, obviously criminal in their nature.

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* THE BALANCE OF TRADE.

To the Editor of Rhodes' Journal:

The reference to an adverse balance of trade, in my paper, read at Saratoga in August, and published in the September number of your Journal, led some to believe that I attached too much importance to the question of the balance of trade. I can easily understand how one might infer that I attached some importance to it as a factor in the permanency of specie payments, though I must insist that my words do not justify any such conclusion. A second glance at my paper will convince any one that I did not speak of an adverse balance of trade as a cause, but as an effect. If I were to re-write the paper I should avoid using the expression at all in this connection, for I should not think of treating the balance of trade as a cause, but rather as an effect of causes which had been at work for a long time, of which it was the legitimate and inevitable result. It is the same with a drain of specie, or an influx of the same. I do not attach any significance to the balance of trade, save that it is an indication of causes which lie behind, to which we must look if we would ascertain and understand the real forces operating to bring about a favorable or adverse balance of trade, as the case may be.

These forces are well known, and the leading ones can be enumerated. They are loans, interest on securities held abroad, payments for freight to foreign ships, expenses of citizens residing or traveling abroad, premiums to foreign insurance companies, &c. These may be called fixed charges against a nation, and while they will vary from year to year, they are permanent in their character, and must be paid whether the nation purchases any goods abroad or not. The nation which is creditor for these items must receive its pay for them, without reference to what it buys or sells.

An excess of imports does not necessarily cause a drain of specie, and if there should be an outflow of it, the amount so exported could not be measured by the excess of imports. If the excess of imports be large, it does not follow that the exportation of specie will also be great, or that there will be any exportation of it at all. The two have only

* Mr. Butler's Paper, entitled "The Resumption and Permanency of Specie Payments," which is referred to in this article, awakened deep interest in the subject among the Journal's readers, and besides, it was republished in several financial publications in this country and Europe.

The present article on "The Balance of Trade" treats the subject from a new stand-point, and commends itself to the attention of thoughtful readers.—The Editor.

incidental relations to each other, except under quite primitive conditions. It will more likely be found, when the balance of trade is largely against a country, that it has been contracting a debt abroad, and that it is receiving goods for its own obligations, which must be paid some time in the future, at which time there will probably be what is called a favorable balance of trade. Or it may be that it has been selling the securities which it had held of other nations; or it might result from the payment of interest on loans previously made to other nations. There are other causes, but it is not now necessary to mention them. An excess of exports does not necessarily bring specie into a country, and if there should be an importation of it, such importation could not be measured by the excess of exports over imports. A country might have a balance of trade in its favor of many millions of dollars every year, and yet not receive any specie from such excess of exports. Should this be the case, it would be in consequence of recent loans to other nations, or on account of purchasing its own securities sold abroad years before, the proceeds of which had been received in goods, and had already been consumed, or it might be that the annual charges against the country, in the form of interest, foreign travel, &c., were great, and the excess of exports went to pay these charges. If the excess of exports is very large, it is a very good indication that the country is paying for past and perhaps unwise expenditures, or else that it is loaning other nations a large amount of capital for which it receives their obligations, which must be paid at some future time, when the tables would probably be turned, and there be an excess of imports, and the so-called adverse balance of trade, though not a drain of specie.

If the transactions between nations were reduced to the mere exchange of merchandise, there might appear to be a balance of trade, though none really existed, and no specie pass from one to the other. Take for an example one cargo as it leaves New York. A merchant in New York sends a ship to Liverpool with a cargo worth, and which cost him $500,000; it is sold in Liverpool at a profit of say, $25,000. The merchant would then have credit in Liverpool for $525,000. Instead of bringing home the cash, he either buys goods for the amount, or sells exchange on Liverpool by which some other person purchases goods abroad. The position would then be as follows. The books of the New York Custom House would show exports $500,000, imports $525,000, thus showing an adverse balance of trade when in fact there was no balance at all. The sale and purchase balance each other; the country had parted with goods which were worth to it only $500,000; and in return received goods which were worth $525,000; the merchant gained $25,000 by the trade; was the country the gainer or loser by the transaction which gave it $525,000 for $500,000?

During the years 1863 to 1873 inclusive, the excess of imports of this country were in round numbers 1086 millions of dollars. The net export of specie during the same years was $673,000,000, leaving an unsettled balance of $413,000,000; if we add to this, the amount spent by citizens abroad, paid for foreign freights, and interest on American securities held abroad, the total of which we will estimate at $75,000,000 per annum, which I think much too low, we should have the sum of $1,238,000,000, which is clearly an unpaid balance against the country. It will be seen that the amount of specie exported did not bear any just proportion to the "adverse balance of trade," and if we include the other charges against the country, the unsettled claims amount to the enormous sum of $1,238,000,000. If there is any significance in the theory of the "balance of trade," this country should have exported $1,200,000,000 more of specie than it did in these years. The only reasonable conclusion we can arrive at is, that the country got trusted for this amount and that it must pay interest on it, and pay the principal sometime in the future. Perhaps we shall discover when part of it was paid.

The excess of exports for the years 1876 to 1879 inclusive, was $753,000,000, and during that time there was not an importation of specie, but on the contrary, we exported $64,000,000, making the total net exports $817,000,000. What did we get for this great amount of merchandise and specie? Was it wines, cloth, tea, coffee, iron, or anything which we could eat, drink, or wear, or in any way use in the creation of new wealth? Did it bring us wealth in any of its known forms? What has the country got to show for the $817,000,000 of its products which it has parted with, and which other nations have had the benefit of? We received back part of our own indebtedness, and thus reduced the amount which we owed to other nations for goods purchased in the preceding years. But we did not reduce our indebtedness by the full amount of the $817,000,000; part of it went to pay interest on the securities held abroad, for the pleasure of such of our people as were residing or traveling abroad, for foreign freights, &c. This large amount indicates that we have been paying for goods borrowed and already consumed, and that instead of bringing the country that which might be used in the creation of wealth we have been merely paying some of our debts, and thus getting nearer the time when the products of our own labor will bring us more of the products of other lands. It indicates also, that we have been reducing the interest charges against the country, that we have been paying for the consumption of preceding years, as well as the fixed charges of the present, out of the productions of the country for the past four years.

Commonly speaking the balance of trade represents the amount which a country buys more than it sells, or sells more than it buys; it has no other significance, and bears no true relation to the movements of specie. If there were no transactions between nations except buying and selling goods, then the balance of trade and the movements of specie would be closely connected. But then the balance of trade could hardly be more than nominal, for assuming that each country had only its share of metallic money, trading could not go beyond the mere exchange of goods. One country could buy of the others only by so much as it should sell them, and could sell to other nations only to the amount which they should buy of it.

Of course for any given time there would not be an exact exchange of goods, but in the long run the sales and purchases must balance each other, for as the different countries would probably not have more money than they needed to effect the exchanges of internal trade, none could be spared to pay for goods purchased abroad. The effort to send specie would cause a falling off of imports, and stimulate the exportation of merchandise; the balance would thus correct itself, and in the long run the exchange of goods would be equal.

England with her excess of imports for 1879 of $555,000,000, and of more than $700,000,000 for 1878, is perhaps the best illustration that can be given of the fallacy that the balance of trade and the movements of specie have any connection with each other. This large excess of imports does not cause alarm in the breasts of British statesmen, although I fear it would keep some of our own awake nights in endeavoring to devise some means of averting impending danger, and would probably lead to the introduction of a bill in Congress to so increase the duties as to prevent the country being deluged with foreign goods.

If a country has a sound system of finance, possessing its share of metallic money, and does not introduce a paper currency of such a character as to displace and drive out any of its specie, it will not be difficult to tell whether it ought to sell more than it buys, or buy more than it sells. If it has charges against it in the form of interest, foreign travel, foreign freight, &c., it should, and for a period of years must sell more than it buys, but if the case is reversed, it will buy more than it sells. A country may buy more than it sells without detriment to any of its interests, but on the contrary every interest be subserved thereby.

Exchange may be against a country, and there be a drain of specie, even when the exports greatly exceed the imports; then it may truly be said that the balance of trade is not a favorable one, because the excess of exports is not great enough to pay the maturing demands against the country, and specie must be exported for that purpose. This state of things may be brought about by reason that the country has more than its just proportion of specie, or that the country has a paper currency that displaces the specie, and causes it to go where it can find employment in its legitimate field of action.

It does not follow that an exportation of gold and silver is an indication of an unfavorable condition of commerce. A country which produces the precious metals must export a portion of such production, unless it does not exceed the needs of that country to keep good its metallic circulation, and what should be needed in the arts and manufactures. Take this country as an illustration. It has an annual production of about $75,000,000 of gold and silver; under ordinary circumstances it would need only a portion of such production. If we assume that it would not need more than one-half of its annual production for the purposes above named, there would then be $37,500,000, for which there would be no use; it would therefore be exported. If the annual charges against the country in the form of interest, freight, and travel should be $100,000,000, a perfectly healthy condition of trade would require that the net exports of merchandise should be somewhere near $60,000,000, and the balance say 35 or 40 millions in gold and silver. There would then be a favorable balance of trade, and a steady outflow of specie at the same time, and in no true sense could it be said that the balance was unfavorable, unless the exportation of merchandise was insufficient to prevent the outflow of specie from exceeding the surplus production of our mines, thus falling upon that needed for monetary purposes. All that portion of the production of our mines not needed for the purposes already named, is as much a commodity for exportation as any of the other products of the country and that condition which shall cause a portion of it to go elsewhere, is a favorable one whether the balance of trade is in our favor or not, and no outflow of specie can be unfavorable, unless it proceeds so far as to draw away that which is needed to effect the internal exchanges without disturbance. If the outflow should greatly draw upon the metallic circulation, unless the latter was in excess of the nation's needs, there would be an adverse condition of trade, however much the exports of merchandise might exceed the imports.

If the finances of a country are as they should be, there need not be any anxiety about the balance of trade; it will take care of itself, without doing any harm. It is the finances that should be looked after. There should be a just proportion between the paper and the metallic money; paper money should not be permitted to occupy the whole field of circulation, nor so much of it as to reduce the amount of specie needed to a small portion of the total circulation. Not only should the reserves be of specie, but there should be a liberal amount circulating among the people, so that the supply will be sufficient to meet any demand for exportation, without depleting the stock to such an extent as to cause alarm, and perhaps a panic. With this, we may dismiss the balance of trade and let it take care of itself.

Respectfully Yours,

GEO. A. BUTLER.

OBJECTIONS TO THE TAXATION OF SAVINGS BANKS.

The Savings Banks of which we speak ought properly to be called (as many of the older ones are) Provident Institutions, or Institutions or Societies for Savings. They are voluntary associations of persons, with no personal or pecuniary interests of their own to serve, acting in the interest of depositors, to which depositors the entire property and profits of the association belong. They are not charitable associations; there are no gratuities beyond the exercise of supervision—services not greater than those often given to church, public school or political party. They are, however, philanthropic associations, and their main purpose originally was, and still is, the prevention of poverty and the promotion of a spirit of independence, economy and industry. Notwithstanding their increase in number from the opening of the first one in this country in Boston in 1817, to over six hundred in 1879, and their present deposits of about eight hundred millions*; their chief business has been simply the security and improvement of the savings of persons of limited means and business qualifications, until required for seasons of sickness, adversity or old age. The savings are not simply the surplus earnings of prosperous years, but also the inheritances of widows and orphans through life insurance and other sources; and the institutions are not for individual deposits only, but are a "treasury for administrators, guardians, trustees and societies of all sorts, where they may be sure to find their own again." These latter classes of deposits chiefly account for the enormous and rapid growth of our savings institutions. They have never, to any great extent, become the depositories of the rich for the purpose of avoiding taxation; and if they were so used to a certain degree for a few years prior to 1873, it was the result of temporary causes which have since been greatly modified or altogether removed.

It should be noted how wholly different is such an institution

*More definite figures will be found in the "American Almanac" for 1880, edited by A. R. Spofford, pp. 90 and 91. Also, "Report of the U. S. Commissioner of Internal Revenue for the fiscal year ended June 30th, 1879," pp. LXXXVII. and LXXXVIII. The latter shows that, as there given, out of a total of $829,912,178 deposited in savings banks in the U. S., $25,304,371 are in banks with a capital, and $804,607,807 in savings institutions proper. Of this last sum six States, viz.: Connecticut, Rhode Island, Massachusetts, New Hampshire, Maine and New York hold over seven-eighths.

for savings from a bank proper, that is a bank of discount. In a bank of discount we have a corporation, composed of the stockholders who have contributed to its capital, whose function "is the assigning and transferring titles to property;" and all of whose operations, either in issuing notes, receiving deposits, discounting paper or accommodating the public in any way, are for the sole purpose of making money for its stockholders. Its existence is greatly for the advantage of the public, and the public gladly pays for the advantage; but there is nothing philanthropic about it, and there does not pretend to be.

If we now have arrived at a clear understanding of what savings institutions are, we are prepared to consider the first reason why they should not be taxed, which is:

I. They are philanthropic corporations. Of course, the State has the *right* to tax all property under its jurisdiction, for it all alike shares the protection afforded by the State; and, on the other hand, it has certainly been the custom of the State to exercise the right of exempting certain property from taxation, especially property belonging to educational, religious, philanthropic, reformatory and charitable institutions. And the ground of this exemption is the assumption "that whenever and wherever the exemption of certain kinds of property will be of more benefit to the State than the taxation of such property, it is not only the right, but it becomes the duty of the State to make such exemptions" (*No. Am. Rev. Oct.* '80, *p.* 363). Now this assumption is as properly applicable to the case of savings institutions as to the case of colleges or churches. The institutions, as has been said, are not stock corporations for money-making, but benevolent ones which gratuitously invest and supervise the savings of the people. They own nothing. There are no stockholders among whom the profits of business ventures are divided. They exist merely to enable people to save money conveniently, to get it safely back on demand, and, incidentally, to secure such a low rate of interest as is consistent with their methods of business. They educate people into good habits, and make sure to them the beneficent results of those habits. And, furthermore, the money, which is the accumulation of this industry and self-denial, is an aggregate of small individual deposits, which would, if separate, be exempt from taxation, because of their inconsiderable size; their waste, through want of a place of safe keeping; and their investment in furniture and other things in amounts which the laws exempt.

Now it is certainly unjust that an agent should be taxed because of the business he does for others at cost; and it cannot be politic, on the other hand, to tax the prudent and thrifty because they combine and employ an agent, thereby creating capital and making a demand for labor. How vast this employment of labor through the agency of savings institutions has been, is significantly told by merely glancing over the lists of bonds now held by them, which embrace railroad, school, water, sewerage, court-house, park, river improvement, aqueduct and numerous others. Of State and municipal bonds together, the savings institutions hold over two hundred millions, of which probably more than half were issued for public works..

And before leaving this division of the subject it ought to be called to mind that England, from whom we derived the idea of these institutions, and whose plan of organization of them we followed, has pursued from the beginning, and to a large extent does now, the policy not only of not taxing them, but actually of paying them a bonus. The deposits of these institutions with the British Government are to-day guaranteed by it with a rate of interest higher than the market rate.

II. Taxation should fall on consumption, not on savings.. It is significant, perhaps, of legislative ignorance of political economy that the usual form of savings bank taxation is that of levying so much on the *deposits* of the banks, and not on the corporation as such, its profits, its assets, nor its specific investments. At all events, there is scarcely any popular fallacy on this subject so common as the opinion that in so far as men save and become capitalists, they are pursuing a merely selfish, personal end, and are not benefitting, but rather withholding benefit from, their fellows; and that therefore they are proper game for the assessor and tax-gatherer. The common belief is that the "unproductive expenditure of the rich is necessary to the employment of the poor." Now political economy, of course, teaches that "the result of savings is capital," and that it should not be taxed and so stunted in growth, because "increase of capital gives increase of employment to labor without assignable bounds." It "gives to labor either additional employment or additional remuneration; enriches either the country or the laboring class." "Saving, in short, enriches, and spending impoverishes the community along with the individual; which is but saying, in other words, that society at large is richer by what it expends in maintaining and aiding productive labor, but poorer by what it consumes in its enjoyments" (*J. S. Mill., Polit. Econ., Bk.* I, *ch. v.*)

And again; "the principle of equality of taxation, interpreted in its only just sense, equality of sacrifice, requires that a person who has no means of providing for old age, or for those in whom he is interested, except by saving from income, should have the tax remitted on all that part of his income which is really and *bona fide* applied to that purpose." "No income tax is really just from which savings are not exempted" (*J. S. Mill., Polit. Econ., Bk.* V, *ch. iii.*)

This relation of the man who saves—the capitalist—to the prosperity of a community, need not be more than stated here, since it is fully treated of in the text books of political economy. And so also as regards the proper and actual incidence of taxation a word will be sufficient in this place. In an admirable paper entitled "Rational Principles of Taxation," read before the American Social Science Association, May, 1874, Mr. D. A. Wells says: "Taxation diffuses itself, and by laws which it is beyond the power of man to contravene, though he may make the diffusion for a time unequal. . . . And accepting this principle of the diffusion of taxes we must be led to another conclusion, and that is, that all taxation ultimately falls on consumption; so that each man's share of the burden of the State will be in the ratio of what he consumes. Hence the greatest purchasers, the greatest consumers are the greatest tax payers. . . . It would, however, be a mistake to infer that because all taxation diffuses itself and ultimately falls on consumption, it is a matter of indifference what methods of assessment are adopted." The methods must be equal, and economical ; and the aim should be to stimulate production and to discourage consumption (there is no danger of doing either to excess).

In the light of these simple and fundamental principles a tax on savings as such is most unwise and wasteful.

III. The chief investments of savings banks are not properly taxable by whomsoever held.

In the first place we have the repeated decisions of the U. S. Supreme Court that "all agencies or instrumentalities of the Federal Government are exempt from State taxation; and a law of Congress (June 30, 1864), which specially makes applicable, what the Supreme Court has before declared to be constitutional law, to a certain class of Federal instrumentalities, namely, all representatives of value, of whatever name or denomination issued under act of Congress—bonds, coupons, national currency, U. S. notes, Treasury notes, fractional currency, certificates of indebtedness, &c., &c. . . . And if any person will carefully consider the words of Chief Justice Marshall, 'That the power to tax involves the power to destroy,' and that if the right exists to tax at all, 'it is a right which in its nature acknowledges no limits,' he will probably come to the conclusion that Congress could not delegate to the States this power of impairing Federal sovereignty if it would, and should not if it could" (*D. A. Wells in No. Am. Rev.*, *April*, 1876).

So much for one large class of investments which are now taxed in the hands of New England savings banks, the law being so worded as to lay a tax on 'deposits,' by which the *letter* of national law is not violated.

Another large class of investments are State, municipal, and railroad bonds. These are not property, which is a physical actuality; they are rights, representatives of property, titles; and a tax on them is only another form of burdening the property which is the subject of the rights or titles. If now these are taxed in any other State than the one where the property is located, it is in violation of a decree of the U. S. Supreme Court (*State tax on foreign-held bonds*, 18 *Wallace*), that "the tax laws of the State can have no extra-territorial operation;" and of the principle that without protection there should be no taxation. And, on the other hand, if they are taxed within the same jurisdiction as the property itself, it is simply double taxation on one and the same thing* (*No. Am. Rev.*, *April*, 1876).

Mortgage loans on real estate are a third large class of investments. These again are, of course, not property, but merely contracts or rights, and taxing them is unjust and inexpedient, because: 1st. The property having been once assessed cannot be justly taxed a second time. 2d. It hinders the development of the material interests of the State, since it prevents capital being loaned for real estate improvement, except at a rate of interest which, considering that the security is one of the best known, is too high. 3d. "It is property in possession and enjoyment, and not merely in right, which ought and must ultimately pay every tax." "Relieving mortgages from taxation is not decreasing the taxable property of the State, it is the abandonment of an indirect and wasteful method of taxing real estate a second time."

And finally, a word in general on the subject of any tax whatever on personal property, for this is the only property, save its banking house, which a savings bank should hold, except temporarily. At all events, on its real estate, it might not improperly be taxed, since the ownership of land is of the nature of a monopoly.

There are two good and well known reasons which have induced England, France, Belgium, beside other foreign countries, and the State of Pennsylvania (practically) to abandon the attempt to tax personal property at all. These are: 1st. That it can and will run away if taxed, and could and would come if not taxed. 2d. That it is impossible to find and tax but a small per cent. of what is known to be close at hand. Any one who desires to see how impossible and impolitic such taxation is, should read the invaluable first and second reports of the "Commission to Revise the Laws for the Assessment and Collection of Taxes in the State of New York" 1871 and 1872. But if personal property is to be taxed, in savings banks as well as out, only consider how unfortunately the banks are placed as compared with individuals. Individuals will make concealments and mental reservations for such reasons as they may deem sufficient. The banks, on the other hand, make an honest public statement of all they possess. Speaking of the savings bank tax laid by the State of Maine, its

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*In this way. The town of N. builds a court-house and town-hall. The cost of maintaining and protecting this is divided among the taxpayers, who pay enough to enable the municipality to protect both the private and public property under its jurisdiction. The money to build the court-house and town-hall is raised by issuing bonds, and if one of these bonds is found in N. it is taxed. The town instead of paying for its building, therefore, issued promises to pay, and then every year taxes the holders of these promises (if it finds them), thus deriving an income from what it owes as well as what it has.

Bank Commissioner (Report, 1879,) says, in recommending its reduction: "The collection of this tax is without expense to the State, there can be no evasion or concealment as to the amount to be taxed, the tax is assessed upon the last dollar and to the full value of the dollar, whilst almost all other kinds of property is subject to concealment and under-valuation.

One word more. In the "Report of the Superintendent of the Bank Department relative to the Savings Banks" of New York, I find these words: "It seems to be fatal to the objection that this tax" (a proposed one on savings bank deposits) "will cripple and destroy savings banks, that the New England States all tax the savings deposits, and the majority have done so for many years." This shows an ignorance with regard to the difference between the savings institutions of New York on the one hand, and those of New England on the other, which should not be so common as it is. The classes of securities allowed in New England from the beginning by charter and statute, have been far more miscellaneous and risky than those allowed in New York. And the reasons for this, which are of a very interesting character, are fully given in Mr. Keyes' very valuable and instructive "History of Savings Banks in the United States," vol. 2nd, chap. LXIX. As a consequence of this difference of investment the profits of the successful New England banks have been large. We notice in the New England bank reports for 1879, many loans at over 7 per cent., which for these times is very high, also many 7 per cent. railroad bonds, 8 to 10 per cent. railroad stocks, and very many bank stocks paying from 8 to 12 per cent. on their cost to the holders. These rates of interest, not to speak of the profits on the business paper held by some, have been necessary in order to enable the New England banks to pay their enormous State taxes. And yet with all this help, and an expense of management almost ridiculously small, the savings banks of New England have to-day scarcely any surplus worth mentioning; as a whole, probably not over two per cent.,* while the New York banks have ten per cent. Moreover, considering the character of investments the surplus in New England should be three times that in New York to make the banks equally strong. If carefully regulated investments, able and intelligent officers, and a moderate surplus are essential for savings banks and the welfare of the large and valuable class of citizens who constitute their depositors, the course of New York is far better adapted to secure them than the illegal, illogical and unwise burdens imposed in New England. And, on the other hand, if five-sixths of the States of the Union can pay their way without the help of savings bank taxation, New England, of all communities, ought to have shrewdness and sense enough to do so also.

WM. G. ABBOT.

* The figures are difficult to get at, as it is quite common to give everything among the liabilities which is not deposits the general title of surplus.

THEORY OF THE SPECIE MOVEMENT.

The recurrence this year of the movement of specie from Europe to this country, has been regarded with lively interest by the business community. The newspapers on both sides of the Atlantic have been careful to publish all the information regarding it that could be obtained, and have commented upon it very fully; but still very little pains seem to have been taken to explain the causes and effects of the movement. It is true that the causes are somewhat recondite and uncertain, but the importance of the subject would seem to demand an effort in that direction. It is generally conceded that the importation of specie largely affects the business of the country, by stimulating trade, and in other ways, and naturally some attempts have been made to estimate the extent and duration of the movement during this season, and the probability of its recurrence. Such estimates as have been published were generally mere guesses, with no better foundation than the amount of last year's importation, and were made without any reference to the causes of the movement or the principles underlying them.

An essay toward their elucidation, however slight, will not be likely to do any harm, and may serve to attract the interest of those who are well able to grapple with the subject. A rapid review of the circumstances which preceded the specie movement of last year, will naturally lead up to the causes of it, and the present attempt to explain them.

For a number of years ending with 1873, the imports of merchandise into, largely exceeded the exports from this country. After that year there was a turn in the balance of trade, and up to the present time, with the exception of a month or two, it has been steadily the other way. It will be useful to notice the circumstances which accompanied that change. The era previous to it was remarkable for the inflation of the currency, high prices and vast speculation. Under such conditions, a balance of trade against this country may generally be looked for. Foreign capital will seek investment here, and the prices of merchandise being higher in the United States than in Europe, that capital will come in the form of goods that can be sold at a profit. That all these conditions prevailed at the time alluded to, will be sufficiently remembered without the use of statistics: prices were high in this country, the imports of merchandise exceeded the exports, and large amounts of United States government, railroad, and other securities were sold in Europe, forming a debt of which the people of the United States paid a large portion during the period which next comes under review.

With the Fall of 1873 began a complete change in this state of affairs. There was a sudden break in the machinery of business, which had been going much too fast, the immediate consequence being commercial depression and disaster. The conditions that accompanied this state of things were the reverse of those which prevailed during the previous period. Prices and wages sank so low that many articles of manufacture which had previously been imported, began to be made in this country; the importations of merchandise fell off; the exportations increased, and, in the course of time, a large portion of the debt which it has been said was contracted in Europe during the previous period, was paid, large amounts of American securities being returned here.

The disasters of those times were no doubt aggravated by the stoppage of work on some great railroad and other enterprises, throwing numbers of people out of employment, disarranging all other industries depending upon them, and thus affecting every department of trade. There was a thorough re-arrangement of industry and commerce, business being turned into new channels and leaving the old ones, while American manufacturers strove to compete with foreign manufacturers for trade in markets never sought before. The people of the United States instead of being borrowers were paying off their debts to Europe. The failure of the cereal crops in many parts of Europe during the years 1877, 1878 and 1879, and the abundant ones here materially aided the settlement of old balances against this country, the exports of breadstuffs during those years largely exceeding those of any previous years.

Meantime, up to the fall of 1879, and while this condition of things continued there was no considerable advance in the prices of merchandise or of wages in this country. The balance of trade in favor of the United States, or, in other words, the excess of exports over the imports was enormous, and the debt to Europe, or so much of it as was called for, had been gradually paid. It was impossible that the United States could continue to export or Europe continue to buy such an excess of merchandise much longer, and it was certain that some change in the current of trade must occur. What might reasonably have been looked for at that time was an increase in the imports to this country sufficient to balance or exceed the exports; that is, that Europe would begin to pay in goods for all the commodities it was receiving, now that the old debt to it was wiped out. But the conditions for such a change were not yet complete, for prices were not high enough in this country in comparison with those of Europe, to permit the importation at a profit of merchandise in sufficient quantity to equal the exports.

It is necessary to be borne in mind what is implied by the saying that merchandise was cheaper here than in Europe. It may be stated broadly that a dollar in gold would buy more goods here than it would there, and the relative amount of gold in circulation to merchandise was greater in Europe than in the United States. It is true that an actual comparison of American and European prices at that time may not show that the former were the lower, but they were not high enough to allow the sale of imported goods here (sufficient to equal the exports) at a profit, after paying freight, duties, etc. It, therefore, followed that instead of sending more merchandise here, it was more advantageous for Europeans to send gold. This is the *rationale* of the matter, and in point of fact there was a glut of gold in the great reserve banks of Europe at the time under consideration. Under these circumstances then, the importation of gold to this country began in the fall of last year and continued for some months, until it amounted to about $80,000,000.

If the above reasoning be correct, and merchandise was not sent here to balance the exports because goods were cheaper in the United States than in Europe (with the qualification stated in the last paragraph), and that goods were cheaper here because gold was scarcer, it would follow that the shipment of gold to the United States would have the effect of increasing the prices of merchandise here and reducing them in Europe and, consequently, it would be more advantageous to import goods to this country than before. It is fresh in the recollection of business men that this is just what followed. Prices, which had been steady for a long period before, as soon as the gold movement was felt, took a rebound which carried many merchants off their feet. The price of iron, manufactures of iron, paper and many other commodities went up to fabulous figures, and the imports of merchandise gradually increased until for a period they exceeded the exports for the first time in about six years. The imports of merchandise to the United States during the month of May, 1878, amounted to $35,223,057; in May, 1879, to $35,376,046; in November, 1879, to $50,474,616, and in May, 1880, to $64,826,870; while the gold value of the exports in May, 1878, was $54,766,594 (of which a small portion represented re-exportations of foreign goods), in May, 1879 (domestic goods) $51,288,505 and in May, 1880 (domestic goods) $64,451,638.

These data, which are taken from the official reports of the Bureau of Statistics, the values being according to the gold standard, show that the imports of merchandise to this country during the month of May, 1880—after the importation of gold had ceased for a time, were over 83 per centum greater than those for the corresponding month of 1879—before the importation had begun; while the exports increased only a fraction over 25 per centum and were actually less than the imports.

It has generally been acknowledged that the advance in the prices of merchandise in this country during last Fall and Spring was too sudden and great to be healthy, and it has proved that a lasting change in the balance of trade was not to come about immediately. It is, however, a matter of doubt if the balance would not have turned against this country last Spring if the demand for breadstuffs for shipment to Europe had been less urgent. The exports of breadstuffs during the first nine months of the present year were valued at $208,679,542 against $176,399,946 in the corresponding period of 1879; an increase of $32,279,596. The value of the exports of breadstuffs, domestic provisions and tallow for the first ten months of this year was $346,522,510, against $297,869,637; an increase of $48,652,873.

It is aside from the purpose to estimate here the future of the movements treated of, but, as was stated at first, to merely attempt to indicate their causes, and as far as possible to find the principle upon which they may be calculated. It may, however, be predicted as probable that the present specie movement will be followed by an advance in the prices of merchandise in this country. This would be likely to cause a turn in the balance of trade with Europe when the heavy shipment of breadstuffs shall have slackened somewhat, which should be before many months. It will be seen that under the conditions which prevailed in Europe and this country last year, the comparative prices of merchandise in the two places have been set down as a prominent cause of the movement in specie. If the argument be sound, under like conditions such a movement would occur between any two commercial countries; with non-commercial countries there are disturbing causes which limit the application of the rule.

In estimating the probability of a specie movement the customs duties must be taken into account inasmuch as they prevent the movement of merchandise when prices would otherwise favor it; always taking it as a rule that commercial countries naturally settle their balances with goods and not with money. The natural limit to the movement of specie between such countries has been indicated above. When the conditions favor such a movement into a country, it will continue only until the raising of prices by the expansion of the currency makes it profitable to import merchandise instead of specie. The reduction of prices in other countries caused by the partial withdrawal of their currency also has its effect.

It may be noticed that the question of the rate of exchange has not been taken into account or even mentioned. The reason of this is that the rate of exchange is not believed to have any effect on the movement of specie or merchandise whatever. Such movements are the effects of other causes whereof the rate of discount is merely the index; and it indicates them much as the weather-vane indicates the direction of the wind, but without in the least affecting their action. Neither has the effect of the peculiar condition of the currency in this country during the period which is reviewed above, been considered, because, although it doubtless has had its effect upon the movements of the time, it is not necessary to involve the argument by the consideration of any but the main prevailing conditions. That is to say: the writer supposes that the movement of specie would have occurred in 1879, and again this Fall under the conditions obtaining at those times, even had the currency been in a normal condition. Doubtless on this account as well as for other reasons, objection will be made to the theory propounded, but this may be expected when many simpler questions of finance are still in dispute.

The annual report of the Supervising Architect of the Treasury will call the attention of Congress to the matter of providing for the construction of additional vaults for the storage of silver coinage. This should give the friends of honest money an opportunity to press the repeal of the law which provides for the coinage of that anomalous piece of specie commonly known as the standard silver dollar. The principal argument heretofore used by those who favor the repeal is, that the people do not want these dollars. This reason, however, does not satisfy the friends of the dollar. They say, only coin enough of them; then force them into circulation and there they will stay. And those who assert this are correct, for if there is one fact in finance which has been better proved than any other it is this: that a bad currency will drive out a good.

Their attention is called to another rule of finance which is still better known, even if it is not acted upon: Honesty is the best policy. Does it seem a respectable business for a great and prosperous nation to carry on, this buying of a piece of silver for about 85 cents, stamping its name upon it and passing it off for a dollar? By what rule of morality can it be adjudged to be any more honest than the work of the counterfeiter or the coin-clipper?

SKETCH OF THE NATIONAL BANKING SYSTEM.

*BY THE COMPTROLLER OF THE CURRENCY.

The original national bank act of February 25, 1863, did not pass Congress without encountering great opposition. Secretary Chase first suggested the preparation of the bill, and it was largely through his influence that it finally became a law. He recommended its passage in his report to Congress in December, 1861, and briefly but clearly stated the outlines of the system. He favored the gradual issue of national bank notes to replace the existing State bank currency, in preference even to the issue of demand notes of the government payable in coin. The national bank act was prepared in accordance with his views, chiefly by Samuel Hooper, of Massachusetts, and Spaulding, of New York, who were members of the Committee of Ways and Means, and during the month of December, 1861, it was printed for the use of that committee. The bill encountered most earnest opposition in the committee, which was busily engaged on the loan and internal revenue bills and other important work of the session, and it was finally laid aside by the committee. In his report for 1862, Secretary Chase again, notwithstanding the suspension of specie payments which had taken place, earnestly advocated the measure. He presented in a masterly manner and at considerable length the arguments for and against the system, and urgently renewed his previous recommendation for its passage. He said, among the advantages which would arise from its passage would be, "that the United States bonds would be required for banking purposes, a steady market would be established, and their negotiation greatly facilitated; a uniformity of price for the bonds would be maintained at a rate above funds of equal credit, but not available to banking associations. It is not easy to appreciate the full benefits of such conditions to a government obliged to borrow;" it will "reconcile as far as practicable the interest of existing institutions with those of the whole people," and will supply "a firm anchorage to the union of the States." The bill is said to have had the sanction of every member of the administration, and President Lincoln earnestly advocated its passage in his annual message in 1862, and in 1863 he said: "The enactment by Congress of a national banking law has proved a valuable support of the public credit, and the general legislation in relation to loans has

*Portion of the address of Hon. John Jay Knox, before the Boston Merchants' Association, Saturday, November 27, 1880.

fully answered the expectations of its favorers. Some amendments may be required to perfect existing laws, but no change in their principles or general scope is believed to be needed." Again, in 1864, he favored the taxation of the issues of State banks and the substitution of national bank notes therefor.

About fourteen months thereafter the same bill, which had been printed for the use of the Committee of Ways and Means, was introduced in the Senate by Senator Sherman, and referred to the Finance Committee, from which it was reported by him on February 2, 1863, with amendments. Ten days later it passed that body by a vote of 23 to 21, and on the 20th of the same month it also passed the House of Representatives, by a vote of 78 to 64. A majority of the Finance Committee of the Senate was opposed to the bill. The eminent Senator Collamer, of Vermont, opposed it with great earnestness, and one of the most hospitable, genial and popular Senators from the West told me that he was opposed to the bill, but was persuaded by Secretary Chase to vote in committee in favor of its report. "If it should turn out to be a good measure," he said, "it will be well; if not, my vote will stand recorded against it on its final passage." Senator Collamer, in his speech in the Senate (February 11, 1863), said: "It will be found that the people will not break up their present system of banking, interwoven as it is with all their transactions, bound up as their business life is with it, to establish banks under this bill, and they will never buy United States stocks for this purpose." One of his reasons for opposing the bill was that the schools of some of the New England States were supported by the tax fund collected from the existing State banks. Senator Harris, of New York, who afterwards voted for the bill, proposed an amendment February 9, 1863, authorizing State banks to receive circulation under State charters, and said: "The banks in the State of New York can, I believe, be induced, without surrendering their charters as State banking associations, to take out circulation under the provisions of this bill, but I do not suppose that a single banking institution in the State of New York would ever be induced to surrender the privileges it derives under the State law and become an association organized under the provisions of this act." Senator Sherman managed the bill in the Senate with his usual well-known ability and tact. On February 10 he summed up the whole question when he said, "We have but four expedients from which to choose: First, to repeal the Sub-Treasury act and use the paper of local banks as currency; secondly, to increase the issue largely of United States notes; thirdly, to organize a system of national banks; and, fourthly, to sell the bonds of the United States in open market." Among those who voted in its favor on its final passage in the Senate were Chandler and Howard of Michigan, Sherman and Wade of Ohio, Wilmot of Pennsylvania, with Morrill of Maine, and six other New England Senators, among whom were

Fessenden, and also Sumner and Wilson, *par nobile fratrum.* Three Senators only from the Middle States voted in its favor (Harris, Ten Eyck and Wilmot). The two Senators from Vermont (Collamer and Foot) voted against it, and one from Connecticut (Dixon), and seven from the Middle States, among whom were Cowan of Pennsylvania and King of New York. In the passage of the act in the House, some of the most eminent of the Representatives from New England and New York, now distinguished members of the Senate, voted against it. The bill was thoroughly revised, discussed, and repassed, a little more than one year afterwards (June 3, 1864), all the Senators from New England then voting in its favor, including Collamer and Foot from Vermont, and all of the Senators from the Middle States who were present, except the Senators from Pennsylvania and Delaware. It received the support and vote also of many Senators from the West, among whom were Sherman, Ramsey, Lane of Indiana, Doolittle and Trumbull, the latter having previously voted against it.*

In the House it received the votes generally of the Republican members from New England and New York, including such names as Blaine, Morrill of Vermont, Dawes and Boutwell of Massachusetts, Stevens of Pennsylvania, Windom of Minnesota, Allison of Iowa, and last, but not least, also the vote of a young man who had just left the army with an excellent record to enter upon his duties as a Representative—James A. Garfield.

It was not surprising that the bill should encounter opposition from Senators and Representatives from New England and New York. The State of Massachusetts had a model banking law, with the exception that it did not require the circulation to be secured. It required a reserve to be held; it required frequent examinations by bank commissioners; and your excellent Suffolk system enforced the prompt redemption of all New England notes, in coin in Boston.

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*The following is the vote in the Senate at each date:

FEBRUARY, 13, 1863.

YEAS,—Anthony, Arnold, Chandler, Clark, Doolittle, Fessenden, Foster, Harding, Harlan, Harris, Howard, Howe, Lane of Kansas, Morrill, Nesmith, Pomeroy, Sherman, Sumner, TenEyck, Wade, Wilkinson, Wilmot, and Wilson of Massachusetts—23.

NAYS.—Carlisle, Collamer, Cowan, Davis, Dixon, Foot, Grimes, Henderson. Hicks, Kennedy, King, Latham, McDougal, Powell, Rice, Richardson, Saulsbury, Trumbull, Turpie, Wall, and Wilson of Missouri—21.

MAY 10, 1864.

YEAS.—Anthony, Chandler, Clark, Collamer, Converse, Dixon, Doolittle, Fessenden, Foot, Foster, Hale, Harlan, Howard, Howe, Johnson, Lane of Indiana, Lane of Kansas, Morgan, Morrill, Pomeroy, Ramsey, Sherman, Sprague, Summer, Ten Eyck, Trumbull, Van Winkle, Wilkinson, Willey and Wilson—30.

NAYS.—Buckalew, Cowan, Davis, Grimes, Henderson, Powell, Richardson, Riddle and Saulsbury—9.

ABSENT.—Brown, Carlisle, Harding, Harris, Hendricks, Hicks, McDougal, Nesmith, Wade and Wright.

Many unsound banks were organized in other parts of New England, but the currency of these banks was almost certain not to be circulated at home, but in the far West. New York had also its excellent free-banking system, which required United States and its own State bonds to be deposited as security for circulating notes, and the banks of that State looked with great disfavor upon any system which should require examinations, reserves, or other important restrictions looking beyond the safety and prompt redemption of the circulating notes.

The national bank system has now been in operation nearly eighteen years. The act passed two years before the surrender of General Lee's army at Appomattox Court House, and has since been in continuous operation for sixteen years, including a period during which, to quote a distinguished statesman, "we have had a Babel of conflicting theories upon financial questions. Every exploded financial dogma of the last 200 years has been revived and advocated. Congress and political parties have been agitated and convulsed by the discussion of old and new schemes to escape from the control of the universal laws of value, and to reach prosperity and wealth without treading the time-worn path of honest industry and solid values."* In this connection the writer recalls an evening at Mr. Chase's own residence, when the bank and currency questions were informally discussed. In the course of the conversation Mr. Chase asked for a definition of motion, when some one answered, "Matter is inert; spirit alone can move; therefore, motion is the spirit of God made manifest in matter." To which the Secretary replied, "If that is a good definition, then legal tender notes [unconvertible] must be the devil made manifest in paper; for no man can foresee what mischief they may do when they are once let loose."

More than a year before the passage of the national bank act (December, 1861), in the report already referred to, Secretary Chase said:

> In this plan the people, in their ordinary business, would find the advantages of uniformity in currency; of uniformity in security; of effectual safeguard, if effectual safeguard is possible, against depreciation, and of protection from losses in discounts and exchanges, while in the operation of the government the people would find the further advantage of a large demand for government securities, of increased facilities for obtaining the loans required by the war, and of some alleviation of the burdens on industry through a diminution in the rate of interest or a participation in the profit of circulation, without risking the perils of a great money monopoly. A further and important advantage to the people may be reasonably expected in the increased security of the Union, springing from the common interest in its preservation, created by the distribution of its stocks to associations throughout the country as the basis of their circulation.

And, again, in 1862, he said:

> It seems difficult to conceive of a note circulation which will combine higher local and general credit than this. After a few years no other circulation would be used,

*The Currency Conflict; Atlantic Monthly, February, 1876.

nor could the issues of the national circulation be easilly increased beyond the legitimate demands of business. * * The issue of United States notes, if exclusive, is hazardous and temporary. The security by national bonds of similar notes furnished to banking associations is *comparatively safe and permanent*, and with this use may be connected *for the present*, and occasionally, as circumstances may require, hereafter the use of the ordinary United States notes in limited amounts. * * If temporarily these associations redeem their issues with United States notes, resumption of specie payments will not thereby be delayed or endangered, but hastened and secured; for just as soon as victory shall restore peace, the ample revenue already secured by wise legislation will enable the government, through advantageous purchases of specie, to replace at once large amounts, and at no distant day the whole of this circulation by coin, without detriment to any interests, but, on the contrary, with great and manifest benefit to all interests. The Secretary recommends, therefore, no more paper-money schemes, but, on the contrary, a series of measures looking to a safe and gradual return to gold and silver as the only permanent basis, standard, and measure of values recognized by the Constitution.

These anticipations have, with a single exception, all been realized. The national banks have continually held nearly one-fifth of the bonds of the United States, thus enhancing their value and the credit of the government, so that, when recently they were returned to us in large amounts from abroad, they were taken at home without depreciation. The banks have also furnished a currency both safe and uniform. The whole circulation of the country both paper and coin, bears the impress of the nation, and both alike are of equal value. But the paper circulation of the country does not yet consist of national bank notes only.

The banks receive but a small profit upon circulation; the exchanges of the people amounting to 4,000 millions of dollars annually, are made at a minimum point, and almost without any cost; the rates of interest have been largely reduced; the losses by failures to the depositor have in the aggregate been but a trifle in comparison with those of previous banking systems; the losses of the banks themselves, through unfortunate loans and investments, amounting to 100 millions, have been promptly liquidated, and the present large surplus, the gradual result of good business management, is a safety-fund against future disasters. The present unbounded prosperity of the country and its unprecedented productions prevent for a time the proper action in reference to the weak points of our currency system; but there is no good reason why the only remaining prediction of Secretary Chase may not be fulfilled—namely, that the legal tender notes will be rapidly withdrawn, "and no other circulation used" but convertible bank notes and coin of a true standard.

THE BANKS SINCE RESUMPTION.

The movement of the currency and the operations of the banks have never been more interesting than during the months which have intervened since the resumption of specie payments. To most of the political economists of this and other countries the resumption of coin payments by the United States at the time fixed by law, and its successful maintenance, were deemed almost impossible. No country had ever before successfully maintained payments in coin with so large a volume of currency outstanding, or with an amount of currency greatly in excess of its coin. Even those who were known to be earnestly in favor of resumption, both in and out of Congress, doubted the ability of the government and of the banks to commence and continue coin payments without a preparatory reduction of the amount of notes in circulation. They said, truthfully, that no nation maintains at par a convertible paper currency which has not in its banks or among its people an equal amount of coin, and that, if successful, the United States would be an exception, and the only exception in this respect, among commercial nations. But the resumption act giving authority for the purchase of coin in the markets of the world with United States four, four and one-half, or five per cent. bonds made resumption certain, if the bonds for a sufficient amount could be readily marketed at not less than par, as authorized by law. Purchasers for the bonds were promptly found, and resumption came so easily that many persons now believe it could have been as well accomplished one year earlier, if Congress had fixed upon January 1, 1878, instead of upon the following New Year's day.

Since the date of resumption the country has been month by month growing richer in coin, not by the sales of bonds, which have been rapidly increasing in value, but by the production of the mines and the influx of specie in return payment for the excess of exports of our abundant products over our imports. The whole country has become so habituated to the use of paper money that the difficulty has been—not to provide means for its payment, for scarcely a dollar has been demanded—but to supply the people with Treasury and national bank notes, which have been almost universally preferred.

For many years past, large amounts of currency have been annually drawn from the banks of the city of New York by the banks in the interior, for the purchase and shipment of grain and other products. The banks in the West and South supply the grain-buyers with money, who pay it to the farmers, and by them it is disbursed to the country merchants. It then goes to the wholesale merchants in the larger cities of the interior, by whom it is deposited in the banks and returned again to the money centers in the Eastern States. Thus the money which was paid out in the Fall returns again to the city of New York long before midwinter, whereby much of the currency of the country, instead of continuing to circulate, accumulates in the New York banks both before and after the time for the large movements of produce.

This ebb and flow of the currency continued yearly up to the time of the great harvest of 1879. The drain of coin and currency from the large cities, amounting to more than 100 million dollars during the Fall of that year, made currency scarce in New York notwithstanding the unprecedented influx of gold from abroad. The usual return of the currency in the Winter was expected but did not occur.

The experience of 1879 was considered exceptional, but another year has nearly passed and the experience of the former year has been, to a considerable extent, repeated. A large portion of the avails of produce has been retained, either for the liquidation of debts, for employment in trade and commerce at home, or in the many new and extensive enterprises for which the West is distinguished, where there would appear to be no limit for the safe and profitable employment of capital. The coin in the banks has increased from 41 millions on January 1, 1879, to 109 millions on October 2, 1880. The treasury holds its immense hoard of gold, not surpassed in amount by any other depository in the world.

The merchant, the manufacturer, and the farmer are alike prosperous; the people have paid their debts to an unprecedented degree, and hold their earnings in the paper currency of the government and of the banks in larger amounts than have hitherto been known. The receipts of the government have been so large that, after refunding many millions of 5 and 6 per cent. bonds into 4 per cents., it has still been able during the year to purchase in the market at a premium more than 100 millions of its bonds for cancellation. The deposits of the banks have everywhere increased, and money has been abundant wherever business or investment has invited capital, and there has probably never been a period when it has generally commanded so low a rate of interest as during the last two years.

The rate at the Bank of England and the Bank of France has, for a considerable portion of this period been 2 1-2 per cent. The English consols have for the first time in twenty-seven years advanced to par, while the rate for call loans in London has at times been at what may be termed the infinitesimal rate of from one-half to seven-eighths of one per cent. per annum.* Low rates have also prevailed in this country. In New York for some months past money at call, upon the best collaterals, could be obtained at from 2 to 3 per cent. The average rate upon first-class commercial paper during the fiscal year of 1879 was 4.4 per cent., while the average rate during the succeed-

*In 1852 consols were quoted at prices varying from 3 below par to nearly 102; the history of matters for that year being as follows: Consols rose from 97 ex div. in January and touched 100 in May, and 101 early in June. They were then quoted ex div., but were again quoted at 101 ex div. on the 23d of June. Best bills were at that time taken in the open market at 1⅛ per cent. During August there was a relapse to 99⅛. But at the beginning of September consols were again above 100. They remained about that price until November, when they rose to 101¼, and in December to 101⅞. They were then quoted at 101¼ ex. div., but closed for the year at 101 ex div. In 1853 from 101 they fell below 100 in the first fortnight in January, and reduced 3 per cents. then at 101⅛, quickly followed. But in March they recovered to 100, and towards the end of April they rose to 101. Consols relapsed to 100 in June, and were then quoted 98⅛ ex div. They were as low as 90 in October, 1853, and have not since been at par until November, 1880.—*London Economist, November 6*, 1880.

ing fiscal year has been 5.3 per cent., owing not to natural but to artificial causes. The rate, however, for first-class mercantile paper in the past four months has been from 4 to 4 1-2 per cent. Low rates have prevailed, not only in New York City, where money is not unfrequently borrowed upon good collaterals for speculative purposes, but also throughout the country, including many places where money has heretofore been loaned, if at all, at usurious rates. The rates during the past year on large transactions in first-class commercial paper have been: In Philadelphia 3 to 5 per cent.; Boston and Baltimore, average 5; Washington, 7; Chicago, 4 to 7; Saint Louis, 5 to 7; Milwaukee, 6 to 8; Cincinnati, 6 to 7; Cleveland, 6 to 8; St. Paul, 8 to 10; Omaha, 10; Denver, 10 to 15; San Francisco, 8; California (country), 9 to 12; Louisville, 6 to 7; Richmond, 7; Charleston, 7 to 8; Savannah, 8; Selma, average 9; Atlanta, 10; New Orleans, 4 to 6. Rates at nearly every point are less than for previous years.

The borrowing power of the government for a considerable portion of the year has been at 3 1-2 per cent., and that of many of the leading States and cities 4 per cent. The legal rate in the State of New York has been reduced from 7 to 6 per cent. There has also been a large reduction in rates at remote points, which until recently have been considered upon the frontier. Many seven per cent. railroad bonds were until recently placed with difficulty, even at a discount; now six per cent. bonds, upon lines at more remote points, are, in many instances, sold at par. In portions of the country the rates for loans upon real estate are higher than for business paper. In some of the Southern States it is difficult to loan money upon real estate, on account of the legal obstacles in the way of collecting it. The highest prevailing rates are found in the country districts of the South, but it is now believed that they will be gradually reduced, both by the increasing value of its productions and by the introduction of foreign capital to be employed in manufactures, which have already been introduced with great success. In large districts of the West, where formerly money could not be readily obtained upon real estate, the number of borrowers is much less, and the demand by no means equal to the supply of funds seeking investment in that class of securities. Such loans are now regarded not only as desirable investments, so far as security is concerned, but are made at a much less rate of interest than formerly. The rates in New York are subject to frequent changes not only on account of the importation of coin, the drain in payment for produce from the interior, and the purchase of bonds by the government, but by the influx of foreign capital seeking employment in consequence of the prevailing depression in business elsewhere. If the rates are favorable, large amounts of money are placed by cable by residents in foreign countries, and by telegraph between remote points in our own country, with as much certainty and safety as by the use of bills of exchange or by the movement of coin itself. So reliable has this means of transfer become that not only are payments thus made at home and abroad, but large sales of breadstuffs and other products are accomplished by parties in the interior cities without the intervention of agents at the sea-ports, thus shortening the time of bills drawn upon shipments of products.

Many men who were formerly borrowers have become lenders; and numerous lenders now seek investment in government bonds and other securities which yield much less than the legal rate of interest.

The abundanee of money and the low rates of interest have made it difficult for capitalists to find satisfactory investments and have led me to examine the statements of the banks for a series of years in order to compare their ratios of loans to their means, and to ascertain if, during the past two years, they have found use for their increased deposits.

If the ratios of capital, surplus and net deposits to the loans of the banks in New York be examined it will be found that the ratios in October, 1879 and 1880 were about 71 per cent.; while in 1878 they were about 65 per cent.; in 1877 but about 68 per cent., and in 1876, 65 per cent., and that the loans are now proportionally higher than at any time since 1873.

The means of the banks in Boston and the other reserve cities were more fully employed in October than for the two years previous, though their business was not as much extended as during the four years following the crisis of 1873.

It will surprise those whose attention has not heretofore been called to the subject to find how closely the means of the banks in the commercial cities have been employed during the last eleven years, notwithstanding the variations in rates of interest, and particularly during the last two years, when money has been so abundant and the deposits have so rapidly increased. It will be seen that prior to 1876, with the exception of a single year, the loans in New York exceeded the net deposits, while since that time, though there has been considerable variation, the net deposits have been somewhat in excess of the loans at the dates given. In the other principal cities, which continually keep large amounts of money in New York subject to demand, and thus diminish their own net deposits, the loans have always largely exceeded their deposits. The same remark is more emphatically true of the banks in the country districts which have in New York, as well as in other cities, large amounts of money on deposit subject to call. The capital of this class of banks is much larger as compared with their deposits than is that of the banks in the large cities, and their loans therefore relatively greater.

The ratio of the loans of this group of banks to net deposits will be seen in the statement following, which also includes a table showing the loans, capital, surplus, deposits, and cash reserves of all the national banks of the United States:

States and Territories.

DATES.	No. of banks.	Loans.	Capital.	Surplus.	Net deposits.	Specie.	Legal-tender notes and U. S. certificates.	Ratios of— Loans to capital, surplus, and net deposits.	Ratios of— Cash to net deposits.
		Millions.	Millions.	Millions.	Millions.	Millions.	Millions.	Per cent.	Per cent.
October 8, 1870..............	1,402	353.7	245.0	48.8	216.2	2.4	38.4	69.4	18.9
October 2, 1871..............	1,534	402.0	265.1	53.3	257.8	1.8	41.6	69.8	16.8
October 3, 1872..............	1,689	451.8	283.4	59.6	282.1	1.9	43.3	72.3	16.0
September 12, 1873...	1.747	461.8	293.7	65.9	303.1	2.1	44.5	72.7	15.4
October 2, 1874.	1,774	479.7	298.2	71.1	292.8	2.4	33.7	72.5	12.3
October 1, 1875..............	1,851	503.0	307.5	74.9	306.7	1.6	33.7	73.0	11.5
October 2, 1876..............	1,853	482.3	305.5	75.9	291.5	2.8	31.0	71.7	11.6
October 1, 1877.............	1,845	468.3	298.4	73.1	289.4	4.2	31.6	70.9	12.4
October 1, 1878........	1,822	433.1	293.1	70.2	288.3	8.0	31.1	66.5	13.6
October 2, 1879......	1,820	438.1	288.0	68.5	329.3	11.5	30.4	63.9	12.7
October 1, 1880..............	1,859	506.7	290.6	70.3	410.3	21.2	28.3	65.7	12.1

United States.

DATES.	No. of banks.	Loans.	Capital.	Surplus.	Net deposits.	Specie.	Legal tender notes and U. S. certificates.	Ratios of— Loans to capital, surplus, and net deposits.	Ratios of— Cash to net deposits.
		Millions.	Millions.	Millions.	Millions.	Millions.	Millions.	Per cent.	Per cent.
October 8, 1870..............	1,615	715.9	430.4	94.1	523.5	14.5	122.7	68.3	26.2
October 2, 1871..............	1,767	831.6	458.2	101.1	636.6	12.0	134.5	69.5	23.0
October 3, 1872..............	1,919	877.2	479.6	110.3	619.8	10.2	119.0	72.5	20.8
September 12, 1873..........	1,976	944.2	491.1	120.3	673.4	19.9	113.1	73.5	19.8
October 2, 1874..............	2,004	954.4	493.8	129.0	717.3	21.2	122.8	71.2	20.0
October 1, 1875..............	2,087	984.7	504.8	134.4	731.9	8.1	125.3	71.8	18.2
October 2, 1876..............	2,089	931.3	499.8	132.2	705.7	21.4	113.4	69.6	19.1
October 1, 1877..............	2,080	891.9	479.5	122.8	667.7	22.7	100.3	70.2	18.4
October 1, 1878........	2,053	834.0	466.1	116.9	677.3	30.7	97.1	66.2	18.9
October 2, 1879..............	2,048	878.5	454.1	114.8	767.7	42.2	96.0	65.7	18.0
October 1, 1880........	2,090	1,041.0	457.6	120.5	967.2	109.3	64.3	69.3	17.9

It will be seen that the loans of the banks now exceed 1,040 millions, which is 206 millions more than at the corresponding date in 1878, while the capital and surplus at the previous date was 5 millions in excess of the present amount. The net deposits in the same period increased nearly 290 millions, and the total individual and bank deposits, not deducting the amount due from banks and the clearing-house exchanges, more than 322 millions, amounting to the large and unprecedented sum of 1,155 millions.

The ratios of the loans of the banks in the country districts are 7 per cent. less than in 1875, and 5 per cent. less than in 1877. The opportunities for using money in this group of banks is much less than formerly, and their deposits in other banks have by no means diminished.

The following table gives a classification of the loans of the banks in the city of New York, in Boston, Philadelphia, and Baltimore, and in the other reserve cities, for the last two years, at the dates of their reports in the month of October:

1879.

CLASSIFICATION.	New York City.	Boston, Phila. and Baltimore.	Other reserve cities.	Country banks.	Aggregate
	47 banks.	99 banks.	82 banks.	1,820 banks	2,048 banks
On U. S. bds on demand....	$8,286,525	$2,017,226	$4,360,523	....	$14,664,274
On other stocks, bonds, &c., on demand...........	78,062,085	22,605,795	11,445,079	....	112,112,959
On single-name paper without other security....	22,491,926	13,136,911	7,150,239	....	42,779,076
All other loans	87,011,336	118,267,128	65,023,494	$435,154,810	705,456,798
Totals.................$	195,851,902	156,027,060	87,979,335	435,154,810	875,013,107

1880.

	47 banks.	101 banks.	83 banks.	1,859 banks	2,090 banks
On U. S. bds on demand....	$3,915,077	$525,445	$1,378,168	....	$5,818,690
On other stocks, bonds, &c., on demand...........	92,630,982	30,838,692	16,558,260	....	140,027,934
On single-name paper without other security....	27,755,152	22,542,776	10,402,295	....	60,700,223
All other loans............	114,127,290	137,405,246	75,687,334	$503,294,724	830,514,594
Totals.................$	238,428,501	191,312,159	104,026,057	503,294,724	1,037,061,441

In this table will be seen—what would be expected from a large increase in the Clearing-House exchanges, which are 38 millions more than in 1878, and larger than at any time since 1873—a large increase in loans upon stocks and bonds payable on demand. Much of this increase is due to operations at the stock board, which are always most buoyant in prosperous times; but a considerable portion may be due to loans made to banks and bankers in the interior upon collateral security, at rates so low as to leave room for profit in reloaning to their own dealers.

The amount invested by the banks in United States and other stocks and bonds is more than 92 millions of dollars, as may be seen in a previous table, which fact is evidence either of a difficulty in obtaining satisfactory loans or of a preference for such temporary investments.

When the rates of interest are low there is danger that bank managers, in their desire to use their available means, may be induced to loan upon securities which are not of the best character, and thus in the end diminish rather than increase their earnings. The loans were at the highest point in the year 1875, and the two previous years, and the national banks were then enthusiastic over the high rates of interest, their large deposits, and their large earnings and dividends; but the delusion has been dispelled by the enormous losses which they have been obliged to charge off during the past five years, reaching the extraordinary sum of 100 millions, which were largely the result of overtrading during the period when gold was a commodity, and the legal standard a promise to pay, unfulfilled and fluctuating in value for seventeen years. The great losses experienced during these years, which will not soon be forgotten, enforce the principle that no legitimate business is safe which is conducted upon a varying standard of value; and the crisis of 1873 will always be remembered as a striking example of the evil results arising from business conducted during "good times" upon a fictitious basis.

The amount of legal cash reserve required of the banks in New York City is 25 per cent. of their deposits, of the banks in the other reserve cities one-half of this ratio, and of the banks in the country districts six per cent. of their deposits. The amount required has in the aggregate always been held, except in a single instance in the City of New York, during the last ten years (without including the redemption fund in the Treasury), by the three different groups of national banks; but the aggregate amount in the City New York has been at times very close, and particularly during the last three years, and some banks have frequently, if not habitually, expanded their loans beyond reasonable limits, relying upon imports of gold or purchases of bonds by the Treasury to replenish their deficient reserves.

The banks in the interior, if we consider their large deposits elsewhere, are as a rule found to be much stronger in available means than the banks in New York City; while the reverse of this should always be true when such large balances, amounting to more than 100 millions of the funds of other banks, are constantly on deposit in the latter city subject to demand.

The imports of gold in excess of exports, from the date of resumption to November 1, 1880, have been $119,384,795,* and the estimated gold production of the mines is $67,449,929; in all, $186,834,724. During this period the gold in the Treasury has increased $14,373,373, and in the banks $73,976,150, and the remainder, $98,458,201, has been dispersed throughout the country or used in the arts.

The amount of currency and coin in the country is known to be much greater than at any former time, and its distribution, together with its partial disappearance from the money-centres, have been an interesting subject for discussion.

Tables are herewith given showing the amount of coin and currency in the country on January 1 and November 1, 1879, and on November 1 of the present year; the amounts of gold and silver coin, which include the bullion in the Treasury, being the estimates of the Director of the Mint:

	January 1, 1879.	November 1. 1879.	November 1, 1880.
Legal-tender notes......	$346,681,016	$346,681,016	$346,681,016
National Bank notes......................	323,791,674	337,181,418	343,834,107
Gold coin..................	278,310,126	355,681,532	454,012,030
Silver coin.................................	106,573,803	126,009,537	158,271,327
Total...	$1,055,356,619	$1,165,553,503	$1,302,798,480

The amount of Treasury notes has remained the same since January 1, 1879, as provided by law. There was an increase of bank notes for the first ten months of 1879 of $13,389,744, and for the present year of $6,652,689. The total net increase of national bank notes issued since resumption is $20,042,433, and the total increase of gold $175,701,904, and of silver $51,697,524. The table on page 775 gives the amount of currency and coin in the Treasury at the same dates as in the previous tables, and the amount in the national banks, on the dates of their returns nearest thereto—namely, January 1 and October 2, 1879, and October 1, 1880, respectively. The amount given for the State banks and trust companies and the savings banks, is at the nearest comparative dates of their official reports. The banks in the State of California report their coin and currency in the aggregate, and in this table the coin is estimated to be three-fourths of the total amount and the currency one-fourth.

* Not including the imports outside of New York City for October of this year.

	January 1, 1879.	November 1, 1879.	November 1, 1880.
GOLD.			
In the Treasury, less certificates	$112,703,342	$156,907,986	$133,679.349
In National Banks	35,039,201	37,187,238	102,851,032
In State Banks	10,937,812	12,171,292	17,102,130
Total gold	$158,680,355	$206,266.576	$253.632,511
SILVER.			
In the Treasury, standard silver dollars	$17,249,740	$32,115,073	$47,156,588
In the Treasury, bullion	9,121,417	3,824,931	6,185.000
In the Treasury, fractional coin	6,048,194	17,854,327	24,635,561
In National Banks, including certificates	6.460 557	4,986,492	6,495,477
Total silver	$38,879,908	$58,780,823	$84,472,626
CURRENCY.			
In the Treasury	*$77,615,655	$41,906,376	$26,846,826
In National Banks	126,491,720	118,546,369	86,439.925
In State Banks	25,944,485	25,555,280	25,828,794
In Savings Banks	14,513,779	15,880,921	17,072,680
Total currency	$244,565,639	$201,888,946	$156,188.225
Grand Totals	$442,125,902	$466,936,285	$494,293,362

* Includes $10,000,000 United States notes, special fund for the redemption of fractional currency.

The silver certificates, of which $1,165,120 was held by the national banks, and the remaining $18,615,121 was in circulation on November 1, 1880, are not included in the above exhibit.

If from the amount of coin and currency in the country, as given in the first table, the amount in the Treasury and banks be deducted, the remainder will give the amount of each kind then in the hands of the people outside of these depositories, as follows:

	January 1, 1879.	November 1, 1879.	November 1, 1880.
Gold	$119,629,771	$149,415,016	$200,379,519
Silver	67,693,895	67,228,714	73,798,701
Currency	425,907,051	481,973,488	534,326,898
Totals	$613,230,717	$698,617,218	$808,505,118

The gold in the Treasury has increased $20,976,007, and in the banks $73,976,149, releasing $50,768,829 of paper currency in the Treasury, and $37,608,585 in the banks. The increase of gold outside of the Treasury and the banks is 80.7 millions, and of paper currency 108.4 millions. The amount of standard dollars coined is $72,847,750, of which $47,156,588 are in the Treasury and $25,691,162 in circulation. The remainder of the silver, $85,423,577, is subsidiary and trade dollars, and bullion, of which $30,820,561 is in the Treasury, and $54,603,016 is in use in place of the previous fractional paper currency which, on March 23, 1874, was at its highest point, and amounted to $49,566,760. The additional amount of gold coin, of silver dollars and paper currency outside of the Treasury and the banks is thus estimated to be $195,-274,401, which amount has been dispersed among the people since the date of resumption.

The average prices and value of manufactured goods, of bread-stuffs, of provisions and of other products has largely increased. The laborer has been steadily employed at remunerative wages. The frontier has rapidly receded from the usual places of deposit. All classes of people have been liquidating their debts, and much greater amounts of money have been held in the tills of country traders and at home for ready use. The hoarding of a small amount by each of fifty millions of people, or by ten millions of families, is of itself sufficient to account for the disappearance of a large portion of the addition to the circulating medium since the date of resumption.

The most gratifying exhibit in the above statement is the fact that the national banks are now doing business upon a specie basis and with a true standard. For the three years preceding the resumption of specie payments the average amount of coin held by the banks was but $26,303,309, and all but $8,540,252 of this amount has been held by the banks in the City of New York. The amount of coin held has, of course, at times largely exceeded this average, as on January 20, 1877, when it was more than 49 millions. But this amount was soon reduced, and on the following April it had fallen to 27 millions, the previous increase having been due chiefly, not to deposits of dealers or payments on loans, but to disbursements of interest by the government. At other times the banks have held much less than the average amount stated. For instance, on October 1, 1875, they held but $8,050,329, of which the banks in the City of New York held but $4,955,624, and on May 1 of the same year they held but $10,620,361, of which the banks in the City of New York held $6,683,325. This was at the time when both the paper issues of the government, and the circulation of the banks were at their highest amounts, the former being 428 millions, and the latter 354 millions, in all 782 millions, while the proportion of coin to their circulation then held by the banks was only about three per cent.

One year ago it was urgently recommended "that all the national banks should take advantage of the present influx of gold to accumulate in their vaults an amount equal to the total cash reserve required by law," and the hope expressed "that the reports of another year might show them to be possessed of at least 100 millions in gold coin." On June 14 of the present year the banks reported 99 millions of specie, and on October 1 more than 109 millions of coin (including nearly six and one-half of silver), which more than equals one-third of the total circulation of the banks in operation. The amount of gold coin now held is but 25 millions less than the whole cash reserve required, and would undoubtedly have been still greater except for the high rates charged for the transportation of gold coin, which are greatly disproportioned to the cost of moving paper currency, and which, it is to be hoped, will by some means, be largely reduced.

Much newspaper criticism has appeared in the mean time, complaining of the comparatively small amount of legal-tender silver dollars held by the banks, and some of the banks have themselves encouraged this criticism. The arguments used in favor of the accumulation of silver under existing laws are unsound in principle and against all experience. No one prefers to put away for future use a product which will spoil by lapse of time, or which will deteriorate in value. The banks, if well managed, will transact business upon the same general principle as an individual of superior judgment would conduct his own affairs, holding in reserve that coin which is known to be of uniform value everywhere in preference to that which, by the operation of the laws of trade or business, will be likely to become of less value. The law compels the citizen and the corporation to receive all legal tender money in payment of debts; but it does not, and ought not to, require any one to receive on deposit that which will not as readily be received in turn by the depositor.

The Bank of France on January 1, 1877, as will be seen in a table published in my report, held 306 millions of dollars of gold and 127 millions of silver, or seventy-one per cent. of gold and twenty-nine per cent. of silver. On November 4, 1880, it held $113,855,000 of gold and $365,929,000 of silver, or twenty-four per cent. of the former and seventy-six per cent. of the latter, having lost in the interval 192 millions of gold and gained 239 millions of silver, and very nearly reversing the percentage of each. Since September 23 last, while its circulation was 475 million dollars, and its deposits 115 millions, it has lost $31,300,000 of gold. "During a part of this time it has endeavored to check the demand for export by various expedients, without raising the rate of discount. Gold was offered by the Bank in pieces of ten francs, in coins not of full weight, and other restrictive measures were adopted. Gradually the inutility of these expedients became obvious. The drain of gold still continued. The Bank then proceeded to employ the only efficacious method of protecting the reserve, and raised the rate of discount. At the same time it removed all restrictions on the issue of coin. This also had a good effect. * * * Confidence in fact was restored by following the ordinary rules of business." *

France is fast traveling the road open for all nations who try to maintain a double standard where the intrinsic value of gold and silver coin are widely at variance. Sooner or later the time will come when the creditors of the Bank will prefer payment in the dearer metal, and the

* London Economist, Nov. 6, 1879.

refusal to pay the kind of coin asked for by the creditor who has the option will bring down the cheaper coin to its value in the markets of the world. Then the bank must replenish its store by selling its bonds under disadvantageous circumstances or remain permanently upon the silver basis.

The United States is at the present time in a similar situation to the Bank of France, except that its liabilities are less and its store of gold somewhat greater. On September 30, 1877, the Treasury held 107 millions ($107,039,529) of gold and nearly seven and one-half millions of silver ($7,425,454), or ninety-three and one-half per cent. of the former and six and one-half per cent. of the latter. On November 1, 1880, it holds in all 140 millions of gold ($140,725,953), and 77 millions of silver ($77,757,316), or sixty-four per cent. of gold and thirty-six per cent. of silver. Everything is favorable at the present time, but the operation of laws now in force will continue to reduce the gold and increase the silver. Any future Secretary of the Treasury (you all know there is no danger while the present Secretary remains at the helm), by trying to force silver upon the holder of bonds matured, or in payment of legal-tender notes, thereby assuming that the silver dollar is not the equal of the gold dollar, and by taking the option away from the holder of the note, may any day bring the nation upon the silver standard, which will at once advance the price of all products and place gold at such a premium that an investment in it at par would be at least twice as profitable as in United States bonds. Such a situation is not satisfactory to any intelligent business man, and no effort should be spared to enlighten the people upon the silver question and to effect the repeal of the present law. The banks as a class have no prejudice against silver coin other than that occasioned by its inconvenience. If Congress shall, by wise legislation, forbid the issue of small notes, and restrict the silver issues within judicious limits, the standard silver dollar will do good service, and soon accumulate in bank vaults and find its way into general circulation. If not, it is wisdom on the part of bank officers, who act for the interest of their stockholders, to keep their reerves and all their ready means as nearly as possible in gold coin.

This brief outline of some of the transactions of the national banks covers the most important period of the financial history of the country, and shows the immense advantage experienced by this country from having, during the years following the great war, an excellent banking system. The system was established, not for the benefit of the stockholders of the banks, but for the benefit of all the people. Its ample basis of unimpaired capital, its large surplus, its large cash reserves, its secured circulation, its protection to depositors, and its general management for the past eleven years, must commend it to every student of political economy; and it is among the most gratifying of political signs that during the late exciting campaign, while both parties have claimed the credit of having brought about a return to specie payments, neither party has urged the abolishment of the system. The national banks have now entered upon a new career. The machinery is in excellent working order, and but little legislation is needed to perfect it into a homogeneous system which will be part and parcel of the nation.

But it does not follow because the banks are transacting business upon a true standard that they will be exempt from further losses. The hazards of business are certainly much less on that account, but the rapid and unprecedented increase of the circulating medium, such as has been experienced during the last two years, may result in great injury as well as benefit to the country. The good harvests, the large products of the mines, the influx of specie from abroad, the increasing demand for produce and manufactures, the prosperous condition of trade and of the industries of the country, are sure to be followed by periods of depression which will seriously affect, not only the value of the collaterals upon which large amounts of call loans are based, but also the payment of commercial paper. The amount of legal reserve required to be held by the banks was largely reduced by the act of June 20, 1874, and the percentage held in the larger cities has been greatly diminished during the past few years. The sudden and enormous increase of individual and bank deposits in the commercial centers should be accompanied not only by the reserve required by law, but by a much greater percentage of coin and a much smaller expansion of loans, if the banks would check unhealthy speculation, and keep themselves in condition for an adverse balance of trade and for the legitimate demands of the depositors and correspondents who confide in them.

CORRECTIONS FOR THE YEAR BOOK.

The List of Banks and Bankers to appear in the *Banker's Year Book* is being put in type from returns made several months ago, therefore recent changes in Officers, Capital, Correspondents, &c., should be sent in at once.

No corrections can be made after January 10.

In order to make the book more valuable for reference, we have concluded to add two additional columns—one for

Assist. Cashier (or other officer as indicated, such as V. P., Tr., &c.) and the second column for

Other Correspondent—i.e. in addition to the column headed *New York Correspondent.*

The information will therefore appear in ten (10) columns, thus:

1. Name of Bank.
2. Place.
3. County.
4. President.
5. Cashier.
6. Assistant Cashier. (or other officer.)
7. Capital, paid.
8. Surplus and Profits.
9. N. Y. Correspondent.
10. Other Correspondent.

Please forward mem. covering above, that the List may be correct up to January, 1881.

Observe the notice on another page referring to our plan of prefixing a Number to each Bank and Banker, other than National Banks, which use their organization numbers.

FINANCIAL NEEDS OF THE HOUR.

No administration and no Congress ever had a better opportunity to signalize their retirement by a wise and salutary act than the present ones. Reasons sufficient why a law should be passed providing for the gradual withdrawal and destruction of the greenbacks have been enunciated time and again. There is little to add to those reasons, but they will perhaps bear repeating in brief.

The greenbacks were the result of a war measure of extremely doubtful legality and financial wisdom. The act creating them a legal-tender was declared to be unconstitutional by Chief-Justice Chase, who was far more directly responsible for their issue than any other man.

The right to issue paper money is too dangerous a power to be vested in any government. Hardly any government that ever tried it finally escaped bankruptcy and repudiation. The experience of the United States in resuming specie payments is almost unique. That a government paper money is dangerous is proved by the difficulty in getting rid of the greenbacks even at a time of unexampled prosperity. They are a standing menace to the business interests of the country, as in times of depression there will always be agitation in favor of their increase, and the keeping of a specie reserve against them will be opposed. The United States Treasury is at present a huge bank of issue about equal in extent to all the national banks put together, and directed by a convention of politicians. The officers of the Treasury Department, who represent the officers of a bank, may be men of financial experience, but they are actually under the direction of Congress.

The greenbacks form a bad currency in so far as it is inelastic and does not contract or expand with the requirements of trade. They cannot be imported and exported like specie. Neither can they be retired like national bank notes, to be issued again when required.

The gain to the government from the saving of interest on the greenbacks is more trifling than is commonly supposed. It is likely that they could be funded into bonds at 3 per cent. If at present a reserve of 50 per cent. has to be kept, the total gain is 3 per cent. per annum on $173,000,000. If the greenbacks could be replaced by national bank notes, the government would have 1 per cent. (tax on circulation) on the total $346,000,000 to offset that gain. Besides this, it would save a portion of the nine million and odd dollars that are called for to run the Treasury Department next year.

RHODES' JOURNAL

ARBITRATED POINTS.

POINT I.—QUESTION AS TO "RETIRED STOCK."

STATEMENT.—A National Bank under the provisions of the statute (U. S. Rev. Stat., § 5143) reduces the amount of its capital stock. The stockholders pass a resolution that the amount of the reduction be returned to the stockholders, and that the latter be required to relinquish a pro rata amount of their shares to correspond to the reduction, upon payment of less than the amount of their interest in the capital thus set free. Would this resolution be legal and binding?

Now section 5143 of Revised Statutes provides that a National Banking Association may reduce its capital stock. The principal question, for the purposes of the above statement, is, whether a National Bank may, after reducing the amount of its capital stock, retain, as a surplus or for other purposes the whole or any portion of the money which it receives for the stock thus retired. Assume that the above bank reduced its capital stock from $500,000 to $300,000. What is to become of the $200,000 which was subscribed and paid for the stock that has been called in? Must it be paid to the stockholders who surrender the retiring stock, or may it be retained by the bank? A certificate of stock is merely the evidence of an interest in dividends, as they are declared, and of a right to a pro rata distribution of the effects of the corporation on hand at the expiration of the charter. If the bank, for instance, had determined to discontinue business and wind up its affairs, there is no doubt that the shareholders would be entitled to a distribution of whatever assets of the corporation might remain after its debts had been paid. If, instead of surrendering all of its corporate powers, a corporation, by reducing its capital stock, relinquishes a portion of them, it seems that the shareholders may properly claim a distribution of the money which the corporate body has no longer the right to use as capital. The abandonment by a corporation of all its corporate rights gives the stockholders a right to the distribution of all the net assets. Why should not an abandonment of a portion of those rights give the stockholders a right of distribution *pro tanto*? In the case here supposed, the $200,000 was paid in as capital, and if it be not required for the payment of debts, it has accomplished the end for which it was subscribed and it ought to be returned to the shareholders. The bank has gone out of existence as a corporation with a capital of $500,000. It commences a new life under a modified charter with a capital of $300,000. So far as the $200,000 of reduced stock is concerned, the corporation must be considered as having surrendered its charter and wound up its business. This being so, there is no doubt as to the duty it owes to the stockholders who own the retired stock.

Angell & Ames on Corporations, 8th ed., §560.
9 Howard, page 436.

POINT II.—RESTRICTIVE INDORSEMENT.

STATEMENT.—A draws a draft on the treasurer of a railway company, payable to his own order. He indorses it, "Pay to the order of B for the benefit of his son C." Would this indorsement import a consideration, or is it such a restrictive indorsement as would negative the presumption of a consideration?

As a general rule an indorsement of a negotiable bill which purports to pass the title of the bill to the indorsee imports a consideration, and the burden of proving want of consideration rests upon the party alleging it. The restrictive indorsements which are held to negative the presumption of consideration are such as indicate that they are not intended to pass the title, but merely to enable the indorsee to collect for the benefit of the indorser, as for instance, indorsements "for collection," or others showing that the indorser is entitled to the proceeds. These create merely an agency, and negative the presumption of the transfer of the bill to the indorsee for a valuable consideration.

But when the indorsement purports to pass the title to the bill therein from the indorser, and divest him of all beneficial interest, a consideration for such transfer is presumed. Chancellor Kent, says: "Every absolute indorsement of a bill of exchange imports a consideration from the indorsee to the indorser; but in order that this quality should attend the instrument it should be for the payment of money only, absolutely and at all events." Now the principle is that when the indorsement is a mere authority to receive money for the use or according to the directions of the indorser, it is evidence that the indorsee did not give a valuable consideration for it, and is not the absolute owner. This accords with the statement of the principle by Wilmot, J., in Eadie *vs.* E. India Co., 2 Burr, 1227. So an indorsement, "Pay to A B or order for our use" (Sigourney *vs.* Lloyd, 8 B and C, 622) was held to create a mere agency, and the addition even of the words "value received" to such an indorsement has been held not to vary its effect. (Wilson *vs.* Holmes, 5 Mass., 543). In Eadie *vs.* E. India Co. the examples of restrictive indorsement put by way of illustration are "pay to my steward and no other person," or "pay to my steward for my use." These show that there was no intention to pass the title to the bill; and the same effect has been given to the indorsement "pay to P only." It was held that these words indicated that the indorsee was agent only, and paid no consideration for the bill, as a purchaser would not have accepted such an indorsement. (Powers *vs.* Finnie, 4 Call [Vir.], 411). But an indorsement to one person for the use and benefit of another, affords no such indication. The indorser parts with his whole title to the bill and the presumption is that he does so for a consideration. The only effect of such an indorsement, by way of restriction, is to give notice of the rights of the beneficiary named in the indorsement, and protect him against a misappropriation. When a bill is indorsed, "pay to A or order for the use of B," A cannot pass the bill off for his own debt, but he can by indorsing it transfer the title, and will hold the proceeds for the benefit of B, and be accountable to him for them. In the case supposed in statement, the indorsement does not purport to restrain the indorsee from negotiating the draft, for it is pay *to the order* of B, for the benefit of the son C. B is thus constituted the trustee of C, and holds the legal title. The form of indorsement simply gives notice of the trust and does not negative the presumption of a consideration.

Truettel *vs.* Barandon, 8 Taunt, 100.
Blaine *vs.* Bouine, 11 Rh. I., 119.

POINT III.—CONTINUING GUARANTY VS. SPECIAL SECURITY.

STATEMENT.—Conceive the following note:

"$5,000. N. Y. City, Nov. 1, 1880.

"On demand for value received, we jointly and severally promise to pay to John Jones, cashier, or order, five thousand dollars, at the Fire Island Bank, Iona, N. Y.

"A B
"C D
"E F
"G H"

Now suppose that A B takes this note to the bank, leaves it as collateral security for loans, making and signing a memorandum like the following:

"The above note is left as collateral security for all liabilities incurred by A B, or the firm of A B and G H to the Fire Island Bank. "A B
(Signed) "A B and G H"

Would this be held a continuing guaranty or only as security for the single sum of $5,000.

This question is to be determined upon the memorandum alone. According to the terms used the note was left as security for "*all* liabilities incurred," which, under the construction already adopted, meant liabilities to be incurred. There can be no doubt that these words should be construed as creating a continuing guaranty. The word "all" seems hardly consistent with the idea that the parties contemplated the limited responsibility of special security for $5,000.

It is equivalent to the word "any," which in a variety of cases has been held to create a continuing guaranty. In the case of Marsh *vs.* Wells (2 Campb., 413), the guarantor agreed "to be bound for any debts" his brother might contract, not exceeding £100 "for goods necessary in his business as a jeweler;" and in Moran *vs.* Pritchard (2 Campb., 436), the defendant became responsible "for any goods" which the plaintiff might supply to him, the defendant's brother, "to the amount of £100." These were held to be continuing guarantees by force of the word "any." So in the case of Bartow *vs.* Bennett (3 Campb., 220), the guaranty was as follows: "I hereby undertake to engage to be answerable to the extent of £300 for *any* tallow or soap supplied by Mr. Bartow to Fance & Bennett, provided they shall neglect to pay in due time." In this case Lord Ellenborough said: "The defendant has become answerable for any soap or tallow supplied by the plaintiff to Fance and Bennett. Without the word "any," it might, perhaps, have been confined to one dealing to the amount of £300; but as it is actually worded, I am of opinion it remained in force while the parties continued to deal on the footing established when it was given." The decision in Mayer *vs.* Ivan (6 Mees. & Wels., 605), where the same word was used is to the same effect. In these cases the courts followed the plain and natural import of the terms of the guaranty, and the case, above stated, cannot be distinguished from them. We conclude, therefore, that the words "all liability" in the contract of hypothecation import a continuing guaranty, and not a security for a single sum or a security exhausted when the loan equals the amount of the note. *Vide* cases above cited.

POINT IV.—QUESTION AS TO FOREIGN BANK NOTES.

STATEMENT.—A private banker under the general N. Y. Banking Act of 1838, receives from an incorporated bank two sums in Canadian bank bills, one at a discount of one-quarter of one per cent., and one three days after, at a discount exceeding that rate by a very minute fraction. In both instances the bills are received for the purpose of sending them to Canada for redemption, a fact known to the bank. At the time of each transaction, the banker gives a check on himself for the price of the bills, and the checks soon after they are given, are exchanged for drafts drawn by the banker on Drexel, Morgan & Co., of New York City. Could the banker resist the payment of the drafts on the ground that their consideration was a sale by the bank to him of circulating notes of Canadian banks at a greater discount than that authorized by the statute in relation to foreign bank notes?

The statute concerning "foreign bank notes," bears date 13th April, 1853. A minute statement of its provisions is not necessary for the purpose of determining the present question. In effect, it prohibits banks and bankers from receiving foreign bank notes at a rate of discount exceeding one-quarter of one per cent., and from uttering them for circulation as money within this State. Private persons, not bankers, are also forbidden to utter them for circulation, provided they receive them at a greater rate of discount than a quarter of one per cent. What the act *does not* contain is quite as material to be stated. There is no prohibition upon banks and bankers against receiving such notes at par, or at a quarter per cent. less than par, nor upon banks, bankers, or strictly private persons from selling or uttering them for any purpose, except circulation as money, within this State. For aught that appears in this case, the bank had received the notes in question at par. There is certainly no intimation that it received them at a prohibited rate of discount, or that it delivered them to the banker for the purpose of circulation, or in any manner aiding their circulation. In respect to the amount first received, therefore, there would plainly be no violation of the statute on the part of any one. In respect to the other sum, the banker takes the bills at a prohibited discount, unless, indeed, by the true construction of a particular clause in the first section of the statute, they could be lawfully delivered and received at any discount agreed on by the parties, provided the bank had originally taken them at par. We do not insist upon that construction, although there is no small difficulty in holding otherwise, upon the language used. Conceding that the statute would be violated, the natural questions are, who would be in fact, and in judgment of law, the guilty party, and what would be the consequences upon the rights of the bank?

Now, when a bank becomes, as is supposed in our statement, the lawful holder of foreign bank notes, it holds them with the same rights which would, in the like case, belong to any citizen of the State. It may use them in any way not prohibited by law. It may send them home for redemption, and it may sell and deliver them for any purpose except circulation or money within this State. It may also, if a private person can, sell them at any rate of discount to an individual, not a banker; and it may sell them thus to a bank or banker, unless a prohibition against receiving such notes at more than a quarter of one per cent. discount, must in all cases be deemed to include also the bank or the private person selling and delivering them. We are brought to inquire, therefore, whether a private citizen, lawfully holding a foreign bank note, and paying or delivering it to a bank or banker within this State, not intending it to go into circulation, but with the expectation and understanding that it is to be sent to the maker for redemption, is to be deemed an offender against this statute, on the ground that the receiving bank exacts of him a greater discount than it is allowed to take. This, we say, is the question, because the bank held the notes which it delivered to the banker under no prohibition or disqualification which is not equally applicable to any citizen. Suppose, then, that a private citizen, lawfully holding $1,000 of foreign bank bills, deposits them in the bank where his account is kept, and has a credit for the amount, less one-half of one per cent., and that the bank, pursuant to a practice known to its customer, sends them to the maker for redemption. The receiving bank, we assume, violates the statute because it exacts a greater discount than it is allowed to take. But is the customer also guilty? The answer is plain. The statute declares it to be unlawful for a bank or banker to *receive* foreign bank notes at greater rates, etc., and it prescribes a penalty of $1,000 for each offence. (Stat. of 1853, Ch. 223, § 4; Stat. of 1839, Chap. 355, § 4.) The language in which the offence is defined, and the penalty declared, does not include the customer making the deposit or delivering the notes. The bank in our statement had a right to sell, and the banker to buy the Canada notes. The banker in exacting too high a rate of discount was a public offender. Now the drafts in the statement are given for the price of the notes. They are lawful in form and in substance. The banker assumed the obligation to pay them. They must be regarded as supported by the consideration of the foreign bank notes which they purchased. The banker could not resist their payment on the ground set forth in the query propounded in our statement.

Tracey *vs.* Talmage, 14, N. Y., 162.
Curtis *vs.* Leavitt, 12 N. Y. Rep., 9.

POINT V—STATUTE OF LIMITATIONS.

STATEMENT.—The indebtedness of a banker, being an ordinary indebtedness at Common Law, the Statute of Limitations will run against it, as against any other simple debt. Now, then, from what time will the statute commence to run? What conclusion is derivable from the conflicting decisions of the courts?

The Courts of Massachusetts have held that the statute would begin to run from the date of the last balancing of accounts, as this date appears in the depositor's bank book, provided that the parties had no subsequent transactions. This conclusion is a strict corollary to to the rule that the liability of the bank to the depositor is simply debt. There is room, however, for argument as to the reasonableness or legality of such a conclusion. Looking at the matter in a practical light, the longer the bank retains the money undisturbed, the better it is for the bank. Suppose now, that it retains them for eight, ten, or twelve years in undisturbed possession. This is an unwonted space, but not impossible—manifestly the bank in such a case reaps extraordinary gains from the funds of its customer. Now this would hardly seem a just cause for allowing it to add the still more enormous gain of an appropriation of the whole sum. So long as the business of the institution or firm is conducted properly, the balance of the depositor will remain for any period an open and live credit, on the books of the bank or banking house. It follows therefore, that a depositor's draft for his balance, while it might operate very injuriously among private individuals, under ordinary circumstances, could not well be an injurious surprise to that bank or banking house. So much for the reasonableness of the matter. The law is equally plain and conclusive. The Massachusetts rule can stand only when based on the assumption that the contract between depositor and bank is an unqualified debt. But such an assumption is greatly erroneous. That contract is one specially modified by a positive legal understanding that whenever the order of the creditor is properly presented for payment, the money shall immediately be forthcoming to meet it. This formal demand for payment is, therefore, an essential part of the contract of indebtedness. The bank agrees to pay on demand and only on demand. This understanding is as distinct as if it were expressed under the hands and seals of the contracting parties. Therefore, until a demand has been properly made and refused, or until by some potential act of the bank or of the depositor, this demand has been rendered unnecessary, the statute of limitations ought not to begin to run. The decisions in New York, Pennsylvania and Maryland sustain this position. It seems to be sound and conclusive of the present question. The depositor's right of action does not come into existence until he has demanded payment. *E converso* he does not lose his right to sue till payment has been refused. Until the refusal he may properly suppose that the contract originally entered into by him with the bank remains binding and in force.

Downes *vs.* Phœnix Bank, 6 Hill, 297.
Girard Bank *vs.* Bank of Penn Township, 39 Penn st, 92.

POINT VI.-QUESTION AS TO COLLATERAL.

STATEMENT.—A applied for a loan on his promissory note secured by National Bank stock. It was granted on the supposition that the stock stood in his name. When, however, he brought it in and asked for his loan, it appeared that the stock stood in the name of "B, trustee" (B being his wife). On the back of the stock certificate was the usual form for a transfer, which was executed in blank by "B, trustee." A held that the stock was good to bearer. and would, on presentation at the Registry office, be transferred to bearer, and was, therefore, good collateral for his (A's) note. The lender held that it was not good collateral, since the only record of the registry would be a direct transfer from "B, trustee," to the lender, and the lender's only explanation of such transfer would be A's pledge, and that, therefore, to make it good collateral, the lender must have the permission for the pledge both from "B, trustee," and from the one or other for whom B acted as trustee. Which is right?

A is right. All the lender wants is security convertible immediately after A's failure to repay the loan. The lender can take the stock certificate to the registry and require the issuance to him of a new certificate, merely showing his possession of the pledged certificate in proof of his ownership. A United States bond payable to "B, guardian," is transferable by delivery when executed in blank by "B, guardian." The Treasury office would never think of requiring the bearer of the bond to show how he gave consideration for it. It may have passed from B, guardian, through a hundred hands or more. By analogy, the officers of the bank issuing the stock would never think of questioning the bearer of the certificate as to how he came by it, except there were circumstances connected with its presentation which suggested fraudulent possession. May it not be that A's possession of the stock issued to "B, trustee," is by virtue of fifty intermediate transfers by delivery? The mere fact that B is A's wife, militates in no respect against this possibility, Then again what does the lender need of a "record of the registry, or of an explanation of the transfer," beyond that which is derivable from a mere inspection of the stock certificate and of its manual possession by A? There is no going behind the returns in this instance. The lender can pay the indebtedness to itself by merely presenting the certificate to the issuing bank at the stock registry. There is no case in point. The analogy of the U. S. Bond payable to "B, guardian," would probably control in case of litigation.

POINT VII.—CAN LIEN BE CREATED BY BY-LAW?

STATEMENT.—No lien exists at Common Law upon the shares of a shareholder who is indebted to the bank. But it may be established by legislative enactment, by charter provisions, by embodiment in the articles of association, or by virtue of a usage. In case a particular bank seeks to establish it by a *by-law*, would this method be sufficient?

It has been held that the subject is not one which it is competent for the corporation to control by a by-law. A more formal treatment is required by the importance of the subject. The associates have the power to include it in their articles of association, but it is not to be assumed that what they can thus dispose of they can by the same articles determine to dispose of in by-laws or through the action of the directorial board. The same rule, which was first laid down concerning corporations established under the N. Y. State law, has since in the same State been extended to corporations organized under the National Banking act of 1864. But a contrary doctrine has been asserted by the Supreme Court of the United States and in divers of the State Courts concerning the national banks. An attempt to make a transfer in derogation of a valid lien of this nature is of no effect as against the bank. The lien is not impaired, and the transfer can be good only as between the parties until such time as the debt is discharged.

Leggett *vs.* Sing Sing Bank, 29 N. Y., 283.
Arnold *vs.* Suffolk Bank, 27 Barb., 424.

REPLIES TO QUESTIONS ADDRESSED TO THE EDITOR.

LEAVENWORTH, KAN., Oct. 2, 1880.

EDITOR RHODES' JOURNAL:

I saw a check recently which purported to be payable "to the order of 1879," the words not signifying any existing person or corporation. How would such a check be regarded at law? JOHN H. HURLBURT.

Ans: In all such cases the check is regarded as if it had been made payable simply to bearer, and it would be governed by those rules of law which regulate a check actually so made. So says Morse in his Treatise on Banking. The law is well settled that a check when made payable to the order of a fictitious person is payable to bearer. The required order could not possibly be given in such a case, and the checks, unless transferable by delivery, would be payable to no one, and would be void upon their face. This principle was established by a decision in the House of Lords on appeal from King's Bench in Minot *vs.* Gibson, 3 Term R., 281. The courts of New York State have enunciated the same doctrine.

Willets *vs.* Phœnix Bank, Duer., 121.
Mechanics Bank *vs.* Stratton, 3 Keyes, 365.

BOSTON, Mass., Oct. 4, 1880.

EDITOR RHODES' JOURNAL:

I have seen the statement made in a banking law review as regards the omission of the date of a check, "The receiver may supply the date, but it is wholly unnecessary, as it is just as negotiable or payable without it." Now Morse, in defining the requisites of a check, says: "It must be dated, for a check is not payable until dated." Here is a clash. Will you explain or can you reconcile? DISCREPANCY.

Ans: We are well aware that Morse says "it would seem that if a check is not dated at all, and contains no statement of a date when it is to be paid, it is never payable." Nevertheless, we are quite confident that however it may seem to Mr. Morse, there is no authority in law for such a proposition. Daniel, in his great treatise on Negotiable Instruments, vol. 2, p. 508, makes the above quotation from Morse and disputes it. He says: "There is no adjudication to this effect, and while it may be that a bank would be warranted in refusing to pay an undated check (and this is doubtful), it would not be unreasonable for it to assume a contemporaneous date and to pay the check accordingly." It is true that there has been no adjudication of this exact question, but the case of De La Courtier *vs.* Bellamy, 2 Shower R., 422, where no date was set forth in the declaration of a bill, and in which the Court held that it was immaterial, and that the judges would assume the date on which the declaration stated that the bill was drawn as the true date of the bill, goes to show that a date is unnecessary to the validity or negotiability of such a document unless it is expressly payable at a given time from date.

Bell, Com., Chitty, Bayley and all, agree that an inland bill is good without date. Story says "there should be a date, but it is not indispensable," and "if it be necessary to compute interest, let the date be ascertained by evidence." The holder of an undated check may supply the date, or the bank may pay it without the date, having a right to assume that the date is past or present, either of which would make the payment proper and lawful.

NORWICH, CONN., Nov. 13, 1880.

EDITOR RHODES' JOURNAL:

When the payment of a certified check is not demanded until say three months after certification, and in the interval the maker has withdrawn, for other checks, all his funds from the bank, can the holders for value of those checks, recover the sum advanced by them on the checks? Or is *laches in making demand* a defense to payment which can be set up by the bank?

BANK CLERK.

Ans. The answer depends on the construction to be given to the act of the proper officer of a bank in certifying the check. The sole and manifest object of the maker or holder of a check, in requiring it to be certified, is to enable him to use it as money; that is to pay it to others with the same certainty of its acceptance, and affording the same security to a holder; and the bank, in complying with the request, must know that such is his object. It is, therefore, certain that a bank, by certifying a check, means to give it a currency and value that could not otherwise belong to it; and this additional value, it seems to us, can only be given by interpreting the certificate as an unconditional promise of payment, whenever payment shall be demanded; otherwise a certified check would be of no more use or value than an ordinary check, and would afford no geater security to the holder. The certificate is a useless form, unless it means, not merely that the check was good when certified, but that it will be good when presented for payment. The obligation of the bank is simple and unconditional to pay upon demand, and in all such cases the demand may be made whenever it suits the convenience of the party entitled to the stipulated payment. When this demand is delayed, the holder of the check is under no risk of a withdrawal of the funds of the maker. For, if the business of the bank is properly conducted, the bank officer at the time of certifying the check causes it to be immediately charged as paid in the account of the drawer, and when this is done, the sum thus charged will remain as a deposit in the bank to the credit of the check, and be forever withdrawn from the control of the maker, except as holder of the check. Such a deposit stands on exactly the same ground as any other. The bank is benefited by the delay of the check-holder in demanding payment; and can with no more propriety impute *laches* to the unknown check-holder, than to a known check-holder of an ordinary deposit.

BANKING AND FINANCIAL NEWS.

A Good Move.—In the House of Representatives December 10th, Mr. Kelley, of Pennsylvania, introduced a bill repealing the tax on bank checks, medicines, friction matches, bank capital and bank deposits.

The bill was referred to the proper committee, where we hope it will not be permitted to slumber very long. It should be acted on promptly and favorably this session. Every bank officer and banker in the country should make it his business to either see or write to his member of Congress at once on this matter of bank taxation.

We have not read the full text of Mr. Kelley's bill, but hope it is broad enough and plain enough to cover the ground, without containing any loop-hole which the tax-gatherer can possibly crawl through, or ambiguous sentences requiring a board of Supreme Court lawyers to find out what they mean.

We care little about that part of Mr. Kelley's bill which refers to friction matches and patent medicines, but it is of vital importance to see that its banking provisions are correct, and then pushed to a successful issue by those whose business it is to promote the banking interests of the country.

The Stock Exchange Building.—The new facade of the New York Stock Exchange on Broad street has been partly erected, up to the first story. The foundation is granite and the upright front of fine white marble, very elaborately finished and decorated. The carved festoons of flowers and heads ornamenting the doors and windows are in a good style of decorative art, and the building promises to be a very grand and imposing structure.

As soon as it is completed, a finely-executed illustration of the Exchange will appear in the JOURNAL in connection with a descriptive article on the rise, progress, business and other interesting features of this great financial institution.

The Comptroller Honored.—Hon. John Jay Knox, Comptroller of the Currency, was a guest of the Boston Merchants' Association at their monthly dinner on Saturday, the 27th ult., and delivered an able address upon the national banking system, which will be found in this issue of the JOURNAL.

As elsewhere announced, the main points of the Comptroller's recent report will be published in our next number, with editorial comments thereon.

Sensible Depositors.—The depositors of the Hartford (Conn.) Dime Savings Bank have signed a contract to permit nearly $200,000 to remain on interest in the bank, in order that it may resume. It is believed that after eighteen months there will be money enough to pay all depositors in full.

This is a much more sensible proceeding than depleting the bank of ready money, and then handing it over to be legally plundered by a receiver, as that is what it amounts to, taking the average New York Receiver as a sample.

The Wealth of Immigration.—According to the estimates of the London "Economist" the immigrants to this country during the current year have brought with them $35,000,000 in specie, while the average value to the United States of each person in adding to the productive resources of the country is $940, so that the numbers landing this year constitute an "actual or potential addition to the wealth of the country of $100,000,000."

The Treasury Ahead.—Referring to the President's advisers, a Washington correspondent writes: "I was struck by the remark of a public man the other day as to the charge of late years in the relative importance of different Cabinet positions. He said: 'The State Department is no longer the first, except in tradition. The Treasury overtops it in importance, the Interior Department has grown into great proportions, and a good Postmaster-General can contribute quite as much to the success of an administration as a good Secretary of State. Now that we have no great foreign issues on hand or in view, there is no field for large achievements in the State Department, and the highest qualification for a successful Secretary has almost come to be the possession of those qualities which will fit him to shine as the social representative of the government.'"

Bank Taxation—A Point Gained.—An important decision has recently been rendered by Judge Wallace, in the Circuit Court of the United States for the Northern District of New York, in a suit brought by the National Exchange Bank of Albany against the Receiver of Taxes of Albany, to restrain the collection of taxes imposed upon the shares of the bank for the year 1879. The court decided in favor of the bank.

The Court of Appeals of this State construed the act of 1866 (State Law) to the effect that while debts could be deducted (in making tax returns) from the valuation of general personal property, yet debts could not be deducted from personal property where it consisted of shares in national banks. The United States Circuit Court in the Albany bank case took the ground that in the construction of a law of the State of New York they would not go behind the interpretation of that law by the highest court of this State; and accepting this interpretation they decided that the State law of 1866 was invalid and unconstitutional, inasmuch as it discriminated against national bank shares.

In view of this decision Judge Wallace of the United States Circuit Court has enjoined the assessors in the Albany bank case from the assessment or collection of the tax under the law of 1866. The New York city banks, through the National Bank of Commerce, are moving to have a like injunction put upon the assessors for this county. This decision relieves New York national bank capital from only about one-third of the heavy load with which this class of property is overweighted. But even this relief must be welcome to the banks, and, what is more important, to the great body of borrowers who depend upon the banks and who in the last resort pay the taxes on bank capital.

The amount of taxes imposed upon bank shares in New York city is more than $1,500,000.

Obligations of the Government for Lost Securities.—Judge Lawrence, First Comptroller of the Treasury has rendered a decision (Dec. 10) touching the finding of a government coupon bond, in which he holds as follows:

First—That coupon bonds, being payable to bearer, the title thereto passes by delivery. Possession, even fraudulently obtained, is *prima facie* evidence of ownership, and all persons not chargeable with knowledge of the fraud may safely purchase from the holder.

Second—If the holder of such bond present it to the Treasury Department for payment, or for the issue of a new bond, and give notice of any defect in his title, payment to such holder will not relieve the government from the duty again to pay the rightful owner.

Third—When registered bonds are presented for transfer to an endorsee, the government is bound at its peril to ascertain the genuineness of the assignment, and in case of transfers by operation of law, as in case of administration, bequest, &c., the government is bound to ascertain the persons who, by legal right, are entitled to be inscribed as payees.

Fourth—Payment to a person who is not the owner of a registered bond, even though procured by false personation and with the possession of the bond, will not relieve the government from liability to pay the rightful claimant, who has in no way participated in the fraud.

Fifth—Payment or transfer of registry of a registered bond on a forged endorsement will not deprive the *bona fide* owner of the bond of his rights therein.

Sixth—On general principles of the common and civil law, the finder of a government bond acquires no title therein.

Seventh—When the holder of a government bond presents it to the Treasury for payment, with evidence showing that he is not the owner or entitled to payment, he has no right to a return of the bond to his custody. It is the duty of the government to hold it to protect the rights of the proper owner until he demands it.

The Quaker City's Debt.—The debt of Philadelphia has increased from $48,794,864 in 1870, to about $73,000,000 at the present time.

The Holders of U. S. Bonds.—Special-Agent Robert P. Porter, of the census office, has completed the investigation of the ownership and distribution of the 4 and 4½ per cent. registered bonds. The investigation was begun last Summer, and the figures presented show the distribution of these bonds in July, 1880. The following tabular statement shows the general distribution of $698,381,750 of registered 4 and 4½ per cent. bonds:

Total 4 per cent. registered bonds	$528,100,950
Individuals	271,435,900
National Banks	136,526,700
State Banks and Trust Companies	113,306,900
Foreign holders	6,831,450
Total 4½ per cent. registered bonds	170,280,800
Individuals	72,010,900
State Banks and Trust Companies	53,620,400
National Banks	39,461,900
Foreign holders	5,187,550
Total 4 and 4½ per cent. registered bonds	698,381,750

The following table shows in detail the distribution of the $166,927,300 of the bonds mentioned in the above table, as held by State banks and trust institutions:

	4 per cent.	4½ per cent.	Total.
State Banks	$5,270,300	$2,115,000	$7,385,800
Savings Banks	65,871,550	27,025,356	92,896,900
Private Banks	9,153,100	1,199,150	10,352,250
Insurance Companies	28,495,350	17,199.700	45,695,050
Trust Companies	3,916,500	6,040,700	9,957,200
Express Companies	600,000	40,000	640,100
Total	$113,306,900	$53,620,400	$166,927,300

Mr. Porter's report also presents tables showing the distribution of 4 and 4½ per cent. bonds in the different States, and the amount of each class of bonds held in the large cities of the country. Another subdivision shows the amount held by men and women. The results of the analysis of the individual ownership of the 4 and 4½ per cent. bonds may be summarized as follows:

States.	Men.	Women.	Totals.
Eastern States	$43,194,050	$18,313,250	$61,507,300
Middle States	178,861,400	42,373,400	221,234,800
Western States	39,438,200	9,419,850	48,838,050
Southern States	9,280,300	2,566,350	11,846,650
Total	$270,573,950	$72,662,850	$343,445,800

From these tables it will be seen that the Eastern States own 17 9-10 per cent. of the bonds; the Middle States, 64 4-10 per cent.; the Western States, 14 2-10 per cent., and the Southern States, 3 5-10 per cent. In the Eastern States 70 per cent. of the bonds are swned by the men, and 30 per cent. by the women. In the Middle States, 81 per cent. are owned by the men and 19 per cent. by the women. In the Western States 81 per cent. are owned by the men, and 19 per cent. by the women. In the Southern States 78 per cent. are owned by men and 22 per cent. by women.

Bank Clerks' Association.—The Bank Clerks' Mutual Benefit Association of this city have elected the following officers: President, Edward D. Butler, with Leather Manufacturers' National Bank; Vice-President, L. H. Donaldson, with Bank of America; Recording Secretary, R. L. Purdy, with Bank for Savings; Financial Secretary, T. W. S. Middleton, with American Exchange National Bank; Treasurer, Richard W. Swan, with Metropolitan National Bank; Directors, Walter Coggeshall, with Bowery Savings Bank, and H. J. F. Campbell, with Central National Bank; Inspectors of Election, Jacques D. Hageman, with Bank for Savings; George M. Halsey, with Seamens' Savings Bank; W. H. Connell, with Metropolitan National Bank; Charles H. Fancher, with Irving National Bank, and Henry Sayler, with Citizens' Savings Bank.

The Association is doing a grand work, and merits the substantial co-operation of banking corporations, bank officers and others. Where not already in operation, it would be well if bank clerks would organize Associations similar to the one in this city.

Time-Locks on Banks.—An important patent suit was recently argued at Hartford, before Judge Shipman, of the United States District Court, being a suit of the Yale Lock Company of Stamford, and Sargent & Greenleaf, of Rochester, N. Y., under their joint patents for time-locks, against the New Haven Savings Bank and Norwich National Bank using the Holmes' time-locks of New York.

These are test cases, and many banks using time-locks other than those licensed by the plaintiff are interested in the result, which will be published in the JOURNAL as soon as a decision is reached.

"The Way of the Transgressor," &c.—Silas M. Waite, the defaulting president of the Brattleboro (Vt.) Bank, has lost thirty pounds since he has been in jail. It is now thought that he will never be tried. His health continues very poor. The best surgeons have examined him and pronounce his lungs seriously affected.

A Charge Disproved.—The case of the United States against W. W. Winton, charged with embezzling moneys of the Second National Bank of Scranton, Pa., of which he was President, was heard recently before United States Commissioner Gustav Hahn, at Wilkesbarre, and resulted in the defendant's complete vindication.

BANK NUMBERS.

Special attention is directed to the announcement on page 815 regarding bank numbers. The plan receives hearty commendation from prominent bankers who have examined it.

Another feature of the "Banker's Year Book" deserves attention: Many banks and bankers do not care to advertise their general business, but wish to increase their COLLECTIONS. This can be done effectively and at a cost of only $3 a year, by an extra line under the bank title or firm name, thus:

Collections receive special attention—prompt remittances;

or any notification of like character.

Advertisers have the use of one extra line in the Bank List without charge.

We confidently recommend the use of the "Year Book" as an advertising medium to increase banking business, as it will have a larger circulation among banks and bankers generally, than any other list book. Copy must be received befor January 10.

The National Bank Note Circulation.

Statement of the Comptroller of the Currency, showing by States the amount of National Bank circulation issued, the amount of Legal-Tender Notes deposited in the United States Treasury to retire National Bank circulation, from June 20, 1874, to Dec. 1, 1880, and amount remaining on deposit at latter date.

STATES AND TERRITORIES.	*Addition'l circulat'n iss'd since J'ne 20, '74*	Legal-Tender Notes Deposited to Retire Nat'l B'k Circulat'n since June 20, '74. *For redempt'n of notes of liquidating banks.*	*To retire circulat'n und'r Act J'ne 20, '74*	*Total Deposits.*	*Leg'l t'd's on deposit with U. S. Treasurer at date.*
Maine	$1,461,180	$317,000	$690,000	$1,007,000	$280,092
New Hampshire	634,665	72,997	55,800	128,797	31,370
Vermont	1,799,660	274,597	1,148,240	1,422,837	266,706
Massachusetts	20,945,780	234,800	8,352,300	8,587,100	1,727,715
Rhode Island	1,810,320	32,350	954,985	987,335	181,609
Connecticut	2,500,610	65,350	2,293,830	2,359,180	796,551
New York	21,008,885	2,308,878	25,659,181	27,968,059	6,705,852
New Jersey	1,713,165	298,303	1,505,637	1,803,940	287,368
Pennsylvania	11,100,540	1,294,226	7,385,121	8,679,347	1,904,961
Delaware	232,275	......	......	......	......
Maryland	1,302,310	166,600	1,646,380	1,812,980	29,657
District of Columbia	453,500	422,664	458,060	880,724	44,004
Virginia	845,500	915,369	907,510	1,822,879	230,581
West Virginia	226,810	731,060	355,185	1,086,245	160,604
North Carolina	1,255,060	128,200	1,012,585	1,140,785	138,450
South Carolina	117,700	......	953,380	953,380	19,691
Georgia	520,350	287,725	437,675	725,400	75,357
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	139,500	229,500	86,425
Mississippi	......	......	......	......	291
Louisiana	1,285,610	650,750	2,099,250	2,750,000	109,718
Texas	368,100	29,800	229,340	259,140	17,720
Arkansas	171,000	......	171,000	171,000	24,860
Kentucky	3,841,830	629,867	1,504,933	2,134,800	852,751
Tennessee	647,170	370,401	533,859	904,260	161,619
Missouri	767,260	998,510	3,742,390	4,740,900	698,174
Ohio	3,268,460	1,587,057	3,074,584	4,661,641	849,879
Indiana	3,239,880	1,235,897	6,388,483	7,624,380	1,943,192
Illinois	2,564,715	1,769,434	6,774,646	8,544,080	1,125,631
Michigan	2,142,910	465,300	2,719,975	3,185,275	976,075
Wisconsin	794,030	653,860	1,058,439	1,712,299	433,841
Iowa	1,533,400	813,669	1,615,155	2,428,824	422,885
Minnesota	1,017,800	420,095	1,748,445	2,168,540	627,985
Kansas	147,600	781,721	190,550	972,271	213,2.6
Nebraska	67,500	45,000	233,080	278,080	41,040
Nevada	83,000	......	......	......	1,878
Colorado	572,400	138,083	149,400	287,483	18,242
Utah	134,900	161,191	196,800	357,991	16,443
Montana	129,600	91,800	45,000	136,800	85,663
Wyoming	3,600	......	......	......	......
Washington	135,000	......	......	......	......
Dakota	175,500	......	......	......	......
New Mexico	90,000	......	......	......	......
California	777,600	......	......	......	......
Totals	$92,160,775	$18,482,554	$86,430,698	$104,913,252	$21,088,106
Legal tenders deposited prior to June 20, 1874, and remaining at that date				3,813,675	
Total				$108,726,927	

JOHN JAY KNOX,
Comptroller of the Currency.

The National Debt Statement, December 1, 1880.

AND FOR COMPARISON, THE NOVEMBER STATEMENT.

[Compiled from the official statements—cents omitted.]

	November 1, 1880.	December 1, 1880
INTEREST-BEARING DEBT.		
Bonds at 6 per cent	$217,699,550	$213,521,550
" 5 "	469,651,059	469,651,059
" 4½ "	250,000,000	250,000,000
" 4 "	738,368,600	738,404,450
Refunding certificates	979,200	943,350
Navy pension fund	14,000,000	14,000,000
Principal	$1,690,698,400	$1,686,520,400
Interest	11,704,948	18,104,358
DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.		
Principal	$5,615,665	$5,518,085
Interest	754,662	749,376
DEBT BEARING NO INTEREST.		
Old demand and legal-tender notes	$346,741,841	$346,741,796
Certificates of deposit	8,765,000	8,525,000
Fractional currency	7,181,861	7,163,207
Gold and silver certificates	34,568,460	42,477,780
Principal	$397,257,162	$404,907,783
Unclaimed Pacific Railroad interest	8,077	7,927
TOTAL DEBT.		
Principal	$2,093,571,228	$2,096,946,268
Interest	18,464,687	18,861,662
Total	$2,112,035,915	$2,115,807,930
Total cash in the Treasury	203,545,487	210,926,763
Debt, less cash in the Treasury	$1,908,490,427	$1,904,881,166
Decrease of debt during month	7,103,755	8,609,261
Decrease of debt since June 30, 1880	33,681,867	37,291,128
CURRENT LIABILITIES.		
Interest due and unpaid	$3,000,826	$2,892,955
Debt on which interest has ceased	5,615,665	5,518,085
Interest thereon	764,356	749,356
Gold and silver certificates	36,568,460	42,477,780
U. S. notes held for red'n of certificates of deposit.	8,765,000	8,525,000
Cash balance available	150,843,873	150,763,567
Total	$203,545,487	$210,926,763
AVAILABLE ASSETS.		
Cash in the Treasury	$203,545,487	$210,926,763

BONDS ISSUED TO THE PACIFIC RAILROAD COMPANIES, INTEREST PAYABLE IN LAWFUL MONEY.

Principal outstanding	$64,623,512	....	$64,623,512
Interest accrued and not yet paid	1,292,470	....	1,615,587
Interest paid by United States	47,589,861	....	47,589,861
INTEREST REPAID BY COMPANIES.			
By transportation service	$13,838,863	....	$13,879,365
By cash payments, 5 per cent. earnings	655,199	....	655,198
Balance of interest paid by the United States	$33,095,800	....	$33 055,296

Treasury Payments during November.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$5,152,298
On account of war	4,024,597
On account of navy	1,677,474
On account of interior (Indians)	679,713
On account of interior (Pensions)	4,275,145
Total	$15,809,229

The above does not include payments made on account of the interest or principal of the public debt of the United States.

National Bank Statistics.

STATEMENT of the Comptroller of the Currency on December 1, 1880, showing the amounts of National Bank Notes and of Legal Tender Notes outstanding at the dates of the passage of the Acts of June 20, 1874, January 14, 1875, and May 31, 1878, together with the amounts outstanding at date, and the increase or decrease.

NATIONAL BANK NOTES.

Amount outstanding June 20, 1874	$349,894,182
Amount outstanding January 14, 1875	351,861,450
Amount outstanding May 31, 1878	322,555,965
Amount outstanding at date*	342,564,676
ncrease during the last month	46,514
Increase since Dec. 1, 1879	3,946,018

LEGAL TENDER NOTES.

Amount outstanding June 20, 1874	$382,000,000
Amount outstanding January 14, 1875	382,000,000
Amount retired under Act of January 14, 1875, to May 31, 1878	35,318,984
Amount outstanding on and since May 31, 1878	346,681,016
Amount on deposit with the Treasurer U. S. to redeem notes of insolvent and liquidating banks, and banks retiring circulation under Act of June 20, 1874	21,038,106
Increase in deposit during the last month	478,094
Increase in deposit since December 1, 1879	7,916,327

*Circulation of National Gold Banks not included in the above.....$1,141,965

JOHN JAY KNOX,
Comptroller of the Currency.

Bank Changes, New Banks, Etc.

New National Banks.—The Comptroller of the Currency furnishes the following statement of National Banks organized since our last report:

2497—Merchants' National Bank of Lima, Ohio. Authorized capital $50,000. Paid-in capital, $30,000. Robert Mehaffy, President; Oliver B. Selfridge, Cashier.

2498—National Bank of Cambridge, Maryland. Authorized capital, $50,000. Paid-in capital, $30,000. William H. Barton, President; no Cashier.

ALABAMA.—*New:* Bank of Gadsden (Glenn, Brockway & Co.), Gadsden.

CALIFORNIA.—San Jose Savings Bank, San Jose; reported suspended.

DAKOTA.—*New:* Easton & McKinney, Sioux Falls.

Codington County Bank, Watertown; capital, $25,000. Homer D. Walrath, President; Samuel B. Sheldon, Cashier.

ILLINOIS.—*New:* Barker & Ralston, Wenona.

Change in Officers: Union Stock Yard National Bank, Chicago; no President in place of E. S. Stickney.

Second National Bank, Galesburg; James H. Losey, acting Cashier, in place of W. W. Washburn.

Change of Title: Bunker Hill Bank, Bunker Hill; succeeded by J. V. Hopper.

INDIANA.—*New:* Stock Yards Bank (A. N. Clark & Co.), Indianapolis.

Change in Officers: First National Bank, Elkhart; J. R. Beardsley, President, in place of B. L. Davenport.

City National Bank, Goshen; J. H. Defrees, Cashier, in place of I. W. Nash.

Citizens' National Bank, Indianapolis; no Cashier in place of G. W. Johnston, Act. Cashier.

Lake City Bank, Warsaw; Albion Beck, Cashier, in place of J. H. Lewis.

IOWA.—*New:* Bonaparte Bank, Bonaparte.

Emmet County Bank (C. W. Jarvis), Swan Lake.

Change in Officers: First National Bank, Iowa City; John B. Haddock, Cashier.

Cedar County Bank, Tipton; John W. Casad, President, in place of W. H. Tuthill.

Change of Firm: Atwood & Martin, Beloit; now —. Atwood.

Shreeves & Tipton, Blairstown; now B. W. Shreeves & Son.

Citizens' Bank, Sanborn; succeeded by O'Brien County Bank.

KANSAS.—*New:* Woods, Parsons & Co., Harper.

Bank of Hillsboro (Brewerton, Crane & Morris), Hillsboro.

City Bank (Angell, Mathewson & Co.), Parsons.

Change in Officers: Cloud County Bank, Concordia; F. J. Atwood, Cashier, in place of C. W. McDonald; J. F. Rogers, Asst. Cashier, in place of F. J. Atwood.

Change of Title: Hull & Billings, Independence; now Hull's Banking Co.

Discontinued: R. O. Rizer & Co. Junction City; assigned.

MAINE.—*Change in Officers*: First National Bank, Damariscotta; Addison Austin, President, in place of E. Flye.

MASSACHUSETTS.—Blackstone National Bank, Boston; James Adams, Jr., Cashier, will hereafter sign as James Adams.

MICHIGAN.—*New:* Brown & Flower, Roscommon.

Change in Officers: Second National Bank, Hillsdale; E. L. Koon, Cashier, in place of C. T. Mitchell.

Change of Firm: J. Jenks & Co., Sand Beach; succeeded by Noble & Wagner.

Bills, Lilley & Co., Tecumseh; now Lilley, Bidwell & Co.; P. Bills, deceased.

MINNESOTA.—*New:* Murray County Bank, Currie.

Mower County Bank, (Messrs. J. C. Easton, Fay R. Smith, & W. T. Wilkins), Austin.

Change in Officers: First National Bank, St. Peter; no Cashier in place of W. Schimmel,

MISSOURI.—*New:* McNair & Tracy, St. Louis.

Caldwell County Bank, Kingston.

Rich Hill Bank, Rich Hill; P. A. Burgess, President; Thomas M. Orr, Cashier.

Change in Officers: Farmers' Bank, Cameron; George Smith, President, in place of L. D. Steiger.

Discontinued: Newark Savings Bank, Newark; closed.

MISSISSIPPI.—*New:* Negus, Irish & Co., Greenville.

MONTANA.—*Change in Officers:* First National Bank, Fort Benton; no Cashier in place of E. G. Maclay.

NEVADA.—*Change in Officers:* Carson City Savings Bank, Carson City; R. Kirman, President, in place of George Tufly; George Tufly, Cashier, in place of G. B. Hill.

NEW HAMPSHIRE.—*Change in Officers:* Farmington National Bank, Farmington; James B. Edgerly, Cashier, in place of T. F. Cooke.

NEW JERSEY.—*Change in Officers:* Union National Bank, Mt. Holly; Jacob Merritt, President, in place of B. Ridgway, deceased.

North Ward National Bank, Newark; E. F. Baldwin, Act. Cashier, in place of W. H. Faull, deceased.

Closed; Bank of Bergen County, Hackensack; Wm. M. Johnson appointed Receiver.

Bergen County Savings Bank, Hackensack; Isaac Wortendyke appointed to examine the books.

NEW YORK.—*Change in Officers:* First National Bank, Ballston Spa; Geo. West, President, in place of H. Jones.

First National Bank, Champlain; John H. Crook, Cashier, in place of M. V. B. Stetson.

First National Bank, Cortland; Samuel Keator, President, in place of T. Keator.

Rochester Savings Bank, Rochester; Isaac Hill, President, in place of E. F. Smith, deceased.

First National Bank, West Winfield; no President in place of D. R. Carrier.

NEW YORK CITY.—*Change in Firm;* Blake Brothers & Co. admit Howland Davis.

Horace Manuel & Co.; now Turner, Manuel & Co.

NORTH CAROLINA.—*Change in Officers;* Raleigh National Bank, Raleigh; E. G. Reade, President, in place of C. Dewey, deceased.

OHIO.—First National Bank, Circleville; Otis Ballard, Jr., Cashier, signs hereafter Otis Ballard

Discontinued: Chamberlain, Gorham & Perkins, Cleveland; in liquidation; business transferred to Merchants' National Bank.

Bank of Lima, Lima; now Merchants' National Bank.

PENNSYLVANIA.—*Change in Officers:* Second National Bank, Philadelphia; Charles W. Lee, Cashier, in place of S. Anderson.

RHODE ISLAND.—*Change in Officers:* Providence National Bank, Providence; no President in place of W. Goddard.

First National Bank, Providence; Cyrus E. Lapham, Cashier, in place of H. A. Hunt.

TEXAS.—*New:* Bank of El Paso (S. P. Young & Co.), El Paso.

Change in Officers: City National Bank, Dallas; Geo. W. Mahoney, Cashier, in place of Paul Furst, Acting Cashier.

Waco National Bank, Waco; Lemuel B. Black, Cashier, in place of G. W. Johnson.

UTAH.—*Change in Officers:* London Bank, Salt Lake City; Edwin Austin, Joint Manager.

VERMONT.—*Discontinued:* Ascutney National Bank, Windsor; in liquidation.

NEW BRUNSWICK.—*New:* Bank of Nova Scotia, Moncton.

Change in Firm: Maclellan & Co., St. John; admit A. C. Blair.

NOVA SCOTIA.—*Change in Officers:* Merchant's Bank of Halifax, Pictou; C. W. Ives, agent, in place of W. Ives.

ONTARIO.—*Change in Officers:* Canadian Bank of Commerce, Hamilton; B. E. Walker, Manager, in place of J. C. Kemp.

Canadian Bank of Commerce, Ottawa; Jeffery Hale, Manager, in place of R. Gill.

Merchants' Bank of Canada, Ottawa; W. H. Rowley, Manager, in place of D. Kemp.

Union Bank of Lower Canada, Ottawa: M. A. Anderson, Manager, in place of J. G. Leitch.

Canadian Bank of Commerce, Paris; F. L. Hankey, Manager, in place of J. Hale.

Canadian Bank of Commerce, Toronto; John C. Kemp, Manager, in place of J. S. Lockie.

Office of Rhodes' Journal of Banking,
13 Spruce Street, December, 1880.

Bank Officers, Bankers, and others connected with banking institutions, are invited to make the Journal Office their headquarters while in the city.

Letters to be called for, or forwarded, should be sent in care of the undersigned. P. O. Box 3200.

Any service during visitor's stay in the city, or by letter, will be cheerfully rendered.

BRADFORD RHODES.

*RHODES' JOURNAL RECORD OF DEATHS.

JAMES E. BROWN, President of the First National Bank of Kittanning, Pa., died on Saturday night, November 27, 1880, in his eighty-second year.

Mr. Brown was born in Indiana County, Pa., on the 5th of May, 1799, and when a boy removed with his parents to Armstrong County, where he resided almost continuously during his long and busy life. In 1856, Mr. Brown, with others, established the Kittanning Bank, which was organized under the State laws. It continued until 1864, when it was succeeded by the First National Bank of Kittanning, of which he was President from its organization up to the time of his death. He was also a stockholder and director in the Fourth National Bank of New York, as well as in the Iron City, and the Merchants' and Manufacturers' National Banks of Pittsburgh.

He was the architect of his own fortune, and his unvarying success furnishes a fitting example of what can be accomplished by industry, economy, and strict attention to the details of business. He left an estate estimated at several millions of dollars.

WILLIAM A. ROBINSON, for many years connected with the Bank of Virginia, in Richmond, died at his residence in Henrico County, Va., on Wednesday, Dec. 8, 1880, in his eighty-eighth year.

Mr. Robinson was a soldier in the war of 1812; he was a useful member of the community in which he lived, and died respected by all who knew him.

EDWIN J. BROWN, for more than twenty-five years President of the Manhattan Savings Institution of this city, died on Monday, November 22d, 1880, in the seventy-first year of his age.

Mr. Brown came to this city more than fifty years ago, and was actively engaged in busness until compelled to retire by failing health. He was highly esteemed by a large circle of business acquaintances and friends.

REUBEN NORTH, for forty-four years Cashier of the Bank of Poughkeepsie, New York, died October 20th, 1880, aged seventy-three years.

He was a resident of Poughkeepsie for nearly fifty years and left a clear record.

CHARLES MEDBURY, Vice-President of the First National Bank of New Berlin, New York, died on Monday, November 1, 1880, aged seventy years.

THOMAS F. COOKE, Cashier of the Farmington National Bank, of Farmington, N. H., died on Thursday, November 11, 1880, aged forty-five years.

JAMES ADAMS, President of the Warren Institution for Savings, Boston, Mass., died on Saturday, November 13, 1880, aged seventy years.

ELIJAH F. SMITH, President of the Rochester Savings Bank, of Rochester, New York, died on Sabbath, September 12th, 1880, aged eighty-six years.

BENJAMIN RIDGWAY, President of the Union National Bank of Mount Holly, N. J., died on Thursday, October 21, 1880, aged eighty-four years.

JAMES S. HULME, President of the Burlington County National Bank, of Medford, N. J., died on Friday, October 22d, 1880, aged seventy-eight years.

*The Editor solicits correct data, with the necessary particulars, from which to prepare brief notices of recently deceased bankers, for this department of the JOURNAL.

THE BANKER'S GAZETTE.

*The Money Market and Financial Situation.

NEW YORK, December 11, 1880.

CONTRASTING THE CONDITION of the money market now with its position a month ago, we find little trace of those rather considerable transitions which have occurred in the interval. The smoke of the election contest had hardly blown away ere fresh excitement was supplied by buoyant markets, in the various departments of trade, and the Exchanges in New York and other cities exhibited great activity at rising prices.

As foreshadowed in our last report the money market remains stringent and the rates of interest have an upward tendency. It has been published in various New York papers that the stringency is mainly due to manipulation on the part of leading speculators, who use the money market as a lever to influence prices. This story may possess some grains of truth, but it must be kept in mind that there have been for many weeks past a persistent call for money from the South and West for legitimate business purposes, and the call has been fully responded to. Perceptible ease in the money market here cannot be felt so long as the demand from the interior for currency and gold continues in excess of the domestic and foreign supply; this must keep our bank reserves dangerously low, and leave it in the power of a few speculators to attack the weak point with almost certain prospects of unsettling present prices.

As an example, the bank statement for the first week of this month showed the average decrease of $5,634,300 in specie accounted for by the fact that in the same period $3,200,000 gold were withdrawn from the depository of the National Banks for shipment to the interior. So it may become plain after all that manipulation of the money market has contributed only a small share to the stringency, while the immense purchases of products for shipment and on speculation, as well as the active trading in securities has quite depleted the banks. It is just as well to understand that purchases in one week of 13,000,000 bushels of grain and 95,000 barrels of flour, costing about $15,000,000; of 1,126,650 bales of cotton, costing about $59 per bale, or

*This department of the JOURNAL has received numerous commendations from subscribers during the past year, but there is yet room for improvement, and we expect to make it much better in 1881. Our ambition will not be satisfied until the practical information to be always found in this department, will of itself render the JOURNAL indispensable to every bank, banker and monetary institution in the country.

$66,472,000; of railroad bonds amounting to $15,000,000, and of stocks valued at $202,-437,000, cannot be made in a single week, beside transacting all the other business of a great city, the chief commercial and monetary centre of the continent, with only $66,571,300 cash in all the banks. Exchanges of $1,155,000,000 require more than 6 per cent. of cash in sight, in order to make things move smoothly.

During the past month an enormous business has been transacted at the Stock Exchange, and prices as a rule have showed a large advance, both for investment securities and for speculative stocks. The fair prospect that the government would next year issue a three or three sixty-five per cent. bond, to fund the maturing fives and sixes, was sufficient to put the fours up to 112, and the unprecedented railroad earnings, making additional dividends probable, together with the heavy purchases for investment account both at home and abroad, formed a substantial basis for the great rise in values.

A pretty correct idea of the range and volume of Stock Exchange transactions may be formed by an examination of the following table, covering several months past. It should be noted that the record here given only includes recorded transactions at the Exchange.

STOCK EXCHANGE TRANSACTIONS, PAST FOUR MONTHS.

The following table shows the total transactions at the New York Stock Exchange compared with the previous three months:

	August.	September.	October.	Nov.
U. S. Government bonds.. ..	$1,836,450	$2,020,200	$4,308,800	$4,761,500
State bonds....................	448,800	814,500	473,000	1,673,400
Railroad bonds.................	34,144,320	36,621,400	63,471,600	58,502,960
Bank stocks......shares... ..	946	415	925	1,241
Railroads, &c., "	5,477,335	6,461,854	7,795,453	9,856,266

The exchanges at New York, Boston, Chicago, Philadelphia, and in fact at all the monetary centres, continue very large. The Clearing House returns show that the vast increase in traffic is well distributed over the country, and this may be regarded as a healthy sign, as the enormous exchanges at New York frequently represent large speculative movements, and hence the aggregate outside of New York may generally be regarded as the best indication of the volume of legitimate business.

NEW YORK CITY BANK MOVEMENTS.

The condition of the New York city associated banks for several weeks past, the range of call loans and rate of commercial paper is shown in the following table:

N.Y.City B'k Statm'ts.	Nov. 13.	Nov. 20.	Nov. 27.	Dec. 4.	Dec. 11.
Loans and discounts..	$324,970,000	$315,524,000	$313,524,900	$305,701,100	$293,959,200
Specie.......	64,955,400	63,830,600	60,177,900	54,534,600	53,933,200
Circulation	18,708,700	18,730,400	18,666,200	18,471,400	18,485,200
Net deposits...........	307,708,200	295,871,400	289,527,100	276,132,700	66,385,200
Legal tenders..........	12,474,900	12,078,900	12,098,200	12,036,700	12,579,900
Legal reserve.	76,927,050	73,967,850	72,381,775	69,033,175	66,596,300
Reserve held....	77,430,300	75,909,500	72,276,100	66,571,300	66,513,100
Surplus.................	503,250	1,941,600	Df 105,675	Df 2,461,875	Df 83,209
Range of call loans....	3@5	4@6	5@6+1-16 p. d.	5@6+1-32 p.d.	5@6+1-16p.d
Rate for prime paper..	5 @6	5 @5¼	5 @6	5½@6¼	6 @6½

Government bonds have held their own remarkably well during the stringency in money. It is true that a large amount of bonds are changing hands, but prices remain firm. Many holders are looking out for securities yielding a larger rate of interest, but at the same time the temper of the market seems to indicate that the government could float a three per cent. bond at par.

The pressure of public opinion is in the direction of refunding at the lowest practicable rate, and it is highly probable that the Ways and Means Committee will decide to report favorably on Mr. Wood's three per cent. refunding bill.

The following table shows the total sales of each class of Government bonds at the New York Stock Exchange for the month of November, and the closing prices† on the dates named:

	Interest Periods.	Total Sales.	Nov. 8.	Nov. 12.	Nov. 19.	Nov. 26.	Dec. 4.
6s, 1880, reg	J. & J.	$64,000	102¾	102⅞	102¾	102¾	103
6s, 1880, coup	J. & J.	1,000	102¾	102¾	102¾	102¾	103
6s, 1881, reg	J. & J.	378,600	104⅝	104⅝	104⅝	104¼	101⅛
6s, 1881, coup	J. & J.	143,000	104¼	104⅛	104⅝	104¼	104⅛
5s, 1881, reg	Q.— Feb.	150,000	101⅝	102	101⅛	101⅜	101⅛
5s, 1881, coup	Q.— Feb.	547,500	101⅝	101⅞	101⅛	101⅜	101⅛
4½s, 1891, reg	Q.—Mar.	253,000	109⅞	110¼	111⅜	111¼	110⅝
4½s, 1891, coup	Q.—Mar.	672,000	111	111⅛	112⅜	112	110⅝
4s, 1907, reg	Q.—Jan.	897,400	109⅞	110⅛	111⅞	111⅞	110¾
4s, 1907, coup	Q.—Jan.	1,490,500	109⅞	110⅝	111⅞	112	111⅛
6s, currency, 1895, reg	J. & J.	....	126	126	130	130	128
6s, currency, 1896, reg	J. & J.	....	127	127	131	131	129
6s, currency, 1897, reg	J. & J.	1,000	128	128	131	132	130
6s, currency, 1898, reg	J. & J.	38,000	130	129	133	133	131
6s, currency, 1899, reg	J. & J.	....	130	130	134	131	132

† The prices *bid* are given; these furnish the most reliable quotations of *sales* at the Board.

The following are New York quotations in gold for the various foreign and domestic coins, and bullion:

Soveriegns	$4 83 @$4 86	Silver ¼s and ½s	99¾@ par
Napoleons	3 83 @ 3 86	Five francs	92 @ 94
X X Reichmarks	4 74 @ 4 78	Mexican dollars	88 @ 88½
X Guilders	3 96 @ 4 00	do uncommercial	87¼@ 88
Spanish Doubloons	15 60 @15 80	English silver	4 70 @ 4 80
Mex. Doubloons	15 55 @15 65	Prussian silver Thalers	68 @ 70
Fine silver bars	1 11½@ 1 12¼	Trade dollars	99⅝@ 99⅝
Fine gold bars	par @ ¼ prem.	New silver dollars	99¾@par.
Dimes and ½ Dimes	99½@ par.		

FOREIGN EXCHANGE.—Foreign Exchange is quite unsettled and has shown no recent improvement in tone. It is a noticeable fact that the market responds only feebly when the loan market exhibits comparative ease. The recent advance in the Bank of England rate results in firm prices for demand bills.

Quotations for foreign exchange by principal drawers are as follows:

Dec. 11.	60 days.	Demand.
Prime bankers' sterling bills on London	4.78¼@4.79½	4.81 @4.82½
Prime commercial	4.77 @4.78	4.79½@4.80½
Documentary commercial	4.76 @4.77	4.78½@4.79½
Paris (francs)	5.29⅜@5.25⅝	5.26¼@5.22½
Amsterdam (guilders)	39½@ 39⅞	39¾@ 40⅛
Frankfort (reichmarks)	93⅝@ 94¼	94¼@ 94⅞
Bremen (reichmarks)	93⅝@ 94¼	94¼@ 94⅞

The following were the rates of domestic exchange on New York at the undermentioned cities Dec. 11: Savannah, buying, ¼, selling ⅛@par; Charleston, buying, ⅜ discount, selling par@⅛ discount; New Orleans, commercial $3.[illegible]0@$4 discount, bank, par; St. Louis, 1-10 discount; Chicago, 80@100 discount, and Boston about par.

The following summary shows the condition of the New York Clearing House banks, the premium on gold, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of Dec. in 1878, 1879 and 1880:

*STATISTICAL SUMMARY ON OR ABOUT DEC. 1, 1878, 1879 AND 1880.

NEW YORK CITY BANKS—	1880.	1879.	1878.
Loans and discounts	$313,524,900	$273,439,900	$2[illegible]6,438,400
Specie	60,177,900	52,310,700	22,967,400
Circulation	18,6[illegible]6,200	23,024,800	20,007,000
Net deposits	289,527,100	247,195,500	206,797,200
Legal tenders	12,098,200	16,771,700	41,275,700
Legal reserve	72,381,775	61,798,875	51,699,300
Reserve held	72,276,100	69,082,400	64,243,100
Surplus	Def. 105,675	7,283,525	12,543,800
MONEY, GOLD, EXCHANGE—			
Call loans	6 @6+¼ p. d.	5 @7	8 @3½
Prime paper	6 @7½	5 @3	4 @6
Gold	100	100	100⅛
Silver in London per oz	54¾d	53 1-16d	50 11-16d
Prime Sterling bills, 60 days	4 79½@4 81½	4 80½@4 81½	4 82 @
UNITED STATES BONDS.			
6s, 1881, coupon	104⅜	106	109⅛
6s, currency, 1898	129	120¾	118½
5s, 1881, coupon	101⅝	102½	106⅜
4½s, 1891, coupon	110¾	105¾	104⅛
4s of 1907, coupon	111⅝	103⅛	100⅝
RAILROAD STOCKS.			
New York Central & Hudson Riv	141	132	111¾
Erie (N. Y., L. E. & W.)	45	[illegible]8	18⅛
Lake Shore & Michigan Southern	120¼	104⅜	69
Michigan Central	111	93	68½
Chicago, Rock Island & Pacific	12[illegible]½	14[illegible]½	117⅛
Illinois Central	119	99¼	76⅛
Chicago & Northwestern, common	126¼	89	46⅛
Chicago, Milw. & St. Paul, com	107¼	72¼	35
Delaware, Lackawanna & Western	101	80	46⅛
Central of New Jersey	76¾	73	28⅝
MERCHANDISE.			
Cotton, Middling Uplands, per lb	12	12⅛	9¼
Wool, American XX, per lb	42@49	44@52	30@ 36
Iron, American Pig, No. 1, per ton	25 00@26 00	26 00@27 00	16 00@17 00
Wheat, No. 2 Spring, per bush	1 24@1 24½	1 46½@1 47	1 08¾@1 09¼
Corn, Western mixed, per bush	57½@61½	58@62	41½@47½
Pork, Mess, per bbl	14 25@....	12 00@12 50	7 40@ ...

* Corrected from compilations made by the "Commercial Chronicle," New York.

FINAL NOTES.—Mr. Jay Gould has just bought a large block of the St. Louis & Iron Mountain Railroad stock and a controlling interest in the stock of the International & Great Northern of Texas. He now practically controls a direct route to Galveston, and will also reach New Orleans as soon as his New Orleans Pacific Road is finished.

On the 16th inst., the long expected change in the rate of the Bank of England was made, the specie reserve having been reduced fully $10,600,000 in two weeks. The rate was raised from 2½ to 3 per cent. in order to stop the outflow of gold if possible.

Railroad Bonds.—The annexed table shows the leading bonds dealt in, range of prices and the amount of recorded transactions for the past month.

	Highest.	Lowest.	Closing. Nov. 30.	Amount Sold.
Cent of N. J. con. ass'd	114	109½	....	$138,000
Lehigh & Wilkes con. ass'd	106¼	100	104½	681,000
Morris & Essex 1st consol	121½	107	121½	17,000
Rome W. and Ogd. 1sts	79	73	77¼	663,000
St. Paul sinking fund	122	120	121½	253,000
H. and St. Jo. conv. 8s	112	109⅛	112	28,000
N. Y. C. 1sts coup	135	134	....	25,000
Canada South. 1sts	101¾	99	100	702,000
Toledo and Wabash C. C	110¼	105	....	152,000
Cen Pacific 1sts	115	113	115	142,600
Tex. do Income	75	70½	....	1,239,000
Union do 1sts	115⅛	114	114¾	238,000
Kansas do do con.	102¼	96⅝	100⅛	1,957,000
do do D. D. A. C. C	113¾	110½	....	294,000
Den. & Rio Grande 1sts	111	107	110¾	241,500
Mo. Kan and Texas 1sts con. ass'd	117½	110	117	1,465,100
do 2ds	74¾	63½	70¼	4,240,500
Erie new con. 2ds	102½	96	100½	13,613,500
do do 5s funded	97½	91⅛	95½	838,000
do do con. 7s	127¼	124	...	317,000
C. C. & I. C income	60	45	56	8,038,000
do 1sts T. C. C. A. supplem'y	105½	94⅛	102¾	4,122,000
I. Mountain 2d pref. income	77	72½	....	271,000
do 1st do do	92	88½	91	436,000
do 2ds	106½	103½	105⅞	266,000
C. & Ohio Currency 6s	43¾	40	42⅞	674,500
do do 1sts series B	75	70	73½	898,700
N. Y. Elevated 1sts	117½	116¼	....	52,000
Met. do do	105	103½	103¾	597,000
Bost. Hart. & E. do	47	42¾	45½	1,713,000
Oregon 1sts	107½	106½	....	116,000
Mobile & Ohio 1st deb	89½	84	87½	554,100
do 2d deb	56	53¾	...	277,000
Bur. C. R. and Northern 1sts	100	96⅞	....	331,400
Lake Erie & W. income	69	64½	....	206,000
Ohio Central income	58	56	56	195,500
do 1sts	103	98¾	102	340,000

Additional quotations of railroad bonds at New York and other principal cities appear in the general list of Stock and Bond Quotations, printed on the pages at the close of this department.

State Bonds.—Recorded sales and range of prices for the month were as follows:

	Highest.	Lowest.	Sales.
Ala. Class A	70½	69	$65,500
do B	99⅞	99⅞	1,000
do C	80	79¼	5,000
Ark. 7s, L. R. & Ft. S. iss	8	8	13,000
do L. R. P. B. & N. O	8¼	8	14,000
Ga. 7s, new	111	111	3,000
do gold	114	114	2,000
La. 7s, Cons	51½	49	197,300
Mo. 6s, '86	108½	108½	4,000
do '87	110¾	108½	9,000
do '88	111	111	1,000
N. C. 6s, Chatham R. R	5	2	69,000
do do special tax class 2	4½	4	18,000
do do do 3	5	2¼	73,000
do 4s, consolidated	81¾	80	13,000
S. C. 6s, non-fundable	6	2⅞	222,000
Tenn. 6s, old	50	45	119,000
do do new	46	38½	163,000
do do new series	46	40	182,000
Va. 6s, old	28	28	3,000
do ex-matured coupon	70	64	55,000
do deferred	15	8½	455,000
D. of C. 3-65s coup	100¾	98¼	467,500
do do reg	100½	99	182,000

Additional quotations of State bonds are published on the following pages:

RAILROAD AND MISCELLANEOUS STOCKS.—The following table shows the number of shares sold, and the lowest, highest and closing prices of the active Railway and Miscellaneous Stocks at the New York Stock Exchange during November; and, for comparison, the closing prices October 31:

RAILROADS.	Closing Oct. 31.	Range in Nov. Low-est.	High-est.	Closing Nov. 30.	Shares Sold.
Can. Southern	68	65½	73⅞	69	41,223
C., C. & Ind	82½	78½	85	79	38,285
C., C. & I. C	18⅝	18	21⅝	19¼	97,650
Ches. & Ohio	20¼	19¼	23	21¾	24,300
Chic., St. P. Minn. & O	45	42⅝	46¼	43	32,997
do pref	84¾	82¼	86	83	29,729
Northwestern	115½	111½	130	127¼	380,075
do. pref	139¼	134	146	142¾	29,545
Mil. & St. Paul	105⅛	101¼	112⅞	108	423,167
do. pref	119¼	117⅝	124	121	13,085
Del. Lack. & West	99⅛	96½	105¼	100¾	553,074
Del. & Hud. C. Co	86¾	86⅝	92½	88½	128,328
Houston & Texas	76	72	79½	70	11,010
Hannibal & St. Jo	42⅞	39	45	41½	122,485
do. pref	89½	86¾	94⅞	92½	87,033
Illinois Central	118	116	122½	119	35,997
Lake Erie & Western	33	31	36½	35½	67,090
Louisville & Nashville	169	84	174	84½	40,188
Lake Shore	115⅞	112⅝	124⅛	120⅝	434,436
Manhattan R.R	37	31¼	42⅝	31⅝	117,662
Metropolitan Elevated	111	108	118	109	12,977
Michigan Central	108⅝	105½	115⅞	111	118,289
Mobile & Ohio	23⅝	22	24	21	10,439
Mo., Kan. & Texas	39¼	36¾	41½	37½	221,446
Nash., Chat. & St. L	60	58½	76½	71	164,681
N. J. Central	78⅛	75	82⅝	76¾	434,812
N. Y. Central	136⅝	135	147½	141	312,752
N. Y., L. E. & W	44½	42⅛	49	44⅞	1,269,182
do. pref	74¾	72¼	82½	77¼	62,349
Northern Pacific	29⅝	28	34¼	32½	59,824
do. pref	52¾	52	65	62⅝	178,000
N. Y., Ont. & W	24⅞	24	32	30¼	441,238
Ohio & Mississippi	37½	34⅝	38¼	35½	156,240
do. pref	79	77¾	90¼	85½	15,516
Phila. & Reading R. R	46	40⅛	54½	49½	542,238
St. L., I. M. & S	52	46	52¾	48	119,732
Union Pacific	93⅝	92	103¼	98	491,008
W., St. L. & Pacific	44⅝	40½	46½	41¼	183,576
do. pref	78	73⅝	80¼	76⅝	488,675
Am. Dist. Tel	74	72	78	75½	19,580
At. & Pac. Tel	41¾	34	42½	35½	11,268
Western Union Tel	101½	90	104⅞	90⅛	1,062,630
Pacific Mail	40¾	45¾	49	46⅝	102,821
Little Pittsburgh	2¼	1⅞	2½	2	6,173
Standard Mining	26¼	20	26⅝	22½	16,329
Sutro Tunnel	1⅛	½	1⅛	⅞	21,500

STOCKS AND BONDS—PRICES IN NEW YORK AND OTHER CITIES.

The following tables give the latest bid and asked prices at the New York Stock Exchange; also Southern securities, a full list of general stocks not called at the Exchange, and correct quotations from other cities.

Quotations in New York are to December 13, latest mail advices from other cities.

The prices named represent the percentage upon a par basis.

* Indicates ex-interest. § With interest added. x Dividend.

SECURITIES.	Bid.	Askd
STATE STOCK.		
Alabama 5s, 1883	...	......
do 5s, 1886	...	......
do 8s, 1886	......	......
do 8s, 1888	......	......
do 8s M & Eufala R R	...	......
do 8s Ala & Chat R R	......	......
do 8s of 1892	......	......
do 8s of 1893	......	......
do consols class A	72	72½
do do do B	92	......
do do do C	85	......
Arkansas 6s funded	6	......
do 7s L Rk & Ft S iss	9	......
do 7s Memp & L R	10	......
do 7s L Rk P B & N O	8	......
do 7s Miss O & R Riv	8	.....
do 7s Ark Cent R R	8	9
Connecticut 6s	107	......
Georgia 6s	107	......
do 7s new bonds	101	......
do 7s endorsed	110½	......
do 7s gold bonds	115	118
Illinois coupon 6s, 1879	......	......
do war loan	......	......
Kentucky 6s	......	......
Louisiana 6s	......	......
do new bonds	......	......
do 6s new floating debt.	......	......
do 7s penitentiary	......	......
do 5s levee bonds	......	......
do 8s do	......	......
do 8s do of 1875	......	......
do 8s do of 1910	......	......
do 7s Consolidated	52⅛	52⅞
do 7s Small Bonds	......	......
Michigan 6s 1878-1879	......	......
do 6s, 1883	105	110
do 7s, 1890	115	......
Missouri 6s due in 1883	104	......
do do in 1886	110	......
do do 1887	110	......
do do 1888	110¼	......
do do in 1889 or 1890	110½	......
Asyl or Univs'y due 1892	112	......
Fund'g bds due in 1894-5	114	......
Han & St. Jos. due 1886	110	......
do do 1887	110	......
New York 6s gold reg'd, 1887	111	......
do 6s do coup., 1887	111	......
do 6s do loan, 1883	106	......
do 6s do do 1891	118	......
do 6s do do 1892	119	......
do 6s do do 1893	120	......
N Carolina 6s old Jan & July	32	......
do Apr & Oct	32	......
do N. C. R., Jan & July	115	......
do do Apr & Oct	115	......
do do cp off Jan & July	90	......
do do cp off Apr & Oct	90	......
do funding act, 1866	12	......
do do 1868	12	......
do new bonds Jan & July	20	......

SECURITIES.	Bid.	Askd
N. C. new bonds, April & Oct	20	......
do special tax, class 1	5	7
do do class 2	5	7
do do class 3	5	6⅛
Ohio 6s, 1881	103	......
do 1886	110	......
Rhode Island 6s	120	......
South Carolina 6s	......	......
do Jan & July	.....	......
do April & Oct	......	......
do funding act 1866	......	......
do land C 1889 Jan & J	......	......
do land C 1889 Apr & O	......	......
do 7s of 1888	......	......
Non-fundable bonds	5	5⅞
Tennessee 6s, old	48	49
do 6s, new	46	46¼
do new series	46	46¼
Virginia 6s, old	29	......
do 6s, new bonds, 1866	29	......
do 6s, do 1867	29	......
do 6s, consol. bonds	101	......
do 6s, ex-mat'd coup	77¾	79
do 6s, 2d series.	35	......
do 6s, defer'd do	17¼	......
Dist. of Col. 3-65's 1924	101½	......
do Small Bonds	......	......
do Registered	101	......
CITY AND COUNTY.		
Brooklyn 6s	102	116
do 6s, water loan	109	118
do 6s, imp'm't stock	......	......
do 7s, do	......	......
do 6s, pub, p'k loan	119	121
do 7s. do do	136	138
Jersey City 6s, water loan	102	103
do 7s, do	110	111
do 7s, improvement	105	106
Kings county 6s	114	116
New York City 6s, 20-50's, 1876.	......	......
do do 6s, 1877.	......	......
do do 6s, 1878.	......	....
do do 6s, 1887	......	......
do do G'd 6s, Con. 1902.	122	123
do do 6s, ..1896.	115	116
do do 6s Dock b'ds	115	116
do do 6s co. b'ds	......	......
do do 6s Cen. Park	115	116
do 5s, 1890	108	109
do 5s, 1898	......	......
RAILROAD BONDS.		
Boston, H. & E. 1st m	46⅝	46⅞
Boston, H. & E. 1st m guar	......	......
B., Cedar Rap. & N. 1s 5s g	97	97¼
Chesapeake & Ohio 6s 1st mtg.	......	......
do do ex-coupon	......	......
Chicago & Alton 1st mortgage.	125	......
do income	102	105½
Joliet & Chicago 1st mortgage.	103	108
La. & Mo., 1st guaranteed	115	115
St. L Jacksonville & Chic 1st	115¼	......
Chic. Bur. & Qu. 8 per ct. 1st m	109¼	110½

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
Chic. Bur. & Qu. cons......M 7s	129	130½
do do 5s Sinking Fund	96	103
Chic. R. I. & Pacific............		
do 6s 1917, coupon...	126½	128
do 6s 1917, registered	126⅝	127
Keokuk & Des Moin. 1st 5s.....	98½	100
Central R R of New Jersey....		
Cen. R of N. J. 1st 7s. 90.....	118	119
do cons. assent.	112½	114
do convertible	......	......
L. & W. B'e. con. assented....	101½	102
Am' Dock & Imp. bonds as'd	122½	125
Chic. Mil. & St. Paul R. R ..		
M. & St. P. 1st mtg 8s P. D...	133	135
do 2d 7 3-10 P. D.....	121	126
do 1st 7s $ gold R. D	122	124
do 1st 7s £ do	113	113½
do 1st M. LaC. D.....	120½	120¼
do 1st M. I. & M. D.	120¼	120½
do 1st M. I. & D......	120	125
do 1st M. H & D....	......	......
do 1st M. C. & M.....	124	125
do consolidated s f..	120⅛	120¾
do 2d mortgage 7s...	104	105⅛
Chic. & N. W. sinking fund....	108	112
do do int. bonds.......	104⅛	106
do do cons. bonds....	132	135
do do exten. bonds...	......	111⅛
do do 1st mortgage...	110	111½
do do coup gd bonds..	123¼	123½
do do reg'd do	123	128
Iowa Midland 1st m. 8s......	125	......
Galena & Chicago extension.	103	105
Peninsula 1st m. conv........	125	......
Chicago & Mil. 1st m.....	122½	125
Winona & St. P. 1st mort.....	108	113
do do 2d mort.....	118	......
C. C. C. & Ind's 1s m. 7s s. f.....	121	125
do consol, M. bonds.	113	117
Del., Lack. & W. 7s conv......	115	......
do do m. 7s.........	123	125
Morris & Essex 1st mor.......	134¼	......
do 2d do	115	118
do bonds, 1900...	108	110
do constr'n	107	112½
do 7s of 1871.....	117	118
do 1s con. gd....	120	......
Del. & Hud. Can. 1s 7s. 1884....	107½	......
do do 1891 ...	112½	115
do Coup. 7s 1894...	113⅛	114
do Regis'd 7s 1894 ...	114	117
Albany & Susq. 1st 7s	114	116
do do 2d do........	108⅝	109
do do 3d do........	......	......
do do 1st c gua'd....	120	......
Rens'r & Sara. 1st 7s. Coup..	137	140
do do 1st reg'd 7s ...	137	......
Erie 1st mort. extended.	127⅛	128
do 1st do endorsed...	103½	......
do 2d do ex. 5s, 1919.....	108	......
do 3d do 7s, 1883....... ...	108¾	......
do 4th do 7s, 1880...........	......	......
do 5th do 7s, 1888...........	112	113
do 7's cons. m'ge gd bds.....	126½	126⅞
Long Dock Bonds............	117	119
B., N. Y., & E. 1st m 1916....	120	124
Han. & St. J. 8s convertible m.	112	112
Illinois Central,...............		
Dub. & Sioux City 1st m......	105	108½
do do 2d div....	110	......
Cedar Falls & Minn. 1st m....	113¼	......
Indp's Bloomn & W'n 1st p....	120	...
do do 2d ...	68	......
Lake Shore Bonds		

Securities.	Bid	Askd
RAILROAD BONDS.		
M. So & N. I. Sink. fd 7.........	109	110
Cleve. & Tol. sink. fd...........	111	112
Cleve. & Tol. new bonds........	108	110
Cleve. Painesv & A bonds 7s...	113	115
do do new do....	......	......
Buff. & Erie, new bonds...	121½	1.3
Buff. and State Line 7s.........	102	......
Kala. & W. Pigeon 1st m........	101	108½
Det. Mon & Tol 1st 7s 1906......	118	120
Lake Shore div. bonds..........	12.¼	125
do con c'p 1st 7s.	128½	130
do con reg 1st bds.....	128	......
do con coup 2d 7s......	121	......
do con re'gd 2d m.....	118	123
Marietta & Cin. 1st m..	118½	......
Mich. Cent. consol. 7s 1902.....	125½	130
do 1st m. 8s '82 s f	111	111
do equipment bds.....	......	......
New Jersey So. 1st m. 7s........	......	......
do consol 7s.......	......	......
N. Y. Cent. 6s, 1883.............	104	104¼
do do 6s, 1887...............	112	113
do do 6s, real estate......	103½	104¼
do do 6s, subscription...	103½	......
do do & Hud 1st m c.....	135¼	136
do do do 1st m reg....	135½	......
Hud. Riv. 7s 2d m s f 1885.....	112½	114
Harlem 1st m 7s coupon......	131	133⅜
do do reg'd.........	131	134
North Missouri, 1st mort.	......	......
Ohio & Miss cons s f............	119	125
do consolidated.......	118	122
do 2d do..........	120	123
do 1st Springfield div.	113	114
Pacific R R bonds........		
Cent Pacific gold bonds......	114⅛	115¼
do San Joaquin branch....	106	106
do Cal & Oregon 1st........	104¾	105½
do State aid bonds	105	......
do land grant bonds........	106¾	107
Western Pacific bonds........	110	......
Union Pacific 1st m bds... ...	114⅛	114¾
do land grants. 7s...	113⅝	114
do sinking fund.....	119	119¾
Pacific R of Mo. 1st m..........	106	108⅝
do 2d m. 7s..........	113	......
do Income 7s........	......	......
do 1st Carnod't B....	......	......
Pennsylvania R R		
Pitts, Ft W & C 1st m	136	......
do do 2d m..........	131	......
do do 3d m..........	128	......
Cleve & Pitts con s f....	123⅛	127½
do 4th do..........	112½	113
Col. Chic & Ind 1st m..........	108	108
do do 2d m..........	......	70
Rome, Water'n & Og con 1.....	75	79
St. L. & Iron M 1st m...........	118½	120
do do 2d m..........	104⅝	104⅞
St. L. Alton & Terre Haute...		
Alton & Terre Haute 1st 7s..	110	120
do 2d do pref....	108	111
do 2d do inc.....	97	98
Bell & S. Ill R. 1st m 8s.......	110	117
Tol, Peo & War, 1st E D........	140	......
do do do W D........	143	......
do do do Burl div.....	138	141
do do do 2d m...... ..	78	82
do do do consol 7s....	70	......
Toledo, Wabash & Western....		
Tol & Wab 1st m ex...........	110	......
do Ex coupon...	......	......
do 1st m St L div......	109½	110
do Ex mat'd coup.. ..	......	......

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd	Securities.	Bid	askd
Tol & Wab 2d m		108½	Kal, Alleghan & G R 8s gr	110	115
do Ex & Nov 77 coup			Kal & White Pigeon 7s	105	110½
do equipment bonds	30	40	Kansas City & Cameron 10s	115	120
do cons conv'ble	110		Kan Pac 7s ex Ma & No g		
do Ex Aug 78 & priv's			do 7s land gr Ja & Jy g		
Gt West'n 1st m 7s 1888	110	114	Kan Pac 7s do 2d m		
do Ex coupon			do 6s gold June & Dec		
do 2d 7s 1893	107	108	do 6s do Feb & Aug		
do Ex & Nov 77 coup			do 7s Leaven Branch		
Quincy & Tol 1st m, 1890	105	108	do Income No 11		
do Ex M & Nov 77 c p			do do No 16		
Illinois & S Iowa 1st m 7s	102	105	do stock		
do Ex coupon			Michigan Air Line 8s	105	115
Han & Cent Mo 1st m.			Mil & North 1st m 8s	85	87½
Pekin, Lnc'n & Decat'r 1st m.			Mo. Kan & Tex assent'd bds		
West'n Un bds, 1900, c'pon	119	120	do 2d inc		
do do do reg	119	119¾	N. J. Midland 1st 7s gold		
			N. Y. & J. 7 s, con. gold	5	7
MISCELLANEOUS LIST.			Omaha & S West'n R R 8s	115	120½
Arkansas Levee 7s	3	7½	Oregon & Cal 7s gold	28	30½
Atchison & P Pk 6s gold			Oswego & Rome 7s guar	100	110
Atchison, Top & S Fe 7s, g	100	105	Ott, Oswego & Fox R V 8s		
Cairo & Fulton 1st 7s	118¾	119	Pitts, Cin & St Louis 1st 7s	120	122
California & Oregon 6s g'd			Pt Huron & L M 7s g end	35	40
California Pac R R 7s gold	109	111	Quincy & Warsaw 8s		
do 6s 2d m gold	100	105	Rome, W & Ogdensburg 7s		
Central Pac 7s gold, conv	100	103	Sand, Mans & Newark 7s	112	113
do land grant			Sioux City & Pacific 6s		
Cent of Iowa 1st M 7s new			South Side (L I) 7s	103	105
Chi & Southwestern R R 8s	120	122	Southern Central N Y 7s	80	90
Chi & Eastern Ill. 1st 6s	100	102	Steubenville & Indiana 6s	101	104
do do income 7s	90	92	Southern Minn construc 8s		
Chi & Mich Lake Shore 8s	106	112	St. Jo & C Bl 1st m 10s		
Chi & Can South 1st m'g 7s	65	70	St. Louis, Vanda & T H 1st		
Chi, St. P. & Min 1st M 6s			do do 2d		
do land grant 6s	113	115	St L & S Eastern 1st 7s gold	100	110
Cin, Rich & F W 1 m g 7s	90	100	Union Pacific So br 6s gold	102	107
Cleve, Mt V & Del 7s gold	65	75	Union & Logansport 7s	100	105
Connecticut Valley 7s gold	65	70	Texas & Pacific L G 7s		
Connecticut Western 1st 7s	30	35			
Col & Hock Val 1st 7s 30 ys	110	112	**CINCINNATI.**		
Dan, Urb, Bl & P 1st m 7s g					
Denver Pacific 7 gold	99½	100	**STATE, CO. AND CITY BONDS.**		
Denv and Rio Grande 7s g			Ohio State 6s	111	112
Det, Hillsdale & Ind R R 8s			Hamilton County 6s	105	
Dixon, Peoria & Han 8s			do do 7s	118	
Erie & Pittsburg 1st 7s	102½	103½	City of Cincinnati 6s	115	x 116
Evans & Crawfordsville 7s	102½	107½	do do 7s	122	x 123
Evans, Hend. & Nashville 7s			do do 7 3-10	128¼	x129
Evansville, T & H Chic 7s g	82½	90	City of Covington, Ky 6s '81	102	
Flint & Pere M 7s land grant	102	108	do do 7 3-10, '81	102	104
do 7s consol	92	95	**RAILROAD BONDS.**		
Fort W, Jackson & Sag 8s	60	80	L Miami & I & C con 6s	99	x 101
Grand River Valley 8s	107½	110	do do 1st 6s '83	103	x 104
G'd Rapids & Ind 1 guar 7 g	114	115	Cin, Ham & Day 1 m 7s '80		
G'd Rapids & Ind 1st 7s g	105	115	do do 2 m 7s '85	106	x108
Houst, & Gt N. 1st m g 7s			do do 3 m 8s		
Houst. & Tex. C. 1st M L			Dayton & Mich, 1 m 7s '81	101	x102
do 1st W D			Dayton and Mich, 2 m 7s '84	105	105¼
do Con. 8s			do do 3 m 7s '88	105	106
Ill Grand Trunk 8s	113	115	Cin, Rich & Chi, 1 m 7s '95	x102	x105
Ind, Bl & W Ext 1st m g 7s			Cin, Han & Ind 1st m gr 7s	106	x 107
Indianapolis & Mad. 1st m 7s	100	103	Marietta & Cin 1st m 7s '91	87	90
Int'national R R Tex 1 m g 7s			do do 2d m 7s '96	30	32
Ind. Bl. & W., 1st 7s, pref.			Indianap & Cin 1st m 7s '88	106	x107
do 1st			Cin & In guar 1st m 7s '92	106	x107
do 2ds			do 2d m 7s '77 '82	100	
do Income			Indianap C & L 1st m 7s '97	105½	106
do stock			Day & W 1 m, 1881	x 101	102
Indianapolis & Vinc's 1st 7s gr.	105	115	do 2 m, 1905		100
Indianapolis & St. Louis 7s	80	90¾	**MISCELLANEOUS STOCKS.**		
Io Falls & Sioux City 1st 7s	108	110	Columbus & Xenia 50	135 x	
Jack. Lansing & Sag. 1st m	105	110	Cin, Ham & Dayton 100	94	
Jeff'ville, Mad & Ind 1st m 7s	114	117½	Dayton & Mich 3½ guar 50	54	x 56
Kala'zoo & South H 8s guar	107	112½	Little Miami 50	131	x 132

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Marietta & Cin 1st pref.......50		5
do do 2d do........50		3
Cin Gas Light & Coke Co....100	x180	181
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s	107	109
do 8s	112	115
Augusta, Ga 7s bonds	108	110
Charleston stock, 6s	71	72
Charleston, S. C. 7s F L bonds	80	
Columbia, S. C. 6s	55	60
Columbia, Ga. 7s bonds	95	
Lynchburg 6s	102	
Macon 7s bonds	95	
Memphis bonds 6s	40	
do new consols	45	
do end, M & C R R	30	
Mobile 5s	35	
do 8s	35	
Montgomery 8s	70	
Nashville 6s old	100	105
do 6s new	100	105
New Orleans 5s	35	36
do consol, 6s	52	55
do bonds, 7s	35	37
do to railroads 6s	35	40
Norfolk 6s	103	104
Petersburg 6s	104	106
Richmond 6s	113	
Savannah 5s	85	87
RAILROADS.		
Atlantic & Gul, consol	108	109
Central Georgia cons, 7s	115	117
do do stock	107	109
Charlotte Col & A, 1 m 7s	108	110
do do stock	44	45
E Tenn & Georgia 6s	99	101
East Tenn, Va & Geo 1st m 7s	115	116
do do stock	110	
Georgia R R 7s	110	
do stock	115	117
Greenville & Col 7s guar	105	110
do do 7s certiff	100	110
Macon & Western Stock	107	110
Macon & Augusta bonds	95	
do do endorsed	100	105
Memphis & Charleston 1st 7s	102	104
do do 2d 7s	98	102
do do stock	42½	43½
Mississippi Central 1st m 7s	102	105
do do 2d m 8s	110	112
Mississippi & Tenn 1 m	130	
do do cons, 8s	110	
Motg'y and West P, 1st 8s	103	106
do do 1st end		
Mobile and Ohio Sterling	80	
do do do ex ctfs	80	
do do 8s interest	40	
N Orleans and Jackson 1st m	112	115
do do 2d m	112	115
Nash and Chattanooga 6s	100	105
Norfolk and Petersb 1st m 8s	100	105
do do 2d do	100	105
Northeastern, S C, 1st m 7s	125	130
do do 2d do	115	118
Orange and Alex 1st 6s	107	
do do 2d 6s	111	114
do do 3d 8s	93	
do do 4th 8s	55	55
Rich and Peters'b 1st m 7s		
do do 2d m 6s		
do do 3d m 8s	102½	105
Rich and Fred'b and Pot 6s	102	
do do do con 7s	105	

Securities.	Bid	Askd
Rich and Danv 1st con 6	107	109
do Piedmont 8s	110	112
do 1st 8s		
Southside Va 1st m 8s	104	
do 2d m guar 6s	97	
do 3d m 6s	93	
do 4th m 8s		
Southwest R R, Ga 1st m	109	112
do do stock	110	
S. Caro R R, 1st m 7s, new	10[illegible]	
S. Caro R R 6s	38	
do 7s 2d	88	93
Virginia and Tenn 2d 6s	103	
do do 3d 8s	121	124
West Ala, 8s guar	113	116
Wilmington and Weldon 7s	112	114
PAST DUE COUPONS.		
Tennessee State coupons	20	
Virginia consol coupons	92	93
Memphis city coupons	20	
South Carolina consols		
BOSTON.		
STATE BONDS.		
Maine 6s 1889	114	114½
N. Hampshire 6s 1876–84	119	120
Vermont 6s, 1874–78		
Massachusetts 5s, 1883, g	114	114½
CITY BONDS.		
Boston 5s, 1880–86, gold	118½	119
do 6s, currency	127	127½
Chic 7s, 1890–95, riv. impr	124	125
do 1884		
RAILROAD STOCKS AND BONDS.		
A T and Santa Fe, 1st m 7s		124
do do L G	119½	
do do stock	142⅝	142¾
Bost and Alb'y 6s, '75 (W RR)	116½	
do 7s, 1892	125	125½
do stock	158	160
Boston and Lowell 7s, 1892	118¾	
do stock (par 500)	110	
Boston and Maine, stock	146	149
Boston and Providence, stock	150	
Bur & Mo R 7s, '93, land grant	117	
do do 8s, 94, conv	111	
do do 8s, 83 (in Neb)		
Chicago, Bur and Quincy	173⅜	174
Bur & Mo Riv stock (in Neb)		
Cheshire 6s, 1898	106	106½
do preferred stock	59	59¼
Cin, San, and Cleve, 7s, 1890	100	
do do com stk (par 50)	16⅝	
Concord stock (par 50)	95	
Conn and Pass Rivs 7s, 1893	116	116½
do do 7s, notes	85	90
Connecticut River, stock	156	160
Eastern stock	33¾	34
Fitchburg, stock	144½	145
Manch and Lawrence stock	157	
Nashua and Lowell, stock	135	
Northern (N. H.) stock	110½	
Norwich and Worcester stock		
Ogdenburg and L Champ stock	22	22¼
do do pref stock	77	
Old Colony stock	127	128
Phil, Wil & Balt stock (par 50)	74	
Portl, Saco & Portsmouth st'k	110	
Portsmouth, Gt F & Con'y s	21½	22
Rutland pref. stock	28½	29
Vermont and Canada stock		
Vt. Ct. 1st m 7s, 1886 cons		
do do 8s, '91		

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Vermont and Mass............	......	......
do do stock....	......	.....
Worcester and Nashua..... ..	......	60
MISCELLANEOUS STOCKS.		
Boston Land Co	6¾	.....
Boston Water Power...........	9⅛	9⅝
Pullman Palace Car	122	123
PHILADELPHIA.		
STATE AND CITY BONDS.		
Penn. 5s, new, reg, '92 1902. ...	116	116⅝
do 6s, 10-15, reg, '77 1882.....	107¾	......
do 6s, 15-25, reg, '82 1892.....	107	....
Philadelphia 6s, old..	......	113
do 6s, new, over 1895..	126	......
Pittsburg 5s, reg, 1913...........	95	......
do 7s, water loan.... ...	121½	123
do 7s, street improv.....	107¼	......
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96.....	121	125
Bel & Del R R, 1st m 6s, 1902....	110	......
do 2d do '85.....	105	.....
do 3d do '87.....	103	....
Cam & Amboy R R 6s, 1883.....	105	107
do do do 6s, 1889.....	107	......
do do do m 6s, 1889...	113	114
Cam & A. T. 1st m 7s, gold, 1893.	116	122
do do 2d do cur, 1879.	......	107
Cataw R R new 7s, 1900.........	113	.....
Connecting R R 6s. cp. 1900.....	113	114
Del & B B R 1st m. 7s, 1905......	118	......
El. & Wmsp't R R, 1 m, 7s, '80..	111¾	114
do do 5s c. perpe'l	85	......
H. & B. T. 2d m 7s, gld 1895.....	109	......
do 3d do cur. 1895...	68	70
Lehigh Valley, 1st m, 6s, c, '98..	11[illegible]	......
do do r g '98....	118	.....
do 2d m, 7s, reg 1910.....	130	131
do cons. m, 6s reg 1923....	115	117
do do 6s, coup. 1923.....	115	.....
N Cent. 2d gd. m. 5s, cp'n 1926..	95	95½
North Penn, 1st m 6s, c 1885...	106½	......
do 2d m 7s, c. 1896...	120	120
do gen. m 7s, c. 1906...	120	123
do do reg., 1906..	120	......
Oil Creek 1st m 7s, coup '82.....	102	103
Pittsb'h Titus & Buff 7s, c, 1896.	81	84
P & N Y C. & H. R. 7s, r&c 1896.	120	121
Penna. 1st mort 6s, c, 1880......	102⅞	......
do gen do 6s, c, 1910.. ...	124	......
do do do 6s reg 1910....	122	......
do cons m, 6s reg. 1905..	118	119½
Phila & Erie 1st mort 6s c 1881.	101½	102
do 2d mort 7s, c 1888.	118	118¾
Phila & Reading 1st m 6s, 1880..	117	.....
do 2d m 7s, c 1893..	12[illegible]	1[illegible]2
do cons m 7s c 1911..	122½	126¾
do do m 7s r 1911..	123½	124
do do 6s, g r & c 1911..	110	. . . .
Pitts, Cinn. & St. L 7s c 1900....	120	......
Tex & Pac 1st m, 6s, g 1905......	......	108
do cons m, 6s, g 1905......	99¼	99¾
Un & Titus 1st m, 7s, 1890.......	92¼	......
War. & F. 1st mort. 7s, c 1896..	111¼	......
West Jersey 6s, d coup 1883....	100	......
West Jersey 1st mort 6s, c 1896.	113	......
do do 7s, r & c '99..	118	.. ...

Securities.	Bid.	Askd
West Penn 6s, coup, 1893.......	108	......
do 6s. p b c, 1896.......	108	108
CANAL BONDS.		
Lehigh Nav. m 6s, r 1884........	109	109
do M.R. R. r, 1897	115	......
do M conv g. r. 1894	108⅛	......
do M gold, r. c, 1897	110	110
do cons m 7s r, 1911	109	......
Schuyl. Nav. 1st m 6s, reg 1897..	103	104
do 2d do r. 1907..	79	80
do m 6s, coup. 1895..	40	.....
do 6s, bt&car r 1913..	60	70
do 7s, bt&car r 1915..	62	70
RAILROAD STOCK.		
Camden & Atlantic pref.... 50	25	28
Catawissa.................. 50	13½	14
do pref..... 50	49½	50
do new pref..... 50	47¼	48½
Elmira & Williamsport... .. 50	32	.....
do do pref.. 50	52	.....
Lehigh Valley.............. 50	56⅝	57
Little Schuylkill........ 50	51	......
Minehill...................	56½	56½
Nesquehoning Valley..........	55	56
Norristown....... 50	106	.....
Northern Pacific............	32⅞	33
do pref.........	63	63¼
North Pennsylvania....... 50	54	55
Pennsylvania 50	62	62⅛
Philadelphia & Reading.... 50	24⅛	24⅝
Pitts. Titus. & Buffalo..........	16⅞	17
St. Paul & Duluth...	30	32
do pref........	61	62
United Cos. of N. J......... 100	181	182½
CANAL STOCKS.		
Lehigh Navigation.......... 50	35	35⅛
Morris Canal grd 4 p c.......100	......	......
do preferred 10 p c.....100	... ..	......
Schuylkill Navigation..........	......	5
do do pref.....	10½	11
BALTIMORE.		
Maryland 6s, defence, J. & J..	106½	......
Virginia 10-40s, J. & J..........	47¾	48
do deferred, J. & J....	16	17
do consol. do.......	74¾	75
do do 2ds do.......	28⅛	29½
do consol coup, p due... ..	91¾	92½
do June 1889.......	......	......
N. Carolina 6s, Jan. & J., old...	82½	......
do do n. s...	47¾	50
do n. s...	44½	46
do do n. s..	44½	46
Balt. 6s, J., A., J., O., 1890... ..	117	......
do 6s, J. & J., 1902............	......	......
do 5s, M. & N., ex., 1916	110¾	121
Memphis City 6s, J. & J., n...	......	......
Balt. & Ohio, May & N.......100	183	188
do 1st preferred	118	......
do 2d do	115	......
Northern Central, M. & N....50	43⅛	43½
Central Ohio, June & Dec....50	45	45½
do preferred....50	53	......
City Passenger R'y, J. & J...25	37¾	38½

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
Balt. & Ohio 6s, 1880, J. & J.	......	21
do 1885 A. & O.	109	......
Pitts. & C. 1st 7s, 1898, J. & J.	120	123
N. Cent. 6s, 1885, J. & J.	109	......
do 6s, 1900, A. & O.	115	......
do 6s, gold, 1900, J. & J.	114	114½
Cen. O. 6s, 1st m., 1890, M. & S.	111	......
South Side, 1st 8s, J & J	110	......
do 2d 6s, do	100	103
do 3d 6s, do	100	102
Cin. & Baltimore 1st 7s	105	......
W. M. 1st m 6s gu. 1890, J. & J.	117	......
do 1890, J. & J.	112	113
W. Maryland 2d m (pref)	107	112
W. M. 2d m. 6s gu. by W. Co.	110	......
M. & Cin. 1st m 7s F and A 1892	118	118½
do 2d m 7s M. and N.	85	85½
M. & Cin. 3d m 8s 1900 J. and J.	46⅝	46½
Rich. & Dan. 1st m. M. and N.	103	......
Union R. R., End. Cant. Co.	115	......
Canton Co., 1st 6, gold, J and J.	114	......
Orange, Alex. and Mn's 7s do.	94	96
Orange & A. 1st 6s, M. and N.	113	......
do 2d 6s, J. and J.	120	......
do 3d 8s, M. and N.	95	98
do 4th 8s, M. and S.	53	60
Virginia & Tenn 6s 2d J. and J.	104½	......
do 8s, J. and J.	120	......
W. & W. 7s gold 1900 J. and J.	115	......
W. and Columbia and Aug. 7s.	105	105½
Ohio & Miss, 2d 7s, A & O	120	......
Balt. Gas, J. and Dec 100	......	......
do gold certif 100	......	......
People's Gas, J. and J 25	......	......
Consumer's Gas	......	......
do gold 6s, J & J, 1892	......	......
Georges Creek Coal, J & J	......	......
Chesapeake and O. Canal bonds	19	20
Balt. Warehouse Co, J & J.	1.20	1.25
Cincinnati 7-30s, J. and J.	......	......
Norfolk Water, 8s	......	......

LOUISVILLE.

CITY AND CANAL BONDS.

Securities.	Bid.	Askd
City improvement 6s	+104½	105½
do bounty 6s	+104½	105½
do school 6s	+104½	105½
do wharf (old) 6s	+104½	105½
do do (new) 6s	+105	106
do water works (old) 6s	+104½	105½
do do (new) 6s	+104½	106
do L. and N. R. R. (M. S.) 6s	+105	106
do L. and N. R. R. (L. E.) 6s	+105	106
do E. and P. R. R. 7s (old)	+110	......
do E. and P. R. R. 7s (new)	+116½	......
do old liabilities due 1880	......	......
do St. Louis A. L. R. R.	+110	......
Canal bonds, 3d issue, 6s	+100	......
do 4th issue, 6s	+106	......
Louisville Bridge Co. 7s	+110	......

RAILROAD BONDS.

Securities.	Bid.	Askd
Greensbury Branch	107	108
Louis. and Nash. Leb. Br	+100	......
Louis. and Nash. Cons	+118	......
L. and N. 2d mort	+104½	......
Louis., Cin. and Lex. 1 m 7s	+116	......
do do 2 m 7s	+108½	109
Jefferson. M. and I. 1st m 7s	+115	......
do do 2d m 7s	106	......
Eliz. and Paduc. 1st m. 8s	......	......

Securities.	Bid	Askd
E. and P. Louisville Br'ch 7s.	......	......
Shelby, 1st mortgage 8s	100	......
Owensboro and Russel, 1 m 8s.	......	......

MISCELLANEOUS BONDS.

Securities.	Bid	Askd
Kentuc. State bonds (old) 6s	......	......
do do (new) 6s	......	......
New Albany City	*107	......
Water Works bonds, 6s	*109	......
Louisville Transfer Co. 8s	*110	......

STOCKS.

Securities.	Bid	Askd
Louisville and Nashville R. R.	83	......
Gas Company stock	124	......
Louisville Bridge Co. stock	116	117

ST. LOUIS.

Corrected by H. H. Wernse, Bond and Stock Broker, 223 Pine Street, St. Louis.

BANK STOCK.

Securities.	Par.	Bid	Askd
Bank of Commerce	100	335	......
B'k Bartholow, Lewis & Co.	100	101	105
Biddle Market Sav'gs Bank.	100	67	70
Boatmen's Sav'gs Bank	100	118	......
Bremen Sav'gs B'k..80½pd.	100	+104½	......
Citizens' Sav'gs Bank	100	55	60
Commercial Bank	100	202	......
Fourth National Bank	100	235	......
Franklin Bank	100	90	95
German Sav'gs Institution.	50	50	55
German American Bank	100	92	......
Mechanics' Bank	100	92	93
Merchants National Bank	100	104	......
Mullanphy Sav'gs Bank	100	90	......
Continental Bank	100	80	90
Provident Sav'gs Bank	100	45	50
International Bank	100	90	95
Lafayette Bank	100	70	75
St. Louis National Bank	100	101	104
State Sav'gs Association	50	108	......
Tenth Ward Sav'gs Bank	100	112	......
Third National Bank	100	100	101
Union Sav'gs Bank	100	......	30
Valley National Bank	100	103	105
Northwestern Sav'gs Bn'k	100	......	......

SUNDRY STOCKS & BONDS.

ST. LOUIS CITY AND COUNTY BONDS.

Securities.	Bid	Askd
City 6s, Bridge Approach	110	112
do Sterling bds, due 1898	112	114
do Water b'nds, due 1887	107	108
County 6s, gold	109	......
City 5s, due 1900	106	......
do 10-20 years	105	......

STOCKS.

Securities.	Par.	Bid	Askd
American Cent. Ins. Co.	25	33	35
Marine Insurance Co	100	105	......
Belcher's Sug. Refin'g Co	100	......	65
Laclede Gas Light Co	100	105	......
St. Louis Gas Light Co	50	265	......
Iron Mountain Co	1000	920	......
Pilot Knob Iron Co	100	......	80

Special Features of the "Banker's Year Book,"—Arrangement and Sample Lines.

As published on another page (see notice regarding *Year-Book* corrections—page 779), the List of Banks and Bankers will appear in ten (10) columns, exclusive of column for numbers, each bank occupying a full line across the page—(only partially shown below for want of space).

Place.	*County.*	*No.*	*Name.*	*President.*	*Cashier.*	*Assist. Cashier, or other Officer.*	*Capital Paid.*	*Surplus and Profits.*
Albany	Albany	**538**	First National Bank	John Doe	Richard Roe	T. J. Brown	$800,000	$150,000.
New York City	New York	**290**	Fourth National Bank	Philo C. Calhoun	Anthony Lane	Octavius D. Baldwin	3,200,000	1,134,000.
"	"	⊕ **378**	Bank of North America	William Dowd	F. W. Whittemore	Henry Havemeyer, *V. P.*	700,000	157,660.
Rochester	Monroe	⊕ **649**	Johnson, Smith & Co	*W. S. Johnson.*	*James Smith*	*John H. Jones*	125,000	16,500.

Line completed by	*N. Y. Correspondent.*	*Other Correspondent, as indicated.*
	Fourth National Bank.	Maverick Nat. B'k, *Boston.*

To State Banks, Private Banks, and Bankers.

After considerable correspondence with Bankers, and with officers of State Banks, we have decided to introduce the system of prefixing NUMBERS to State Banks, Private Banks and Bankers, as shown above. The advantages of the plan are obvious; among others, the facilitating of bank correspondence, diminishing clerical work, furnishing increased safeguards against fraud, and systematizing banking business generally.

National Banks already use their official numbers to great advantage, and the introduction of the number system, to include all Commercial Banks, will insure its general adoption, it is believed, in a short time. In any case, banks have the option of using the numbers or not, as they like.

As the National Banks are now numbered from 1 up to 2498, and are constantly increasing, it is necessary, in order to have the advantage of low numbers (easily written), for the other banks to use a character ⊕ in connection with the numbers, as shown above. The State Banks, Private Banks, and Bankers in existence Jan. 1, 1881, will be numbered from 1 upward in the *Year Book*, taking the States in alphabetical order.

MEMBERS OF FIRMS IN ITALICS.

For Private Banks and Banking Houses the names of the co-partners will appear in the List when furnished to us for publication; the names will be printed in the same columns with officers, but in italic type, to distinguish them from the Bank officers. See style of Johnson, Smith & Co., of Rochester, in sample lines above. This feature will be of great advantage to the banking community, and Private Bankers will promote their interests by sending in names before January 10.

Caution to Publishers.—The undersigned hereby give notice that the *Banker's Year Book* is copyrighted, and the sign prefixed to certain numbers is registered according to law.

BRADFORD RHODES & Co.

TITLES OF LEADING ARTICLES—PAST ELEVEN MONTHS.

As this issue of the JOURNAL is sent to a number of Banks and Bankers as a specimen, we print below a list of the leading Editorial and Contributed articles which have appeared in its pages during the past eleven months.

AUGUST.

THE CUSTOMS OF BANKERS.—The Gilbart Lectures on Banking.
THE RATE OF DISCOUNT OF THE BANK OF ENGLAND.
GERMAN LOAN BANKS.
RAILROADS OF THE UNITED STATES.
BRITISH SAVINGS BANKS.
BANKING IN CANADA.
THE INSURANCE QUESTION.

SEPTEMBER.

EXPENSES OF NEW YORK SAVINGS BANKS.
DIVIDEND OF THE FREEDMEN'S BANK.
A LETTER FROM MR. WILSON.
MONETARY AFFAIRS IN ENGLAND.
THE BANKERS' CONVENTION.
ADDRESS OF ALEXANDER MITCHELL.
BANKING IN PENNSYLVANIA—Hugh Young.
RESUMPTION AND PERMANENCY OF SPECIE PAYMENTS—Geo. A. Butler.
THE SUBJECT OF TAXATION.—Jas. A. Briggs.
MICHIGAN SAVINGS BANKS.

OCTOBER.

THE GOLD EXPORT FROM EUROPE.
THE NATIONAL BANKING SYSTEM.
THE OUTLOOK IN THE SILVER MARKET.
THE STANDARD QUESTION IN HOLLAND.
NATIONAL BANK NOTE SECURITY.
THE SURVIVAL OF THE FITTEST.
THE CHECK STAMP NUISANCE.
BANKING IN WISCONSIN.
MONETARY AFFAIRS IN ENGLAND.
BANKING IN CANADA.

NOVEMBER.

BUSINESS QUESTIONS IN THE LATE CAMPAIGN.
TAXATION OF SAVINGS BANKS.
SPIRIT OF THE FOREIGN PRESS.
ARE TRUSTEES BOUND TO BE ALWAYS WISE.
THE IMMIGRATION FROM EUROPE.
THE SWISS BANKING SYSTEM.
FINANCIAL LEGISLATION ABROAD.
A HISTORY OF STATE DEBTS.—Robert P. Porter.
MONETARY AFFAIRS IN ENGLAND.

In addition to the above the JOURNAL'S various Departments have furnished a vast amount of practical information on banking subjects classified under the following heads:—

BANKING AND FINANCIAL LAW.—Digest of recent Bank cases.

ARBITRATED POINTS.—Questions relative to Banking submitted to the JOURNAL for arbitration.
Replies to questions addressed to the Editor also included under this head.

NEWS DEPARTMENT.—A record of Banking and Financial news from every section of the country.

MONTHLY LIST OF NEW BANKS, &c.—A full list of New Banks, Bankers, and Savings Banks; official list of new National Banks; Changes in Officers; Failures; Dissolutions, etc.

A RECORD OF DEATHS.—With biographical notices.

THE BANKER'S GAZETTE.—A concise review of the Money Market and Financial Situation, with tables of prices and comparisons.

BOUND VOLUMES for 1880, in leather backs and corners, marbled paper sides, sent by mail, prepaid, on receipt of $6.50.
Present subscribers may exchange their numbers for bound volumes on payment of $1.50, the charge for binding.
Single copies 50 cents each.

Extracts from Letters Referring to Bank Numbers.

[From the Cashier of a State Bank, Va.]

"I have frequently met with difficulty in reading the signatures of Cashiers to their drafts, sometimes being unable to decipher them at all. In such cases I have had to use the corporate name of his institution in making a journal record of the drawer and drawee of the draft. To write this corporate name, or even the Cashier's name, when that can be made out, requires time, space, and some little mental effort even when the name is short and familiar, to say nothing of the many lengthy compound names of banks.

Your plan of numbering the banks will lessen these difficulties considerably; permit me to explain: As the name of the drawee is usually mentioned in the letter accompanying the remittance, the reason for adopting this plan does not apply to him as fully as it does in the case of the drawer, but it is desirable to make use of the system in both cases.

After the *Year Book* is out, and each bank's number is known, let that number be printed on the Cashier's blank draft, either immediately before, after, or under the Cashier's name, or in some other part of the draft where it can be readily distinguished from the usual number of the draft.

It is obvious that these representative numbers being once published and known, the entries referred to will be simply numbers instead of names.

This is only one case where I propose to use the numbers; the system presents to my mind the means of simplifying bank records in very many ways, and I thank you for calling my attention to it." * * *

[From the Cashier of a New York Banking House.]

"I can readily see that your system of numbering private banks and bankers—and at the same time keeping the National bank numbers prominent—will give your List-Book a distinctive feature, and I am disposed to think that the plan will be of mutual advantage to the banks." * *

SAFE BREAKERS' INGENIOUS DEVICES.—If the banking community were aware of the ingenious devices applied to safe breaking, greater care would be exercised in the selection of safes that must guard against them.

Dynamite, the most powerful of explosives, was made use of by burglars in a recent attempt to rob a safe in the banking house of Adams & Leonard, at Dallas, Texas. Their powerful tools proving ineffectual, the robbers laid the safe—weighing more than two tons—upon its back and exploded the dynamite, but without any success, as the safe was of recent make with Herring & Co.'s improvements to protect against explosives.

With the aid of an air-pump, powder was introduced into the safe used by the First National Bank of Westport, Ct., and the door blown out. The same device was made use of by burglars at Brocton, N. Y., when an attempt was made to break open a Herring's Safe belonging to T. S. Moss, but here it proved of no avail, and the contents of the chest were saved.—*Exc.*

THE CENTENNIAL-SAPPHIRE (Silver) MINING CO.—Everything which is calculated to draw the line of distinction between legitimate and illegitimate mining operations, considering the importance of the mineral wealth of the United States as forming the basis for a sound industry, should be hailed with favor by investors. The advertisement on another page of Mr. M. D. Converse, when taken in connection with the parties connected with the Centennial-Sapphire Mining Co., as Trustees and Officers, would seem a challenge to Wild-Cat companies to go one step farther, and that step one which they are not likely to succeed in taking, as it would require the passing of everything under the inspection of experienced and shrewd observers.

Mr. Converse's proposition seems to be worthy of attention.—*Exc.*