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There seems to be even more discrepancy than usual between the various estimates of the coming crops. The large difference between the estimates of the Agricultural Bureau and the census report, of the actual yield for 1879, have tended to throw discredit upon the reports of the Bureau, and every authority of weight seems to be off-set by some other equally trustworthy. It is, however, certain that the season has been somewhat backward and wet, and extremely likely that the yield of breadstuffs will be more or less short of that of last year. But it is not likely that the deficiency in the European crops will be so great; so that even from the present outlook there will probably be a surplus. The prevailing conditions are being utilized to great advantage by those who wish to turn an honest penny by helping their neighbors to very permanent investments in new stock companies. If a few of these schemes should meet a sudden set-back it might do no harm and would, perhaps, tend to keep capital in legitimate channels.

Some of the papers in the case of The Susquehanna Valley Bank, appellant, against Charles W. Loomis, as executor, etc., of Justus Pickering, deceased, have come to hand, but too late for publication in the present number. The cause of action in this case is a very common one, and the decision of the courts makes it one of prime importance to banks. A stranger presented a draft on New York at the bank, which is at Binghamton, New York, desiring the cash. He was identified by a responsible party, who indorsed the draft and the bank cashed it. The draft then passed through the hands of the bank's New York correspondent to the Clearing-House, and thence to the bank upon which it was drawn, where it was paid. At the end of the month the draft was sent to the country bank that issued it, when it was found to have been raised from $25 to $1,200, and that the name of the payee, date,

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number, etc., had been changed. The responsibility for the loss was immediately traced back from bank to bank until it reached the indorser. He having learned in the meantime that he had been deceived by a forged letter of introduction, and having lost sight of the stranger, resisted the demand for payment. The Court decided and the Court of Appeals has affirmed the decision, that in such a case the failure to protest released the indorser, whether the paper was genuine or not. Now, as in such cases it is impossible to give timely notice of protest, it would appear that banks, in order to avoid frequent losses, will have to ask parties who identify strangers to sign an indemnity bond guaranteeing that the paper is absolutely genuine.

The status of the banker in the olden times was a high one, for not only was he the best friend of the Kings in need, but he often became their personal protégé, contracted alliances with noble families, and formed an aristocracy apart. Somewhat more than a merchant, a little less than a lord; "bankers and merchants" is even a stereotyped phrase in which this pre-eminence is embodied. Unfortunately, like everybody else in these iconoclastic times, the banker, if not less rich, is often less dignified, and deserves and gets less confidence and esteem. In this country, especially, where we are everything by turns, and nothing long, the banker has not attained in many instances, the pre-eminence to which his vocation should entitle him.

The necessities of modern trade, and the growing and fearful competition, with the diminution of really safe investments for his capital, or his deposits, are driving some bankers to incongruous occupations, if not devious ways. Popular pot-houses are bought up in London by joint-stock companies, with members of eminent banking-houses as directors; paying bakeries are becoming favorite investments for Amsterdam bankers. Erlanger bought out an illustrated German magazine for $800,000, a month ago, and a successful Frankfort brewery the following week. Of course bankers must invest their money, and seek the best and surest fields. On the other hand, there are some things with which the legitimate banker should not identify himself.

These remarks are suggested by an advertisement in a prominent New York paper of an institution mainly got up by bankers of good standing. "The Columbian Institute for the Preservation of Health, and the Cure of Chronic Diseases," is the rather long title of this last investment field for our banking funds. It is incorporated with a capital of $100,000 dollars, and among the incorporators are three well-known and respectable up-town bank presidents, together with a so-called private banker, to whom application for stock should be made.

We need not here go into the medical aspects of the case, nor, from any other point too strongly animadvert on an institution, the aims of which may be purely commendable. But, the institution counts on combining business and charity, on being both speculative and eleemosynary—and this alone would form a strong objection in itself. It has been the general opinion that New York was already abundantly supplied with institutions for medical relief—in fact young doctors—not always the best, of course—are sadly in want of patients at any price. The circular smacks of charlatanry—medical and financial. If bankers are benevolent, let them give. If they are speculative, there are many and other more legitimate fields. Once the door is opened, there is no knowing how many dubious undertakings would not be fostered by our bankers. Let us uphold the dignity and honor of our banks, let us leave hospitals to philanthropists, and physic to physicians, or "the dogs."

Officers of the Internal Revenue Department have recently been successful in compelling the International and Corn Exchange Banks of Chicago to settle at heavy expense, a claim for unpaid taxes. The difficulty arose out of a difference of opinion regarding the proper construction of the law. Encouraged by this success the officers have since undertaken an examination of the books of the four Canadian banks doing business in that city. The Bank of Montreal has a capital of $12, 000,000, and $500,000 surplus. The agency at Chicago, however, is allotted a capital of only $100,000, upon which it has paid taxes. The revenue inspector ascertained that the business of the concern was larger than the combined deposits and allotted capital would account for. The officers of the agency claimed that the excess of funds used was either a portion of their surplus, which they considered not taxable, or else money sent to Chicago or placed to their credit at the New York agency by the parent bank in Canada. These funds were not subject to check, except by the bank in Chicago, which derived no profits from the transaction, as the gains were credited up to the parent bank. In this respect the bank at Chicago claimed to be simply acting as a financial agent.

Revenue agent Kinney insisted, that as he understood the law, the moneys used in excess of the capital and the deposits accounted for, must be regarded as either a deposit or additional capital, and therefore subject to the tax of 1-24 of one per cent. per month. At his request, the bank officials made up a statement of the business by months for several years past, for the purpose of determining just how much the excess of funds in use amounted to, which was sent to Washington with a statement of the facts.

Internal Revenue Comissioner Raum has just (on June 28) decided that the laws of the United States having been framed "with a view of levying a uniform tax upon the business of banking," it is "contrary to a sound public policy and prejudicial to the interests of the citizens of the United States, to exempt from taxation the funds of a foreign bank which are employed in the business of banking in this country, in competition with domestic banks whose capital is subject to taxation." As the capital of the parent bank cannot be taxed, a fair rule seemed to be "to tax the amount of money brought within the jurisdiction of the United States and used in the business of banking, month by month, during each semi-annual tax period."

The agency of the Canadian Bank of Commerce, of the Merchants' Bank of Canada, and the Bank of British North America, are more or less involved the same way as the Bank of Montreal, and it is supposed that they will join for the purpose of setting up a test case, that the matter may be definitely decided by the courts.

This condition of things suggests the question: Is it good policy to tax amounts of money sent here from Canadian banks for investment? The amount of such money on June 1 was about $25,000,000, as appears from the statements of the banks of Ontario and Quebec. That money is sent here to earn interest and, therefore, it may be said that the foreign capitalist should be made to disgorge a portion of his (possibly ill-gotten) gains. But the tax, it should not be forgotten, is laid, not upon the gain, or interest, but upon the principal sent. If foreign capital is a desirable thing, the tax would appear to be suicidal, as it certainly tends to drive it away. Now, Americans only borrow outside capital at interest, because they can make a profit on it. So that although they have to pay interest to the foreigner, they are gainers by the transaction.

But cannot Government properly divert some of that interest into its own coffers? If it does so, the consequence must certainly be to drive the capital away. The difference between the earning power of money is scarcely so much in favor of this country as compared with Canada, that a tax of one-half of one per cent. per annum will not serve to exclude it. The freedom which the capitalist enjoys of taking his money to the best paying market prevents the Government from taking part of his profit, and it is probably the borrower that has to pay the tax finally. The present law tends in some degree to hinder the Canadians from aiding to develop the resources of this country and forces them to expend it in developing their own instead. To illustrate this we may say that the money which they might invest in our Pacific railroads will be partly diverted to the construction of the Canadian Pacific.

"But," American bankers will ask "should we be taxed while foreigners go free? The banking business of the country might in that case all pass into the hands of foreign banks and their agents." This brings up the question of whether it is judicious to tax bank deposits at all, for if deposits in foreign bank agencies are free of tax, so certainly ought those of native banks. When the matter of the taxation of deposits is subjected to the simplest form of analysis it will be at once condemned. The money a man possesses may be taxed or not, but why should it be taxed extra when put in a bank? It might be inferred that he had done some wrong to the community in depositing money, or else that banks ought to be discouraged from receiving deposits. It should never be forgotten that the tax is not upon the money which a bank uses to loan out, but upon the total average deposits. It is impossible to suppose that any sane man (even an average Congressman), would advocate such a tax if he for a moment appreciated the benefits which business generally derives from the banks; if he actually realized that the exchanges through the Clearing Houses of the principal cities of the country amounted to thirteen hundred million dollars in a single week, and that but for the banks that amount, and much more, would have to be conveyed from place to place to meet the present demands of business. In fact, it is almost certain that the present business could not possibly be done without their aid.

The law, again, is either so ingeniously or so clumsily contrived that it interferes with business at one of its main arteries. As calculated to ruin business it is ingenious, but considered in any other way it is a perfect failure. It makes it for the interest of the banks to lend out money on poor security in times like the present, when interest is low, so that they may be able to reap a profit after paying taxes. This endangers not only the interests of their depositors, but of every person in the country, by inducing the conditions that lead to a financial crisis. It is useless to say that every banker should endeavor to secure his customers and the public, when the public, by levying a tax which must be paid whether he earns a cent of profit or not, leaves him only the choice between unsafe business, and financial loss.

No one can question the uselessnes of the tax upon deposits as a feeder of the revenue. The surplus during the current fiscal year is about one hundred millions, and the reduction in the interest on the public debt will help to swell this surplus. The proceeds of the tax amount to a very few millions. The Comptroller of the Currency and the late Secretary of the Treasury have repeatedly recommended its abolition, while among its advocates may generally be found the demagogues and their tools—the ignorant.

The operations connected with the renewal of the five and six per cents. being about completed, it may be useful to consider the probabilities regarding the disposal of the continued bonds, sometimes called "Windoms." It is likely that, in the absence of some absorbing political question, and if the money market continues easy, strong efforts will be made in Congress next Winter to have them refunded at 3 per cent. It was probably with the view of forestalling any such attempt that a leading New York daily, when the bonds were at their highest prices, in the early part of June, wrote thus: "The new three and a half per cents. sell quite steadily at 104 to 104 1-4, and at the former price return 3.365 per cent to the purchaser—a fact which may well be considered by those who are insisting that a three per cent. short term bond could undoubtedly have been placed. The demand for four per cents., since it has become evident that these are likely to be the only United States bonds left outstanding after about ten years, has greatly increased, and 118 1-4 has been paid for them, large amounts having recently been taken for estates and banks. At that price these bonds return 3.38 per cent. to the purchaser for the year, with a strong probability that they can hereafter be sold at a still higher price at times when money is abundant and the rate of interest is low. Where there is this probability of future advance in price, and the period of final payment or possible redemption is far distant, buyers are influenced scarcely at all by the fact that they cannot get more than $1,000 at the expiration of twenty-six years, for a bond which now costs $1,182.50. With them the controlling consideration is the rate of return yearly upon the money invested. In this point of view, the price paid for these bonds also affords evidence that a three per cent. bond would not meet with ready sale."

If there are no better objections than the above to the issue of a three per cent. bond, it is very certain that it will not be successfully opposed. If buyers think only of the immediate return in interest and "scarcely at all" of the loss of premium, the 4 1-2 per cents. of 1891 should have been selling, at the time the above was published, at about 133, whereas the actual price was 115 1-4 to 116 1-2, in fact lower than the 4 per cents. A 4 1-2 per cent. bond at about 133 returns 3.37 per cent. if the factor of time be left out of the count. It is very certain that the difference in the time which the bonds had to run influenced the buyers in that case, as it nearly always does. According to the calculation of Mr. Elliott, of the United States Mint, the net interest realized upon a four per cent. bond due in 1907 bought at 118 is a very slight fraction over 3 per cent. (between 3.025 and 3.05 per cent.) According to Price's tables the net interest will be slightly under 3 per cent.

It is impossible to reckon the exact return from the 3 1-2 per cents. as the time they will run is uncertain, but their probable duration may be estimated. Their total amount will be probably not over $550,000,000, viz.: Sixes, $180,000,000; registered fives, $270,000,000, and coupon fives (about) $100,000,000. The surplus revenue available for the reduction of the debt is at present about $100,000,000 a year. This would indicate an average duration of about three years for the renewed bonds in case they are chosen for payment first. It has, however, been conjectured in certain quarters that the fours may be purchased by the Treasury in preference, as, even at 118, it is said they would be a better investment for the surplus revenue. This idea may be considered as chimerical, for the moment the Government should make an offer for the fours their price would advance exorbitantly, whereas the renewed bonds can be paid at any time.

It is very evident that those who have been dealing in the continued bonds at the ruling premium have not contemplated the payment of them so soon as the time estimated above; but even if the average duration be five years, the bonds at the recent premium will realize the investor not over about three per cent. The four per cent. premium was probably caused by speculation. It was palpably exorbitant as reckoning on five years duration; the net return to the purchaser was only about 2 5-8 per cent.

It does not, however, follow because the bonds of the Government have been selling at prices equal to par for a three per cent. bond, that it would be advantageous to refund at three per cent. The present continued bonds are actually no more desirable to the holders than would be three per cents. having a stated moderate time to run. On the other hand they are as advantageous to the Government, for the reason that they can be paid in such amounts and at such times as are most convenient to the Treasury, and at their face value.

DEPOSITS TO RETIRE CIRCULATION.

When bonds deposited to secure the circulation of a national bank are called in for payment by the Government, it is both for the interest of the bank and the Government to have them withdrawn for redemption. This the bank can do either by substituting other bonds or by depositing under Section 4, of the Act of June 20, 1874, lawful money to retire the circulation secured by the bonds. Owing to high premiums the substitution of other bonds is often unadvisable and inconvenient, and therefore banks frequently prefer to pursue the other method. Until May 23, last, the Treasurer of the United States, following the example of his predecessors, has, as a matter of convenience to the banks, permitted the withdrawal of called bonds with the understanding that sufficient of the proceeds of their redemption should be deposited in the Treasury to retire the circulation protected by the bonds. The method followed by the banks was to send a power of attorney authorizing the Comptroller of the Currency to withdraw the bonds, and the Treasurer of the United States to assign them to the Secretary of the Treasury for redemption on account of the bank. By this process, while the bonds are never out of the hands of the officers of the Treasury department, the banks are relieved from the necessity of first sending in the money to retire circulation. This permission accommodated particularly those banks which might otherwise have been compelled, in order to withdraw their bonds, to borrow lawful money for some days.

On the 23d of May, however, the Treasurer determined to no longer permit this method of withdrawal, and required that before called bonds could be withdrawn, legal-tender notes to retire circulation should first be deposited. He gave as a reason for this course, that the bonds are paid in coin and not in legal-tender notes, and that, in his opinion, Section 4, of the Act of June 20, 1874, required deposits for the retirement of circulation to be made in legal-tender notes only.

The Comptroller of the Currency did not coincide with this view of the Treasurer regarding the effect of Section 4, holding that the section, taken in connection with all other law bearing on the point, permits banks to retire circulation upon the deposit of lawful money. Under the Treasurer's construction, provision made in gold coin for the retirement of circulation would not be good, notwithstanding that gold coin is lawful money, and, when of full weight and fineness, a full legal-tender both under the Constitution and laws of the United States.

The question as to the proper construction of Section 4, was referred to the Attorney-General, who promptly decided that a deposit of lawful money was all that could be required.

After this decision the Treasurer referred to the Attorney-General the question as to the kind of deposit national banks must make to keep their five per cent. redemption funds good. The Treasurer has held that the banks can make this fund good with legal-tender notes only, the provisions of Section 3, of the Act of June 20, 1874, in respect to the five per cent. fund being in about the same form as those of Section 4 of the same act, with respect to the retirement of circulation and the withdrawal of bonds. The decision of the Attorney-General as to the proper construction of Section 3, will probably agree with his decision, already made, as to the true construction of Section 4.

These decisions will be of great importance to the general public as well as to the banks. The close construction of law heretofore followed in the practice of the five per cent. redemption bureau, has served to enhance the value of legal-tender notes at the expense of national bank notes. Even gold coin has been treated as of less account than the legal-tender note. The requirement that over 2000 national banks should keep their redemption funds good in legal-tender notes, and the similar requirement that such notes must be deposited to retire circulation, has increased by degrees the eagerness to obtain them, and large amounts of national bank notes have been constantly forwarded to the Treasury for redemption, with that object. The change will reduce these amounts and the consequent expense to the banks of redemptions. It will obviate most of the difficulty which the Treasurer complained of last Winter, with respect to the sending in for redemption of unused national bank circulation, in order to obtain legal-tender notes. The large New York banks will no longer be called on by their correspondents to deposit legal-tender notes for them, and will not therefore, in order to supply themselves be obliged to send on their national currency for redemption. Such redemptions as are made can be made good with either gold coin, silver dollars, or legal-tender notes, as may be most convenient, but there will be no such great anxiety to send on bank notes, when either coin or notes may be paid as may be most convenient to the Treasurer. Admitting that under these decisions, the deposits and redemptions might be mostly made in silver dollars, the tendency in that event would be to enhance the value of the national bank note to the holder.

The difficulty feared on account of the scarcity of a convenient, well-secured paper money will now be obviated by a larger circulation in the ordinary business channels both of legal-tender and national bank notes. The former have been heretofore used largely for a special purpose which rendered them scarce. The latter were constantly being used to secure a supply of the former. Both were diverted from ordinary circulation in business channels.

Under the new condition of things there will be much less danger of the silver dollar becoming a nuisance than before. When the principal use of the legal-tender note was to redeem the national bank note, and the principal avocation of the latter was to chase the former around so as to make its own redemption sure, there was much useless expenditure of circuitous energy, while the silver dollar could find some occupation. The legal-tender and national bank notes being relegated to their proper places, the well-secured and convenient paper will supercede the more cumbersome coin it represents, be it gold or silver.

If the New York Clearing House will abolish their rule against receiving national bank notes in payment of balances, there will be little necessity of passing resolutions against the silver dollar. The observance of this rule as far the national banks in the clearing house association are concerned, is contrary to the provision of law that the notes of any national banking association shall be taken by every other such association; although as among themselves they have of course the right to mutually consent to waive the requirement. By giving a wider power to the notes of banks in the national system all other forms of money must sink to a second place in usefulness, and if the silver dollar by continued coinage, finally becomes the single standard of the United States, the national banks will receive compensation through the increased demand for their circulation. The above decisions will do away with many useless redemptions, cheapening the expense of the national bank currency, both to the Government and the banks.

TAXATION OF MONEYED CORPORATIONS.

Rational principles and expedient methods in taxation are the despair of modern legislation. It is not to be denied that the subject is a difficult one to deal with. Ideal justice and equity in apportioning the public burdens amongst the citizens of the State we may not hope to reach. In the attempt to reach such a result there are, at the best, too many unknown factors to make its perfect attainment possible. The highest wisdom can do no more than approximate the nearest possible that ideal. This is no less true in other matters of public or personal interest. The administration of justice often fails—(may we not say *always ?*)—of meting out exact justice.

But is the difficulty in doing a thing, indispensable to be done and of first importance to be done well, good reason for doing nothing or doing little, or for doing much in a loose and shambling manner ? Not in this way do men reason or act concerning their other interests. They summon resources commensurate with the difficulties to be overcome. They do not employ a house carpenter or blacksmith or mason to plan and construct the Brooklyn bridge. They bring these in at the proper point and time in the course of construction; but large-brained men with a special power to devise and plan are entrusted with the conception and development of the great work.

Why cannot similar rational methods be employed in devising a scheme of taxation that shall as nearly as possible fairly and equitably apportion this burden ? Something in this direction has been attempted at various times in the past by the appointment of commissions, legislative or expert, to report to the Legislature a system of taxation for its consideration and adoption. These have uniformly failed and for good reason. The Legislature to which such commission would report would be no more competent to deal with the results of the investigation and study submitted to it than to grapple with the subject first hand; perhaps less: and so would commonly begin by casting the report aside and starting in afresh, or not starting in at all, We would not venture to enumerate the number of these reports of special commissions upon the subject of taxation with which the volumes of legislative documents are encumbered, and which have never been so much as considered by the body to which they have been made.

The device of a commission, such as the present one in New York State, appointed for the purpose of specially considering the question and to act conjointly with a committee of both houses of the Legislature in formulating acts for its approval, would seem upon its face to have some advantages which we do not need to specify. But there is the same fatal weakness in this as in all other devices, that the special ability or skill of such a commission, and the results of its care, time and research, must after all be submitted to the judgement, or rather to the determination of a body wholly unfitted by knowledge, culture or experience to deal with the question. Worse than all, the great majority of these come to the Legislature, mortgaged body and soul to constituencies whose chronic complaint is that they bear the burdens of taxation in undue proportion, and that no change which does, or which *seems* to continue or increase their burden must be tolerated. Hence, to legislators of this grade, the one thing needful is to find new objects upon which to assess taxes.

The last two Winters have been specially fruitful in efforts of this kind in the State. The outcome is not yet fully known; we shall, therefore, only briefly consider the principles involved as illustrated in the: "Act," elsewhere given in full in these pages, "to provide for the taxation of banks and of moneyed capital engaged in the business of banking, receiving deposits or otherwise."

This is substantially the re-enactment of the act for like purpose passed at the session of 1880—Chap. 596.

This act exemplifies the haste and crudeness of our legislative methods. One would suppose, that it being an attempt to perfect previous legislation, the obvious errors in grammatical construction, &c., would be corrected. On the contrary they are either reproduced or changed for the worse. This is not of course vital, but it serves to show that if in matters so easily corrected, looseness and haste are indulged, we have little to hope for in the matters which require deliberation and care.

Look for instance at Section 2, in the second line, where "individual bankers, mentioned in the first section of this act," are referred to. But in the first section individual bankers are not "mentioned" at all. What may we hope for in the way of rational legislation when such gross blunders, if not the rule, are certainly no rare exception? What respect for the wisdom or justice of law can we have, where these evidences of want of deliberation and care are so glaring and conspicuous?

The act is designed to reach subjects of taxation wholly incongruous, and necessarily upon wholly different bases.

In general, the first three sections are aimed at foreign banking capital, the basis being a percentage upon the average deposits.

The fourth to the seventh sections provide for the taxation of the shares in the national or State banks.

What is there in common between these foreign corporations and our national banks, except that both receive deposits, that they should be thus unequally yoked in the same chapter?

Why, too, should the capital of foreign corporations, or the deposits of our people with them, be taxed, whilst domestic firms, partnerships, and corporations and individual citizens may transact the same business unincumbered by tax—at least so far as this law is concerned? Of course if the answer be that this act is a measure of protection and not of taxation we can understand it, but as a measure of taxation it seems to us fatally defective. The object of taxation is revenue, but the effect of this act upon foreign capital can only be to drive it from our borders. If that is the purpose, it is rational and consistent, however short-sighted, but it is absurd to provide for this by two or three cumbrous and ill-constructed sections, when a line or two, terse and explicit, would have served the purpose as well. Besides, it is incongruously combined with a measure of revenue in the remaining sections which impose a tax on the shares in national and State banks.

Are we or are we not better off for the presence with us of this foreign capital? Why does a lot 25x100 on Broadway, pay more in taxes each year than many a farm of one hundred acres in the interior of the state will *sell* for under the most favorable conditions? It is the capital of these foreign bankers and domestic bankers, of insurance companies, hóme and foreign, locating itself on that lot and other lots up and down and across: the goods, wares and merchandise from the East, West and South, and from all parts of the earth stored and displayed on that lot and other lots which that capital makes it possible to bring here for sale or exchange—these are what give value to that lot on Broadway so that its *taxes* are more than the value of many a farm. If we will reduce the value of the lot on Broadway to the value of a corresponding plot on Smith's farm in Crabtown, we have only to drive from the streets of New York, by hostile legislation, the personal property in goods or money which impart their value to the realty where they are found.

The reduction in the public debt during the month of June was over $12,000,000, and for the fiscal year 'just ended $101,573,483. The available cash balance is nearly $171,000,000, an increase of $16,000,000 during the month. The amount of silver dollars in the Treasury is $62,544,722, against which there are $39,000,000 silver certificates outstanding, leaving the net amount of silvers dollar on hand, about $23,500,000, being an increase of $1,700,000 during June.

The national banks held, a year ago, nearly $200,000,000 in 5 and 6 per cent. bonds, which have been replaced to the amount of $189,000,000 with continued three and one-half per cents. During the fiscal year 54 national banks have been organized, with an aggregate capital of $6,409,700, and 19 have gone into voluntary liquidation, having a capital of $1,620,000. There have been no failures of national banks during the year. Their total number at present is 2,122.

PROTECTION OF DEPOSITORS IN NATIONAL BANKS.

A late despatch from Washington to the Baltimore "Sun," says:

"The recent presentment by the Grand Jury of the District, of the officers of a national bank of this city, and the facts as set forth in the presentment, indicate a pressing necessity for additional legislation in reference to the management of national banks. Here were the president and cashier of a bank, by a system of corrupt collusion, and a very clumsy system at that, enabled to eat up between them almost the entire assets of the institution, and neither the Board of Directors nor the Government bank examiners knew what was going on right under their eyes. The note-holders of national banks are protected so absolutely that no dishonesty can possibly arise to affect them. But, notwithstanding all the legislation on the subject, the depositors in national banks seem to be about as much at the mercy of dishonest officials as the depositors in any other banking institutions. A member of Congress, himself the president of a national bank, says there is one great evil almost universal with banks; sometimes the president, sometimes the cashier, and sometimes the two acting together, assume full control of the affairs of the bank, and the supervision of the Board of Directors becomes no more than nominal. This was certainly the case with the bank here, whose officials have lately been indicted. As for bank examiners, the cases are very frequent where they have for a long time been unable to see through 'cooked-up' statements presented to them for inspection by dishonest bank officials."

The action of the Grand Jury in the case of the German-American National Bank of Washington. D. C., which calls forth the above paragraph, was commendable in that indictments were found against the derelict and criminal officers of the bank. Evidence was heard in reference to their conduct and a presentation of the facts necessary to a full understanding of the case was made for the benefit of the Grand Jury. But the wholesale expression of opinion in reference to supposed defects in the National Banking Law, is rather indicative of defective knowledge. The National Banking Law was not on trial, and there was no presentation of evidence that warranted such a condemnation of the law. It was the very law which they reflect on that has enabled indictments to be found against these criminal officers. It is stated that the note-holders of national banks are so protected that no dishonesty can affect them. This is so, and it must be remembered that the national banking system is the first banking system in the United States under which the note-holders have absolute protection. It is also true that the depositors are not so well protected as the note-holders. Nevertheless, the depositors in the national banks are better protected than those of any other class of banks now operating in this country. The national banks have during the past fifteen years constantly held deposits of money amounting to nearly $800,000,000, and during this time the losses to depositors have been but slightly in excess of $6,000,000. These fifteen years include the financial panic of 1873. In the States of Ohio and Illinois alone, the losses during the three years ending with 1879, through the failure of State, savings, and private bankers amounted to over $8,000,000. The losses of the depositors of 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 about $4,500,000; while those of depositors of national banks in the same city for sixteen years were about $91,000 only.

In reference to deposits something has to be left to the intelligence and self-interest of the depositors. If the Government should assume to protect the depositors as absolutely as it does the note holders, it could only do so by requiring a deposit of United States securities with the Treasurer to the amount of the deposits made with the bank. If the bank were required to invest its deposits in United States bonds, what would remain on which it could carry on a commercial business? If the only motive a man had for depositing his money in a national bank were to have it secure, he had better go to a savings bank, or put it into bonds himself, or keep it with a safe deposit company. What a depositor in a commercial bank can require, is such security only as is compatible with a free use of the money in a common fund by the customers of the bank, of which he expects to be one. Some risk must be run in such a connection. The depositor trusts the bank, and when the depositor becomes a customer the bank trusts him. Without this mutual confidence accompanied by this mutual risk, a bank as an instrument of business would be a nonenity, and the National Banking Law recognizes this fact.

The Government protects the depositor from the dangers which experience has shown are likely to beset him, by requiring publicity for the operations of national banks, through a system of reports and examinations, and by imposing penalties for criminal derelictions on the part of the bank's officers and directors. If tha officers are upright and sagacious no harm can come to the bank. If the directors do their entire duty the officers cannot evade theirs. If the stockholders do their duty they will elect competent directors. If the stockholders do not elect competent directors, and the bank fails through their incompetency, the stockholders pay the penalty. So far the bank is protected by the system.

There are many systems which, while the plan is good, fail through the imperfection of their parts. A machine may be perfect in design, but if the bearings are soft, or if any part breaks, the consequences are disastrous. So in the various component parts of a bank any imperfection, as the dishonesty of the officers, the negligence of directors, and the apathy of stockholders is apt to ruin the whole.

True, in the case of national banks the Government stands as a sentinel, but the most vigilant sentinel will be sometimes deceived or surprised. The Government examiners may be tricked, and sometimes even the most expert are. But it speaks well for the system that of over twenty-five hundred national banks organized, eighty-four only have failed. Punishment is meted out to dishonest bank officials, as the sentences of Waite, cashier of the First National Bank of Brattleboro, Vt., and Hedden, Cashier of First National Bank of Newark, N. J. show, and doubtless the officers of the German-American National Bank will be made to feel the weight of the same law which the Grand Jury of the District of Columbia have thoughtlessly condemned.

THE PRINCIPLE OF CREDIT.

CONCLUDING PAPER.

It is time to bring these scattered notes to a close. We have not sought to construct a logical series, but rather to drop by the way, from time to time, some thoughts or suggestions, which might stimulate thought in others, and out of the common grooves.

Our purpose has been in the main, to exemplify the truth that the principle of credit is as pervading as the principle of life and progress in human affairs. Without it there can be no progress. It is the characteristic of civilization and enlightenment. The growth from barbarism to refinement and culture, from scantiness and need to plenty and luxury, is marked and indicated by a corresponding growth and expansion of the principle of credit. We have not considered its abuses. That it is liable to these is of course true. What important element or interest in human affairs is free from this liability? The remedy for abuses is not in the destruction of that to which abuses will strive to cling, but in devices to eradicate the abuses. Because of the noxious exhalations from sewers, shall we inveigh against any system of sewerage? They are a necessity in densely populated centers. Or shall we then declaim against cities altogether, and all seek the charm and purity of rural existence? These questions carry their own answer.

The aim of life with each one of us is to better our condition. To bring within our reach more and more of the comforts, the conveniences, the pleasures, and the luxuries of existence; and to do this with less and less of the wear and weariness of toil; to lift the burden from our shoulders to other shoulders, has been the study of mankind from the beginning. But within the last fifty years our progress has been marked by the lifting in some measure at least, the burden from all shoulders. Who can estimate the emancipation from human toil wrought by steam? Concieve the amount of force expended in a single twenty-four hours upon all the railroads in the United States. Reduce that to its equivalent in human labor, or in human and animal labor combined. We may thus form some idea of the aggregate burden which man has put off from himself upon nature. That work of all the railways would, but for steam, have to be done by man and beast —or it would be left undone. Of course, the latter would be what would happen. Then we would have only so much the less done for mankind—so much the less raised, or manufactured and brought to our homes.

But this may seem a wide divergence from our theme of "credit," yet it is not wholly irrelevant. We cannot have these conditions and incidents of progress, these railways, these steamers, ocean or inland, these ponderous engines that move the deft machinery which *employ* thousands, and *dispense* with hundreds of thousands of hands—we cannot have these without the employment of credit. Until the road is built the train with its freight can not pass. Who will make the advance, looking for his reward to the carriage of the freight now waiting, and of more freight certain to be got ready? Somebody must do it—somebody is doing it all the time. They are not philosophers and humanitarians who do this. They do not do it for conscience sake. They do it for gain. But their gain, if perchance the venture proves fortunate, is small compared to the aggregate gain of mankind. Yet we, whose gain is perhaps imperceptible, individually, but who in a thousand ways are the unconscious beneficiaries of the enterprise; we who have contributed no service toward it; we who have taken no risk regarding it, envy the palpable advantage of those who have taken all the risk, and rendered all the service. Nor is it a secret, silent envy which we indulge, but a loud, intolerant envy, which finds expression in revilings and denunciations. They whose foresight, energy and courage have wrought so well are able to build fine mansions, fill them with works of beauty and art:—they have carriages and wear diamonds. We huddle ourselves together in a flat; we are obliged to hang by a strap in a street car, and the height of our ornamentation is a modest moss-agate that relieves the glaring whiteness of our shirt front. Well, and why not?—what claim have we upon the gains which follow upon bold adventure, when we have not ventured? But yet this rather contracted flat, with its cozy furnishing, and tasteful though limited decoration, is, we know, a palace beside the rude, rambling and rickety farm-house where we were reared. And this greater comfort which has come to our maturity, beyond the fairest dreams of our fathers, is part of the gain which comes to us from the ministration in material things of those whom we envy and contemn. And as in ours so in thousands of homes, the influence in greater or less degree is felt, of this general progress and advancement, whose inspiration and soul is the PRINCIPLE OF CREDIT.

REDUCTION IN THE RATE OF INTEREST.

It is announced that among the subjects to be discussed at the next convention of the American Bankers' Association, will be "The Decrease in the Rate of Interest." There is no question more interesting or more important to bankers at the present time than the causes and consequences of the continued plethora of loanable capital, and the low rates of interest in this and other countries. It is easy to understand how the present conditions make it extremely difficult for those to whom is intrusted the investment of the surplus capital of the country to invest at once safely and profitably. It is very important to know whether these conditions are likely to last, and in order to judge of that it is necessary to discover the cause of the steady decrease in the earning power of money and capital.

It is not likely that any of the gentlemen who take part in the discussion will make the mistake of supposing that the question is a very simple one. Any one who has given only superficial attention to it might easily make this error, but the number and variety of the views that have been expressed upon the subject through the press, show that it is very little understood even by those who are not afraid to deliver their opinions with a very authoritative air. It may be useful to notice briefly some of these views.

There have been many attempts to explain the matter on local grounds, the reduction in interest being assigned to causes which prevail in the United States only or Canada, or certain portions of Europe. But in view of the fact that the phenomenon of cheap money prevails all over the commercial word, such explanations are certainly inadequate, and not worthy of consideration.

A financial writer has ventured the assertion that there are more lenders in proportion to the number of borrowers than before, and therefore the rate has been reduced. The fact is indubitable, but the problem remains unsolved as before. It is as if one should explain the rise in the price of wheat that occurred about the middle of June by saying that there were more buyers in proportion to the number of sellers than before.

The London "Times" some little time since gave an explanation which has the recommendation of being at once suggestive and amusing. The theory stated is that the increase in population and wealth of the great civilized communities causes a surplus to be produced, "for which there is no outlet in fixed works of an acceptable kind, so that the surplus presses on the market for existing securities, and lowers the yield obtainable." There has been no first class war for many years, that is, no war destructive enough to use up the surplus capital, and at the same time there has been no sufficient creation of new securities by fixed works, to use up the accumulating surplus. These conditions seem likely to continue unless "the great nations will engage in destructive wars of the old type—wars which must be truly gigantic if they are to involve a creation of securities that will greatly reduce present prices;" or else unless "a new speculative mania will seize the community * * * and cause an unprecedented issue of unsound or fictitious securities in which capital may be largely wasted." This explanation will be alluded to further on, but in the meantime it may be hoped that some better solution of the present difficulty may be discovered than the wholesale destruction of capital; and, if not, then that some more convenient way of destroying wealth may in the course of time be invented, than the manufacture of gunpowder to blow men's brains out with.

An American writer in combating the ideas above stated, lays down a theory which will probably gain some adherents. He says: "Without doubt there has been a special tendency for the half dozen past years to keep capital in the form of money securities, and so long as that tendency exists the prices of such securities will continue to rise, or, what is saying the same thing in another form, the rates of interest realized from the ownership of such securities will continue to fall. But it is by no means certain that that special tendency will manifest itself much longer." This theory accounts for the single fact that securities sell at prices which allow only low rates of interest; but, unfortunately it takes no account of, or else is opposed to, other facts. If the demand for securities makes the interest upon them low, it might reasonably be expected that interest on other investments would be higher on that account. That is, if capital were withdrawn from other business in order to invest it in bonds, then, naturally, the interest on money used in other business should become higher instead of lower. But the contrary is the fact, and the earning power of money in every department is very low. The error has been made in taking an effect for a cause. The writer in question has said to himself: The rates for money are very low. At the same time there is a great demand for securities of all kinds; therefore, this demand is the cause of the low rate. The sequence of the reasoning, as above indicated, should be as follows: Capital to loan is plenty, and it is difficult to obtain paying investments, therefore the rates of interest on securities as on all other investments, are low, and the demand for them is great.

The theory of Henry George has already been summarized in the JOURNAL, in so far as it relates to commercial crises. He has tried to prove through an elaborate course of reasoning, that the tendency in modern countries as commerce develops, is toward an increase in rent at the expense of capital and labor. The natural increase in rent is supplemented with speculation in land which causes rent to rise until it absorbs much more than its share of production, leaving to capital and labor a decreased share. Therefore, while (scientific) rent increases, wages and interest decrease. It may merely be said that the present conditions do not seem to confirm this reasoning. Wages do not seem to decrease with the present reduction in interest, and neither does there seem to have been much speculative rise in land recently. At the same time it must be acknowledged that experience shows that the tendency is toward reduced interest as countries develop.

In discussing the question, the "Public" says that students of monetary science do not probably appreciate the consequences of the modern revolution in modes of doing business. It shows how the telegraph, the railroad, the clearing-house, and savings bank have helped to facilitate the transaction of business without the use of money. The summing up is as follows: "All these money saving changes, let us now observe, have acted upon the rate of interest as if the whole of the vast sum rendered no longer necessary had been suddenly added to the supply of loanable funds. If, for example, the habits of saving, of deposits, and of the use of checks have so changed that half the sum formerly needed in small hoards, retail dealings, and small payments will now suffice for the same results, the practical effect is as if several hundred millions had been added to the currency. So of each other change. The country has as much money free for use, and probably far more, with $1,100,000,000, and banks, railroads, telegraphs, clearing-houses, and the modern use of securities than it would have with $2,200,000,000, but without these improvements. If this fact is fully appreciated, it will no longer seem strange that money is very abundant, and the rate of interest very low, while business is remarkably full and active."

It must not be forgotten, in connection with the above, that the rate of interest does not depend entirely upon the amount of money in circulation. The saving of capital referred to, by the increase of banking facilities, etc., has been spread over a number of years, and should be classed with other economizers of labor and capital, such as the steam-engine, spinning jenny, etc. These things all facilitate the production of wealth, but it is doubtful if the single one alluded to should be specially credited with the existing plethora of loanable funds.

The "Mining Record" gives the following as among the causes of the present low rate of interest: "Accumulation of enormous sums in the hands of a few men, who, naturally, will only lend their wares upon a comparatively narrow range of securities that are not held, as a rule, by the borrowers of money even for employment in the healthy normal expansion of business or industry." We might accept this as a reason why the general rates of interest should be high; but it fails to explain why interest should be low, excepting upon that "comparatively narrow range of securities" mentioned. The writer quoted says, in effect: The money is held by a few men. They will lend only on very strict conditions; therefore interest is low. Now, suppose a man who cannot comply with the conditions: the interest he would have to pay would naturally be high. But this is not the case at present. A man can borrow on any kind of security at much lower rates than a few years ago. The problem has not been solved.

After due consideration of all the theories mentioned, none of them appear satisfactory. What is believed to be the best explanation of the phenomenon in question is a very plain one, viz.: From certain causes there has been a large saving going on in most countries for several years back, accompanied with a timidity to embark in new enterprises that would absorb capital as fast as it accumulated. It is likely also that there has not been so great a proportion of the production wasted in wars and other expensive luxuries, as at some other times. It does not follow necessarily that there will be no change until wars or bubble companies come to absorb the surplus capital. The Lesseps canal may absorb as much as a respectable war, and bubble companies are only a resource for people who lack the ingenuity to establish companies that will pay. It may be that enough projects are now under way to absorb the larger part of the present surplus capital. If that were the case the money market might not feel the consequences for some time to come. The withdrawal from other business is not noticed when capital is subscribed to new companies, nor even when it is paid in. It is only when it is expended upon labor, provisions, clothing, iron, materials, tools, etc., that the difference is felt.

It has been recently suggestsd in some quarters that the present timidity of capitalists arises from the depreciation of silver, and the consequent uncertainty regarding the standard of value. There may be some truth in this, especially so far as Europe is concerned. The main reason, however, of the decrease in the rate of interest, as above stated, is believed to accord with the views of some of the best authorities, including the London "Economist," and the New York "Financial Chronicle."

The statistics just completed by the French Department of Public Instruction, showing the condition of the school savings banks on January 1, 1881, are very significant and interesting. The system was first put in operation in the year 1874. In January, 1877, the number of school savings banks was 8,033; by January, 1879, it had grown to 10,440, and in last January there were 14,273 in operation. The number of pass books (livrets) in 1877 was 143,272; in 1879, 177,574, and in 1881, 307,452. The total amount credited on the pass-book in the beginning of the year 1877 was 2,984,352 francs ($596,870); in 1879, 3,602,621 francs ($720,524), and on January 1, 1881, 6,228,560 francs ($1,245,712). These numbers show that not only is the scheme working successfully, but that its usefulness is extending in a steadily increasing ratio.

COINAGE OF THE SILVER DOLLAR.

The success of the refunding plan, which proves that the credit of the nation is at its highest point, the unparalleled volume of immigration, and the general condition of business leave the grumblers no chance to practice their calling regarding the present, and for lack of a theme they perforce look toward the future. So every man of ordinary prudence has an eye to the future, but it is no proof of superior wisdom to always see storms and clouds ahead. The present indications are that business will be favorable for some time to come, even though many mistakes are being made and will continue to be made regarding the investment of capital. But the favorable financial condition of this country forcibly suggests the fact that now is the time of all others in which to place the currency on a perfect basis, and thus insure against a disarrangement of the measure of values whenever a check in the current of business, or a turn in the tide of foreign trade, or any other probable event may occur, which will put to a test the present financial system.

There is one cloud that now appears only as big as a man's hand, but which threatens to in time overspread the whole heavens. The uncertain status of the silver currency of the world is one of the principal causes to which the very highest financial authorities have attributed the slowness and timidity which characterize the commerce of the world in these times, and which are held to account for the prevailing low rates of interest. It is the heavy decline in the market price of the metal, and the fluctuations in its value that form for publicists and statesmen of nearly all the nations of the globe, excepting England and the United States, one of the most difficult of problems and one that cannot be dispensed with. This country is extremely fortunate in being independent of this question. We are at a gold standard and there is gold enough in the country to secure that status, if only ordinary prudence be exercised. The fatuous way in which it is taken for granted by numbers of intelligent people, and is even argued in newspapers, that this country will continue to export a large surplus of merchandise, and receive gold in exchange, has been already sufficiently commented upon in this JOURNAL, and the fallacy need not be again exposed here.

But in spite of the example furnished by all the countries whose currency is largely composed of silver, the United States Mint continues to turn out silver dollars of the old standard (412 1-2 grains, 9-10 fine), at the rate of $2,300,000 per month. At the date of writing the gold value of these dollars is just 86.93 cents each. To put the fact in its simplest form what the government does is to buy pieces of silver for about 87 cents each, stamp them with its mark certifying that they are dollars, and tries to pass them at that rate.

But it does not succeed very well at present. During the month of May there were added to the piles of these coins already in the Treasury vaults actually more than there were coined. On May 1 there were 58,044,826 "standard" silver dollars in the Treasury, but on June 1 they amounted to $60,518,273, an increase of $2,473,447. At the same time there was a decrease in the active circulation of silver certificates issued against silver in the Treasury of $373,392. On March 1, just before the preseent administration went in, the amount of silver dollars in the Treasury was $52,939,460, or $7,578,813 less than on June 1. At this rate it may prove that Secretary Windom may before March 4, 1885, have a more difficult question to deal with even than refunding the bonds that were payable this year.

At the same time that the silver reserve has been increasing, the gold in the Treasury has been decreasing. On June 1 the gold coin and bullion amounted to $163,770,157, against $170,319,754 on May 1, a decrease of $6,549,597. The amount on March 1, was $173,038,252, showing that the Treasury lost $9,268,095 in the three months following. The amount of the substitution is not thus far large enough to be alarming, but it certainly calls for an immediate remedy. If the resumption reserve against the legal-tender notes becomes in large part silver the maintenance of the currency at the gold standard will be a matter of great difficulty.

The subject of the silver dollar coinage is still generally treated as only involving the question of whether the people want the coin or not, and the matter of the accumulation of the pieces in the Treasury vaults. But no good reason appears why the general circulation of the silver would not be as dangerous as the locking of it up. The repeated experience of this as well as every other nation, is that two coins of widely different values, both being legal-tender, cannot circulate together. For home transactions, the one may be as serviceable as the other, but in foreign trade the coin bearing the greater intrinsic value will have greater purchasing power, and will naturally be used. So there always remains the danger that in case this country should have money payments to make abroad, the gold would disappear from circulation. In that case the gold reserve of the Treasury would hardly avail to maintain the gold standard. If gold were once at only a slight premium, greenbacks would be presented at the Treasury for redemption in that metal. If the Department paid out the gold its gold reserve would disappear, whereas if it insisted upon paying in silver the gold standard would not be maintained. Whether the danger pointed out be considered as actual or only remote, there is no excuse for walking into it with eyes wide open, when there is nothing to be gained by it, and such great interests are imperilled.

THE GERMAN CURRENCY REFORM.

Probably no financial event of these times has been so significant and so far reaching in its consequences as the attempt which was begun soon after the end of the Franco-German war in 1871, on the part of the German Government to substitute a gold standard for the old silver standard of that country. It is to this action that the reduction in the price of silver and the necessity for the Monetary Conference of 1878 as well as the present one have been generally attributed by the French and other bi-metallists. Whether this opinion be well-founded or not, it is certain that the sales of silver which were made in pursuance of the scheme have tended to seriously aggravate the present difficulty regarding the monetary standard. Under these circumstances a reliable account of the working of the reform, and of the present condition of the German currency is of peculiar interest, and therefore a memoir containing such an account which was laid before the International Monetary Conference at one of its recent sessions by the German delegates is republished here. It will be noticed how the price of silver steadily decreased as the sales by the Government proceeded. The gold mark is valued at 23 8-10 cents.

I. The laws of the 4th December, 1871, and of the 9th July, 1873, decreed that henceforth a pure gold standard was to be introduced in all Germany, in lieu of the old silver standard customary in the different German states up to 1871. One mark in gold is the 1,255th part of one pound of gold (weighing 500 grains). It is 9-10 gold, and is coined in pieces of 20, 10, and 5 marks.

Private persons are authorized to have 20 mark pieces coined out of their own gold if they pay three marks for every pound of gold coined. Token money is to consist of Imperial silver-nickel and copper coins. Of the silver, which is coined into 5, 2, 1 mark pieces, and 50, as well as 20 pfennig pieces—one pound is made into 100 marks. The composition consists of 900 parts silver and 100 parts copper, so that 90 marks weigh one pound. The total amount of Imperial silver coins may for the present not exceed 10 marks per head of the population. No one can made to accept more than 20 marks in silver in payment. The Imperial and country offices must, however, accept them to any amount, and at certain specially designed offices the silver coins can be exchanged for gold pieces. It was not possible to withdraw the old currency at once, and replace it by the new Imperial coins. The law, therefore, granted a kind of double standard for a certain time, during which the old coins were admitted as a means of payment at the rate of three marks gold for every thaler. This rate was based on the proportion between the two metals, viz., 1 to 15 1-2.

II. For the carrying out of this currency reform, a total amount of 1,747,239,095 marks were coined in gold pieces up to the end of 1880. Of this total amount 1,270,509,920 marks were 20-mark pieces, 448,759,250 marks were 10-mark pieces, 27,769,925 marks were 5-mark pieces.

The silver pieces were coined according to the results of the Census, 1st Dec., 1875, which stated that the total population of the German Empire amounted to 42,727,000 souls. The total amount of silver coined to the end of 1880 was 427 million marks silver, 35 million marks nickel, 9 1-2 million marks copper coins.

The amount of old coins withdrawn up to the end of 1880 was 1,080,436,138 marks. Of these a part were given to the mints to be coined into new Imperial pieces, viz., for the account of the exchequer, 382,501,331 marks. In exchange for new money, 183,510 marks (amounting to 2,034 lbs of fine silver.) Total 382,684,841 marks.

Another part, to the amount of 697,797,069 marks was melted into silver bullion, yielding 7,474,644 pounds of fine silver. Of the latter amount the Government sold 7,102,862 pounds of fine silver; 32,429 pounds were coined into new Imperial silver coins, and 339,353 pounds of fine silver remained, which are still in the hands of the Government, because the sale of silver was stopped in May 1879, and not taken up again. The 7,104,896 pounds of fine silver, comprising the 2,834 pounds of fine silver given to the mints for money returned, were sold in the following manner.

Years.	Pounds of fine silver.	Amount in marks.	1 lb fine silver in m'k's.	1 Eng. oz. silver standard in pence.
1873..........	105,923.372	9,296,882.77	87.77	50 5-16
1874..........	703,865.175	61,129,670.29	86.88	58¾
1875..........	214,989.504	18,208,449.08	84.69	57¼
1876..........	1,211,759.204	93,936,482.37	77.52	52⅝
1877..........	2,868,095.533	230,424,238.51	80.77	54 5-16
1878..........	1,622,698.403	126,203,852.68	77.77	52 9-16
1879..........	377,744.712	27,934,417.89	73.95	50
Total....	7,104,895.995	567,139,992.99	79.82	53 15-16

If the net receipts from these sales, amounting to 567,139,913 marks, be compared with the price of the 7,104,896 pounds of fine silver amounting to 663,621,129 marks, it will be found that the sale of silver caused the Empire a loss of 96,481,136 marks, to this loss must be added the expenses caused by the Currency Reform, amounting to 29,316,438 marks; the total is, therefore, 125,797,574 marks. The coining and the compensations of different kinds resulted in profits amounting to 81,728,134 marks, which must be deducted from the former amount, so that on the whole the carrying out of the Currency Reform may be said to have cost the Exchequer 44,069,440 marks.

III. At present the circulation of the German Empire consists of the new Imperial coins, and a certain amount of old one thaler pieces, which cannot be precisely valued. The total amount of 1-thaler pieces ever coined, including the Austrian Vereins thalers to the amount of 93 million marks, was 1.230 million marks. The Austrian Vereins thalers were set down at the same amount as the others, but the law has not yet decided how they are to be withdrawn. Of course a part of the total amount has disappeared—some have been melted down, some carried out of the country—and all these must be allowed for. Experience has shown that the reduction amounts to about 20 per cent. When this deduction has been made, about 1,024 million marks remain, and of these 614 million marks were withdrawn from the circulation and melted, so that at present 410 million marks of one thaler pieces may be said still to circulate. Another valuation, which supposes the reduction caused by time to amount to 17 per cent. only, supposes the circulation to amount to 450 millions, and the highest valuation founded on detailed calculations supposes it to amount to 500 million marks. In these valuations the one thaler pieces in the till of the Imperial Bank are comprised.

IV. These 410 or 500 million marks of one-thaler pieces still in circulation, as also the silver bullion in the hands of the Government, must all be sold, except that part of it which may be required for increasing the amount of silver pieces, if the currency reform be carried out entirely. We have already mentioned that the amount of silver coins in circulation may not exceed 10 marks per head of the population. The population increased from 42,727,372 in December, 1875, to 45,194,172 in December, 1880; the 427 million marks silver pieces may therefore be increased by about 25 millions. Besides this the Government in 1880 decided that the amount of 10 marks was too low, and should be increased to 12 marks. If the law is changed to this effect, then 115 million marks more will be coined into silver pieces. For this purpose the silver bullion is in the hands of the Government to the amount of 31 million marks, and 73 million marks of the silver thalers in circulation. The total amount of silver which must in this case be sold by the Government would amount to from between 337 to 427 million marks comprising the 74 to 81 million marks in Austrian Vereins thalers. This would be equal to from 3,740,000 to 4,740,000 pounds of fine silver. If the Austrian Vereins thalers are left aside, then there would be from 263 to 346 million marks, or from 2,920,000 to 3.840,000 pounds of fine silver to be sold.

AN ENGLISH VIEW OF BI-METALLISM.

BY PROFESSOR W. STANLEY JEVONS.

[In the March number of the JOURNAL the question of a monetary standard was set forth from the point of view of the advocates of bi-metallism. Since that time a paper on the same subject by the distinguished logician and economist, Professor Jevons, has appeared, which gives in a clear and dispassionate manner the prevailing English opinion in favor of a single gold standard. It is thought worthy of publishing in full here, because it not only displays a full appreciation of the importance of the subject, but it calls attention to some important considerations which have hitherto been too often overlooked. Among these, for instance, is one which was very briefly discussed in the June number of RHODES' JOURNAL, viz.: The effect of the cost of production of the precious metals. Neither argument is endorsed by the editor, the intention being to present both sides of this important subject, so that it may be better understood.]

It may be safely said that the question of bi-metallism is one which does not admit of any precise and simple answer. It is essentially an indeterminate problem. It involves several variable quantities and many constant quantities, the latter being either inaccurately known or in many cases altogether unknown. The present annual supply of gold and of silver are ascertained with fair approach to certainty, but the future supplies are matter of doubt. The demand for the metals again involves wholly unknown quantities, depending partly upon the course of trade, but partly also upon the action of foreign peoples and governments, about which we can only form surmises.

The question is much complicated, again, by presenting a double problem—that regarding the next decade of years, and that regarding the more remote future. Possibly, a step which might be convenient during the course of the next five, ten, or fifteen years, would prove subsequently to be the mere postponement of a real and inevitable difficulty. When we pursue an inquiry of this complex and indeterminate kind, it resolves itself into endless hypotheses as to what will or will not happen if something else happens or does not happen. Nevertheless, it does not follow that, because statistical science fails us, we can come to no practical conclusion; on the contrary, from the very vagueness and uncertainty of the subject may emerge a conviction that it is best to do nothing at all. A party of travelers lost in a fog will probably indulge in a great many speculations and arguments as to the possible paths and turnings they might take; but the wisest course may, nevertheless, be to stay where they are until the air becomes clear.

Looking at the question, in the first place, as a chronic one, that is, as regarding the constitution of monetary systems during centuries, it is indipensable to remember the fact, too much overlooked by disputants, that the values of gold and silver are ultimately governed, like those of all other commodities, by the cost of production. Unless clear reasons, then, can be shown, why silver should be more constant in its circumstances of production than gold, there is no ground for thinking that a bi-metallic gold and silver money will afford a more steady standard of value than gold alone. The common argument that there will not be enough gold to carry on the trade of the world with, does not stand a moment's examination in this aspect. In the first place, if the value of gold rises, more gold will be produced, and the great number of gold-mining enterprises now being put forth may have some connection with this principle. In the second place, so long as sudden changes of supply and demand can be avoided, it is almost a matter of indifference, within certain limits, whether there is much gold or little. Prices having once settled themselves, it is only a question of carrying a little more metal or a little less in your pocket. As Cantillon, and subsequently, but independently, Hume, remarked, if the money in the world were suddenly doubled or halved trade would go on as before, all prices being approximately doubled or halved. But, of course, the interest of creditors and debtors would be affected while the change was in progress.

Now, as regards the *chronic* question, it is probable, though not certain, that the establishment of the bi-metallic ratio of 15 1-2 to 1 would give a worse rather than a better standard of value, because the momentary standard is always the over-estimated metal. The double standard system gives an option to the debtor, so that if either gold or silver were in future years discovered in large quantities, the debtor would have the benefit. In the mono-metallic system there is no option, and all parties stake their interests on the single metal. To these considerations must be added the historical fact that silver has during the last thousand years fallen in value more than gold. The ratio of values in the Middle Ages was about 10 to 1, fluctuating at times to 12 to 1. Later on silver became comparatively cheaper, and in the latter part of the last century, 15 1-2 to 1 correctly represented the natural ratio. For some fifty years it was held pretty steadily at this ratio by the action of the French Currency Law. The unprecedented discoveries of gold in California, Australia, New Zealand, and elsewhere, reversed the course of prices for a time, but more lately the tendency to a preponderating fall of silver has re-asserted itself. No doubt the events here so briefly recapitulated admit of endless discussion, and it would be impossible even to mention the volumes which have been written since the time of Locke upon the comparative steadiness of value of gold and silver. There emerges a certain degree of probability that silver is more subject to depreciation than gold, although both have, in the course of a thousand years, been very greatly depreciated in comparison with corn and the chief kinds of raw materials.

If this may be assumed to be the case, it follows that an attempt to re-establish the ratio 15 1-2 to 1 would tend to discourage the production of the dearer metal, gold, and to encourage the production of the more depreciated silver. We should be filling our pockets and our strong boxes with a metal 15 1-2 times as heavy, and 28 1-2 times as bulky as gold, proportionally to value, in order to get a worse medium of exchange, and a probably worse standard of value. Nor should we be approximating towards a better state of things. If gold is destined ultimately to be the general standard of value of all civilized nations, we must let it take its own natural value, and must allow the appreciation, if any, to tell upon the profits of mining. But the arbitrary reduction in the value of gold, involved in the present bi-metallic project, would tend constantly to replace gold by silver; and unless it were desired actually to take silver as the medium of exchange, the last state of things would be worse than the first. It thus becomes plain that a bi-metallic *regime* is not the means of approximating to a gold *regime*. On the contrary, it must either be a permanent *regime*, or it will, sooner or later, leave us with a vast stock of silver, liable to sudden depreciation, and a diminished stock of gold. In short, the project of M. Cernuschi is not a real panacea for our present troubles; it is only a mode of postponement leading to eventual aggravation.

When we turn to the *temporary* view of the subject, by which I mean the circumstances and interests of the next ten or fifteen years, the difficulties increase, chiefly because the data become wholly uncertain and contingent. The great principle of the cost of production fails us, because in the case of such durable commodities as gold and silver, the accumulated stock in hand is immensely greater than the annual production or consumption. It stands to reason, of course, that if several great nations suddenly decide that they will at all cost have gold currencies to be coined in the next few years, the annual production cannot meet the demand, which must be mainly supplied, if at all, out of stock. The result would, doubtless, be a tendency to a fall of prices. M. de Laveleye, in one of the able articles which he is contributing to the *Independance Belge*, as an advocate of Cernuschi-ism, points to a fall of 30 per cent., which he thinks has already been occasioned by the demand for gold currency. He excites our imagination as to what may be expected to happen should Italy and other countries need gold for coining. But he omits to observe that the fall of 30 per cent. is probably due for the most part to the collapse of credit and speculation, a periodic event of which we have had many prior instances. The period of 1833 to 1844, especially was one when no great wars and monetary operations were in progress; it was a period of active industrial and commercial progress. Yet the tables of prices given by Tooke, in his "History of Prices," and reduced in my paper on the Variation of Prices, communicated to the Statistical Society in May, 1865, (vol. xxviii. pp. 294–320), show that the average prices rose by 22 1-2 per cent. between 1833 and 1839, and fell 25 per cent. between this last year and 1844. So far as I have been able to discover, this great oscillation was entirely due to the general expansion of trade and credit, and to its subsequent collapse. Like causes have certainly been in operation in the last ten or twelve years; and if, as seems probable, we are are now getting round by the lapse of time to the period when trade naturally revives, experience would prevent us from imagining that the late fall of values will be continued or repeated without an intervening rise. I am far from denying that if the Italian Government decide to carry into effect M. Luzzatti's threat of buying gold at all hazards, and if the like course be taken by the United States and France, not to speak of Germany, then there might be a considerable disturbance of values for a time. But is it likely that such proceedings will be taken by rational statesmen and rational parliaments? It is really too absurd to suppose that any country will insist upon immediately having a gold currency at any cost, regardless of the fact that it will thereby injure its own trade and commerce in the getting. The position is simply this. We have had for fifty years or more an abundant currency of gold. Italy and some other countries have a paper currency. Suddenly becoming disgusted with paper, they say that unless we consent immediately to abandon our gold to a great extent, and take silver instead, they will insist upon buying our gold from us at whatever price we like to ask for it. We have so good a currency that, unless we consent to give it up willingly, they will insist on borrowing it from us. But surely in this case, possession is nine points of the law. The largest stock of gold in the world is to be found in England, and many of the great gold producing districts are to be found in the English colonies or dependencies. If these foreign nations insist upon having gold currencies, they must pay our price for gold, and they must in raising the price benefit us and our colonies, comparatively speaking.

When we consider what are the difficulties put forward as the ground of this bi-metallic crotchet, we find that they arise either out of the sudden issue and withdrawal of paper money, or else out of the efforts of certain governments to get rid of silver. If the Italians suddenly want fifteen or twenty millions of specie, it is because they allowed their specie to be replaced by paper in former years, and they now discover the evils of a variable paper currency. Germany wants gold, because Prince Bismarck and his economists recognize the soundness of the principles on which Lord Liverpool fashioned our metallic currency. But because Germany has met with a temporary check in striving after a gold standard, is there any reason that we, who have had a gold standard with little interruption since the time of Sir Isaac Newton, should throw it up at the demand of M. Cernuschi? The difficulties of France simply consist in the fact that, having had the law of the double standard previously in operation, she suspended the action of the law as soon as it began to occasion a return of silver. If all civilized countries were to adopt the double standard, they would just be inviting the growth of a silver currency, which France, with full experience of the use of silver, has practically decided to avoid.

Much that has been recently published on this subject, including the official text of the draft resolution to be submitted to the Conference in Paris, implies that the French law establishing the double standard was intended to act as a regulator of the values of the metals according to the ratio of 15 1-2 to 1. The fact, however, is that no such idea seems to have prompted the law. Gaudin, who in the ninth year of the Revolution proposed the ratio of 15 1-2 to 1, did so upon the ground that this ratio was sufficiently near to that of the market values to allow coins of gold and silver to circulate side by side indifferently. In case the market ratio should alter after a time, he thought that the gold pieces should be melted and reissued. Sir Isaac Newton, again, when in 1717 he fixed the Guinea at 21s., did so upon the ground that this was the closest convenient approximation to market rates. Only four months ago I quoted in the "Contemporary Review" (January, 1881., vol. xxxix, pp. 73) the remarks of Cantillon upon this decision of Newton. Cantillon says:—

"It is the market price which decides the proportion of the value of gold to that of silver. On this is based the proportion which we give to pieces of gold and silver money. If the market price varies considerably, it is necessary to alter the proportion of the coins. If we neglect to do this, the circulation is thrown into confusion and disorder," &c. There is, in fact, no precedent for the views now pressed upon us. It is not even proposed to accept the prevailing ratio of the markets, but by an arbitrary convention to raise up silver to the place it held in the markets before, which involves bringing down gold so as to meet it about half-way. I do not undertake to deny that if a convention were agreed upon, and carried into formal effect, it might possibly raise silver to its former price of 59d. per ounce. The measure is one of so novel a character that it is almost impossible to say what would or would not happen. The attempt to force silver dollars into use in the United States has entirely failed, and it might fail even under a convention. It is quite conceivable that in the United Kingdom and the colonies the scheme would be defeated by the tacit refusal of the people to accept silver legal-tender. A bank or a tradesman might try to stand upon his legal rights, but the result would a kind of commercial "boycotting." Some formula would probably be discovered for contracting affairs out of the Double Legal-Tender Law. At present there is no law to prevent people from making contracts in terms of gold or silver bullion, or tin, or copper, or corn, or whatever else they like, which is capable of precise definition. Even if the law were not thus circumvented, it might still be possible to make payments in gold a point of honor.

Then, again, the perpetual maintenance of this supposed convention is the only safeguard against the most serious inconvenience to some of the parties to it. The convention would resemble a chain, the breaking of each link of which would throw an increased strain upon the other links. There exist, indeed, a good many international conventions relating to postal intercourse, extradition of criminals, copyright, and so forth; but in none of these cases would the breaking or suspension of the convention result in any ruinous consequences. There would be suspension of benefits rather than occasion of evil. But should war break out among some of the countries involved in the monetary convention, the probable effect would be to throw the mass of silver coin upon neutral nations. This might be done without any express breach of the convention, simply by the issue of paper money, a measure which we cannot pretend to consider unlikely, seeing that the chief difficulties of the present monetary situation arise out of efforts for the withdrawal of recent paper money issues. It is true that the 8th Article of the proposed Convention enacts that "the fact of issuing or allowing to be issued paper money, convertible or otherwise, shall not relieve the State issuing it, or allowing it to be issued, from the above stipulated obligation of keeping its mints always open for the free mintage of the two metals at the ratio of 1 to 15 1-2." But, as far as I can understand this "keeping of the mints open," it seems probable that this article would be quite nugatory in time of war. If silver were depreciated 5 or 10 per cent., paper legal-tender might easily be depreciated 20 or 30 per cent., and nobody would think of coining silver to pay their debts, when they could pay them so much more cheaply with paper. The issue of paper legal-tender forms then, to the best of my belief, an indirect mode of abrogating the Convention without a distinct breach of faith. No Government has ever yet resisted the temptation of resorting to paper under serious stress of war, and therefore until a wiser and better state of things is brought about in the long course of time, it would seem impossible to fulfill the first condition of the bi-metallic project—the making of an indefeasible convention.

When a measure is so clearly undesirable, it is hardly needful to point out the many difficulties which would arise in its operation. But there is one which presents itself to my mind as almost insuperable—namely, the confusion which would be produced in the masses of national and other debts contracted in terms of gold money. Silver is now about 13 per cent. below its old customary value, compared with gold. If, then, debts contracted formerly in gold could be paid in silver, by the option of the bi-metallic system, the claims of all creditors would be endangered to this extent, and in all probability would be depreciated to half that extent. Nor would the matter be much improved by enacting that old debts should be paid in gold as contracted, because gold, being forced into a fixed par with silver, would be depreciated, say, six per cent. The adoption of the bi-metallic *regime* would be a *coup d'etat* affecting the value of all past monetary contracts in a degree incapable of estimation; and although such a *coup*, or almost any other *coup*, might be advisable under certain circumstances, according to the maxim *salus populi superma lex*, yet it would be clearly impossible to unsettle the whole monetary contracts of the British nation and the British race, to the extent of some six per cent. or more, for the sake of the exceedingly problematic, if not visionary, advantages to be derived from this proposed convention.

Though it thus appears to be altogether out of the question that the English Government should contemplate the abandonment of the gold standard, there are two or three minor measures of a temporary nature which might perhaps be adopted to relieve the disturbed relations of the precious metals. There would probably be little or no inconvenience in raising the limit of legal currency of silver coin in the United Kingdom to five pounds instead of two pounds as at present. This change would probably prove to be a merely nominal one, unless bankers and others could be induced to pay out silver coin more largely than at present. The Mint gains so handsome a profit upon the coinage of silver money at present that the opportunity might well be taken to throw as much silver into circulation as possible; but unless the habits of the people be changed it would not stop in circulation. There is, in fact, at present a very clear disinclination on the part of the public to take any larger amount of silver money than is necessary. It is an almost unknown thing in England for any tradesman to give as much as two pounds in silver change. No customer is expected to take more than ten, or at the most twenty shillings in silver, and any surplus of silver receipts is paid into the banking account, and the general balance of the district is eventually returned to the Bank of England. It is very doubtful whether Mr. Seyd's scheme of a four-shilling piece or any other scheme would overcome this fixed habit, which is moreover a reasonable habit.

A good deal has been said about the expediency of bringing into operation the Third Clause of the Bank Charter Act, which is supposed to authorize the issue of notes upon a reserve of silver bullion to a certain extent. That clause reads as follows:—

"And whereas it is necessary to limit the amount of silver bullion on which it shall be lawful for the same department of the Bank of England to issue Bank of England notes; be it therefore enacted, that it shall not be lawful for the Bank of England to retain in the Issue Department of the said Bank at any one time an amount of silver bullion exceeding one-fourth part of the gold coin and bullion at such time held by the Bank of England in the Issue Department."

It is obvious that this clause is solely a restrictive one: that which authorizes the holding of silver bullion is the preceding clause, far too long for quotation. It states, however, that it shall not be lawful to issue notes in excess of the securities allowed to be transferred to the Issue Department, "save in exchange for other Bank of England notes, or for gold coin, or for gold or silver bullion received or purchased for the said Issue Department under the provisions of this Act," &c. It is curious that, although the second clause thus seems to speak of silver bullion being "received or purchased under the provisions of this Act," there are no provisions in the rest of the Act relating to the purchase of silver. The fourth clause defines the price at which all persons may demand notes for gold bullion, but there is no like definition as regards silver. The result seems to be that the Bank of England buys and sells silver bullion as an ordinary dealer or speculator. If then, the Bank directors think that it will conduce to the interests of their shareholders that they should lay in a stock of three, four, or five millions of pounds' worth of silver, as the case may be, let them do so. They will gain or lose according as the value of that stock rises or falls; but who can say how that will be? In any case, the effect of such an operation upon the silver markets of the world must be inappreciable.

There is one further measure which might well be adopted at the present conjuncture, namely, the alteration of the Bank Act so as to allow of the issue from the Bank of one pound notes. Now that Parliament has authorized the circulation in England under very questionable conditions, of a fractional paper currency, the last shadow of reason has disappeared why one pound notes, so long current in Scotland and Ireland, should be unknown in England. If we could suppose that thirty millions of such notes were put into circulation eventually, about twenty millions might be issued on Securites, giving a profit to the Government of nearly half a million a year. The margin of ten millions more or less of gold added to the specie reserve of the Issue Department would be ample to meet any conceivable demand for the payment of such notes, the circulation of which would probably be more constant than that of the larger notes. Thus a supply of twenty millions of sovereigns would be opportunely thrown upon the markets of the world, which might be scrambled for by the various nations now wanting gold currencies.

It will easily be seen that in this article I do not pretend to enter into the complexities of the subject, nor to answer the numerous arguments adduced in favor of the bi-metallic project. The literature and statistics of the subject are of an almost interminable extent. If any reader wants to learn what he has to read before he can be considered to have mastered the subject, let him refer to "A Partial List of Modern Pnblications on the Subject of Money," prepared by Mr. Horton, and printed among the Appendices to the Official American Report on the International Monetary Conference, held in Paris, in August,

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1878. This volume is replete with information on the subject. But my contention is that to wade through the interminable discussions on bi-metallism is about as useful as to wander through a forest in a mist, the happiest result of which is usually to find yourself back again at the point you started from.

A curious resemblance has come to light regarding the circulation of silver in Germany and this country. A bill that was recently before the German Reichstag for the purpose of adding 15 million marks to the silver circulation, contains in its preamble the results of an examination into the quantity of money in public and private coffers at the end of last October. It was found that the cash in all the coffers excepting those of the Imperial Bank, comprised 139 8-10 million marks in gold coins, 17 1-2 million marks in Imperial silver coins, and 12 1-10 million marks in one-thaler pieces. The vaults of the Imperial Bank, on the other hand, contained 150 million marks in gold coins, 33 million marks in Imperial silver coins, and 317 millions marks in one-thaler pieces. As the total circulation of the silver one-thaler pieces is 450 million marks, it thus appears that two thirds of the whole issue of them are locked up in the Imperial Bank; which shows that the Germans do not take to the silver thaler any better than Americans do to the silver dollar.

An illustration of the low rates which are realized upon investments n Europe and the consequent rise in the prices of all kinds of securities is afforded in a comparison between the present quotations on the London Stock Exchange for a number of defaulted government stocks with the prices two years ago. In fifteen instances which have been selected by the London "Economist," in none of which has a cent of dividend been paid during the period over which the comparison extends, the rise has been extraordinary. Two years ago Costa Rica Seven per cents. of 1872 sold at 10 but on May 31, 1881, they were at 23; Equador one per cents. rose in the same time from 7 to 19 1-2; Honduras Ten per cents. from 4 1-2 to 9 1-2; Mexican loan of 1864 from 4 1-4 to 16 3-4; Paraguay Eight per cents. from 8 to 16 1-2; Peruvian Six per cents. from 12 1-4 to 25; San Domingo loan from 6 to 23; Turkish Five per cents., General Debt, from 11 1-2 to 17 1-4; Venezuela Six per cents. of 1864 from 12 to 21, and others in a similar proportion. It appears that in only two out of the fifteen cases is there any improvement in the prospect for dividends. Even the bonds of the dead-and-gone Confederate government have recently been dealt in at six per cent. of their face value. Of course such business as this is purely speculative. But the fact is nevertheless interesting as illustrating the extremely low earning power of money at present. It also proves that any argument regarding the present low rate of interest, which is based on causes local to this country is unsound, because the cheapness of money is not by any means confined to the United States.

DISTRIBUTION OF ASSETS OF NATIONAL BANKS.

Under the national banking laws the Comptroller of the Currency appoints receivers to take charge of the affairs of national banks which are in default. It is the receiver's duty to reduce the assets to the form of money, which as fast as collected is deposited with the Treasurer of the United States, subject to the check of the Comptroller of the Currency. Persons having claims against the association are called upon by advertisement to present their claims and make proof thereof. The Comptroller is required from time to time as the money accumulates, to make ratable dividends on all such claims as may have been proved to his satisfaction, or adjudicated in a court of competent jurisdiction, and to continue to do so until the assets, including liability of stockholders, have been exhausted, or until the claims have been paid in full. Payment in full consists of the payment of the principal of proved claims and interest thereon, from the date of the appointment of the receiver until the last payment. Claims are based on deposits, indicated either by accounts, or by certificates of deposit, on dishonored drafts, and on damages arising in many ways. These damages may arise from special deposits lost, or from liability on notes re-discounted, or from any course of conduct by the bank, through which the claimant may think himself injured, and may demand reparation.

In the case of the great majority of these claims, satisfactory proof is easy. It is the same as would be accepted by the officers of the bank were they still its managers. Deposits may be verified by inspection of the books, or by presentation of certificates. Such claims can be allowed at once. Instances may occur where the books have been badly kept, or where false entries have been made. Claims made under such circumstances will require closer inspection, and proof by other evidence than can be found in the books, and will probably require more time for their allowance. Many claims on account of doubt as to the proof, or legal questions raised, must be submitted to the courts. These are allowed after judgement, or are subject to terms of settlement as is the case in all litigated matters.

There are therefore three classes of claims according to the time of their allowance. (1.) Those good on their face allowed immediately. (2.) Those which require time for consideration but which may be ultimately allowed by the Comptroller. (3.) Those which must go to the courts for adjudication. Cash may therefore be collected from the assets sufficient for a considerable dividend, when the allowance of many presented claims is still pending. The total amount of claims either presented for allowance, or appearing on the books, whether they are all approved and allowed or not, must therefore be considered in declaring a dividend. The proportion of cash on hand to this total must be determined, and the dividend at this rate paid on the allowed claims, but reserved on the others. This process of paying dividends on some, and reserving them on other claims will go on until the last claim is definitely allowed or rejected.

In the calculation for dividends some definite sum must be taken, and the principal of each claim as allowed or as sought to be allowed, is the most convenient amount to select as such definite sum in each case. Here a difficulty arises. For instance: A man has a claim against a national bank in the hands of a receiver. It is based on some transaction the legality of which is in doubt. The claimant goes to the courts and after protracted litigation obtains a judgement. The judgement usually includes interest on the principal amount claimed, for the time the debt has run. In the meantime dividends have been paid on the principal of other claims, and have been reserved on that of this litigated claim. As soon as the judgement is finally rendered the claimant can receive the dividends which have been reserved. Has he been treated equitably and put on the same footing with the other creditors? He may claim that the judgement as it stands, including interest, should be treated as a new principal, or he may claim interest on the deferred dividends. It has already been stated that payment in full means payment of principal and accrued interest. In order to see what is the exact situation of the holder of a claim established after delay, the subject must be approached in another way.

The proper system on which to treat payments made on claims is that of partial payments. While the principal is assumed as the definite basis on which to prorate dividends, it must not be assumed that the dividends are exclusively payments on principal. There is on the occasion of each dividend just so much money to be distributed, and although as being most convenient, principal is taken as the measure of payment, the payment itself is not on principal alone, as anyone who examines the rule of partial payments will see. By this rule the debtor has the right to apply his payment on principal or interest as he may deem most advantageous to himself.

Where a claim is at once allowed the interest is computed to the date of the first dividend, forming with the principal a sum from which the first dividend is to be deducted, leaving a remainder on which interest continues to run until the next dividend or payment, when the same process is repeated, and so on until all is paid. In the case of a litigated claim the interest is computed in the same way, but as the dividends which are paid in the case of other claims, are reserved in this instance, the time until the first payment, when all the reserved dividends are paid at once, is greater, and more interest accrues. If the assets of the bank, including liability of stockholders (if necessary), are sufficient to pay in full, all claims will in the end be found according to this method to have been treated exactly and equitably alike. The claims on which payments were deferred will have received more interest in compensation for the length of time during which the payments were deferred.

It may be claimed, however, as before stated, that the judgement as finally rendered is the proper basis on which to pay dividends in the case of litigated claims. The courts have decided that a claim allowed by the Comptroller or receiver has the same force as one established by judgement, and that a judgement is no better than a claim allowed by the comptroller or receiver. If in a judgement the court computes interest at the legal rate, interest can also be computed in the same way and the claims allowed by the comptroller and receiver.

If the judgement, including interest, be treated as the basis on which dividends should be prorated, then interest similarly computed must in each case be added to the allowed claims in order to put all on the same footing. In the end the amount received on each claim by this process will be precisely the same as if the principal alone had been taken as the basis of the pro rata payments. The deferred claims will receive the same compensation in increased interest, whether the computation be made in the one way or the other.

It can thus be seen that where the sum available for distribution is sufficient to pay in full, no injustice will arise on account of the deferment of any payment. But oftentimes banks in the hands of receivers do not pay in full. All that can be collected will only pay a portion of the amount of principal and interest due. In these cases delay in payments cannot be compensated for by an increase in interest. Would it not therefore be right in such cases that interest should be allowed on deferred dividends to the holders of litigated claims, even if the amount to be distributed to others be thereby lessened ?

The Comptroller of the Currency is required to pay ratable dividends from time to time on all proved and legally adjudicated claims. He does not know, in the case of any bank, how much will eventually be available for distribution. If in an instance where there were a large number of litigated claims, he should pay no dividends to any creditor until the last of such claims is finally adjudicated, holding all the money collected, then indeed the creditors would all be on an equal footing. Interest has run on all claims for the same time and at the same rate. There is a fixed amount of money to be distributed, and whether it is prorated on principal alone, or on combined principal and interest, each creditor will receive his just proportion of the total sum. But as delay would do great injustice to the majority of the creditors, the only feasible plan seems to be to prorate on the basis of principal, paying dividends on proved claims and reserving them on those in litigation. On this plan, however, in the case of an insolvent bank which pays no interest, one who finally becomes entitled to reserved dividends, appears to have been kept out of the use of money which the courts finally determine he was entitled to receive. It would also appear that his claim for interest on these deferred dividends, even at the expense of the other creditors, is founded in justice. If the Comptroller could invest the amount of the deferred dividends so as to bear interest at the full legal rate, then at the conclusion of the litigation the dividends and the interest earned could be paid to the creditor, leaving him no ground of complaint. There is no legal provision for the investment of any portion of the fund derived from the assets of an insolvent national bank, and if there were, United States bonds would probably be named as the vehicle of such investment. The rate realized from any United States bond will necessarily be much less than the legal rate in the state where the failed bank is located; and it is by this legal rate that the interest on claims is to be determined.

The effect of the payment of any interest on deferred dividends from the common fund will be to benefit one class of creditors at the expense of another class. It may be argued that as doubtful claims are contested with the expectation of dividing a larger sum among the admitted claimants, the latter should justly pay all costs of delay to the successful litigant. But when it is known that doubtful claims, if finally allowed, will absorb in interest all the advantage to be gained by their rejection, there will be a tendency to hasten the allowance of all claims whether the proof presented be satisfactory or not.

In case of the final rejection of a litigated claim the dividends which have been reserved upon it return to the common fund. But for the litigation the sum thus reserved would have been distributed to the admitted creditors at an earlier date. Have not these admitted creditors the same right to claim interest on money which the result shows has been needlessly kept away from them? Where the common fund collected from the assets &c., is large enough, all these incidental damages are paid from it in the shape of interest computed alike to all.

When the common fund is short one set of creditors can only receive interest at the expense of another set. If when parties bring suit to establish claims against insolvent national banks, they were required to furnish bonds out of which, if the suit be finally decided against them, all damages to the admitted creditors through delays, &c., could be liquidated, then perhaps those who succeed in establishing their litigated claims would be entitled to receive interest on their deferred dividends.

While a decision in the courts is assumed to put the successful party on the exact ground he would have occupied had there been no litigation, as a matter of fact there are many instances where force of circumstances may prevent this being accomplished.

BANKING AND FINANCIAL LAW

AND REPLIES TO QUESTIONS.

[The Editor of the Law Department of RHODES' JOURNAL will furnish, on application of subscribers, detailed information regarding any case referred to herein, or will answer questions in banking law.]

TAXATION OF NATIONAL BANK SHARES.

First National Bank of Utica *vs.* Waters. United States Circuit Court, N. D. New York, April, 1881.

In application by a National Bank for an injunction to restrain a State tax collector from collecting a tax upon its shares, *held*, that when the laws of the State for the taxation of general corporations and the exemption of their shares did not furnish the rule for the taxation of moneyed corporations or of capital invested in private banking, or of personal property generally, the fact that one rate of taxation was imposed upon shareholders in corporations other than banks and another higher one upon those on banks, was not a ground for granting the relief asked for.

It would seem that the term "moneyed capital in the hands of individual citizens," used in the United States Revised Statutes, section 5219, relating to the taxation of National Bank shares, more aptly describes ready money or capital invested in private banking than that invested in other corporations.

Held, also, that a departure from the statutory requirements for the assessment of taxes amounting only to an irregularity, and not rendering the tax void, would not be ground for enjoining its collection.

The facts in the case appear in the opinion of Judge Wallace, which is substantially as follows: "The complainant moves for a preliminary injunction to restrain the defendants from the collection of taxes assessed against its several shareholders on the ground, first, that the laws of this State impose one rule of assessment and taxation upon shareholders in corporations other than banking associations, and another upon banks whereby a higher taxation incidentally rests upon the latter," and as regards national bank shareholders violates the rule of uniformity prescribed by section 5219 Revised Statutes; and, second, that the tax in this case was illegal on account of departure from the statutory requirements in imposing it. The defendant, Waters, is tax collector for the ward in the city of Utica in which the complainant bank is located.

"Assuming that bank shareholders are taxed by the laws of this State at a higher rate than is imposed upon shareholders in other than moneyed corporations, the question now is, are they taxed at a greater rate than is assessed 'upon other moneyed capital in the hands of individual citizens of the State' within the meaning of the law of Congress. Does the taxation imposed by the laws of the State upon individuals, on account of that part of their personal property represented by shares of stock in corporations other than moneyed corporations, constitute the test and rule by which to determine what taxation is imposed upon moneyed capital in the hands of individual citizens, or is that test to be found in the laws which tax personal property generally? Or does the taxation of neither of these subjects of taxation furnish the test, and is it to be found in the taxation imposed by the laws of the State upon that part of the personal property of its citizens, which consists of money or shares of stock in moneyed corporations:

"These questions have been answered adversely to the complainant's theory in several cases which have been considered by the Supreme Court of the United States."

Congress permits the States to follow their own policy as to taxation of corporations. As the policy of the State may dictate different modes and measures of taxation for different classes of corporations, it would be difficult if not impossible to ascertain the measure of taxation for national bank shares by that prescribed for capital invested in other corporations.

"It would seem that the term 'moneyed capital in the hands of individual citizens' more aptly describes ready money or capital invested in private banking than it does capital invested in manufacturing corporations, insurance companies and the like. As originally used in the National Banking Act, section 41, it signified something different from capital invested in State banking corporations, because it was provided originally that the taxation by the States should not exceed that imposed on moneyed capital in the hands of individual citizens, or that imposed 'upon shares in any of the banks organized under authority of the State.' 13 Statutes at Large, 112. It is hardly appropriate to call shares in manufacturing or insurance corporations 'moneyed capital in the hands of individual citizens,' and if it had been intended to include all capital thus invested, it would have been easy to do so under some such comprehensive term as personal property. It seems more reasonable to believe that while Congress was legislating to place national bank shares on an equality with State bank shares, it was thought expedient to place them on an equality also with the capital employed in private banking, and thus relieve them from the danger to which corporations are sometimes exposed by local prejudices.

"But whether this view is correct or not within the cases referred to, the laws of this State, for the taxation of general corporations and the exemption of their shares, do not furnish the rule for the taxation of money corporations, or of capital invested in private banking, or of personal property generally, and the complainant must fail upon this branch of its case."

As to the second ground upon which the motion rests, the complainant cannot succeed unless the tax is void, because illegal as distinguished from irregular: "The board of supervisors had determined the rate, and the assessors had determined the valuation. It was the duty of the city clerk of Utica to extend the tax. He omitted to do so, as to the stockholders of the complainant, until after the roll had been delivered to the treasurer. From the nature of the act, and from the character of the official to whom it is entrusted, the act is evidently a clerical one. No substantial injury could result from the omission to perform it."

Motion for injunction denied.

INDORSEMENT OF DRAFTS—RECOVERY OF MONEY PAID WITHOUT CONSIDERATION.

Stephen V. White, and The Third National Bank of New York City, plaintiffs in error, *vs.* The Miners' National Bank of Georgetown, Colorado. United States Supreme Court. Appeal from United States Circuit Court, District of Colorado.

Held, that an indorsement in these words on a draft: "Pay S. V. White or order, for account Miners' National Bank, Georgetown, Colorado," signed by the president of the bank, was not ambiguous and needed no explanation, either by parol or resort to usage; that the plain meaning of it is that the acceptor of the draft is to pay it the indorsee for the use of the indorser.

Held, That if White paid his money as purchase money of the drafts, and the drafts were not paid, he paid it without any consideration, for he did not purchase the drafts, and he may recover his money back.

The following is a *resume* of the opinion of Justice Miller: This was an action by White, who was plaintiff below and is plaintiff in error, for the sum of $60,000 against the bank. The declaration contains twelve special counts, upon as many drafts drawn by the Stewart Silver Reducing Company on Thomas W. Phelps, payable in the city of New York, to the order of Miners' National Bank of Georgetown, and endorsed by J. L. Brownell as president of that bank, to S. V White, and duly protested for non-payment. Another count recites that defendant was indebted to plaintiff in $60,000, paid to use of defendant at its request, and which was to be paid to plaintiff on request, but which payment was refused.

The case was tried before a jury, and plaintiff recovered $15,000 debt and $2,625 damages for interest, on account of three of the drafts, and was defeated as to his claim on account of the other drafts, and on the count for money paid at defendant's request, and on that ground brings this writ of error.

The errors assigned relate to the rulings of the court in the progress of the trial, as they are presented in a bill of exceptions.

It appears that J. L. Brownell, president of the defendant bank, sold or transferred to plaintiff the drafts on which the suit is founded, and received from him the amount of the drafts less the discount. The drafts were not paid at maturity and were duly protested. The nine drafts upon which the plaintiff did not recover were rejected by the court as evidence against defendant on account of the form of indorsement, which was as follows:

No. . Pay S. V. White or order for account Miners' National Bank, Georgetown, Colorado. J. L. BROWNELL, P't.

S. V. WHITE.

Because of the words "for account of Miners' National Bank of Georgetown, Colorado" in this indorsement, the Circuit Court ruled that no obligation arose out of the transaction, on the part of the bank, to pay the draft or return the money.

The plaintiff relies largely upon two propositions, viz.: (1) that the words are merely directory, and capable of explanation; and when it is shown by parol testimony, as in this case, that the plaintiff bought and paid full value for the draft, with the understanding that he was buying it as commercial paper, with the usual incidents of such a transaction, the indorser is liable in the usual manner, notwithstanding the words quoted; and (2) that the indorsement is according to the custom of bankers who deal in such paper in New York. But the court is not satisfied that either of these propositions is sound. However, the court below seems to have paid but little attention to the issue on the count for money paid to the use of defendant.

"It appears distinctly by the evidence, and is uncontradicted, that the money paid by plaintiff on account of these drafts was placed to the credit of the defendant with its corresponding bankers in New York, and paid out on checks of the defendant bank, so that there is no question that the defendant received the money. There is also no question but that plaintiff thought he was buying these drafts, and that they became his property by their delivery to him. It is also evident that Brownell, the president of the bank, thought he was selling him the drafts, and there is evidence that neither White nor Brownell noticed the restrictive words of the indorsement. But if the court below was correct in holding that the indorsement—the evidence in writing of what the parties did—only made White the agent of the bank, and left the bank the owner of the drafts, then both White and Brownell were mistaken, and the money was paid and received under a mutual mistake. If White paid his money as purchase money of the drafts, he paid it without any consideration, for he did not purchase the drafts. He only burdened himself with the duty of collecting the money for the bank, and the bank received and used his money without giving him any consideration for it."

On the ground that the court refused to instruct that if the defendant obtained from the plaintiff sums of money on account of drafts,

and used it, then defendant was liable for such money, the judgement of the Circuit Court is reversed and the case remanded, with directions to set aside the verdict and grant a new trial.

NOTES AND ABSTRACTS OF CASES.

DUTY OF BANK ON RECEIPT OF DRAFT AND BILL OF LADING.

A. F. Smith & Co., the owners of the Corn Exchange elevator of New York, gave orders to Mower, Church & Bell, of Milwaukee, to purchase for them two cargoes of wheat, and to draw on them for the purchase money against each cargo. The cargoes were purchased, and sight drafts for part of the purchase money, and time drafts for the other, were in each instance drawn on A. F. Smith & Co., the drafts being purchased by the Milwaukee Bank, the plaintiff in error, which received the bills of lading for the wheat. In these bills Mower & Bell are described as the shippers, and by their terms the cargo in each case is to be delivered at Oswego, to the account or order of T. L. Baker, cashier of the Milwaukee Bank, care of the City Bank of Oswego. The Milwaukee Bank enclosed the drafts and the bills of lading to the City Bank of Oswego, with instructions, "on payment of the drafts you will deliver the cargo to the order of Messrs. Smith & Co., if not paid please hold and advise by telegraph. Messrs. Smith & Co. will pay all expenses." When the vessels arrived at Oswego, the City Bank by indorsement on the bills of lading, ordered the cargoes to be delivered to the corn exchange elevator, for account of T. L. Baker, cashier Milwaukee Bank, subject to the order of the City Bank, of Oswego. A. F. Smith & Co. sold and shipped off the wheat, after it had been put in their elevator, and failed before the time drafts fell due. *Held*, under the evidence, as shown in this record, the question of negligence of the City Bank of Oswego, in storing the wheat with A. F. Smith & Co., should have been left to the jury.—*The Milwaukee National Bank of Wisconsin, plaintiff in error*, v. *The City Bank.* United States Supreme Court, in error to the Circuit Court of the United States for the Northern District of New York.

LIABILITY OF PARTNERS IN CASE OF DISSOLUTION.

A retiring partner who fails to give notice of dissolution to previous dealers with the firm is liable to such dealers receiving no notice of dissolution, upon all contracts made in the name of the old firm by the remaining partners. A bank, with whom an account had been kept in the ordinary way by the old firm, is a dealer within the rule stated, and the retiring partner is liable upon notes afterwards made or indorsed by the remaining partners in the name of the old firm and discounted by the bank, unless the retiring partner can show that such bank received notice of dissolution, and the burden is upon the retiring partner to affirmatively show this. *The National Shoe & Leather Bank* v. *Herz.* New York Supreme Court.

PENALTY AGAINST NATIONAL BANKS FOR TAKING ILLEGAL INTEREST.

Action to recover the balance due on a promissory note. The defendants tried to avoid their liability by reason of an alleged illegal transaction, whereby the plaintiff had received a greater rate of interest than that provided by law, contending that, by receiving a greater rate of interest than six per cent., the plaintiff had forfeited the entire interest which had been paid, together with all the interest the note would otherwise have carried. *Held*, that the taking of interest at a rate in excess of six per cent. was in violation of a law of the United States, which is in force in this State as well as in New Hampshire, so far as relates to contracts made by national banks existing in New Hampshire. When a bank takes interest in excess of the legal rate, it violates the law of the United States, and not the law of the State; and the consequences are those provided by the law of the United States, and not those provided by the State law *First National Bank of Peterboro'* v. *Childs.* Supreme Judicial Court, Massachusetts.

BANK'S CUSTOMERS NOT LIABLE FOR FORGED CHECKS.

A bank cannot pay out the money of a depositor on forged checks and debit them to his account. When forged checks have been paid and charged by a bank in the account and returned to the depositor, he is under no duty to the bank so to examine his accounts that it will necessarily lead to the discovery of the fraud. If he examines the vouchers personally and is deceived by the skilful character of the forgery, his omission to discover it will not shift the loss upon him. He is only obliged to use ordinary care in making the examination, and if he does so the bank cannot complain, even if the forgeries are not discovered until it is too late to retrieve its position or reclaim from the forger. *Frank* v. *The Chemical National Bank.* New York Court of Appeals.

GAMBLING IN STOCKS.

A contract to purchase shares of stock without the intention to deliver or receive them is a gambling contract. *Smith* v. *Thomas.* Supreme Court, Pennsylvania.

Transactions in stocks by way of margins, settlement of differences, and payment of the gain and loss without the intention to deliver the stocks, are mere wagers and cannot be sustained. Money received by a stock-broker from a minor, to carry on such transactions, may be recovered back from such stock-broker. Such a contract is void *ab* *initio.* The stock-broker is not the agent of the minor, but is the party with whom the minor made the alleged contract. *Ruchizky* v. *De Haven.* Supreme Court, Pennsylvania.

REPLIES TO QUESTIONS.

RIPLEY, O., June 18, 1881.

Editor Rhodes' Journal:

Please give us the decisions of the Courts upon the questions stated below.

E. R. BELL, Cashier.

I. Under section 30, Act of 1864, a national bank in any State may take as high rate of interest as by the laws of such State a natural person may stipulate for, although State banks of issue are restricted to a less rate.

Tiffany *vs.* National Bank of the State of Missouri; 18 Wall, p. 409.

II. As the action was virtually brought to recover the penalty for usury the statute (section 30) must receive a strict construction. *Ibid.*, p. 409

(NOTE.—In Missouri, natural persons may take ten per cent., but State banks are restricted to eight per cent. In this case the national bank had taken nine per cent. Held legal).—*Report of the Comptroller of the Currency*, 1881.

In Ohio natural persons, by contract, may take eight per cent., but State banks are restricted to six per cent. Suppose, then, A borrows of a national bank in that State $1,000, 90 days' time, and for the loan actually pays usurious interest in advance, at that rate of interest renews his paper several times; then contracts and pays in advance eight per cent. interest; by this contract to pay a legal rate of interest is he estopped from claiming under the National Bank Act, Sec. 5,198, twice the amount of interest thus paid from the association taking or receiving the same.

Ans. I. It is *questionable* whether under Sec. 5197 of the United States Statutes at large, national banks are not limited to the same rate of interest which State banks are allowed to take. The language is different from that quoted by our correspondent.

II. In the case as stated, we do not see how the doctrine of estoppel applies. He has paid usurious interest. Sec. 5198 of the U. S. Statutes at large provides that when he has done this he may recover twice the interest *by action* if commenced within two years. Why then may he not set up this right to recover as a counter claim against the now valid obligation? We do not know that the courts have expressly adjudicated this question.

HOLDEN, MO., June 21, 1881.

Editor Rhodes' Journal:

What course do you advise us to pursue in the following case: A customer deposits a check in this bank drawn on another country bank for collection and credit. We give him a receipt for the same and forward it for collection. Return is made to us in the form of a draft on St. Louis. This draft is sent at once to our St. Louis correspondent, who returns it to us unpaid; the drawer having in the meantime failed. Are we responsible? ASSISTANT CASHIER.

Ans. It would appear that your bank has acted in a course usual and customary for collecting banks. Therefore, under the rule in Indig *vs.* National City Bank of Brooklyn (reported in the March, 1880, number of the JOURNAL), it is exonerated. The customer should of course be immediately advised of the facts, in order that he may take proper measures to protect himself.

EASTPORT, ME., June 10, 1881.

Editor Rhodes' Journal:

Will you please give your opinion in the following case: One of the Trustees of our Savings Bank recently applied to me (the Treasurer) to be allowed to examine my ledger. I knew that he was acting in the interest of an outside party, to ascertain whether a certain person had money deposited, with a view to attaching it. I therefore asked him whether he wished to examine my books in his capacity of Trustee or as a lawyer. He said that that made no difference; but I thought it did, and declined to permit the examination.

The by-laws of the bank say: "The Trustees shall examine the reports and accounts of the Treasurer, and see that a regular journal is kept of the receipts, etc." It is our custom to have a committee appointed to examine the accounts of the Treasurer, and it is also done by the State Examiner. The Trustees at a regular meeting approved my action in refusing a single Trustee to examine my ledger, under the circumstances named. Were they right? N.

Ans. The question as to the individual right of a trustee to make examinations is one which has never been definitely settled, but we are inclined to think he could not demand it. If he has a right to examine the books, he has the same right to examine the securities, and no one will claim that the Treasurer could be compelled to allow any individual to handle his securities, except by order of the Board, or a statute of the State. A trustee has no rights or privileges, except as a member of the Board, or of one of its committees. A case in one of our City savings banks illustrates this last proposition. A trustee wrote to the secretary demanding certain statements and accounts, which the secretary declined to furnish. The trustee then claimed the right to copy the accounts, which was denied. The secretary laid the case before the Board at its next meeting, when a resolution was adopted and afterward engrafted in the by-laws, where it has stood for the past fifteen years, as follows: "The Secretary shall not allow any of the accounts or statements of the bank to be copied except as required by law, or by authority of the Board of Trustees, or for a report to the Board of Trustees, or one of its appointed committees."

FRANKLIN, PA., May 18, 1881.

Editor Rhodes' Journal:

Will you please inform me whether the following "Reply" is correct or not?

CASHIER.

Wm. McClelland gives Bank of Colorado a draft on First National at this place for proceeds of collection in hands of the latter for him, amounting to $2,500, and this draft is sent us for collection indorsed by the Cashier of the Colorado Bank. We indorse and send it to First National, which refuses to pay on the ground that the money was sent them by another party, and they have not Mr. McClelland's signature. Afterward, they offer to pay if we will guarantee the signature. We claim that the Colorado Bank is bound to know that the right party gave them the draft, hence that their indorsement is a guaranty of the genuineness of signature. The point seems to be, who is responsible for a forged signature, *the paying bank*, or the one which *first received it.* B. & M.

Reply.—The indorser is not held to the drawee for the genuineness of the signature of the drawer, unless he gives a special guaranty to this effect. Hence, if the First National paid the draft and it proved a forgery of the drawer's name, they could not recover the money of an innocent holder who had collected it in good faith. Not having the drawer's signature, and having no means of testing its genuineness, their only safety lay in exacting a guaranty before payment. If they paid the draft without it, they did so absolutely at their own risk.—*From N. Y. Journal of Com.*

Ans. The reply is correct, as can be readily demonstrated. Had B. & M. presented the draft and obtained acceptance or certification of it, there would be no question (they being *bona fide* holders) of their right of action against the First National Bank, even if McClelland's signature was a forgery. The effect of payment would be the same, viz.: the adoption of the signature as that of their drawer, which constitutes an *estoppel* as they are bound to know it.

LEADVILLE, COL., May 5, 1881.

Editor Rhodes' Journal:

Is a protest made by a Notary Public who is also the Cashier of the bank to whom a draft is sent for collection, a good protest? This has reference to New York State.

TELLER.

Ans. We think it is.

BROWNSVILLE, TENN., June 5, 1881.

Editor Rhodes' Journal:

I have read carefully the case of Pattison *vs.* Syracuse National Bank, which was reported in a recent number, and in which the decision was against the bank, on the ground of gross negligence. Our charter states that we may receive special deposits, but we scarcely ever do it as it is a thankless and profitless business at the best. We have, however, a few small iron sub-treasuries inside our large safe, that we rent, the rentor alone having the key to his treasury. In case of burglary, if the contents of any of these sub-treasuries were taken, could we be held responsible for the loss?

Ans. In this case we do not think the bank could be held for the loss, unless there was some negligence on its part. But only *slight* negligence would be sufficient to make it liable.

CHATHAM VILLAGE, N. Y., May 17, 1881.

Editor Rhodes' Journal:

Will you please give me your opinion on the following: A bank is organized under the laws of the State of New York, and at the first meeting of the stockholders, before the election of Directors or Officers, a set of by-laws, etc., is adopted. There is no provision made in the by-laws for amendment. How then can they be amended and by whom?

One of the by-laws reads thus: All the power conferred by law upon this and similar institutions shall be exercised by the Directors in all its business transactions.

F. P. S.

Ans. Where a bank is organized under the laws of the State of New York, and at the first meeting of stockholders, before the election of directors or officers, by-laws are adopted, with no provision for their amendment, they can be amended or altered at any time by the power that made them, and not otherwise, that is, by the stockholders. It would still be competent for the directors to establish rules and regulations governing the conduct of the business of the bank, but they must not be in conflict with the by-laws approved and adopted by the stockholders.

PARIS, TEXAS, April 25, 1881.

Editor Rhodes' Journal:

I take the liberty of asking the following questions which apply to real cases:

I. A merchant presents his sight draft for $500 drawn in favor of "Bank" on his commission merchant, with bill of lading attached, for fifteen bales of cotton shipped to order. The bank cashes the draft, and the merchant indorses thus on the bill of lading: "Deliver to order of —— Bank." In the process of collection, the bank endorses thus on the same bill of lading: "Deliver to order of ——" (its correspondent), and the correspondent presents the draft with the bill of lading attached to the consignee, who pays it, the correspondent endorsing the bill of lading thus: "Deliver to the order of ——" (the consignee). The draft itself is genuine, but inside of sixty days the fact appears that the bill of lading is a forgery. Now, what responsibility attaches to the endorsers of the bill of lading and, if they are liable, to what extent?

II. We notice that a great many mercantile establishments in your and other cities are changing their firms into companies. Does this limit their liability?

H. A. CLEMENT.

Ans. I. It is well settled, we believe, that a bill of lading is a negotiable instrument, so that if the liability of the indorsers rested solely upon that they would be liable. But the determination of this question does not depend upon that. We think that in such a case the consignee would be regarded as the agent of the consignor and drawer of the bill or draft, and having accepted the draft would be required to pay, though it were a time draft, and the forgery of the bill of lading discovered after acceptance, and before the maturity of the draft; or, it being a sight draft, and paid upon presentation and delivery of bill of lading, he could not recover back.

Doubtless the facts concerning the real relations of consignor and consignee might serve to modify the above, but, in a general way, and under the relations ordinarily subsisting between such parties, we think we have stated the true rule. Still it can hardly be regarded as a settled question.

II. We are not aware that *many* if any "mercantile" firms in this city are changing, or have changed, or propose to change from co-partnerships to what are known as incorporated companies. So much for the *fact* referred to by our correspondent.

There is an advantage in many kinds of business secured by incorporation, and it is the limited liability of the corporators or stockholders. They are liable, when the capital is fully paid, only for the amount of their stock. One having $10,000 capital in a corporation is liable to lose no more, however much he may be worth besides. As one of a partnership firm with $10,000 invested, he is liable for all the debts of the firm if they amount to $1,000,000.

BANKING AND FINANCIAL NEWS.

The Annual Convention of the American Bankers' Association.—The Executive Council of the American Bankers' Association on June 9 resolved that the Annual Convention of the Association should be held at Niagara Falls on August 10, 11 and 12. It is expected that several representatives of the Canadian and European banking interests will be present, in addition to the delegates from a large portion of the 6,000 banks of this country. The invitation which has been issued by the Corresponding Secretary contains the following in regard to the programme so far as it has been decided upon:

"We shall prepare and lay before the Convention a report on Bank taxation, showing what has been done and is doing 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 heavily 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, addresses will probably be given upon the future currency of this country, the perils and safeguards of the financial situation, the industrial growth of the West and South, the improvement of business since resumption, the causes of monetary panics, the influence of railroad and telegraphic facilities on commerce and banking, the dependence of the country upon the banks for the stability of business, for the decrease in the rates of interest, for the success of resumption, and for the saving effected by the refunding of the public debt. Reports and documents will also be presented on various topics, among which are the recent absorption of currency, the International Monetary Conference, the rise and prospects of the through trade between the West and Europe; the growth of our Clearing House system; the importance of ample cash reserves, and of publicity in the accounts of our banks; the history and development of banking in the United States; the causes of economic growth and decadence; the influence of sound banking upon credits; and the financial conditions which promote the prosperity and productive powers of the nation. 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 claims special attention. To augment the personal interest of our meetings, 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 foreign banking systems and the bankruptcy law will probably receive attention, with the judicial and legislative proceedings on the subject of taxation and usury during the year."

A letter from Registrar Delano says that the arrangements for the Convention are being rapidly pushed to completion. A conference of officers and committees has recently been held at the International Hotel to arrange the preliminaries. An-influential local committee has been designated, who will shortly report to the Executive Council. They will also take steps to secure reduced railroad rates for the benefit of delegates from all points. The ladies' committee are to arrange for a number of receptions and hops during convention week. The following-named gentlemen compose the committee having in charge the local and social arrangements: Messrs. H. G. Nolton, Henry Martin, J. R. Smith, and F. L. Danforth, of Buffalo; T. G. Orton and A. R. Seaward, of Rochester; F. R. Delano, of Niagara Falls; T. T. Flagler, of Lockport; and C. H. Tew of Jamestown. The rates at the hotels and other places will be adjusted by the committee and registrar. Mr. F. R. Delano, of the Cataract Bank, acts as Registrar and will give information to the members of the association generally. A number of applications for hotel accommodations have already been made, and the attendance promises to be so large as to test the capacity of all the hotels and boarding houses.

A representative of RHODES' JOURNAL OF BANKING will attend the Convention n the interest of this publication. During convention week the JOURNAL'S business agent will also be at Niagara Falls, and he will be glad to meet old friends of the JOURNAL and make many new ones. His headquarters will be at the International Hotel.

Express Charges on Mutilated Bank Notes.—Treasurer Gilfillan has issued a circular in which notice is given that on and after July 1, 1881, and until further notice, the charges for the transportation of worn and mutilated United States notes received by the Treasurer of the United States by express, for redemption, in sums of $500 or multiples thereof, and of new United States notes returned therefor, will be paid by the government. On remittances not sent in the above amounts or consisting in any part of notes fit for circulation, or of other notes than United States notes, the entire charges at government contract rates will be deducted.

Missouri Finances.—The Official Directory of Missouri, for 1881, issued by the Hon. M. K. McGrath, Secretary of State, shows that the bonded debt of the State on Jan. 1,'81, amounted to $16,508,000. This does not include $3,000,000 of bonds issued to the Hannibal & St. Joseph Railroad Company, that are secured by mortgage on the road. Of the State debt $2,900,000 is in the common school fund, so that the bonded debt of the State was actually $13,608,000, and on July 1, 1881, only $13,858,000. The taxable wealth from which the revenue of 1880 was derived was $558,361,443. On December 1, 1880, the State banks had an aggregate capital of $8,555,567, and $2,950,549 surplus. The private banks had $1,178,439 capital and $600,248 surplus. The capital of the national banks was $4,050,000 and the surplus $1,094,462. Total capital $13,784,000; surplus $4,645,259. Total loans and discounts $45,661,794; sight deposits $46,592,656 and time deposits $9,183,688.

Good Showing of a Suspended Bank.—The managers of the Dime Savings Institution of Newark credited on June 10, an additional ten per cent. of their old accounts on the new accounts of the depositors. It is said that Mr. J. D. Orton since his accession to the presidency, has given his earnest attention to the work of placing the bank on a sound basis, of which this is the first outcome. The dividend is due to the sale at an average of about ninety, of a lot of Chesapeake and Ohio bonds which Examiner Whitehead had classified as without value. It is understood that other negotiations are in progress, which, it is hoped, may result in another dividend at an early day.

When this bank suspended some years ago, the Chancellor of New Jersey made an arrangement to allow it to continue business on a new basis in order to prevent the loss which generally accrues to depositors from a receivership. Mr. Orton writes respecting the matter as follows: "Our institution, at the time of its suspension, held a large amount of securities, which were pronounced by the examiner to be worthless. These same securities with accrued interest are now bringing more than their face value. Had our bank been placed in the hands of a receiver, they would in all probability have been sold, and little or nothing would have been realized from them. The action of the Chancellor preventing this has saved our depositors from ruinous loss. We are now gaining the confidence of the community, and seem in a fair way to be again placed on a sound financial basis."

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, 1881, 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 re-dempt'n of notes of liquidatt'g banks.	*To retire circulat'n und'r Act J'ne 20, '74*	*Total Deposits.*	
Maine	$1,478,980	$317,000	$764,700	$1,081,700	$283,817
New Hampshire	643,165	72,997	55,800	128,797	28,159
Vermont	1,814,960	301,097	1,753,040	2,054,137	778,733
Massachusetts	23,259,570	234,800	9,680,700	9,915,500	1,942,301
Rhode Island	3,032,720	32,350	1,409,885	1,442,235	438,182
Connecticut	4,091,370	65,350	3,506,030	3,571,380	1,436,632
New York	26,417,915	2,571,478	30,507,780	33,079,258	8,122,835
New Jersey	2,512,335	442,603	2,383,137	2,825,740	1,060,908
Pennsylvania	15,067,090	1,306,226	12,000,621	13,306,847	5,566,664
Delaware	277,275	......	......	......	......
Maryland	1,903,310	166,600	1,718,380	1,884,980	85,572
District of Columbia	457,000	432,664	530,060	962,724	105,594
Virginia	962,500	919,369	1,036,010	1,955,379	300,831
West Virginia	226,810	731,060	364,185	1,095,245	135,369
North Carolina	1,235,660	128,200	1,147,585	1,275,785	232,908
South Carolina	162,700	......	1,187,380	1,187,380	189,199
Georgia	520,350	330,925	437,675	768,600	105,990
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	170,100	260,100	90,305
Mississippi	......	.....	......	......	266
Louisiana	1,623,110	656,413	2,099,250	2,755,663	75,924
Texas	440,100	61,290	229,340	290,630	45,660
Arkansas	171,000	.....	171,000	171,000	14,325
Kentucky	4,373,880	629,867	2,130,833	2,760,700	864,137
Tennessee	812,770	370,401	551,859	922,260	158,932
Missouri	1,066,960	1,023,510	3,862,135	4,885,645	700,827
Ohio	4,512,300	1,661,097	4,651,034	6,312,131	2,132,080
Indiana	3,576,950	1,382,397	7,859,083	9,241,480	2,978,333
Illinois	8,314,075	1,816,934	7,706,046	9,522,980	1,796,623
Michigan	2,288,710	510,300	3,129,475	3,639,775	1,259,095
Wisconsin	1,118,030	680,860	1,259,589	1,940,449	572,063
Iowa	1,803,240	858,669	1,760,615	2,619,284	516,946
Minnesota	1,084,400	509,495	1,883,445	2,392,940	764,209
Kansas	192,600	781,721	316,550	1,098,271	288,727
Nebraska	221,400	45,000	449,980	494,980	233,935
Nevada	36,000	......	......	......	1,778
Colorado	606,400	145,083	149,400	294,483	19,277
Utah	134,900	161,191	196,800	357,991	13,753
Montana	165,600	111,700	81,000	192,700	69,413
Wyoming	30,600	......	......	......	......
New Mexico	90,000	......	......	......	......
Washington	162,000	......	90,000	90,000	76,280
Dakota	220,500	.....	......	......	......
California	825,300	......	......	......	... ..
Totals	$113,215,535	$19,548,647	$107,230,502	$126,779,149	$33,486,582
Legal tenders deposited prior to June 20, 1874, and remaining at that date				3,813,675	
Total				$130,592,824	

JOHN JAY KNOX,
Comptroller of the Currency.

The National Debt Statement, July 1, 1881.

AND FOR COMPARISON, THE JUNE STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	June 1, 1881.	July 1, 1881.
Bonds at 6 per cent	$196,378,600	$196,378,600
" 5 "	439,841,350	439,841,350
" 4½ "	250,000,000	250,000,000
" 4 "	738,652,950	738,659,000
Refunding certificates	694,850	688,000
Navy pension fund	14,000,000	14,000,000
Principal	$1,639,567,750	$1,639,567,750
Interest	17,109,666	20,223,225
DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.		
Principal	$10,600,005	$6,723,365
Interest	737,292	718,686
DEBT BEARING NO INTEREST.		
Old demand and legal-tender notes	$346,741,646	$346,741,551
Certificates of deposit	10,860,000	11,925,000
Gold and silver certificates	56,685,850	56,949,450
Fractional currency	7,109,102	7,105,953
Principal	$421,396,598	$422,721,954
Unclaimed Pacific Railroad interest	6,746	6,746
TOTAL DEBT.		
Principal	$2,071,564,354	$2,069,013,569
Interest	17,853,705	20,948,657
Total	$2,089,418,059	$2,089,962,227
Total cash in the Treasury	236,496,088	249,363,415
Debt, less cash in the Treasury	$1,864,072,693	$1,840,598,811
Decrease of debt during month	11,159,721	12,323,159
Decrease of debt since June 30, 1880	89,250,323	101,573,483
CURRENT LIABILITIES.		
Interest due and unpaid	$2,451,043	$2,125,544
Debt on which interest has ceased	10,600,005	6,723,865
Interest thereon	737,292	718,686
Gold and silver certificates	56,685,850	56,949,450
U. S. notes held for red'n of certificates of deposit	10,860,000	11,925,000
Cash balance available	155,161,896	170,920,869
Total	$236,496,088	$249,363,415
AVAILABLE ASSETS.		
Cash in the Treasury	$236,496,088	$249,363,415

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	1,615,587	1,938,705
Interest paid by United States	49,528,566	49,528,566
INTEREST REPAID BY COMPANIES.		
By transportation service	$14,256,338	$14,426,126
By cash payments, 5 per cent. earnings	655,198	655,198
Balance of interest paid by the United States	$34,617,028	$34,447,241

Treasury Payments during June.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$4,626,132
On account of war	3,282,972
On account of navy	1,131,055
On account of interior (Indians)	276,385
On account of interior (Pensions)	1,817,603
Total	$11,134,149

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 July 1, 1881, 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*	353,754,600
Increase during the last month	702,107
Increase since July 1, 1880	10,596,663

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	33,486,282
Decrease in deposit during the last month	1,748,377
Increase in deposit since July 1, 1880	13,703,895

*Circulation of National Gold Banks not included in the above.....$1,087,675

JOHN JAY KNOX,
Comptroller of the Currency.

"STATISTICS OF WEALTH, DEBT, AND TAXATION."

A series of Articles on the above topic, by Mr. Robert P. Porter, the well-known Statistician, will shortly appear in this JOURNAL.

STATEMENT OF LIABILITIES AND ASSETS OF THE TREASURY OF THE U. S. FROM LATEST RETURNS RECEIVED.

LIABILITIES.

Post-Office-Department Account		$3,669,857 32
Disbursing Officers' Balances		18,330,378 74
Fund for redemption of notes of National Banks "failed," "in liquidation," and "reducing circulation."		32,744,786 85
Undistributed assets of failed National Banks		465,394 50
Five per cent. Fund for Redemption of National Bank Notes		14,445,230 78
Fund for redemption of National Bank Gold Notes		402,072 00
Currency and Minor-Coin Redemption Account		5,229 58
Fractional Silver-Coin Redemption account		82,637 10
Interest Account		11,836 31
Interest Acct., Pacific Railroads and L. & P. Canal Co.		6,130 00
Treasurer U. S., agent for paying interest on D. C. Bonds		274,680 50
Treasurer's Transfer Checks and Drafts outstanding		6,087,297 67
Treasurer's Gen'l Acct...Interest due and unpaid	$17,348,944 45	
Treasurer's Gen'l Acct...Matured Bonds & Interest	1,077,724 00	
Treasurer's Gen'l Acct...Called Bonds and Interest	25,872,797 58	
Treasurer's Gen'l Acct...Old Debt	800,129 76	
Treasurer's Gen'l Acct...Gold Certificates	5,782,920 00	
Treasurer's Gen'l Acct...Silver Certificates	51,166,530 00	
Treasurer's Gen'l Acct...Certificates of Deposit	11,925,000 00	
Treasurer's Gen'l Acct...Balance includi'g Bullion Fund	136,089,643 73	
Total Treasurer's General Account	250,063,689 52	
Less Unavailable Funds	700,274 17	
		249,363,415 35
		325,888,946 70

ASSETS.

Gold Coin	$74,153,944 89
Gold Bullion	89,017,716 36
Standard Silver Dollars	62,544,722 00
Fractional Silver Coin	27,247,696 93
Silver Bullion	3,309,949 10
Gold Certificates	23,400 00
Silver Certificates	12,055,801 00
United States Notes	30,204,092 45
National Bank Notes	5,115,237 29
National Bank Gold Notes	181,145 00
Fractional Currency	53,159 11
Deposits held by National Bank Depositaries	11,788,888 12
Nickel and Minor Coin	786,005 87
New York and San Francisco exchange	1,836,000 00
One and Two-Year Notes, &c	126 60
Redeemed Certificates of Deposit, June 8, 1872	275,000 00
Quarterly Interest-checks and Coin Coupons paid	126,437 07
Registered and Unclaimed Interest paid	7,169,607 84
U. S. Bonds and Interest	....
Interest on District of Columbia Bonds	17 67
Speaker's Certificates	....
Pacific Railroad interest paid	....
	325,888,946 70

TREASURY OF THE UNITED STATES,
Washington, D. C., July 1, 1881.

JAMES GILFILLAN,
Treasurer U. S.

Condition of the National Banks.

ABSTRACT of Reports made to the Comptroller of the Currency, showing the condition of the National Banks in the United States (2,102 in number), at the close of business on May 6th, 1881, together with the figures of the previous statement for comparison (cents omitted).

RESOURCES.

	March 11, 1881.	May 6, 1881.
Loans and discounts	$1,069,660,001	$1,089,412,901
Overdrafts	4,126,748	4,236,480
U. S. Bonds to secure circulation	339,861,950	352,653,500
U. S. Bonds to secure deposits	14,851,500	15,240,000
U. S. Bonds on hand	46,580,650	44,116,500
Other stocks, bonds, and mortgages	49,625,654	52,908,123
Due from approved reserve agents	120,849,907	128,017,350
Due from other National Banks	62,267,993	63,221,699
Due from State Banks and bankers	17,030,568	16,938,734
Real estate, furniture and fixtures	47,440,790	47,791,348
Current expenses and taxes paid	7,810,930	6,096,109
Premiums paid	3,530,516	4,024,763
Checks and other cash items	10,144,682	11,826,603
Exchanges for Clearing-House	147,[illegible]61,543	106,633,558
Bills of other National Banks	17,733,032	25,120,933
Fractional currency	386,569	386,950
Gold coin	53,916,465	65,002,533
Gold Treasury Certificates	5,523,400	5,351,300
Gold Clearing-House Certificates	38,461,000	44,194,000
Silver coin	6,250,370	6,820,379
Silver Certificates	1,004,960	1,260,340
Legal-tender notes	52,156,439	62,516,296
U. S. certificates of deposit for legal-tender notes	6,110,000	8,045,000
Five per cent. redemption fund with Treasurer	14,991,211	15,572,501
Due from Treasurer other than redemption fund	2,034,058	2,876,097
Total	$2,140,110,944	$2,270,264,014

LIABILITIES.

	March 11, 1881.	May 6, 1881.
Capital stock paid in	$458,254,935	$459,039,205
Surplus fund	122,470,996	124,405,926
Other undivided profits	54,072,225	54,906,090
* National Bank notes issued	303,026,980	315,171,835
Amount on hand	4,4[illegible]6,178	5,434,142
Amount outstanding	298,590,802	309,737,109
State Bank notes outstanding	247,788	252,647
Dividends unpaid	1,407,089	2,617,184
Individual deposits	933,392,436	1,02[illegible],077,710
U. S. deposits	7,381,149	9,504,081
Deposits of U. S. disbursing officers	3,839,324	3,371,512
Due to other National Banks	181,677,285	191,502,091
Due to State Banks and bankers	71,579,477	80,700,506
Notes and bills re-discounted	2,016,203	2,908,370
Bills Payable	4,581,231	4,4[illegible]3,544
Total	$2,140,110,944	$2,270,264,014

*The amount of circulation outstanding on March 11, as shown by the books of the department was $343,767,519; on May 6 it was $353,326,051, which amount includes the notes of insolvent banks, of those in voluntary liquidation, and those which have deposited legal-tender notes under the act of June 20, 1874, for the purpose of retiring their circulation.

A NOTABLE MEETING.

A special meeting of the New York Chamber of Commerce was held on Thursday, July 7, to take action regarding the attempt on President Garfield's life. The call had been issued only twenty-four hours before, yet some thirty or forty prominent members were in attendance. President Babcock in calling the chamber to order, said :

GENTLEMEN OF THE CHAMBER: We are met here to take action in reference to the late dastardly and diabolical attempt on the life of the Chief Magistrate of the Nation. We are here to tender our profound sympathy to him, to his family, and to the Government in this trial. We rejoice with them to-day in the hope of his recovery, and we trust that this man who has served his country so well in the battle-field, in the halls of Congress, and now in the Executive Office, will be permitted to resume the reins of Government. Probably no event of such magnitude has occurred for many years. The hearts of civilized humanity have been stirred to their depths by the dread affair, and we hope that whatever its results may be, it may teach our public men to-day a lesson which they need more now than ever before; a lesson that party spirit must be tempered by patriotism. Instead of these squabbling partisanship factions they should be united for the common interest of the whole people.

Mr. Cyrus W. Field offered and read the following resolutions:

WHEREAS, The Chamber of Commerce of the State of New York has met this day with a view to express on behalf of the entire membership of their ancient body, older than our Government itself, and including a large proportion of the leading merchants and bankers of New York, their unspeakable grief and indignation at the attempted assassination of President Garfield, and

WHEREAS, We have watched with painful anxiety every bulletin from the Executive Mansion that has given intelligence of the condition of the President, and have been deeply moved by the Christian heroism with which he has met this appalling calamity that has alarmed the whole country, and compared with which all political contentions and personal interests have sunk into insignificance; therefore,

Resolved: That we tender to President Garfield our heartfelt congratulations that, by the aid of Divine Providence, he has so far survived the perils that seemed deadly, and that he retains his intellectual faculties in full vigor and perfect composure of spirit.

That we offer to his heroic wife, as well as to his aged mother, and his children, our deepest sympathies in their sore trials.

That we congratulate the country and ourselves on the fact that our Chief Magistrate, by his own display of the highest quality of manhood, has done so much to sustain the hopes of the people as to his final recovery, and we hope that a continuance of his life will be a means of bringing together the best men of all parties and sections. and thus give a pledge of the perpetuity of our so much valued institutions.

The resolutions being seconded by the Hon. S. B. Chittenden in a vigorous speech, were unanimously adopted by a rising vote.

The sentiments expressed above are manly, and yet full of tender sympathy. But the grandest work of the meeting was the starting of a $250,000 fund for the wife and children of the stricken President. This movement is fully explained in the following which heads the subscription list:

The undersigned, desiring to testify their appreciation of the character of James A. Garfield, President of the United States, and to provide for his family, hereby subscribe the sums set opposite to their names respectively, toward a fund to be deposited with the United States Trust Co., of New York, in trust, to be kept invested in United States Government bonds, and the income thereof to be paid to Mrs. Garfield, the wife of the President, during her life, and at her death the principal to be divided among the surviving children of James A. Garfield. JULY 7, 1881.

The subscription was inaugurated by Mr. Cyrus W. Field, who heads the list with $5,000, and Messrs. Drexel, Morgan & Co., Jay Gould, C. P. Huntington, S. B. Chittenden, D. Willis James, and Morton, Bliss & Co., each $5,000 and a long list of smaller sums. This is a grand beginning, and doubtless the whole sum will be speedily subscribed.

Mr. Field has expressed a desire that this shall be a national movement, those who are able to give but small sums being entitled to as much credit as the millionaire who puts his name down for thousands. Subscriptions sent to this office will be duly acknowledged in the next issue of the JOURNAL.

New Banks, Bank Changes, Etc.

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

2528—First National Bank, Hastings, Nebraska. Authorized capital, $60,000. Paid-in capital, $32,000. A. L. Clark, President; G. H. Pratt, Cashier.

2529—Citizen's National Bank, Zanesville, Ohio. Authorized capital, $200,000. Paid-in capital, $104,000. Joseph T. Gorsuch, President; A. V. Smith, Cashier.

2530—New Holland National Bank, New Holland, Pennsylvania. Authorized capital $75,000. Paid-in capital $75,000. Cornelius F. Roland, President; James Diller, Cashier.

2531—Mercer National Bank, Harrodsburg, Kentucky. Authorized capital, $60,000. Paid-in capital, $50,000. James H. Moore, President; Robert C. Nuckols, Cashier.

2532—First National Bank, El Paso, Texas. Authorized capital, $50,000. Paid-in capital, $50,000. J. Raynolds, President; John W. Zollars, Cashier.

2533—Citizens' National Bank, Crawfordsville, Indiana. Authorized capital, $75,000. Paid-in capital, $75,000. Alexander F. Ramsey, President; Benjamin Wasson, Cashier.

2534—Iron National Bank, Plattsburgh, New York. Authorized capital, $100,000. Paid-in capital, $100,000. Andrew Williams, President; George W. Watson, Cashier.

2535—Sioux National Bank, Sioux City, Iowa. Authorized capital, $100,000. Paid-in capital, $100,000. William L. Joy, President; Arthur S. Garretson, Cashier.

2536—The James Sweet National Bank, Nebraska City, Nebraska. Authorized capital, $50,000. Paid-in capital, $50,000. James Sweet, President; Henry N. Shewell, Cashier.

2537—Clement National Bank, Rutland, Vermont. Authorized capital, $200,000. Paid-in capital $100,000. Charles Clement, President; Waldo P. Clement, Cashier.

2538—First National Bank, Salina, Kansas. Authorized capital, $50,000. Paid-in capital, $50,000. W. L. Hardison, President; M. D. Teagus, Cashier.

ARKANSAS.

Hot Springs.—Arkansas State Bank sold to Hot Springs Bank and Safe Deposit Co. Andrew Bruon; succeeded by Andrew Bruon & Co.

COLORADO.

Buena Vista.—F. A. Raynolds & Co.; closing business.

Carson City.—Exchange Bank (Bain & Robertson); now R. A. Bain.

South Arkansas.—Name of Post office changed to Salida.

CONNECTICUT.

Hartford.—United States Trust Co.; Thomas O. Enders, President, in place of M. G. Bulkeley, resigned.

Meriden.—Home National Bank; A. Chamberlain, President, in place of E. Butler; J. S. Norton, Jr., Cashier, in place of A. Chamberlain, Jr.,

Mystic River.—Mystic River National Bank; F. M. Manning, President, in place of W. Clift, resigned.

Norwich.—Thames Loan and Trust Co.; Charles Bard, President, in place of L. F. S. Foster.

DAKOTA.

Flandreau.—Moody County Bank; Thomas H. McConnell, Cashier.

Bank of Flandreau; C. C. Brown, Cashier, retires; H. G. Thayer admitted.

Grand Forks.—Merchants' Bank; capital $50,000; E. P. Gates, President; D. D. Webster, Cashier.

Pierre.—Citizens' Bank (Clough & Sawtell).

ILLINOIS.

CARROLLTON.—Greene County National Bank; Robert Pierson, Cashier, in place of O. Pierson, Acting Cashier.

CHESTER.—Cole Brothers & Co.; succeeded by McAdam & Speckman.

EDWARDSVILLE.—Farmers' Exchange and Loan Co.; succeeded by J. A. Prickett & Sons.

POLO.—Barber & Trumbauer; succeeded by Barber Brothers & Co.

INDIANA.

COLUMBUS.—First National Bank; William J. Lucas, Vice-President, in place of H. Griffith.

CRAWFORDSVILLE.—Citizens' National Bank; capital $75,000; Alexander F. Ramsey, President; Benjamin Wasson, Cashier.

KNOX.—J. A. Garner & Co.

KOKOMO.—Russell, Dolman & Co.; R. A. Dolman, deceased.

MICHIGAN CITY.—Lumbermen's Bank (Hutchinson, Higgins & Co.).

PENDLETON.—A. B. Taylor & Sons; now Pendleton Banking Co.

VINCENNES.—Vincennes National Bank; Wilson M. Tyler, President, in place of W. J. Williams; H. A. Foulks, Cashier, in place of W. M. Tyler.

IOWA.

AURELIA.—Bank of Aurelia; Lewis M. Yocum, President; Jerrel R. Atwood, Cashier.

CLARINDA.—Page County Bank; W. E. Webster, President; C. Linderman, Vice-President; O. A. Rogers, Cashier; successors to Webster, Linderman & Co.

DOWS.—Exchange Bank (John Graham).

GUTHRIE CENTER.—Calderwood & Sayles; now Citizens' Bank (E. R. Sayles).

JESUP.—Buchanan County Bank; L. S. Hovey, President; James Dalton, Cashier.

MARION.—First National Bank; Jay J. Smyth, Cashier, in place of J. W. Bowdish.

MARCUS.—Marcus Bank (Gund & Hiltgen).

SALEM.—Bank of Salem: H. L. Bacon, President; W. H. Bliss, Cashier.

SIOUX CITY.—Sioux National Bank; capital, $100,000; William L. Joy, President; Arthur S. Garretson, Cashier.

Sioux City Savings Bank; succeeded by Sioux National Bank.

TOLEDO.—Toledo Savings Bank; Hiram Baldwin, Cashier and Secretary, in place of L. B. Nelson, resigned.

KANSAS.

BURTON.—G. A Vandeveer.

EL DORADO.—Bank of El Dorado (Ellet, Gardner & Frazier).

NEWTON.—Hoag & Fowler: now Hoag & Doty.

PAOLA.—Bank of Paola; S. R. Smith, President: G. P. Graham, Cashier.

SALINA.—First National Bank; capital, $50,000; W. L. Hardison, President; M. D. Teagus, Cashier.

WASHINGTON.—Washington County Bank; capital, $50,000; A. W. Moore, President; F. A. Head, Cashier.

KENTUCKY.

GREENVILLE.—Reno & Hay.

HARRODSBURG.—Mercer National Bank; capital, $50,000; James H. Moore, President Robert C. Nuckols, Cashier.

VERSAILLES.—Bank of J. Amsden & Co.; surplus now $20,000.

MAINE,

AUGUSTA.—Granite National Bank; capital reduced to $100,000.

MARYLAND.

BALTIMORE.—Maryland Savings Bank; William Henry Baldwin, Jr., President; Daniel Cloud, Treasurer.

McKim & Co.; Alexander McKim, admitted.

MASSACHUSETTS.

ATHOL.—Miller's River National Bank; W. B. Harding, Assistant Cashier.

BOSTON.—Pinkham & Corey, 256 Devonshire Street.

C. H. Venner & Co., 752 Devonshire Street.

National Bank of North America; Arthur F. Luke, Cashier, in place of J. K. Hall.

Stedman & Tufts; settled with creditors, and re-instated in Board.
FITCHBURG.—Rollstone National Bank; Wilbur B. Tenney, Cashier, in place of J. M. Graham.
SALEM.—Naumkeag National Bank; George R. Felt, Acting Cashier, during absence of Cashier.

MICHIGAN.

CLAKSTON.—Exchange Bank (B. J. Abbey).
COLDWATER.—Coldwater National Bank; surplus increased to $50,000.
CROSWELL.—Sanilac County Bank; (H. B. Pack & Co.)
DETROIT.—Detroit Savings Bank E. C. Bowman, Assistant Cashier.
HUDSON.—Thompson Brothers; successors to Perkins, Thompson & Co., dissolved.
IMLAY CITY.—George N. Terry & Co.; dissolved.
MARLETTE.—Marlette Bank (Charles L. Messore).
MARQUETTE.—First National Bank; Henry W. Jessops, Cashier, in place of C. H. Call.
NORTH ADAMS.—North Adams Bank, (E. J. March).
STANTON.—A. D. F. Gard & Co.
UNION CITY.—Farmers' National Bank; surplus and profits amount now to $6,000.

MINNESOTA.

MABEL.—E. A. Abry & Co. (Fillmore County Bank); succeeded by Adams & Co.
RED WING.—Goodhue County Bank: C. Clausen, Vice-President; F. Busch, Assistant Cashier.
STILLWATER.—Lumbermen's National Bank; surplus increased to $30,000.
VERNDALE.—Bank of Verndale; M. Stewart, Jr., President; Isaiah H. Bradford, Cashier.
WASECA.—Waseca County Bank; capital reduced to $25,000.

MISSOURI.

CLARKSVILLE.—P. B. Clifford & Co.; incorporated under title of The Clifford Banking Co.; paid-up capital, $25,000.
CLINTON.—Henry County Bank; A. P. Frowein, President; W. D. Tyler, Cashier.
KANSAS CITY.—Union Avenue Banking Co.; D. M. Coonley, President; W. F. Merriam, Cashier.
ST. LOUIS.—German Savings Bank; removed to corner of Third and Pine streets.
Union Savings Association; Horace Ghiselin, Cashier, in place of E. Karst.
Wm. C. Scott & Co.; Mitchell Scott admitted.
STOCKTON.—Cedar County Bank.
Stockton Exchange Bank incorporated; paid capital $15,000.

MONTANA.

BOZEMAN.—Story & Wilson; now Nelson Story.

NEBRASKA.

EDGAR.—Grand Island Banking Co., (branch); discontinued.
FAIRFIELD.—Fairfield County Bank; W. T. Newcomb, President; S. J. Anthony, Cashier.
HASTINGS.—First National Bank; capital $82,000; A. L. Clarke, President; G. H. Pratt, Cashier.
LA PORTE.—Logan Valley Bank (Bressler, Martin & Co.); now Bressler & Patterson.
NEBRASKA CITY.—James Sweet National Bank; capital, $50,000; James Sweet, President; Henry S. Shewell, Cashier.
Nebraska City National Bank; John W. Steinhart, Acting Cashier, in place of G. W. Woolsey, resigned.
NIOBRARA.—Bevins & Perrine; succeeded by Solomon Draper.
STERLING.—Bank of Sterling; W. S. Bowman, Cashier.

NEW HAMPSHIRE.

LACONIA.—Laconia National Bank; surplus, $17,000.
WARNER.—Kearsarge National Bank; W. E. Chandler, Vice-President, in place of G. Savory.

NEW JERSEY.

NEWTON.—Merchants' National Bank; Samuel H. Hunt, President, in place of J. L. Swayze, deceased; O. P. Armstrong, Vice-President.
PATERSON.—G. S. McCarter.

NEW MEXICO.

SOCORRO.—Socorro County Bank; Henry Henson, President; George G. Stiles, Cashier.

NEW YORK.

GILBERTSVILLE.—J. R. Brewer, succeeded by E. L. Brewer.
HORNELLSVILLE.—Farmers' & Mechanics' Bank; succeeded by First National Bank; same officers.
OWEGO.—First National Bank; George Truman, President, in place of L. Touman.
PLATTSBURGH.—The Iron National Bank; capital, $100,000; Andrew Williams, President; Goerge W. Watson, Cashier.
RICHFIELD SPRINGS.—Elwood & Tuller; A. R. Elwood, deceased.
ROME.—First National Bank; Thomas Nock, Vice-President
WATERFORD.—Saratoga County Bank; surplus, $50,000.
WATERTOWN.—First National Bank; in liquidation.

WATKINS.—Farmers' & Merchants' Bank; William H. Walt, President; Marquis D. Carpenter, Cashier.
WINDSOR.—G. Dusenbury; discontinued.
NEW YORK CITY.—Central National Bank; William W. Bliss, President, in place of W. A. Wheelock.
Second National Bank; Amos H. Trowbridge, President: deceased.
Institution for the Savings of Merchants' Clerks; Joesph W. Patterson, President, deceased.
James B. Colgate & Co.; Colgate Hoyt admitted.
Dickinson Brothers; now Dickinson Brothers & Brugiére; Jules E. Brugiére admitted.
Gwynne & Day; William Gwynne admitted.
J. Lentilhon & Co.; limited partnership dissolved.
Spencer Trask & Co.; Frederick B. Noyes admitted.
Wood & Davis; George C. Wood admitted.
Cecil, Zimmerman & Co., No. 72 Broadway.
Bankers' Safe Deposit Co.; H. C. Fahnestock, President; J. A. Garland, Treasurer.

OHIO.

BLUFFTON.—Hurlburt & Langan; Daniel Hurlburt, deceased. Business continues same at present; to be carried on later by O. S. Langan, the surviving partner.
GREENVILLE.—Exchange Bank (Estate of John L. Winner); discontinued.
ORRVILLE.—Orrville Banking Co.; Oliver H. Griffith, President; Henry H. Strauss, Cashier.
PLAIN CITY.—Exchange Bank; L. Lane, President; Charles Amann, Cashier.
SPRINGFIELD.—Second National Bank; S. A. Bowman, President, in place of W. Foos.
ZANESVILLE.—Citizens' National Bank; capital $100,000; Joseph T. Gorsuch, President; A. V. Smith, Cashier.
First National Bank; surplus $50,000.

OREGON.

PORTLAND.—White & Giltner; succeeded by Ferry & White.
THE DALLES.—Schenck & Beall.

PENNSYLVANIA.

HUNTINGDON.—First National Bank; John H. Glazier, Acting Cashier, in place of G. W. Garrettson.
NEW HOLLAND.—New Holland National Bank; capital, $75,000. C. F. Roland, President; James Diller, Cashier.
PITTSBURGH.—Mechanics' National Bank; George J. Gorman, Cashier, in place of W. R. Thompson.

SOUTH CAROLINA.

CHARLESTON.—George W. Williams & Co.; resumed business. George W. Williams, Jr., admitted.
COLUMBIA.—Central National Bank; W. B. Stanley, President, in place of J. S. Preston.

TENNESSEE.

CHATTANOOGA.—The Discount and Deposit Bank; assigned. Liabilities $106,000; assets $104,000.

TEXAS.

BELTON.—Miller Brothers; A. Print, Cashier, in place of J. H. Layton.
EL PASO.—First National Bank; Capital $50,000. J. Raynolds, President; Jno. W. Zollars, Cashier.
TYLER.—Williams & Bonner; partnership expired by limitation July 1; E. C. Williams continues as E. C. Williams & Co.; F. R. Bonner will continue under name of Bonner & Bonner, associating with him F. W. Bonner, and John H. Bonner.
WHITNEY.—Porter, Caruthers & Co.; succeeded by R. S. Porter & Son.

VERMONT.

RUTLAND.—Clement National Bank; Capital $100,000. Chas. Clement, President, Waldo P. Clement, Cashier.

WEST VIRGINIA.

WESTON.—National Exchange Bank; T. B. Camden, President, in place of R. J. Mc Candlish.

WISCONSIN.

ANTIGO.—Langlade County Bank (L. D. Moses).
WONEWOC.—Juneau County Bank (P. R. Briggs & Son); Bert. W. Briggs, Cashier.

ONTARIO.

CLINTON.—Tisdall & Gale; now Johnston, Tisdall & Gale.
ELORA.—Newman Brothers & Co.; succeeded by Johnston, Gale & Tisdall.
GORRIE.—C. Tait Scott.

QUEBEC.

MONTREAL.—Bank of Montreal; C. F. Smithers, President, in place of George Stephen, resigned; W. J. Buchanan, General Manager, in place of C. F. Smithers.

MANITOBA.

WINNIPEG.—Manning & Co.

THE NEW YORK BANK TAXATION LAW.

An Act to provide for the taxation of banks and of moneyed capital engaged in the business of banking, receiving deposits or otherwise.

Passed June 8, 1881.

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

SECTION 1. Every corporation, company or joint-stock association, created under the laws of any other state or country and which receive deposits, loan money, sell bills of exchange, or issue letters of credit, or in any other manner are engaged in business as bankers in this State, and the officers, managers or agents of any such corporaation, company or association shall annually, on or before the first day of February in each year pay to the Comptroller a state tax, as a tax on its or their business in this State, at the rate per centum hereinafter specified on the average of all sums of money received on deposit and of all sums of money received by each corporation, company or association in connection with or on account of such business, or used or employed in such business in this State, during the year ending the preceding thirty-first day of December, and for each and every year, one-half of one per cent. computed as above provided.

SECTION 2. Every corporation, company or joint-stock association, and the officers, managers or agents thereof, and all individual bankers mentioned in the first section of this act, liable to pay a state tax, shall make a return to the Comptroller in writing on or before the first day of February of each year, in which return shall be set forth the amount of the State tax to and for which they are liable, and of the average of deposits in and of moneys received and used in or on account of such business in this State, respectively, on which such tax is based, which return shall be verified by oath or affirmation; and for any neglect or failure to make such return, or pay said tax, a penalty of ten per centum on the amount of the tax is hereby imposed; and such tax and penalty may be recovered by the people of this State, in an action to be brought in any court of competent jurisdiction, by the attorney-general at the instance of the comptroller.

SECTION 3. The manager or agents of any corporation, company, or joint-stock association mentioned in the first section of this act shall keep at all times in the office where the business of such corporation, company or joint-stock association is transacted in this State, a full and accurate account of the moneys used or employed in said business and of the deposits therein; and such account shall be subject to the inspection of the comptroller, or of any clerk designated by him to inspect the same during business hours of any day on which business may be legally transacted.

SECTION 4. The stockholders in every bank or banking association organized under the authority of this State, or of the United States, shall be assessed and taxed on the value of their shares of stock therein; said shares shall be included in the valuation of the personal property of such stockholders in the assessment of taxes at the place, city, town or ward where such bank or banking association is located, and not elsewhere, whether the said stockholders reside in said place, city, town or ward, or not, but in the assessment of said shares, each stockholder shall be allowed all the deductions and exceptions allowed by law in assessing the value of other taxable personal property owned by individual citizens of this State, and the assessment and taxation shall not be at a greater rate than is made or assessed upon other moneyed capital in the hands of individual citizens of this State. In making such assessment there shall also be deducted from the value of such shares such sum as is in the same proportion to such value as is the assessed value of the real estate of the bank or banking association, and in which any portion of their capital is invested, in which said shares are held, to the whole amount of the capital stock of said bank or banking association. Nothing herein contained shall be held or construed to exempt the real estate of banks or banking associations from either State. county or municipal taxes, but the same shall be subject to State, county, municipal and other taxation to the same extent and rate, and in the same manner according to its value as other real estate is taxed. The local authorities charged by law with the assessment of the said shares shall, within ten days after they have completed such assessment, give written notice to each bank or banking association of such assessment of the shares of its respective shareholders, and no personal or other notice to such shareholders of such assessment shall be necessary for the purpose of this act.

Section 5. There shall be kept at all times in the office where the business of each bank or banking association organized under the authority of this State, or of the United States, shall be transacted, a full and correct list of the names and residences of all the stockholders therein, and of the number of shares held by each; and such list shall be subject to the inspection of the officers authorized to assess taxes during the business hours of each day in which business may be legally transacted.

Section 6. When the owner of stock in any bank or banking association organized under the laws of this State, or of the United States, shall not reside at the same place where the bank or banking association is located, the Collector and County Treasurer shall, respectively, have the same powers as to collecting the tax to be assessed by this act as they have by law when the person assessed has removed from the town, ward or county in which the assessment was made, and the County Treasurer, Receiver of Taxes, or other officer authorized to receive such tax from the collector may, all or either of them, have an action to collect the tax from the sale of his, her or their shares of stock, and the tax on the share or shares of said stock shall be and remain a lien thereon from the day when the property is by law assessed, till the payment of said tax, and if transferred after such day, the transfer shall be subject to such lien.

Section 7. For the purpose of collecting the taxes to be assessed under Sections four, five and six of this act, and in addition to any other law of this State, not in conflict with the constitution of the United States, relative to the imposition of assessment and collection of taxes, it shall be the duty of every such bank or banking association and the managing officer or officers thereof to retain so much of any dividend or dividends belonging to such stockholder as shall be necessary to pay any taxes assessed in pursuance of Sections four, five and six of this act, until it shall be made to appear to such officer or officers that such taxes have been paid.

Section 8. All obligations, liabilities and taxes heretofore incurred or imposed under Chapter five hundred and ninety-six of the Laws of eighteen hundred and eighty, are saved and shall be enforced as if this act had not been enacted.

Section. 9. The taxes imposed by Sections one and two of this act shall be paid into the treasury of the State, to be held for the objects specified, that is to say; for the general fund, and the payment in every successive fiscal year of the expenses, claims and demands which shall be a lawful charge upon that fund while such taxes shall continue to be laid.

Section 10. All assessments for taxes levied and imposed upon shareholders in state or national banks during the year eighteen hundred and eighty, as the same appear on the assessment-rolls of the several cities, towns, wards or villages in this State, or upon the other books and records thereof, as far as such assessments are not in conflict with the constitution of the United States, are hereby confirmed, assessed and levied upon such shareholders, whose names now appear on such assessment rolls or other books and records thereof as assessed upon their bank shares, and may be collected from the shareholders of said banks in the manner authorized by law for the collection of other personal taxes in addition to all the remedies by law prescribed for the collection of taxes assessed against shareholders in such banks.

Section 11. This act shall take effect immediately.

FARMERS' CREDITS IN THE SOUTH.

Rome, Ga., June 19, 1881.

Editor Rhodes Journal:

In a recent number of your Journal, appeared an article entitled "Agricultural Credit Institutions," in which it is stated that complaint is sometimes made that farmers do not enjoy the advantages of banking institutions as much as those engaged in mercantile pursuits. However this may be in other sections of the country, in the South there is no complaint of this kind. Here the farmers are independent of the services of bankers. The funds needed by them are usually supplied by their warehousemen, at fair rates of interest. In fact, they rather enjoy an advantage over traders. The latter can only obtain money from banks for a limited time, while the bucolic borrower gets his funds on a year's time without difficulty.

The borrowers secure the lenders by lien on their crops, and easily liquidate the debt from the proceeds of the sale of their cotton. By this means, the warehousemen use their money the year round, and the farmers are enabled, without difficulty, to harvest their crops. This is certainly a simple plan. L. M.

NOTICES OF BOOKS.

A Brief Synopsis of the Collection Laws of the United States and Canada. Compiled under the direction of DOUGLASS & MINTON, *attorneys of the Law and Collection Department of the Mercantile Agency of* DUN, WIMAN & CO., *New York.* New York: D. Appleton & Company.

The object of the above volume is to enable persons who have claims for collection to see at a glance the main features of the collection laws of the various states and Canada. The system followed by the compilers is to give under the heading of each state in a series of twenty questions and answers the information most important to creditors, very briefly stated. These include such subjects as the verification of accounts forwarded; whether or not suit is to be begun by attachment; length of time required to obtain judgment; whether the note of a married woman is binding; when notes, accounts and judgments outlaw; assignment and exemption laws, &c. Since the repeal of the National Bankrupt Act a knowledge of the assignment laws of the various states has become very important to those who do a business where credit is involved. The work is put forth in good form, and the name of the compilers is a guarantee of the correctness of the information conveyed.

Manual of Commercial Correspondence in French, by PROF. H. M. MONSANTO, of Packard's Business College. New York: D. Appleton & Company, 1881.

This is the first of a series of manuals of commercial correspondence in the various European languages. The object of the present work is not so much to serve as a guide to general corresponding in French as to show at a glance, by practical illustration, those techninal forms of expression and idiomatic phrases which constitute the chief difference between two languages. The book contains one hundred and seventy-five examples of letters in the French language arranged under twenty sections, according to the various subjects to which they relate. The idiomatic and technical phrases are translated in foot notes, and a very complete table of contents forms an index for use in reference; the intention being that, when examples of technical terms and peculiar forms of speech are desired, the correspondent shall refer to such letters as treat of subjects akin to the one upon which he is writing. The work should be useful in the counting-room and to all who require to understand technical and idiomatic French forms.

BOOKS RECEIVED.

Bulletin de Statistique et de Législation Comparée. Mai, 1881. Paris; Imprimierie Nationale.

Official Directory of Missouri, for 1881. By MICHAEL K. MCGRATH, Secretary of State. JOHN J. DALY & CO.: St. Louis.

International Monetary Conference held in Paris, in August, 1878; (With an Appendix containing historical material for and contributions to the Study of Monetary Policy; selected and presented by S. D. HORTON): Department of State, Washington.

Reports from the Consuls of the United States, on the Commerce, Manufactures, etc., of their Consular Districts: February, March, April and May, 1881. Department of State, Washington.

The North American Review, July, 1881. D. Appleton & Company.

MONTHLY RECORD OF FINANCIAL EVENTS.

JUNE, 1881.

1. WEDNESDAY.—Public debt reduced during May $11,150,721.

Amount of national bank notes outstanding $353,052,493; increase since June 1, 1880, $9,216,250. Legal-tenders outstanding $346,681,016; amount on deposit to retire national bank notes $35,234,659.

Annual election of New York Central & Hudson River R. R. Co., at Albany; the old board chosen.

Annual election of Canada Southern R. R. Co., at St. Thomas, Ont.; the old board chosen.

2. THURSDAY.—An order made by Judge Donohue dissolving the Pacific Mutual Insurance Co., New York.

Annual meeting of the Chicago & Northwestern Railroad Company, at Chicago.

The Supreme Court of Harrisburg refuses the application of Franklin B. Gowen for a re-argument of the Reading Railroad case.

3. FRIDAY.—Bar silver in London 51⅝d. per ounce.

4. SATURDAY.—A contract made to sell the Panama Railroad to the Panama Canal Company; $250 per share to be paid for the stock.

The Boston Produce Exchange passes resolutions in favor of a world's fair there in 1885.

Annual meeting of the Chicago, Milwaukee & St. Paul R. R. Co., at Milwaukee; the old directors and officers elected.

Rate of discount for bank bills in London, 60 days to 3 months, 1¾ per cent.; trade bills 2 @ 2⅛ per cent.

The London "Daily News" says that, in general, the crops are "excessively backward." The prospect is "a late and not very prolific harvest."

The International Telegraph Company incorporated; capital $10,000,000.

6. MONDAY.—A business holiday in England.

Annual election of the New York Produce Exchange; Forrest H. Parker chosen president.

Annual election of the New York Cotton Exchange; Robert Tannahill chosen president.

7. TUESDAY.—The Pennsylvania Railroad Company paid the Boston syndicate $15,000,000 due on Philadelphia. Wilmington and Baltimore Railroad stock bought.

8. WEDNESDAY.—The Receiver of the First National Bank, of Newark, N. J., announced a dividend of five per cent. to all whose claims are allowed.

The amount of coupon five per cents. received at the Treasury for continuance at 3½ per cent. to date is $30,852,700,

The Governor of New York signed the bill for the taxation of banks and bankers.

Bar silver in London 51½d. per ounce.

9. THURSDAY.—Consols in London are down to 99 15-16 for money.

A car-load of the first new wheat of the season arrived at St. Louis from Texas.

Frederick Billings resigned the presidency of the Northern Pacific Railroad, and Ashbel H. Barney appointed in his place,

10. FRIDAY.—Bar silver in London 51⅝d. per ounce.

Money on call in New York 2 @ 4 per cent.; time loans, 60 days, 3 @ 4½ per cent.; prime commercial paper, 60 days to four months, 3 @ 4 per cent.

11. SATURDAY.—Rate of discount in London for bank bills, 60 days to three months, 1⅞ per cent.; trade bills, 60 days to three months, 2 to 2½ per cent.

New York bank loans $347,494,900; deposits $345,643,200; specie $76,902,800; legal-tenders $18,313,300; surplus reserve $8,805,300.

12. SUNDAY.—Terrible storms with cyclones in Kansas, Missouri, Iowa and Minnesota cause damage to property and crops.

13. MONDAY.—The Government claims $80,000 of unpaid taxes from the Chicago Branch of the Bank of Montreal.

14. TUESDAY.—Bar silver in London down to 51¼d per ounce.

Complaints filed by the Western Union Telegraph Company against the American Rapid and Mutual Union Telegraph Companies, and perpetual injunction applied for to prevent infringement of the Page patent.

Freight rates on grain reduced by Commissioner Fink to the basis of twenty cents per hundred from Chicago to New York.

15. WEDNESDAY.—Bar silver in London 51d per ounce.

16. THURSDAY.—The bill to levy a stamp tax of two cents on each $100 of brokers' sales passed the New York State Assembly.

Of the coupon five per cent. bonds $44,000,000 have been received at the Treasury to date for continuance at 3½ per cent., leaving $74,000,000 unheard from

17. FRIDAY.—The presidents of the four trunk lines met and resolved to discountenance time contracts, and requested the western railroad lines to maintain tariff rates.

18. SATURDAY.—There are now 556 blast furnaces in operation in Great Britain out of 967 existing. Preparations are making to reduce the production of iron.

Call loans in New York 2½ @ 4 per cent.; discount on 60 to ninety days indorsed bills 3 @ 3½ per cent.

Bank bills in London 1⅞ per cent., and 60 to 90 days trade bills 2 @2½ per cent.

Bar silver in London 51⅛d. per ounce.

20. MONDAY.—The Italian Government has arranged to issue a loan of 644,000,000 lire in July, for the resumption of specie payment.

The Williams suit to restrain the Western Union Telegraph Co. from increasing its capital stock $15,000,000, dismissed by Judge Truax.

21. TUESDAY.—Bar silver in London 51 3-16d per ounce.

The Hatch suit against the Western Union Telegraph Co. dismissed.

22. WEDNESDAY.—The London "Times" says: "The financial firms of Baring Bros. and Hambro & Co. have taken the Italian loan, in combination with a powerful French syndicate. In order to allay the possibility of alarm relative to the export of gold, it will be expressly stipulated that £16,000,000 shall be taken over in a period of two years."

23. THURSDAY.—The British census, almost completed, shows the population of the kingdom to be about 35,000,000. Increase in a decade, a little over 4,000,000.

The French delegates at London have telegraphed that the English Government will not yield in the matter of *ad valorem* duties levied under the present treaty.

24. FRIDAY.—Meetings of the Directors of the Lake Shore and Michigan Southern Michigan Central, and Canada Southern Railway Companies held in New York, and statements published.

A Baltimore dispatch says that the Trunk Line Arbitrators, Charles F. Adams, Jr., David A. Wells and John A. Wright have been reappointed for another year.

Bar silver in London 51¼d per ounce.

25. SATURDAY.—Sixty to 90 days bank bills on London 1¾ @ 1⅞ and trade bills 2 @ 2½ per cent. discount.

Money on call in New York 2½ @ 5 per cent.; 60 to 90 days indorsed bills 3 @ 3½, and four month acceptances 3¾ @ 4¼ per cent. discount.

26. SUNDAY.—Regulations have been published in Italy for puting in force the law for the abolition of forced paper currency.

27. MONDAY.—Bar silver in London 51 5-16d. per ounce.

A London dispatch says there are no prospects of an abundant harvest, and there are doubts whether an average yield is possible.

28. TUESDAY.—The London "Times" advises the withdrawal of England from the Monetary Conference.

29. WEDNESDAY.—The Austrian delegates to the Monetary Conference, have been instructed to maintain a friendly attitude in regard to bi-metallism, without departing from the reserve they have hitherto displayed.

30. THURSDAY.—The International Monetary Conference re-assembled at Paris.

The option to continue the coupon five per cent. Government bonds closed to-day; $98,000,000 received.

Bar silver in London 51⅜d. per ounce.

JULY, 1881.

1. FRIDAY.—Reduction in public debt during June, $12,323,159; for the year, $101,-573,483.

About $30,000,000 five per cent. bonds "called" for October.

Bar silver in London 51⅝d. per ounce.

2. SATURDAY.—President Garfield shot and dangerously wounded by one Guiteau, one of a large class of demented office-seekers.

New York bank loans, $350,491,100; deposits, $346,466,400; specie, $76,415,600; legal-tenders, $17,112,300; surplus reserve, $6,911,300.

Bar silver in London 52d. per ounce.

Mr. Thurman expresses the sentiment of the United States at the Monetary Conference.

BUSINESS NOTICES.

THE SIOUX CITY SAVINGS BANK, of Sioux City, Iowa, has been reorganized under the national banking system. The new title is the Sioux National Bank. Mr. William L. Joy is president and A. S. Garretson, cashier. The capital stock is $100,000. The bank starts with a line of deposits about equal to the capital, bequeathed from its predecessor, and the stockholders are able to increase the capital as soon as the demand for money will justify the invesment. It also possess excellent facilities for collecting in Iowa and throughout the Northwest.

TO NON-SUBSCRIBERS.—This number of the JOURNAL is sent to a number of banks and bankers not already subscribers, with the belief that after examination they will order it sent to them regularly. The publishers are fully aware that there are various publications seeking the patronage of the banking public, but that not one of them is legitimately the JOURNAL'S rival. Its success has been so gratifying, that, in order to have its value fully tested by the banking fraternity generally, we agree to send the JOURNAL, including this July number, and regularly up to January 1, next, for $2. This special rate is for the JOURNAL only—those who accept it, and also wish the "Banker's Reference Book," will please remit $3 for the latter on its receipt; or the "Reference Book" will be sent to any trial subscriber on approval, to be either returned (at receiver's expense, by mail), or remitted for after examination. A trial ($2) subscription is especially solicited.

THE FIDELITY AND CASUALTY COMPANY, of New York, has recently increased its capital stock to $250,000, the new issue being taken within three days at a premium of 15 per cent. It is a matter for congratulation that an enterprise founded upon an idea so excellent, has elicited such confidence from the public. The names of its directors are a guaranty of the respectability of the company and ability of its management. Among them are Messrs. W. M. Richards, the president; George T. Hope, president of the Continental Insurance Co.; H. B. Claflin, A. S. Barnes, S. B. Chittenden, and George S. Coe, President of the American Exchange National Bank.

THE NEW YORK, NEW ENGLAND AND WESTERN INVESTMENT COMPANY, of 31 & 33 Pine street, which makes a specialty of buying and selling investment securities on commission, has recently been reorganized. John C. Short, late president, and William P. Watson, secretary and treasurer, have resigned. Mr. Joseph P. Hale, the piano manufacturer, has been elected president, George Moore, vice-president, and John W. Telford, second vice-president. Geo. W. Debevoise, the late able vice-president, is now secretary and treasurer.

DESIRABLE BUSINESS.—It may not be generally known, yet it is an undisputed fact, that the savings banks and other banking institutions of this country, control more Fire Insurance business than any other class of corporations, and fully twice as much as any one mercantile interest. In the New England States, New York, and New Jersey, the savings banks alone hold mortgage loans amounting to over three hundred and fifty millions of dollars ($350,000,000), and the whole amount held by these institutions in the United States is estimated at six hundred millions of dollars.

In the State of New York these loans are limited by law to unincumbered real estate, which "must be worth at least twice the amount loaned thereon," and, therefore, in many cases here and elsewhere the insurance policies very nearly equal the amount of the loan. Thus, one of the oldest banks in New York City, with $4,500,000 out on bond and mortgage, holds over $3,800,000 of fire insurance policies as collateral security. And again, there is one bank in Boston which, with $4,000,000 loaned on real estate, holds about $3,000,000 of insurance policies. The institutions above cited may be a trifle more conservative than are most banks; but it is perfectly safe to assume that for every $1.250,000 loaned on mortgage by the banks, there is controlled by them $1,000,000 of insurance, on which the annual premiums average from $7,000 to $8,000. We have in the JOURNAL office the figures to show that in New York and four New England States, Massachusetts, Rhode Island, Connecticut, and New Hampshire, the savings banks alone control Fire Insurance risks amounting to over $250,000,000, on which the annual premium is nearly *two and a quarter millions of dollars.*

The above facts clearly indicate one of the best (if not *the* best), fields for desirable Fire Insurance business.

The purpose of this notice is two-fold: 1st., to direct our readers' attention to the several insurance companies now advertised in the JOURNAL—see names &c., below—and, 2d., to induce a few other high-class companies to use our advertising pages to increase their line of business in the banking field.

There is no doubt whatever as to the JOURNAL'S ability to materially assist such Insurance Companies as the banks wish to do busines with, and it is now well understood that only those which are strong beyond question, and conservatively managed, are solicited for representation in these pages. We always reserve the right to drop the statement or other advertisement of any company appearing herein, at any time, on return of amount paid, *pro rata*, for unexpired time. The rates for advertising will be found on another page.

For the information of new subscribers, the JOURNAL'S exceptional position in the Insurance line will be better understood when it is known that the "Bankers' Safeguard," a publication devoted especially to the Savings Bank interest, after five years of successful operation, was in 1878 merged into this JOURNAL. As a result of this merging, and constant accessions since, the JOURNAL now reaches practically all the savings institutions in the country—and this is *in addition* to a larger general circulation among banks and bankers of every class, than any other publication occupying solely the banking field.

Attention is specially directed to business announcements of the following companies in this number of the JOURNAL. It will be found that the Statements of Capital, Total Assets, Surplus, names of Officers, Directors, &c., is such as to commend them to the confidence of the banks (mortgagees especially) and property owners:

CONTINENTAL INSURANCE COMPANY: Head Office, 100 and 102 Broadway, New York. Branches in principal cities.

HANOVER FIRE INSURANCE COMPANY: Head Office, 181 Broadway New York. Agencies throughout the country.

NEW YORK BOWERY FIRE INSURANCE COMPANY: Offices, 124 Bowery and 139 Broadway, New York. Branches in principal cities.

NIAGARA FIRE INSURANCE COMPANY: Head Office, 135 Broadway, New York. Branch offices throughout the country.

PACIFIC FIRE INSURANCE COMPANY: Head Office, 470 Broadway, New York. Branch office, 173 Broadway.

ROYAL INSURANCE COMPANY OF LIVERPOOL: Branches in principal cities of the U. S. Head Office for Metropolitan District, 41 and 43 Wall Street, New York.

RUTGERS FIRE INSURANCE COMPANY: Head Office, 180 Chatham Square, New York. Branch offices, 58 Wall Street and 1,295 Broadway.

NOTICE.—We confidently recommend to such Banks and Bankers as wish to increase their business, the acceptance of our Trial Offer, regarding space in the JOURNAL'S "Special List of Banks and Bankers."

The offer applies only to *present subscribers*, and those who *become subscribers* before the August number is out. Terms, $5 for remaining five months of 1881. The regular price for space in the List is $15 a year, including subscription.

Copy for the List received before July 27 will be in time.

RECORD OF DEATHS.

JOSEPH WYMAN PATTERSON, President of the Institution for the Savings of Merchants' Clerks, New York, died June 8, 1881, aged sixty-nine years.

Mr. Patterson, who was a man of large benevolence, and widely esteemed, was a native of Boston, where he received his business education, displaying such remarkable tact and ability that at the age of nineteen years he was sent to London to further the interests of his employers. He was successively a member of the firms of Almy, Patterson & Co., and Patterson, Son & Co., in Boston and New York, retiring from active business about four years ago. His devotion to works of benevolence is proved by the fact that he was President of the Demilt Dispensary, a Governor of the Roosevelt Hospital, a Governor and Treasurer of the Lying-in Hospital, and for many years a Director and Treasurer of the Institution for the Instruction of the Deaf and Dumb, all of this city. He was also an active Director of the Merchants' National Bank, and a member of the Executive Committee of the New York Historical Society. His connection with the Institution for the Savings of Merchants' Clerks is duly recorded in this issue of the JOURNAL. The resolutions passed by the Board of Trustees evince their high appreciation of his services to the Institution.

JACOB L. SWAYZE, President of the Merchants' National Bank, Newton, N. J., died June 8, 1881, aged fifty-seven years.

The deceased was born at Hope, N. J., and his sole education was gained in a few years at the common schools of that place, but his great energy and force of character enabled him to overcome this defect, so that he finally became well-known as a public man and financier. He began business early in life at his uncle's store at Hope, was soon taken into partnership, and bought out his uncle in 1847. In 1854 he studied law, and was admitted to practice in 1858, but soon relinquished it on account of ill-health. He began business at Newton in 1859 and continued it successfully until 1865 when the Merchants' National Bank, of which he was the largest stockholder, was started, and he was elected Cashier and afterwards President. He was at times interested in different newspapers, and took a great interest in public affairs, gaining credit for reforming the finances of his town. His loss has been widely felt.

ELI BUTLER, President of the Home National Bank, of Meriden, Conn., died May 24, 1881, aged sixty-seven years.

Mr. Butler was of an old and respected family of Meriden, where he was born. He began his business career by peddling in the South, and while still young opened a drygoods store at Radfordsville, Alabama. Here he remained until 1853, when he retired from active business to his native town. When the Home Bank was organized in 1853, he was made a director, and in the next year was chosen President, which position he held until the time of his death. He was also a director of the New York, New Haven & Hartford Railroad Company; President of the Meriden Fire Insurance Co.; the Meriden Gas Light Co.; the Butler and Lyman Land Co., and connected with other industrial concerns, besides having held various public positions of responsibility. He was a man of strong convictions, and an earnest, benevolent Christian. His death was universally regretted.

JULIUS VON BORRIES, late President of the Third National Bank of Louisville, Ky., died May 1, 1881, aged sixty-five years.

The deceased gentleman was a native of Munster, Germany, where his father held an official position. Having a taste for mercantile pursuits he came to this country and settled in Louisville in 1840. Three years after he began business as a cloth and clothing merchant, and, in time, by conservative and honorable management, his house became the leading one in its department and one of the first in Louisville. He was for a number of years Consul of the Kingdom of Prussia, but avoided public life generally, although always ready to help any good cause. In 1874 he was elected President of the Third National Bank, which position he filled with signal success until he was compelled to resign on account of ill-health, a few years before his much lamented death.

A. B. DANIELS, Vice-President of the Colorado National Bank of Denver, Colorado, died April 9, 1881, aged about fifty-five years.

Mr. Daniels, who was one of the most active business men and prominent citizens of his State, was a native of New York State, whence he removed to Iowa about the year 1850. At the time of the Pike's Peak excitement in 1860, he emigrated to Colorado where, in time, by the exercise of sound judgment and common sense, backed by great energy, he achieved large wealth and influence. He almost literally "died in harness," as three hours after leaving his desk at the bank he was dead, the cause being ascribed to heart disease. He had been connected with the Bank of Colorado since 1866, and was the senior partner of the firm of Daniels, Brown & Co. (Bank of San Juan) at Del Norte and Alamosa, a director of the Denver and New Orleans Railroad and a sharer in other enterprises. In him Colorado has lost one of its best citizens, who was at once public-spirited and unobtrusive, and who was much regretted, especially by the old citizens of the State to whom he was well-known.

WILLSON J. WILLIAMS, President of the Vincennes National Bank, Vincennes, Indiana, died May 6, 1881, aged forty-five years.

Mr. Williams was born at Charlotte, Vermont, and began his business career when about fifteen years of age in the Merchants' Bank of Burlington. In 1852 he moved to the West and was successively employed in the banking house of Coolbaugh & Brooks at Burlington, Iowa, and the branch of the State Bank of Indiana at Terre Haute, and in 1863 became Cashier of the branch of the State Bank at Vincennes. When the Vincennes National Bank was organized in 1865 he was elected Cashier, and became President in 1873. Of a vigorous intellect, Mr. Williams was a frank, genial, generous man, and he leaves hosts of friends who mourn his sudden death.

"To tell of such a life all words are weak,
And song and eloquence perforce are dumb,
In presence of those deeds that made the sum
Of his humanity."

W. W. HOFFMAN, Banker, of Hagerstown, Maryland, died June 4, 1881, aged forty-six years.

Mr. Hoffman began the banking business in 1869 under the firm name of W. W. Hoffman & Co., which in 1874 was changed to Hoffman, Eavey & Co. The firm was highly successful and became one of the leading private banks of the State. In 1879 Mr. Hoffman was obliged, on account of failing health, to retire from active business. He was an able business man, of integrity and industry, and lived a blameless life. His untimely death was deeply regretted by the community.

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

JOSEPH W. PATTERSON.

At a meeting of the Board of Trustees of the Institution for the Savings of Merchants' Clerks, held June 13, 1881, the following notice on the death of its late President was ordered to be entered on the minutes of the Board:

The Trustees of this Institution meet this day to express their sorrow at the sudden and unexpected death of their friend and associate, Mr. Joseph W. Patterson, and also their appreciation of the long and valuable service so freely rendered to this Institution, whose interests it was ever his desire and his delight to serve.

Joseph Wyman Patterson was elected a Trustee of this Institution June 11, 1874. His value was so soon perceived that he was called to the post of Treasurer November 12, 1874. This important trust he held with faithfulness until May 13, 1880, when he was chosen second Vice-President, in which position however, he did not long remain. Being recognized with great unanimity as a most fit successor to Mr. A. Gracie King, the retiring President, he was elected President of this Institution, and entered upon the duties of the office on the 12th of May, 1881—but one short month ago.

By nature most gentle and retiring, he was yet a man of power—quick to conceive and prompt to execute. Deeply impressed with a sense of the responsibility attaching to positions of trust, he would never permit his name to be used in connection therewith unless prepared to give to them his time and conscientious effort also.

To the service of this Institution he gave earnest thought and zealous effort. He was ever ready at its call. In a most modest and unassuming way he brought to bear in furtherance of its success, ripe judgment and wise counsel.

Of the value of his work his associates were ever duly sensible, and they are glad to record their estimate of the same upon the minutes of this Board, now that he will meet with them here no more.

THE BANKER'S GAZETTE.

The Money Market and Financial Situation.

NEW YORK, JULY 2, 1881.

The condition of the money market is not notably altered since a month ago, bu there are signs of change in the air. Money has on some occasions been rather scarce, and from the unexampled number of railway and other enterprises that are being started, it is evident that the surplus capital of the country is becoming absorbed or else pledged for the future at a rapid rate. In the meantime the stock market is fairly well upheld, although the constant cutting of freight rates has tended to unsettle the feelings of investors, and in some cases depress prices. The general trade and industrial situation continues unusually healthful, and business here and in other trade centres is good for this season of the year.

The common experience in most branches of commerce is, that a very large amount of business is being done, but that profits are small. The prevailing low rates of interest would prove that the gains of business must be correspondingly low. A consequence of this is a tendency to an over-extension of the credit system. The circular just issued by the Mercantile Agency of Dun, Wiman & Co., proves that the natural results of this condition are taking place. The business failures during the first half of the present year number 2,862, against 2,497 and 4,018 in the same period of 1880 and 1879, respectively. The liabilities this year were $40,000,000, against $33,000,000 the first half of last year, and $65,000,000 in 1879. The advice that is suggested by the present state of things is well expressed as follows:

"The figures as to failures for the past six months, taken as a whole, indicate a stability and strength in the position of the great mass of the mercantile community that is in happy consonance with the prosperous condition of the country generally. The tendency is, therefore, under such favorable circumstances, to extend the lines of credit very rapidly. The facility with which weak and unsound applicants obtain goods, and the growing increase in the time and ease of the terms of credit, are particularly noticeable. These are the first signs of the possibility of a revulsion, which some fear must come from the extraordinary expansion which has occurred everywhere in the last eighteen months. The temptation is almost impossible to resist to extend the volume of business when failures seem so few and the general condition so prosperous. To be conservative at such a period is a most difficult policy to pursue, yet it is just in such times as these that hidden dangers lie in circumstances the most unsuspected. Prudence would, therefore, point to the avoidance of conditions without which disaster is impossible; thus, for instance, the expansion into unwise and injudicious credits: the locking up in unavailable shape of active capital necessary for business; the increase of business and personal expenses; and, above all, the growth of indebtedness. Signs abound at every turn of the tendency to launch into expenditures, which, to prudent minds, are the sure precursors of the reaction that must come sooner or later. But little danger can come to those who maintain their obligations at a limit which their active assets enable them easily to discharge or to carry. To use a homely phrase, we shall be 'fooling away our good times' if the reaction, which is sure to come, finds us owing largely, with capital and profits dispersed almost beyond recall."

Although capital is being used up rapidly, there is little chance of scarcity of money for some time to come. The amounts which will be disbursed from the Treasury in payment of bonds, and which are now locked up there, will help to keep the market easy; but the payments from future surplus revenue cannot be reckoned to have that effect, as the money will have to be first taken by the Government for taxes, from the regular circulation.

RECENT TREASURY OPERATIONS.—The offer of the Secretary of the Treasury to extend the coupon 5 per cent. bonds at 3½ per cent. has not been nearly so eagerly accepted as was the offer to extend the six per cents. and the registered fives. This is probably partly due to the fact that a larger proportion of the coupon than of the registered bonds have been held in Europe, and the extended bonds, being all registered, are not so desirable for investment abroad. It is supposed that after all have been received of which the Department has been notified, not more than $15 000,000 of the bonds will remain unstamped, and have to be paid on August 12. After a delay of nearly a month the Secretary decided to accept all of the registered fives the owners of which notified the Department of their desire to continue the bonds, on or before May 23, the date when the $250,000,000 desired was completed. This it is said, will probably affect $20,000,000 of the bonds, so that the amount to be paid off gradually out of the surplus revenues is reduced by that amount. Thus the total amount of the registered fives to be redeemed, is, as nearly as can be judged from late accounts, about $58,000,000. The sums to be paid from the Treasury, exclusive of interest, comprise $16,000,000 for six per cents. not continued, on July 1; on August 12, the amount of the coupon fives not renewed, estimated at $15,000,000, and, from time to time, as the surplus revenues warrant the outlay, the amount of the unrenewed registered fives, estimated at $58,000,000. The total amount to be disbursed on account of the public debt during the remainder of the year will probably be not much less than $100,000,000.

UNITED STATES BONDS.—After a slight reaction from the high prices of about a month ago, that were probably caused by the feeling of confidence over the refunding operations, government bonds are very strong in price again. This condition has been further accented by the call of to-day for five per cent. registered bonds amounting, it is supposed, to $30,000,000.

The following table shows the closing bids for the principal issues of Government bonds on each day of the month, and the highest and lowest during the month:

June	6s, '81, coup.	5s, '81, coup.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.	June	6s, '81, coup.	5s, '81, coup.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.
1	102⅛	104¼	115¼	118⅛	133	17	102¾	103⅞	115	117¾	134
2	102⅛	104¼	115⅝	118¼	135	18	102¾	103¾	114⅞	117¾	134
3	102⅛	104¼	115⅝	118¼	135	20	102¾	103¾	114⅞	117¾	134
4	102⅛	104¼	115⅝	118¼	134	21	102¾	103⅝	114⅞	117⅝	134
6	102¾	103¾	115¼	118	134	22	102¾	103⅝	114⅞	117¾	134
7	102¾	103⅝	115	118	135	23	102¾	103⅛	114⅞	117⅝	134
8	102¾	103	114¾	117¾	134	24	102¾	103⅛	114⅞	117¾	134
9	102¾	103⅛	115	117¾	134	25	102¾	103⅛	114⅞	117¾	134
10	102¾	103⅛	115	117¾	135	27	102¾	103⅛	114⅞	117¾	132
11	102¾	104	115⅝	118	135	28	102¾	103⅛	114⅞	117¾	134
13	102¾	103⅞	115⅛	118	135	29	102¾	103⅝	115	117⅞	134
14	102¾	103⅛	115	117⅞	134	30	102¾	103¾	115	118	134
15	102¾	103⅛	115	117⅞	134	High	102¾	104¼	115⅝	118¼	135
16	102¾	103¾	115	117¾	134	Low	102⅛	103	114¾	117⅝	133

CLEARING HOUSE EXCHANGES.—The amount of business that is being done as shown by the "The Public's" statistics of the exchanges at the Clearing Houses throughout the country is very large. For the week ended July 25, the exchanges at all the Clearing Houses amounted to $1,231,940,782, against $816,426,499 in the corresponding week last year, an increase of about 60 per cent. Leaving out the exchanges at New York, where they are likely to be unduly expanded by stock speculation, the increase for the week is 33.3 per cent. This confirms what has been said regarding the condition of business, that the volume is very great, while the low rates of interest, and the general experience of business men proves that profits are small.

FOREIGN EXCHANGE is barely steady at the quotations found below. The balance of trade continues strongly in favor of this country, owing, not to an increase in the exports, but to the falling off in imports. Besides this it is probable, now that the movement of government bonds this way is ended, that the flow of securities will be toward Europe. Therefore a renewal of the gold imports from Europe is considered probable. The actual rates to-day on 60 days' sterling bills are 4.83½@4.84, and for demand bills 4.85½@4.86, while cable transfers are 4.86¼@4.86½, and prime commercial 4.82@4.82½.

The following shows the posted rates for prime bankers' sterling bills on London at 60 days and sight, and prime commercial sterling at 60 days, with exchange on Paris on June 1, the changes in the rate as they occurred during the month, and the highest and lowest during the months of May and June :

	Bankers 60 days.	Bankers Sight.	Commercial.	Paris 60 days.	Paris Sight.
May—					
Highest	4.86½	4.88½	4.84⅜	5.18⅜	5.16⅝
Lowest	4.83½	4.85½	4.80¾	5.22⅞	5.19¾
June 1	4.84	4.86	4.80¾	5.22¾	5.19⅝
" 3	4.84½	4.86½	4.81⅛	5.22⅛	5.19
" 7	4.85	4.87	4.81⅝	5.21½	5.18⅜
" 9	4.84½	4.86½	4.81¼	5.21½	5.18⅜
" 16	4.85	4.87	4.81¾	5.21½	5.18⅜
" 17	4.85	4.87	4.82⅞	5.21½	5.18⅜
" 28	4.84½	4.86½	4.82¾	5.22⅛	5.19
Highest	4.85	4.87	4.82⅞	5.22¾	5.19⅝
Lowest	4.84	4.86	4.80¾	5.21½	5.18⅜

NEW YORK CITY BANK MOVEMENTS.—The large and increasing amount of loans and discounts during the last few weeks is something remarkable, if not unprecedented, but the reserve shows a considerable falling off during the past week, the average amount of the surplus reserve being only $6.363,900, against $9,294,200 in the previous week. The situation seems to demand caution.

The statements of the New York City Clearing-House banks, the range of call loans and rate of discount on prime paper for the four weeks of June and the week ended July 2 were as follows :

N.Y.City B'k Statm'ts.	June 4.	June 11.	June 18.	June 25.	July 2.
Loans and discounts	$341,094.900	$347,494,900	$346.566,800	$345.490,700	$350,491,100
Specie	76,052,100	76,902,700	75,611,000	77,091,500	76,415,600
Circulation	19,263,300	19,236,100	19,305,300	19,144,300	19,176,800
Net deposits	339.548,600	345,643.200	344,307,600	343,640.800	346,466.400
Legal tenders	18,325,300	18.313,300	18,474,300	18,092,900	17,112,300
Legal reserve	84,887,150	86.410,800	86,076,900	85,910,200	86,616,600
Reserve held	94,377,400	95,216,100	94,085,300	95,184,400	93,527,900
Surplus	$9,490,250	$8,805,300	$8,008,100	$9,274,200	$6,911,300
Range of call loans	2@3	2@5	2@4	2@3½	*3@5
Rate of prime paper	3@4	3@4	3@4	3@4	3@4

*The rate rose to 5 per cent. owing to the news of the attempted assassination of the President.

MONEY AND DOMESTIC EXCHANGE.—Money on call has been easy as a rule, the rates ranging from 2 to 4 per cent. according to the kind of collateral, most of the business being done at about 3 per cent. In exceptional cases as much as 5 or 6 per cent. has been obtained within the past week or two. The demand for commercial paper is good. Indorsed bills, 60 to 90 days, are quoted 3 to 3½ per cent.; four months' acceptances 3¾ to 4¼, and good single names, four to six months, 4½ to 5 per cent. The following are the rates for domestic exchange on New York at the under-mentioned cities at the date of this review: Savannah, buying ⅛; selling ¼@⅜ premium. Charleston, buying ⅛ premium; selling ¼ premium. New Orleans, commercial, 75c.@$1 per $1,000 discount; bank $1 50 per $1,000 premium. St. Louis, par. Chicago, $1 50 per $1,000 discount. Boston, 30c. per $1,000 discount.

STOCK EXCHANGE BUSINESS.—The total recorded transactions at the New York Stock Exchange for the past four months, were as follows:

	Mar.	April.	May.	June.
Government bonds........	$3,004,200	$4,692,000	$4,194,200	$2,392,200
State bonds.....................	2,258,500	20,114,320	3,618,500	3,675,900
Railroad bonds................	33,762,290	34,237,860	58,436,600	39,971,100
Bank stocks—shares..........	539	971	756	503
Railroads, etc., "	10,839,765	8,186,655	12,378,730	8,632,511

RAILROAD AND MISCELLANEOUS STOCKS.—The manipulation of true and false news has been persistently followed lately for the purpose of breaking down prices, but it was not possible with money so plenty to accomplish much in that direction. The dreadful news from Washington to-day threatened to cause an incipient panic on the Stock Exchange, but reassuring dispatches regarding the President's condition caused a rally before the close of the market. The prospects for the immediate future are not quite favorable to the maintenance of present prices.

The following table shows the highest, lowest and closing prices of the most important railway and miscellaneous stocks at the New York Stock Exchange during the month of June:

Companies.	Highest.	Lowest.	Clos'g	Companies.	Highest.	Lowest.	Clos'g
Canada Southern....	79⅛	64½	67⅝	Met. Elevated........	98	87¼	88½
Central Pacific......	102⅞	94½	100	Mich. Central........	114½	103½	104½
C., C., C. & Ind	100¼	93	94	Mo., Kan. & Texas..	58⅝	49¼	51⅛
C., C. & I. C..........	30⅝	23	24¼	Nash., Chat. & St. L.	95	84	87½
Chic., Bur. & Q......	171	162½	168	N. J. Central........	104¼	99⅞	101⅝
Chic., R. I. & P......	146½	142¼	142	N. Y. Central........	151⅝	145	146⅛
Chic. & Alton........	145⅞	137½	139¼	N. Y. & N. Haven...	187	187	187
Northwestern........	132⅝	124¼	127⅛	N. Y. Elevated......	113	105¾	110¼
Mil. & St. Paul.......	129¼	120	126⅛	N. Y., L. E. & W....	50¼	44¾	46½
Del., Lack. & West..	128¾	121¼	122¾	Northern Pacific....	45⅝	42½	44¾
Denver & R. G......	113¼	107½	110⅝	Ohio & Mississippi..	46	40	42⅛
Hannibal & St. Jo...	93	82	92	Oregon R. & N......	173½	165	173
Illinois Central......	145¼	137½	138¼	Phila. & Reading....	62	56¾	60½
Ind., B. & W.........	56	51½	55¼	St. L., I. M. & S......	86½	80	82
Lake Erie & West..	65¾	57⅝	61½	Texas & Pacific......	73½	65½	67½
Louisville & Nash...	108⅞	103	106¾	Union Pacific........	130½	124¾	129⅝
Lake Shore..........	134¼	125⅞	126⅛	Wabash, St. L. & P..	60	52¼	59⅝
Manhattan R........	30⅝	24	25⅛	Western Union Tel..	137⅞	136¾	88¾
Missouri Pacific.....	114½	105⅝	111⅞	Pacific Mail..........	55⅝	50¾	52

STATE BONDS.—The dealings at the Stock Exchange have been principally in the Tennessee issues and Louisiana consols, prices being well upheld. The new South Carolina bonds have been placed on the Stock Exchange list. These are what are known as the "Brown consolidation bonds," and amount to $2,278,000. Louisiana consolidated 7s have been selling at 63½; Tennessee issues about a week ago were selling at 77@77¼, but have since declined to 75; the new South Carolinas brought 106¾.

and the non-funndable bonds 9¼; North Carolina special tax bonds 8@8⅛, and the consolidated 4s 88; Georgia 6s 113, and the 7s 119@121; Alabama, class A, 80, and class B, 79; Arkansas 6s, funded, 33, and railroad aid bonds 14@15.

RAILROAD BONDS have been very strong in price recently, owing to the heavy demand for steady investments of this character. The payments on account of Government bonds are likely to still further increase this demand, especially for securities of the strongest railroads.

The following shows the closing, actual, selling prices of the principal railroad bonds at the New York Stock Exchange during each week in June:

	May 31.	June 4.	June 11.	June 18.	June 25.	June 30.
Cent of N. J. con. ass'd... ...	....	118⅛	119⅛	119	119	120
Lehigh & Wilkes. con. ass'd..	...	112	....	111½	111¾	112
Rome W. and Ogd. 1sts con....	....	99¼	106	106⅛	104½	104
St. Paul consolidated..........	..	129⅛	130½	130½	129	....
H. and St. Jo. conv. 8s........	112	...	112	112½	112⅛	....
N. Y. C. 1sts coup.............	132	132	138	139	139	139⅛
Canada South. 1sts..	103¼	103⅞	104¼	103⅞	104	104
Cen. Pacific 1sts..............	.. .	117⅛	117¾	119½	120	120
Union do 1sts.........	117⅛	119	119⅛	121¼	120½	121⅛
Kansas do do con..	108¾	108¾	108¾	108⅝	....	109¾
do do D. D. A...	114¼	114	112¾	114½	114¼	114⅜
Den. & Rio Grande 1sts	....	121¼	121	121	120¾	120¾
do do con....	119⅛	120⅜	121¾	121¾	120⅝	120¾
Mo. K. and T. 1sts con. ass'd..	....	111	111⅛	. ..	111½	110¾
do 2ds.......	....	87⅞	88	87¾	87⅛	86
Erie new con. 2ds..............	107⅞	106⅛	104¾	103½	104	103¾
do do 5s funded......	....	101½	100⅛	100½	100	99¼
do do con. 7s...............	132	132	132¼	133	133	133¼
C. C. & I. C. 1sts T. C. C. A.....	125	125	. ..	121	125	....
C. & Ohio C'y 6s, Int. def'd....	65	65	66½	66½	64½	64
do do 1sts series B	90	91	90	90	90⅛	90
N. Y. Elevated 1sts............	117	117¼	117½	118½	118	118⅛
Met. do do.............	....	103¾	103¾	104¼	103¾	103
Bost. Hart. & E. do............	82	84½	85⅝	80⅛	81	81
Oregon R. and Nav. 1sts......	....	111⅛	....	112	112	115
Mobile & Ohio 1st deb.........	...	96½	96½	99⅛	100	100
do 2d deb	....	65⅛	65	68⅛	71½	70¼
Bur. C. R. and Northern 1sts..	....	101¾	102¼	102¼	107¾	102¼
Ohio Central 1sts.......	....	107	106¾	106⅞	107	107¼

COINS.—The following are New York quotations (JULY 1) in gold for the various foreign and domestic coins, and bullion:

Soveriegns................	$4 84 @$4 87	Silver ¼s and ½s............	99¾@ par
Napoleons..................	3 83 @ 3 86	Five francs..................	93 @ 95
X X Reichmarks.........	4 74 @ 4 78	Mexican dollars....	89 @ 89¾
X Guilders................	3 96 @ 4 00	do uncommercial	87 @ 88
Spanish Doubloons	15 55 @15 75	English silver......	4 75 @ 4 85
Mex. Doubloons....	15 55 @15 65	Prussian silver Thalers.....	68 @ 70
Fine silver bars...........	1 12 @ 1 12¾	U. S. Trade dollars.........	99¼@ 99⅝
Fine gold bars, oz........	par @ ¼ prem.	U. S. silver dollars..........	99¾@par.
Dimes and ½ Dimes	99½@ par.		

STATISTICAL SUMMARY ON OR ABOUT JULY 1, 1879, 1880 AND 1881.

The following summary shows the condition of the New York Clearing House banks, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of July in 1879, 1880 and 1881; and, for comparison, the same figures for last month, June, 1881:

	June	July		
New York City Banks—	1881.	1881.	1880.	1879.
Loans and discounts	$332,025,700	$345,490,700	$285,905,100	$253,575,500
Specie	79,134,800	77,091,500	65,210,100	19,666,400
Circulation	19,301,200	19,144,300	19,620,000	20,371,300
Net deposits	332,182,800	343,640,800.	277,770,800	226,113,600
Legal tenders	18,633,800	18,092,900	21,715,800	46,902,600
Legal reserve	83,045,700	85,910,200	69,442,700	56,528,400
Reserve held	97,768,600	95,184,400	86,925,900	66,569,000
Surplus	14,722,900	9,274,200	17,483,200	10,040,600
Money, Exchange, Silver—				
Call loans	3 @3½	2 @3	2 @3½	3½@6
Prime paper	4 @4½	3 @4	4 @4½	3½@4
Silver in London per oz	51 11-16d	51 ⅝d	52 11-16d.	51¾d.
Prime Sterling bills, 60 days	4 82½	4 84½	4 84½	4 86¼
UNITED STATES BONDS.				
6s, 1881, coupon	104	103	104¼	x104⅝
6s, currency, 1898	133	133	124½	122¼
5s, 1881, coupon	104⅛	....	103⅝	103¾
4½s, 1891, coupon	116⅛	115	109⅞	106⅛
4s of 1907, coupon	118⅛	117⅛	x108⅝	x101⅞
RAILROAD STOCKS.				
New York Central & Hudson Riv.	149¾	146	127¾	118¾
Erie (N. Y., L. E. & W.)	49	46½	40	28
Lake Shore & Michigan Southern	131	126	107⅛	76⅛
Michigan Central	112⅞	104	92⅛	74¾
Chicago, Rock Island & Pacific	144⅛	142	166¾	137⅛
Illinois Central	142⅛	140¼	105	88⅝
Chicago & Northwestern, common	130	127⅛	91¾	66¼
Chicago, Milw. & St. Paul, com	125⅝	126	79¼	54⅝
Delaware, Lackawanna & Western	126¾	123½	77¾	58⅝
Central of New Jersey	101⅝	101⅝	56½	52¾
MERCHANDISE.				
Cotton, Middling Uplands, per lb	10⅞	11 1-16	11 13-16	12 7-16
Wool, American XX, per lb	40 @...	34@42	42@47	31@42
Iron, American Pig, No. 1, per ton	24 00	23 50	25 00	19 00
Wheat, No. 2 spring, per bush	1 22	1 27⅝	1 18¼	1 17¾
Corn, Western mixed, per bush	50 @58	58 @56½	46½@50½	40 @43¾
Pork, Mess, per bbl	16 25	17 00	12 25	10 25

A BUSINESS OFFER.—To test the value of the JOURNAL'S "Special List of Banks and Bankers" as an effectual means of directing attention to those represented therein, we offer to *present subscribers*, (and those who may *become subscribers* for remainder of 1881), the usual space in the Special List the remaining five months of this year—August to December, both inclusive, for $5. Copy received by July 27 will be in time for the August number.

The purpose of the JOURNAL'S "Special List" is to enable Banks and Bankers who wish to have the *general* business or *special* features of their institutions better known, with a view to an increase of business, to do so without incurring the expense of extensive advertising.

This List appears in a conspicuous location in every number of the JOURNAL.

RAILROAD BONDS AND MISCELLANEOUS SECURITIES.

QUOTATIONS IN NEW YORK AND OTHER CITIES.

T.ie following tables give the latest procurable bid and asked prices of Railroad Bonds and miscellaneous securities at the New York Stock Exchange, and Southern securities not called at the Stock Exchange, and also under their appropriate heads, the quotations of securities dealt in at other cities. The quotations represent per cent of par, and not dollars.

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

SECURITIES.	Bid.	Askd
RAILROAD BONDS.		
Boston, H. & E. 1st m.....	79¾	......
B., Cedar Rap. & N. 1s 5s g.....	102	102½
Chesapeake & Ohio 6s 1st B ...	89⅞	90
do do cy. int. def.	64	64
Chicago & Alton 1st mortgage.	123	125
do income ...	105½	107
Joliet & Chicago 1st mortgage.	.....	100
La. & Mo., 1st 7s.	117	......
St. L Jacksonville & Chic 1st...	118½	121
Chic. Bur. & Qu. 8 per ct. 1st m	110	111
Chic. Bur. & Qu. cons M 7s	131	......
do do 5s Sinking Fund	113	116
Chic. R. I. & Pac. 6s 1917, cp....	131½	......
do 6s 1917, registered	130	132
Keokuk & Des Moin. 1st 5s....	108½	.. ...
Cen. R R. of N. J. 1st 7s. 90..	121	122
do cons. assent.	119½	120
do conv. do... .	117¼	117¼
L. & W. B'e. con. assented....	111	112
Am' Dock & Imp. bonds as'd	111¾	......
Chic. Mil. & St. Paul R. R		
M. & St. P. 1st mtg 8s P. D...	138	145
do 2d 7 3-10 P. D.....	132½	......
do 1st 7s $ gold R. D	131	131½
do 1st 7s £ do	113	113½
do 1st M. LaC. D.....	125	127½
do 1st M. I. & M. D..	130	......
do 1st M. I. & D......	130	......
do 1st M. C. & M.....	129	132
do consolidated s f..	130¼	132
do 2d mortgage 7s...	101¾	107
Chic. & N. W. sinking fund....	112	113
do do int. bonds.	105¾	110
do do cons. bonds.....	133	135
do do exten. bonds...	104	111
do do 1st mortgage...	113½	113¾
do do coup gd bonds..	126½	126⅝
do do reg'd do	126	......
Iowa Midland 1st m. 8s..... .	127	133
Galena & Chicago extension.	104	105
Peninsula 1st m. conv........	120	140
Chicago & Mil. 1st m.....	126½	127
Winona & St. P. 1st mort.....	109¼	......
do do 2d mort.....	122½	......
C. C. C. & Ind's 1s m. 7s s. f.....	122	124
do consol, M. bonds.	125	126½
Del., Lack. & W. 7s conv.......	......	......
do do m. 7s 1907....	125	127
Morris & Essex 1st mor.......	140	......
do 2d do	119	121
do 7s 1900.	116	......
do 7s of 1871.....	123	124
do 1s con. gd....	126	127½
Del. & Hud. Can. 1s 7s. 1884....	110	112
do do 1891....	118½	119½
do Coup. 7s 1894...	119½	120
do Regis'd 7s 1894 ...	119½	120
Albany & Susq. 1 s 7s	115	116
do do 2d do.... ...	108	110
do do 1st c gua'd....	124	126
Rens'r & Sara. 1st 7s. Coup..	135	......
do do 1st reg'd 7s ...	135	135

SECURITIES.	Bid	Askd
Erie 1st. con. f'd. coup. 7s.....	123	126½
do new 2d. con. 6s.........	103¼	104
do 2d. con. f'd. coup. 5s	100	......
Han. & St. J. 8s convertible m.	112½	112½
Illinois Central, ...		
Dub. & Sioux City 1st m......	104	106
do do 2d div....	110	.. ...
Cedar Falls & Minn. 1st m....	118	......
Indp's Bloomn & W'n 1st p....	131	......
do do 2d ...	85½	87
Lake Shore Bonds		
M. So & N. I. Sink. fd 7.........	110½	112
Cleve. & Tol. sink. fd	112	112¾
Cleve. & Tol. new bonds........	111	116
Cleve. Painesv & A bonds 7s...	117	120
Buff. & Erie, new bonds...	124	......
Buff. and State Line 7s.........	103	104
Kala. & W. Pigeon 1st m.......	114	.....
Det. Mon & Tol 1st 7s 1906......	121	125
Lake Shore div. bonds..........	124	127
do con c'p 1st 7s.	133	135
do con reg 1st bds.....	129¾	132
do con coup 2d 7s......	126	126½
do con re'gd 2d m.....	126	126½
Marietta & Cin. 1st m..	......	125
Mich. Cent. consol. 7s 1902......	130	131
do 1st m. 8s '82 s f	108	109
do equipment bds.....	......	......
N. Y. Cent. 6s, 1883.............	105½	105⅞
do do 6s, 1887............	109	113
do do 6s, real estate......	105	......
do do 6s, subscription...	104½	106
do do & Hud 1st m c.....	139½	140
do do do 1st m reg....	138	139
Hud. Riv. 7s 2d m s f 1885.....	109	......
Harlem 1st m 7s coupon......	133	135
do do reg'd.........	132	132
Ohio & Miss cons s f............	124	......
do consolidated 7s....	123	124
do 2d do...........	124	124½
do 1st Springfield div.	118	121½
Pacific R R bonds........		
Cent Pacific gold bonds......	119	120
do San Joaquin branch....	112½	.... .
do Cal & Oregon 1st.........	110	......
do State aid bonds	108	......
do land grant bonds........	106½	106¾
Western Pacific bonds........	114¾	116½
Union Pacific 1st m bds.......	120	120½
do land grants. 7s...	118½	119½
do sinking fund.....	129	130
Pacific R of Mo. 1st m..........	112¼	.... .
do 2d m. 7s...........	116	120
Pennsylvania R R		
Pitts, Ft W & C 1st m	139	139
do do 2d m.........	132	......
do do 3d m.........	126	......
Cleve & Pitts con s f....	127½	129
do 4th do...........	116	......
Col. Chic & Ind cent. 1st m..	134⅞	150
do do 2d m.........	......	100
Rome, Water'n & Og con 1.....	100½	103
St. L. & Iron M 1st m...........	119⅜	120
do do 2d m...........	113⅜	115
St. L. Alton & Terre H. 1st 7s..	115	118

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
St. L. Alton & T. H. 2d pref...	111	116⅛
do 2d do inc......	107	109
Bell & S. Ill R. 1st m 8s........	118	......
Wab., St. L. & Pac. gen. m 6s..	......	101
do Chic. div. 5s	99½	100⅛
do Han. " 6s	102	104
do Tol. P. & W. 7s.........	119½	120
Wabash R. m. 7s............	108	112
Tol & Wab 1st m ex...........	115	115
do 1st M. St. L. div.....	111½	111⅛
do 2d m. extdg. 7s	110⅛	112
do equipment bonds..	50	70
do cons conv'ble......	106	......
Gt West'n 1st m 7s 1888.......	111⅛	115
do 2d 7s 1893	111	112
Quincy & Tol. 1st M......1890	110	......
Illinois & S Iowa 1st m 7s....	102	104
West'n Un bds, 1900, c'pon.....	121	122
do do do reg.........	122	122⅛
MISCELLANEOUS LIST.		
Arkansas Levee 7s...	5	10
Atchison & P Pk 6s gold.........	......	......
Atchison, Top & S Fe 7s, g.....	126	128
California Pac R R 7s gold.....	106	108
do 6s 2d m gold.... ..	105	110
Central Pac 7s gold, conv.......	100	103
Chi & Southwestern R R 7s....	122	123
Chi & Mich Lake Shore 8s.	106	112
Chi & Can South 1st m'g 7s.. ..	65	75
Cin, Rich & F W 1 m g 7s.......	110	114
Cleve, Mt V & Del 7s gold......	65	75
Connecticut Valley 7s gold....	65	70
Connecticut Western 1st 7s....	35	37½
Col & Hock Val 1st 7s 30 ys.....	112	118
Denver Pacific 7 gold...........	108½	109
Erie & Pittsburg 1st 7s.........	102½	103½
do 7s, cons...............	110	115
Evans & Crawfordsville 7s.....	102½	107½
Evansville, T & H Chic 7s g.. .	90	100
Flint & Pere M 7s land grant...	110	112
do pref stock......	100	100½
Grand River Valley 8s..........	107½	110
G'd Rapids & Ind 1 guar 7 g....	118	120
G'd Rapids & Ind 1st 7s g.......	110	115
Ill Grand Trunk 8s......	116¾	117½
Ind. Bl. & W., scrip............	28	35
Indianapolis & Vinc's 1st 7s gr.	110	115
Indianapolis & St. Louis 7s.....	80	90
Io Falls & Sioux City 1st 7s.....	110	112
Jack. Lansing & Sag. 1st m.....	108	110
Jeff'ville, Mad & Ind 1st m 7s..	105	106
Kala'zoo & South H 8s guar....	114	116
Kal, Alleghan & G R 8s gr......	110	115
Kal & White Pigeon 7s..........	110	115
Kansas City & Cameron 10s.....	118	122
Michigan Air Line 8s...	119	121
N. J. Midland 1st 7s gold.......	97	98
Omaha & S West'n R R 8s......	115	120
Oregon & Cal 7s gold............	......	......
Oswego & Rome 7s guar.......	110	......
Ott, Oswego & Fox R V 8s.....	......	......
Pitts, Cin & St Louis 1st 7s..	124	124⅛
Sand, Mans & Newark 7s.......	117½	119
Sioux City & Pacific 6s..........	......	......
Southern Central N Y 7s.......	50	70
Steubenville & Indiana 6s......	102	104
St L & S Eastern 1st 7s gold ...	100	......
Union Pacific So br 6s gold....	104	108
Union & Logansport 7s.	105	110

Securities.	Bid.	Askd
CINCINNATI.		
COUNTY AND CITY BONDS.		
Cincinnati 4s...................	105⅛	106
City of Cin. consol 5s...........	115	x116
City of Cincinnati 6s............	121	122
do do 7s...........	125	......
do do 7 3-10	135	136
City of Covington, Ky 6s '81...	102	......
do do 7 3-10, '81....	102	104
RAILROAD BONDS.		
L.Miami & I & C con 6s	105	......
do do 1st 6s '83.......	103	......
Cin, Ham & Day 2 m 7s '85......	107¼	x108
Dayton and Mich, 2 m 7s '84....	106	107
do do 3 m 7s '88....	112½	113
Cin, Rich & Chi, 1 m 7s '95......	109	110
Cin, Han & Ind 1st m gr 7s.....	x 109	......
Marietta & Cin 1st m 7s '91.....	87	90
do do 2d m 7s '96......	30	33
Indianap & Cin 1st m 7s '88.....	107	......
Cin & In guar 1st m 7s '92.....	109	110
do 2d m 7s '77 '82.......	104	106
Indianap C & L 1st m 7s '97.. .	......	110
Day & W 1 m, 1881.	x 101	102
do 2 m, 1905...............	......	100
MISCELLANEOUS STOCKS.		
Columbus & Xenia.......... 50	144 x	146
Cin, Ham & Dayton.........100	98	x 99
Dayton & Mich 3½ guar..... 50	62	x 65
Little Miami................. 50	144	x145
Marietta & Cin 1st pref..... 50	17	......
do do 2d do....... 50	....	3
Cin Gas Light & Coke Co....100	168	x169
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s..................	112	115
do 8s...........	118	120
Augusta, Ga 7s bonds..........	112	115
Charleston stock, 6s...........	78	80
Charleston, S. C. 7s F L bonds..	100	......
Columbia, S. C. 6s..............	65	75
Columbia, Ga. 7s bonds........	100	......
Lynchburg 6s....................	104	106
Macon 7s bonds..........	100	105
Memphis bonds 6s..	40	......
do new consols..........	45	......
do end, M & C R R......	50	......
Nashville 6s old	100	105
do 6s new....	100	105
New Orleans 5s................	54	56
do consol, 6s......... ...	65	67
do bonds, 7s............	......	x 48
do to railroads 6s........	44	......
Norfolk 6s	103	104
Petersburg 6s...................	103	106
Richmond 6s...	113	115
Savannah 5s	90	......
RAILROADS.		
Atlantic & Gul, consol.........	114	117
Central Georgia cons, 7s	120	122
do do stock...........	120	122
Charlotte Col & A, 1 m 7s	112	......
do do stock...	60	......
E Tenn & Georgia 6s...........	102	106
East Tenn, Va & Geo 1st m 7s..	118	122
do do stock..........	200	210
Georgia R R 7s..................	115	......
do stock	170	175
Macon & Western Stock.......	135	140
Macon & Augusta bonds.......	100	......
do do endorsed....	100	.....

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Memphis & Charleston 1st 7s...	110	......
do do 2d 7s.....	102	108
do do stock....	85	86
Mississippi Central 1st m 7s....	102	......
do do 2d m 8s....	112	115
Mississippi & Tenn 1 m.........	130	......
do do cons, 8s....	122	......
Motg'y and West P, 1st 8s ...	103	......
do do 1st end.......	......	......
N Orleans and Jackson 1st m..	116	119
do do 2d m....	117	125
Nash and Chattanooga 6s......	100	115¾
Norfolk and Petersb 1st m 8s...	104	......
do do 2d do..	102	......
Northeastern, S C, 1st m 7s....	126	......
do do 2d do.....	116	......
Orange and Alex 1st 6s.........	107	......
do do 2d 6s	111	......
do do 3d 8s.........	93	......
do do 4th 8s	55	......
Rich and Peters'b 1st m 7s.....	......	......
do do 2d m 6s.... ..	......	......
do do 3d m 8s.......	102½	......
Rich and Fred'b and Pot 6s...	104	......
do do do con 7s.	118	......
Rich and Danv 1st con 6.......	105	......
do Piedmont 8s......	112	114
do 1st 8s.....	......	......
Southside Va 1st m 8s	104	......
do 2d m guar 6s......	100	127
do 3d m 6s.........	97	......
do 4th m 8s	......	......
Southwest R R, Ga 1st m.......	115	120
do do stock	135	140
. Caro R R, 1st m 7s, new	105	......
. Caro R R 6s	70	76
do 7s 2d	120	122
Virginia and Tenn 2d 6s........	108	.....
do do 3d 8s........	122	125
West Ala, 8s guar.............	119	121
Wilmington and Weldon 7s....	119	......
PAST DUE COUPONS.		
Tennessee State coupons......	41	45
Virginia consol coupons.......	92	93
Memphis city coupons...	30	.....

BOSTON.

RAILROAD STOCKS AND BONDS.	Bid	Askd
A T and Santa Fe, 1st m 7s.....	124	125
do do L G........	123	......
do do stock......	146¾	147
Bost and Alb'y stock............	......	......
Boston and Lowell stock.	106½	......
Boston and Maine, stock	164	165
Boston and Providence, stock.	......	......
Chicago, Bur and Quincy... ..	164	165
Cin, San, and Cleve, Com. stk.	32	32⅛
Connecticut River, stock	171	......
Eastern stock.......	51¼	......
Fitchburg, stock	152¼	152½
N. Y. & New England R. R. 7s.	122	123½
do do do 6s.	112	112¼
Northern (N. H.) stock...	106	110
Norwich and Worcester stock.	......	168
Ogdenburg and L Champ stock	53½	55½
Old Colony stock........... ..	......	131
Portl, Saco & Portsmouth st'k	......	......
Portsmouth, Gt F & Con'y s...	......	......
Rutland pref. stock............	31	. ....
Vermont and Mass..............	......	......

SECURITIES.	Bid	Askd
Worcester and Nashua........	......	70
MISCELLANEOUS STOCKS.		
Boston Land Co	10	10⅛
Boston Water Power...........	10⅛	10⅝
Pullman Palace Car	143	143½

PHILADELPHIA.

STATE AND CITY BONDS.	Bid	Askd
Penn. 5s, new, reg, '92 1902. ...	118½	......
do 6s, 10-15, reg, '77 1882.....	105	......
do 6s, 15-25, reg, '82 1892.....	......	105
Philadelphia 6s, old..	130	......
do 6s, new, over 1895..	131	132
Pittsburg 5s, reg, 1913...........	95	......
do 7s, water loan.......	126	127
do 7s, street improv.....	109	......
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96.....	126	......
Bel & Del R R, 1st m 6s, 1902....	120	......
do 2d do '85.....	108	110
do 3d do '87.....	107	......
Cam & Amboy R R 6s, 1883.....	106	107
do do do 6s, 1889.....	108	......
do do do m 6s, 1889...	114	115
Cam & A. T. 1st m 7s, gold, 1893.	120	121½
do do 2d do cur, 1879.	......	......
Cataw R R new 7s, 1900..........	120	126
Connecting R R 6s. cp. 1900.....	120	121
Del & B B R 1st m. 7s, 1905......	124½	125
H. & B. T. 2d m 7s, gld 1895.....	112½	......
do 3d do cur. 1895...	91	92
Lehigh Valley, 1st m, 6s, c,'98..	122½	123½
do do r g '98....	122	......
do 2d m, 7s, reg 1910.....	.....	138
do cons. m, 6s reg 1923....	121½	......
do do 6s, coup. 1923.....	......	121¾
N Cent. 2d gd. m. 5s, cp'n 1926..	104	104½
North Penn, 1st m 6s, c 1885...	109½	111
do 2d m 7s, c. 1896...	118	......
do gen. m 7s, c. 1906...	124½	125
do do reg., 1906..	118	......
Oil Creek 1st m 7s, coup '82.....	101	......
Pittsb'h Titus & Buff 7s, c, 1896.	105	......
P & N Y C. & H. R. 7s, r&c 1896.	....	124½
Penna. 1st mort 6s, c, 1910......	128	129½
do do do 6s reg 1910....	128	130
do cons m, 6s reg. 1905....	121	122
Phila & Erie 1st mort 6s c 1881.	......	......
do 2d mort 7s, c 1888.	120	......
Phila & Reading 1st m 6s, 1880..	121	......
do 2d m 7s, c 1893..	120	......
do cons m 7s c 1911..	127	127½
do do m 7s r 1911..	......	127
do do 6s, g r & c 1911..	117	......
Pitts, Cinn. & St. L 7s c 1900....	123½	125
Tex & Pac 1st m, 6s, g 1905......	.. ..	110½
do cons m, 6s, g 1905......	......	105⅛
Un & Titus 1st m, 7s, 1890.......	109½	110
War. & F. 1st mort. 7s, c 1896..	115	125
West Jersey 6s, d coup 1883....	100	......
West Jersey 1st mort 6s, c 1896.	119½	121
do do 7s, r & c '99..	120	120½
West Penn 6s, coup, 1893.......	110½	......
do 6s. p b c, 1896.......	111	112
Lehigh Nav. m 6s, r 1884........	106½	107
do M.R. R. r, 1897	......	116½
do M conv g. r. 1894	116½	......
do M. gold, r. c, 1897	121	121½
do cons m 7s r, 1911	115	......

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Schuyl. Nav. 1st m 6s, reg 1897..	105	......
do 2d do r. 1907..	88½	......
do m 6s, coup. 1895..	......	50
do 6s, bt&car r 1913..	60	70
do 7s, bt&car r 1915..	71	......

R. R. AND CANAL STOCKS.

Securities.	Bid	Askd
Catawissa.................. 50	21	23
do pref..... 50	58	58½
do new pref..... 50	57	58
Lehigh Valley.............. 50	62½	62⅝
Liltle Schuylkill........ 50	56	......
Minehill........................	61½	61¾
Northern Pacific..................	44⅝	44¾
do pref........	84⅞	85
North Pennsylvania......... 50	50¼	......
Pennsylvania 50	65	65½
Philadelphia & Reading..... 50	29½	29⅝
Pitts. Titus. & Buffalo..........	23½	23⅝
St. Paul & Duluth...	......	40
do pref........	83	......
United Cos. of N. J..........100	196	......

CANAL STOCKS.

Securities.	Bid	Askd
Lehigh Navigation.......... 50	45¾	45⅞
Schuylkill Navigation..........	......	5
do do pref.....	13½	15

BALTIMORE.

Securities.	Bid	Askd
Maryland 6s, defence, J. & J...	105	106
Virginia 10-40s, J. & J..........	57⅝	58
do deferred, J. & J....	15	16
do consol. do.......	85⅝	85½
do do 2ds do.......	42	43
de consol coup, p due......	92	93
Balt. 6s, J., A., J., O., 1890... ..	117	118
do 6s, J. A. J. O. 1900........	124	126
do 6s, J. & J., 1902............	125	......
do 5s, M. & N., ex., 1916......	125	126
Balt. & Ohio, May & N.......100	200	201
do 1st preferred	125	126
do 2d do	123	125
Northern Central, J. & J.....50	56⅞	57
Central Ohio, June & Dec....50	47	50
do preferred....50	55	56
South Side, 1st 8s, J & J........	110	.....
do 2d 6s, do	105	......
do 3d 6s, do	105	......
Cin, & Baltimore 1st 7s..	118	120
W. M. 1st m 6s gu. 1890, J. & J..	119	......
do 1890, J. & J..	115	116
W. Maryland 2d m (pref).......	111½	112½
M. & Cin. 1st m 7s F and A 1891	123½	124½
do 2d m 7s M. and N....	90½	91
M. & Cin. 3d m 8s 1900 J. and J..	51¾	52
Rich. & Dan. 1st m. M. and N...	104	105
Union R. R., End. Cant. Co.....	118	120
Canton Co., 1st 6, gold, J and J.	110	......
Orange, Alex. and Mn's 7s do..	110	......

Securities.	Bid	askd
Orange & A. 1st 6s, M. and N...	125	.....
do 2d 6s, J. and J.....	135	......
do 3d 8s, M. and N.. .	115	......
do 4th 8s, M. and S ...	75	......
Virginia & Tenn 6s 2d J. and J.	105	......
do 8s, J. and J..	120	......
W. & W. 7s gold 1900 J. and J..	120	......
W. and Columbia and Aug. 7s.	111	111¼

ST. LOUIS.

Corrected by Wernse & Dieckman, Bankers and Brokers, 203 N. Third. St., St. Louis.

BANK STOCK.

Securities. Par.	Bid	askd
Bank of Commerce...... ...100	350	......
Laclede Bank.. 100	112	115
Biddle Market Sav'gs Bank.100	80	90
Boatmen's Sav'gs Bank.....100	117	119
Bremen Sav'gs B'k..80½pd.100	80	100
Citizens' Sav'gs Bank.......100	54	70
Commercial Bank....... ...100	245	......
Fourth National Bank......100	250	......
Franklin Bank 100	113	......
German Sav'gs Institution. 50	54	......
German American Bank...100	98	......
Mechanics' Bank............100	107	110
Merchants National Bank..100	115	118
Mullanphy Sav'gs Bank....100	97	......
Continental Bank...........100	115	......
Provident Sav'gs Bank.....100	106	112
International Bank 100	90	......
Lafayette Bank... 100	96	100
St. Louis National Bank....100	105	107
State Sav'gs Association.... 50	112	......
Tenth Ward Sav'gs Bank...100	112	......
Third National Bank........100	101	102
Union Sav'gs Bank..........100	29	31
Valley National Bank.......100	100	103
Northwestern Sav'gs Bn'k.100	120	......

SUNDRY STOCKS & BONDS.

ST. LOUIS CITY AND COUNTY BONDS.

Securities.	Bid	askd
City 6s. Bridge Approach	112	113
do Sterling bds, due 1898..	112	114
do Water b'nds, due 1887..	109	......
County 6s, gold	109	......
City 5s, due 1900...	108	......
do 10-20 years.............	107	......

STOCKS.

Securities. Par.	Bid	askd
American Cent. Ins. Co..... 25	34	35
Marine Insurance Co........100	110	......
Belcher's Sug. Refin'g Co...100	64	.....
Laclede Gas Light Co.......100	120	.....
St. Louis Gas Light Co...... 50	270	......
Iron Mountain Co..........1000	900	......
Pilot Knob Iron Co.........100	75	90

RHODES' JOURNAL

A RECORD OF AMERICAN BANKING.

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Bankers, like other men, are social beings, and it was a happy thought of the Banker's Association to provide for having a pleasant reunion at the Convention this year. Long speeches and prosy papers, no matter how elaborate and meaty they may be, do not prove specially attractive to the average banker in sultry August weather. Besides, the social development of the Association will do much to promote its unity and consequent usefulness.

Then again, the time and place of holding the Convention this year favors the social idea. Many of our Canadian neighbors will be there, and they will receive a warm welcome. The North and the South, the East and the West will meet together, and the dark days of twenty years ago will never be mentioned. To-day we are one people, bound together by every national tie. From the South has come expressions of as sincere sympathy and heart-felt love for the suffering President as have been heard in the North. The world never saw anything to equal this; and now that the nation's President has been rescued from the very clutches of death by the prayers of a united people, it is eminently proper that congratulations and mutual good-will should prevail in a meeting of representative business men.

Hon. John Jay Knox, Comptroller of the Currency, has accepted the invitation of the American Bankers' Association to deliver an address before their annual Convention, to be held this year at Niagara Falls. His subject will include a consideration of the value of the banking business in promoting the social and material welfare of the country. He will call attention to some peculiar features of modern banking in the United States, such as the frequent publication of reports, and the preference of the people for paper money. In the latter connection he will give statistics, derived from replies to a circular recently issued to the banks, showing what proportion of business is done by means of checks, drafts, etc., as compared with coin and paper currency. The spread of such information is a very necessary thing for the banks and the people at the present time, and no one is better fitted for the work than the Comptroller, whether his position or his character be considered. The absurd and mischievous prejudice which many people entertain against the banks can only be dispelled, if it is to be dispelled at all, by the diffusion of right knowledge regarding the character and function of the banking business. There seems to be no other honorable way by which the banks can find relief from their present burdens. The prevailing era of prosperity has for the time being put an end to the active spread of communistic ideas, and the time looks favorable for an effort by the banks to have at least the most onerous of the present taxes removed.

People in America hardly appreciate the character and importance of the crisis that prevails in portions of Europe. But the large immigration and many other signs might show us that things abroad are not as satisfactory as they might be. M. Graux, the Belgian Minister of Finance, was lately "interpellated" or questioned, as to what remedy he proposed to offer for the industrial depression. His answer was not of the usual stereotyped character, and as it contains some financial points of interest we translate the principal passages. "I must inform our agriculturists and manufacturers that in economic matters the power and influence of a government can only be shown in an indirect and very limited manner. It is a field in which natural laws never do more injury than when an attempt is made to interfere with them. They must understand that there is no governmental manna to fecundate their enterprises, and that their salvation lies alone in their courage, energy, and enterprise and economy. Duties on American wheat and meat would weigh on the working classes, raise wages, and ruin industry. Landlords must accept lower rents from farmers, for it is now a fact that all capital will produce less interest. If the holders of land had Government securities instead, they would have suffered a reduction of one-half per cent. Manufacturers must make up their minds to receive three or three and one-half instead of seven per cent. for their capital. This law of the decline in the rate of interest has great advantages. It diminishes, it is true, the revenue of capitalists, but it reduces at the same time, the number of the idle; great fortunes will become rarer and more difficult to accumulate, and moderate fortunes allowing people to live without working will be also less numerous. The reduction must be compensated for by having recourse to work. Is it a misfortune that a large share in the profits of production will thus be thrown into the hands of the workingman, and a relatively less part into those of capital? Wages will not be diminished, or if so, for other reasons. These causes will also stimulate emigration to new countries, and the superabundant capital of the old countries will also take itself off to new lands."

We give space to a communication from the Far West in which an elaborate plan is formulated, whereby it is supposed a large amount of silver dollars may be put into circulation. If it were a matter of prime importance that silver should circulate in place of the present currency, the plan might meet acceptance; but the reason why all other small currency should be legislated out of existence in order to make place for silver, does not appear. And even were this done according to the scheme proposed, the silver would not be in the hands of the people, but in the bank vaults. Our correspondent says: "This plan will provide a place for the silver, and it will go into circulation. But as it is bulky, and people do not like to carry it on that account, I propose that it be treated in such a way that national banks will be just as ready to hold it as any coin. Hence, let the national banks issue silver certificates." This only provides a means whereby the silver may leave the Treasury vaults to be locked up in the banks. The repeal of the "Bland Silver Bill" would answer the purpose of relieving the Treasury much more readily and simply. The continued coinage of silver is called for neither by the home trade nor the foreign commerce of the United States. If the International Monetary Conference could have devised some sound plan by which the price of silver might have been kept nearly steady, the effect upon the commerce of the world would doubtless have been good. This has been acknowledged by those who did most to render the labors of the Conference fruitless. But the failure of the Conference leaves open to this country only one prudent course regarding silver: That is, to stop the coinage. All that this country can do single-handed will not hinder the fluctuation in the price of silver, and it is the fluctuation which does the harm to international business. So long as we have a few million dollars in silver, with which to settle balances with silver mono-metallic countries, that is all that is required under present conditions.

Considerable feeling was caused recently by a dispatch stating that the "Pall Mall Gazette" had in a leading article discussed "The Nearness of a Financial Crisis in the United States." The matter was treated more seriously than it deserved to be, for the same paper has been arguing the probability of a financial crash in France and England for sometime past. Whether there is any danger or not, the warning cannot do much harm. If there is no danger of a panic a newspaper article will not cause one, and if there is, the warning is timely. The

"Gazette" argues that the stability of the New York money market depends upon its power to continue drawing gold from Europe; that an excess of exports over imports is not necessarily a sign of wealth, a nation that exports more goods than it imports being nearly always a debtor nation, its excess of exports being needed to pay its debts; that the movement of gold here depends upon the ability of America to control with its produce the markets of Europe, and that the prospect of a good harvest in Europe, and a comparatively light one here, make the outlook a serious one. The article concludes as follows:—"We think the position of the United States is not anything like so secure as the more sanguine Americans assume. They are just in the circumstances where a financial crisis might develop with extraordinary rapidity. Some look for such a crisis in the coming autumn, but we are by no means certain that it will develop itself then, even should things come to the worst. With their trade the credit bubble may go on swelling for months beyond the time when cautions men look for trouble. Holders of United States securities, however, must lay their account for serious financial difficulties much sooner than the contemplation of the wonderful progress of the past three years might lead them to expect."

There is some logic in this but it is founded on a false assumption. The markets of London and Paris have been fairly well sustained in spite of the drain of coin. Why then should New York need a constant influx of gold to prevent a break-down in prices.

The argument of the "Gazette" is, however, well calculated to have weight with those who think that prosperity depends upon the export of a surplus of merchandise over the import. If this be taken as a test, the outlook is not very reassuring, for although the "favorable balance" during the past fiscal year was larger than during any previous year excepting 1879, amounting to $259,000,000 against $167,000,000 in the previous year, yet from present appearances there will soon be a change in this respect. The exports of breadstuffs during the month of June last, were valued at $20,605,915 against $28,253,190 in June, 1880. Again, the exports of provisions, tallow and dairy products in June last, amounted to $9,501,705 against $13,310,347 in the same month last year. The total excess of exports over imports during the month was only $4,541,931, and much less than in any month since May, 1880. The cause of the change indicated has doubtless been the recent rise in the price of exportable commodities. If this continues, and prices of other merchandise follow the lead, the natural consequence will be a general decrease in the exports and an increase in the imports. This is a change in the tide of commerce which is sure to come sooner or later. The import of gold indicated the probability of it some time ago, as likely to cause a rise in prices soon. And, now, the prospect of a reduced crop in this country and a fair one in Europe makes it probable that a change in the balance of trade will occur before many months.

But is the business of the country liable to stop with the cessation of gold shipments from Europe? We think not. The "Gazette" says: "Should they (the Americans) prove right in their calculations, (regarding further gold shipments from Europe) the headlong pace now attained in the creation of new undertakings for the absorption of capital may be continued for some time, with no visible sign of impending danger; but should this power be imaginary, the stock markets of the Union may be not far off a collapse." In so far as prices of stocks are based upon the prospect of continued ease of the money market, there is possibly some danger to speculators. Indeed, it is not wise to calculate upon the general rate of interest continuing so low as at present, and if it should advance, many stocks and securities would probably decline in market value. But the general business of the country does not depend upon a further influx of gold. In fact, so long as there is enough currency for all transactions, any more is undesirable. There will be just as much capital here to invest in new projects if the exports should decrease, as not. If the imports of merchandise should increase we should have an influx of foreign capital, just as much as if it came in the form of money, and just as available for absorption in new enterprises. If a serious business crisis is impending, it must be said that all the usual signs are lacking.

SOCIAL SENTIMENT IN BUSINESS.

Does prosperity tend to harden the heart? Does plenty create coldness and isolation? Does success cause the blood to run cold and icy in our veins? Does the character of our social life become cold, estranged, selfish and apathetic, in proportion as riches are increased, and the art, culture and refinement which riches alone can procure, become more plenteous and diffused? We cannot answer these questions by citing individual instances of brutal selfishness or tender loving-kindness in the past or in the present, either among the favored of fortune or among the outcast and the poor. What is the *tendency* of the increase of wealth upon the character of a people in respect to the hardening or softening, the brutalizing or the humanizing of the heart?

We know it is common to speak of the selfishness of the age, of the sordid desire and effort for gain which stifles and benumbs the higher sentiments and feelings. But how much of this is pure nonsense. So, too, people nowadays often speak of the corruption and vice of the age as something appalling in contrast with a more ancient day. Do these people read history? They cannot, or if they do, they forget it the next moment. Public life was never so free, or rather, never so *nearly* free from corruption as it is to-day. We advance no argument, we cite no instances; we appeal to history. So too, without going into analysis or comparison we assert that the multiplied agencies which are producing and diffusing riches, making the attainment of comforts, conveniences and refinements in life accessible to thousands where they were before accessible to only hundreds or even to tens, are making our hearts and lives softer, purer, more gentle and *companionable* day by day and year by year.

The necessity in the order of things, in the development and increase of riches, is that it shall be wrought out through co-operation—through mankind working together. No one can accumulate large wealth by plodding, nor by scheming alone. He must work and plan and scheme with others. Whether he will or no, his plodding and planning and scheming must promote their advantage, as their plodding and planning and scheming promotes his.

Out of these conditions of simple and necessary contact of man with man, acquaintance, friendships, intimacies are formed. Likings, cordialities and confidences arise. It is not possible to give as ready and attentive ear to the voice of a stranger as to the voice of a friend. Business *is* more or less pervaded with sentiment, not to its harm but to its betterment. The more we know of a man the more we know what business we may safely intrust to him, or in what venture with him it may be safe to engage.

This suggestion is but the reflex of that expressed before. As business promotes, to a degree necessitates intercourse, breaks down the barriers of coldness and distrust which subsist between strangers, so the promotion of social intercourse, of a spirit of cordiality and fraternity amongst business men acts favorably upon business relations and connections.

It is gratifying to know that the banking fraternity are alive and alert to this true philosophy. Their forthcoming National Convention is primarily a business gathering. There they will discuss those topics and measures which affect the interest which they represent. These discussions might be just as able and profound and practical, if they were as cold and bloodless as an iceberg. But when these are supplemented by social gatherings, where personal acquaintance is formed and the magnetism of personal contact has sway, there will be heart and soul, as well as mind and intellect infused into the work of the convention which will add immensely to the value of its results.

All over the earth the *hearts* of men are being drawn nearer and nearer together. Fifty years ago the assassination of the President, or its attempt, would have been communicated to foreign governments in labored diplomatic dispatches, to which, after a time, equally labored and stilted despatches of high sounding regret, would have been returned—as cold as a stone.

To-day, brief words, to state the fact and the fear, are flashed all over the world, and words, throbbing and tremulous with tears, come answering back, warm almost from the lips of sovereignty.

How, before this potency of the heart and its sympathies, melt the barriers of sectional and of partisan hate and distrust.

Yes, our bankers, the accountants of the material progress of our country and the world, do well to recognize the social character of our material development, and the reflex action which social culture may have in the promotion of that development.

THE FUTURE OF THE NATIONAL BANKS.

No more important matter could occupy the attention of bankers and the business public at the present moment than the question of the future of the national banks. The time also is favorable for its consideration. The condition of business is such that the agitation of communistic and other demoralizing ideas that gain most headway in times of hardship and poverty, is quieted, at least for the time being. It is true the matter does not need to be decided this month nor this year, but it can be plainly seen that a policy will have to be determined upon before many years, and it is none too early to discuss the matter. It is true we cannot cross a bridge until we come to it, but, as President Lincoln used to say: "It is a bad time to swap horses when crossing a stream."

It may be that the difficulty of keeping a reserve of Government bonds against circulation, will bring the matter up for practical solution sooner than is generally supposed. Of the bonds which are held as security against national bank circulation about ninety-one million dollars are four per cent.; thirty million four and one-half per cent., and three hundred and thirty-two millions three and one-half per cent. bonds. These are the respective amounts as nearly as can now (August 1), be ascertained. In all probability the continued bonds will be the first chosen by the Secretary of the Treasury for payment from the surplus revenue. The surplus during the past fiscal year was over one hundred million dollars; during the first month of the current fiscal year (July), it was ten million dollars. There has been a reduction of the anuual interest on the public debt of over fifteen million dollars, since the beginning of the recent refunding operations. In about two years the expenditure for pensions should be largely reduced. So that it may fairly be reckoned that the surplus applicable to the payment of the national debt will not be much less for some years to come, unless the taxes should be considerably reduced by legislation, and the recent policy of Congress has been opposed to such reduction.

The total amount of the continued bonds is about five hundred and seventy-five millions, so that at the present rate of decrease they would be all paid off by 1887. In the meantime, under the present law the banks will have to gradually replace their deposits of this class of bonds with four, or four and one-half per cent., which will probably command a high premium. Again, if peace and prosperity continue the other bonds will probably be bought by the Treasury, or paid off according to a constantly increasing ratio.

It follows, therefore, that the national banking system cannot continue very long under its present condition. The principal matter involved is the currency. No doubt a number of different substitutes for the national bank currency will be proposed and strongly advocated. The dollar of the fathers has a strong following, but its inconvenience will probably prevent its extended use, even though the stronger objections to it should pass unheeded. It may be expected that powerful efforts will, in the course of time, be made to substitute treasury notes or greenbacks for the national bank notes. While these have some advantages, yet the objections to a paper currency issued directly by the Government far outweigh them. The experience of every nation that has issued a paper currency has been disastrous in the extreme. The unfortunate experience of every country that has tried it proves that the issue of paper money is not a proper function of government. On the other hand, where the issue has been allowed to banks under strict regulation and control by the Government, the results have generally proved very satisfactory. The reason of this is plain. In the case of bank issues the banks may be held to strict responsibility under law, the Government standing guard to see that the interests of the people are protected. But where the Government issues the currency, who is to hold it responsible. What jury can indict a Congress or what court try it?

The old State bank system was about as bad as any imaginable. In their case there were several causes to nullify the benefits of bank issues under State supervision. The multiplicity and diversity of the State laws was in itself a fatal objection, and it proved in practice that in newly settled States the legislatures and other authorities lacked the experience to frame just banking laws and to execute them properly. It is doubtful if a worse currency can be invented than was the State bank paper currency of ante-bellum times.

It remains then, that for daily traffic a currency consisting largely of paper is best adapted to the habits and requirements of the people of this country. Paper can most safely be issued by banks under supervision of the general Government. This fact has been proved in America, in England and upon the Continent, where the tendency for many years has been toward the English system, somewhat modified. Therefore we conclude that as it becomes more and more difficult for the national banks to procure Government bonds as security against circulation, the banking laws should be modified so as to allow of some other kind of security. It might be no harm if the name national should be discarded, since it gives rise to a prejudice, as well as to an assumption on the part of ignorant people that the banks are not only creatures of the Government, but constitute an integral part of it, and that the interests of their shareholders may be disregarded at will. In the interest of the people, however, the banks of issue should be under the supervision of the general Government. The feature of uniformity in the style of notes is also excellent and should certainly be maintained.

RESUMPTION IN ITALY.

Italy has just succeeded in placing a loan for the purpose of carrying out a plan for resuming specie payments. The present paper currency is of two kinds, one part being issued on behalf of the State, by what is called a "consortium," or syndicate of banks. The issue of this portion began in 1866, and increased from 50 million dollars at the close of that year to 188 millions in 1876, since which time it has remained stationary. The other portion of the paper currency is composed of notes issued by six banks, which, like the State notes, have a forced currency, but for which the banks themselves, and not the Government, are responsible.

The notes of the banks increased from less than 50 million dollars in December, 1866, to about 145 millions in September, 1880. The total issue of both kinds of paper on the latter date was somewhat more than 330 million dollars.

It was originally intended that the forced currency of the notes issued by the banks on their own account should cease at the close of 1880. It was, however, prolonged by the resumption act, until December, 1883, after which time the notes will be payable in coin on demand. At present the six banks have a specie reserve of over 26 million dollars, of which 13 1 2 millions are gold and the remainder silver. As this is too small a cash basis for their large circulation, it is expected that in addition to the Government's demand for gold, some purchases will be made for the banks.

On July 1st, next, the State issue is to be taken out of the hands of the banks, and at certain dates, to be fixed subsequently, it will be made payable in cash at the Royal Treasuries. The recent loan of about 130 million dollars is to be principally applied to the redemption of these notes. By the end of 1882 the State issue will be reduced from

188 million to 68 million dollars, and it is supposed that the circulation will then be at par with gold.

Regarding the probable success of the scheme, the London "Economist" says: "By the mere expectation of resumption the value of the Italian paper money has been lifted up almost to par, and there seems no reason to doubt that as soon as action is taken to redeem the notes, and thus correct the redundancy to which their depreciation is due, their value will be placed on an equality with gold. And as we have seen in the case of France and the United States, when the real value of a paper currency has been made to correspond with its nominal value, the actual resumption of specie payments is effected without difficulty or disturbance. The transition is so easy as to be almost imperceptible. It will, of course, be necessary for the Italian Government to possess at the time of resumption, a stock of specie suffient to give confidence in the perfect convertibility of the 13 3-4 millions of notes left outstanding. Already, however, it has the neucleus of such a fund, since there is at present in the Treasury nearly 3 millions of gold and silver coin, and if it continues as now to realize in its budgets a surplus of revenue over expenditure, the small additional amount needed to constitute an adequate specie reserve will doubtless be provided.

The business of the railroads during the year 1880, as shown by Poor's Railroad Manual for 1881, was, if not profitable enough to warrant the great rise in the prices of shares, still much more satisfactory than several years back. The increase in the mileage during the year, was for 7,174 miles, against 4,721 miles in 1879, and 2,687 in 1878, making the total length of railroad operated 93,671 miles. In 1873, just before the late era of depression, the total mileage was 70,278, the increase since that year being 23,392 miles. In 1873, upon 66,237 miles operated, and of which reports of earnings were received, the net earnings were $183,-810,562, and the dividends paid $67,120,709. In 1877, upon 74,112 miles, the net earnings were $170,976,697, and the dividends $58,556,312. In 1879, upon 82,223 miles, the net earnings were $219,916,724, and the dividends $61,681,470. Upon 84,225 miles in 1880, the net earnings were $255,193,436, and the dividends paid amounted to $77,115,411. The capital and funded debt of the railroads included in this enumeration, increased from $4,762,506,010 in 1879, to $4,897,401,997 in 1880, while the net earnings increased from $219,916,724 to $255,193,436, and the dividends paid increased from $61,681,470 to $77,115,411 in the same year. Were it not for the present ruinous competition, the earnings of the railroads during the present year would bid fair to far exceed those of any previous year.

DISTRIBUTION OF GOVERNMENT BONDS.

A report just issued by Special Agent Robert P. Porter, of the Census Bureau, gives much interesting and valuable information regarding the ownership of Government bonds. The holders of the registered bonds are divided as follows:

Private individuals and corporations	$644,990,400
Foreign holders	27,894,350
National banks (to secure circulation)	319,937,800
Six per cent. bonds	180,928,700
Total	$1,173,749,250

After omitting the banks and the foreign holders it appears that the aggregate number of holders of four, four and a half, five and six per cent. registered bonds is 80,802, and that the aggregate amount held is $825,917,100. The following shows the number of holders and amounts held of the various registered loans;—

LOANS.	Number of holders.	Amounts.	Holders, per cent.	Am'nts, per cent.
4 per cent	55,278	$384,742,800	68.41	46.58
4½ per cent	10,745	125,631,300	13.30	15.22
5 per cent	7,091	134,616,300	8.78	16.29
6 per cent	7,688	180,928,700	9.51	21.91
Total	80,802	$825,917,100	100.00	100.00

At the time when these statistics were in preparation the sixes were all payable in ten cities, and they are therefore omitted from the following calculation:—Of the total number of holders (73,114) of four, four and a half and five per cent. registered bonds, 42,262 are males, 29,325 females and 1,527 are corporations; and of the amount held the males own $327,185,500, the females $90,353,350, and the corporations $227,451,550. The average per capita for the male holders is $7,741 84, for the female holders $3,081 10, for the corporations $148,953 20, and for both sexes and the corporations $8,821 70. Of the total amount of the bonds mentioned (after omitting the banks and foreign holders, $644,990,400), $410,279,400 are held in amounts of over fifty thousand dollars; $58,730,600 in amounts varying from twenty five thousand to fifty thousand dollars; $59,143,850 in amounts from ten thousand dollars to twenty-five thousand dollars; $41,079,900 in amounts from five thousand to ten thousand dollars; $33,070,950 in amounts from twenty-five hundred to five thousand dollars; $22,032,550 in amounts of over one thousand and up to twenty-five hundred dollars; $13.097,-250 in amounts of over five hundred and up to one thousand dollars, and $7,555,900 in amounts of less than five hundred dollars.

Of the 73,114 holders, 37,256 or fifty-one per cent. reside in one hundred and seventeen cities of the United States, and of the aggregate amount--$644,990,400—it is shown that $549,200,600 or eighty-five per cent. is held in these cities.

The following table shows how the holders of registered bonds are distributed among the four geographical divisions of the United States:

LOCATION.	Male. Number.	Male. Rate per cent.	Female. Number.	Female. Rate per cent.	Corporations. N'mber.	Total. N'mber.	Total. Rate per cent.
New England States	14,633	34.62	11,989	40.85	....	26,619	36.40
Middle States	18,723	44.30	12,580	42.90	.....	31,303	42.82
Southern States	1,721	4.07	914	3.13	.....	2,635	3.60
Western States	7,185	17.01	3,845	13.12	.....	11,030	15.00
Banks, insurance, trust companies, &c	....		....	.....	1,527	1,527	2.09
Totals	42,262	100.00	29,325	100.00	1,527	73,114	100.00

Following is a statement showing the amounts held by the various classes of holders in the different sections of the country:

LOCATION.	Male. Amount.	Male. Rate per cent.	Female. Amount.	Female. Rate per cent.	Corpor'n. Amount.	Total. Amount.	Total. Rate per cent.
New England States	$50,142,500	15 33	$20,829,550	23.06	....	$70,972,050	10.00
Middle States	223,225,150	68.22	55,783,100	61.74	.. ..	279,008,250	43 26
Southern States	10,241,250	3.13	2,898,550	3.21	....	13,139,800	2.04
Western States	43,576,600	13.32	10,842,150	11.99	....	54,418,750	8.44
Banks, trust companies, insurance, &c	....	... ..	... .	......	$227,451,550	227,451,550	35.26
Total	$327,185,500	100.00	$90,353,350	100.00	$227,451,550	$644,990,400	100.00

It will be noticed that while over thirty-six per cent of the holders reside in the New England States, not more than eleven per cent. of the aggregate amount of bonds are credited to New England. On the other hand over forty-two per cent. of the holders have their residence in the Middle States, and upward of forty-three per cent. of the aggregate amount of bonds is held in that section. Over three and one-half per cent. of the holders reside in the Southern States, and about two per cent. of the bonds are held there. In the Western States are fifteen per cent. of the holders and nearly eight and one-half per cent. of the bonds. The banks, insurance companies and other corporations, representing in number only two per cent. own about thirty-five per cent. of the bonds.

A further analysis shows that Massachusetts with only three and one-half per cent. of the total population of the country has twenty-three per cent. of the bondholders, while New York with over ten per cent. of the population has twenty per cent. of the bondholders. Ohio has over six per cent. of the total population and over five and one-half per cent. of the bondholders. Illinois and New Hampshire each has over four per cent. of the bondholders, while the former State has over six per cent. of the total population of the country, and the latter only six-tenths of one per cent. Oregon has the least number of holders, 14, and Massachusetts the highest, 16,855. The District of Columbia contains more bondholders, in proportion to its population, than any of the States of the Union, the ratio being 1,320 in each 100,000. Massachusetts, which has the largest number of bondholders, has also a greater number in proportion to her population than any other State. The New England States lead in this regard, excepting that New York takes precedence over Maine. The Middle States take high rank in the proportion of bondholders to their population, while in the Western and Southern States, with a few exceptions, a very small percentage of the population is represented in the total number of private holders.

PHASES OF FRENCH FINANCIERING.

It may be stated, perhaps, that capital like all other products—and capital is in fact a personification of human labor—requires in these days new tools, and almost new articles to work upon. With the constant accumulation of capital, especially in Europe, it is seen that the banks of the present must go out into the highways and byways both to attract deposits and to make them fructify. The French market offers some features at the present moment, so peculiar that they may be said to be worthy of a place in the history of financial customs and ways in the Nineteenth Century. The successful payment of the German indemnity, and the fact which it disclosed, of the vast amount of dormant capital which existed, owing to the thesaurizing proclivities of the

French peasant, whetted the appetite of the speculator. The first attempts to utilize this capital by launching immense enterprises by means of joint stock companies, backed up by equally imposing banks in embryo, were not over successful from the investor's point of view. But the disasters of Philippart and others have had no effect. Since 1874 these financial enterprises have only increased in number and in size, until at present there are quoted on the Paris Bourse of these half-joint-commercial companies, half-speculative-banks, no fewer than fifty-one, as follows:

	Number of Companies.	Subscribed Capital.	Paid-up Capital.
		Francs.	Francs.
French Companies	44	2,134,500,000	962,000,000
Foreign do	07	530,000,000	244,000,000
Total	51	2,664,500,000	1,206,000,000

The procedure in forming one of these companies is one which has not yet been followed, by even such an enterprising people as we are generally credited to be. A well, if not favorably known, financier buys a column or a page in a Paris paper. If rich enough, he has a paper all to himself. A company with an immense capital is formed to carry out some industrial, or mining, or railway work. Then a special bank is formed, more acquisitions are made—new processes for making asphalt, it may be, are bought up; old, and it may be inferred, worn-out quarries are "secured," the market is "rigged," the "organ" plays louder than ever, the shares go up, and finally up goes the *Société*.

But there is no limit to the ingenuity of the speculators—and now the fashionable financial "craze" in Paris, is the *Caisse de reports*—institutions, the special function of which is to lend money on public securities—a kind of respectable pawnbroking for shabby-genteel people. These banks also do a "little" discounting, but as the genus is comparatively new, it may be assumed that all its functions are not yet defined. The capital of such banks should be larger, however, than that of deposit banks, and the notice of withdrawal should be longer and in general, and according to a fixed rule. It will thus be seen that this bank forms an intervening link between the Credit Mobilier (by which term is simply meant an association of individuals under the name of a bank, which is authorized to invest in real estate and speculative enterprises), and the true bank of deposits.

But there is another form, of which the activity of French financiers takes, that affects banking interests more nearly. One of these Sociétés, *the Union Générale*, instead of establishing branch offices in foreign countries, has preferred to stimulate the creation of "national" banks, and obtain a controlling interest in their stocks. Thus the Société established an "Austrian" bank in Vienna, and then with the aid of this latter had a "Hungarian" bank started in Pesth. The branch could only be a branch, but a seemingly independent institution, with all the prestige of heavy capital, might turn out a most profitable investment to the shareholders of the *Union Générale*. The connection with, or rather, the interest which this Société had in the business of these banks has been adroitly turned to account to "bull" the shares of the the *Union Générale*, which issued at 500 francs, with only 125 francs paid-up, are now quoted at 1,200 francs. So that the original lucky shareholders make 1,000 francs on an actual outlay of 125 francs. When the bubble bursts, it will be only the late buyers who will suffer.

By way of reply to those who urge a retaliatory tariff policy in England, the London "Economist" makes the following telling argument: "Out of the total imports for the year [1880], 183,221,900*l* worth consisted of articles of food, this class of imports showing an increase as compared with 1879 of 14,094,000*l*, or 8 1-4 per cent. Of the raw material chiefly used for the manufacture of textile fabrics, the value of the imports was 83,585,000*l*. and of the exports 22,024,000*l*, leaving 61,560,000*l* as the value of this class of goods retained for use here. Of articles in a manufactured condition, our imports for the year are valued at 44,363,000*l*, and the re-exports at 3,813,000*l*, leaving 40,550,000*l* as the value of the goods retained for home consumption. As compared with 1879, this shows an increase of 4,437,000*l*, or 12 1-4 per cent.; but the proportion of the value of manufactured goods to our total imports is less than a tenth, and it is obvious, therefore, that any attempt on our part to retaliate upon nations that lay import duties upon our products, by imposing similar duties upon their manufactures, would be comparatively ineffectual. If we are to retaliate with effect, it must be by taxing the imports of food and raw, or partly wrought materials, which constitute the great bulk of our imports, and to tax these is to enhance the cost of living and the cost of production, to our own evident injury."

The exports of British produce during last year were greater than those of 1879 by $157,643,440, or 16 1-2 per cent., the amount being larger with nearly every country traded with. The exports to the United States were 52 million dollars greater. During the past seven years Great Britain has gained about 83 million dollars in gold, on balance. She has lost during the last two years, however, over 35 million dollars in gold—22 millions in 1879, and 13 millians in 1880. During the whole period of seven years she has been largely a debtor on foreign transactions, and if it be true that trade balances have to be settled in specie, Great Britain has only begun to pay the balance she owes. But it is not true.

TRANSACTIONS AT THE LONDON CLEARING HOUSE.

Editor of Rhodes' Journal of Banking, New York:

SIR:—I beg to forward you the subjoined statistics, showing the working of the Bankers' Clearing House for the year ended on the thirtieth of April, 1881, which is the fourteenth during which these statistics have been collected. The total amounts for the fourteen years have been:—

	Total for the year.	On Fourths of the Month.	On Stock Exchange Account Days.	On Consols Settling Days.
	£	£	£	£
1867-1868	3,257,411,000	147,113,000	444,443,000	132,293,000
1868-1869	3,534,039,000	161,861.000	550,622,000	142,270,000
1869-1870	3,720,623,000	168,523,000	594,763,000	148,822,000
1870-1871	4,018,464,000	186,517,000	635,946,000	169.141,000
1871-1872	5,359,722,000	229.629,000	942,446,000	233.843,000
1872-1873	6,003,335,000	265,965,000	1,032,474,000	243,561,000
1873-1874	5,993,586,000	272,841,000	970,945,000	260.072,000
1874-1875	6,013,299,000	255,950.000	1,076,585,000	260,338,000
1875-1876	5,40[illegible],243,000	240,807,000	962,595,000	242,245,000
1876-1877	4,873,000,000	231,630,000	718,793,000	223,756,000
1877-1878	5,066.533,000	224,190,000	745,665,000	233,385,000
1878-1879	4,885,091,000	212,241,000	811,072,000	221,264,000
1879-1880	5,265,976,000	218,477,000	965,533,000	233,143,000
1880-1881	5,909,989,000	240,822,000	1,205,197,000	265.579,000

The total amount of bills, cheques, &c., paid at the Clearing House during the year ended the thirtieth of April, 1881, shows an increase of £644,013,000 as contrasted with 1880.

The payments on Stock Exchange Account Days form a sum of £1,205,197,000, being an increase of £239,664.000 as compared with 1880.

The payments on Consols Account Days for the same period have amounted to £265,579,000, giving an increase of £32,436,000 as against 1880.

The amounts passing through on the fourths of the months for 1881 have amounted to £240,822,000, showing an increase of £22,345,-000 as compared with 1880. At the same time I may observe that four consols settling days fell on fourths of the month, while there only happened one last year. This would account for a considerable portion of the increase.

Messrs. Derbyshire & Pocock, the Inspectors of the Clearing House, have been good enough to prepare for me the above figures, which will, I think, be interesting to many of your readers.

I am, sir, your obedient servant,

JOHN LUBBOCK, Hon. Sec. London Bankers.

15 Lombard street, 2d May, 1881.

LOCAL INDEBTEDNESS.

The literature and statistics of local taxation, both in this country and in Europe are not of a very satisfactory character. The Cobden Club some years ago, published an interesting volume on the local government and taxation of different countries, in which some light was thrown upon these important questions by exhibiting the origin and nature of various systems of local government actually at work. as well as comparing their merits and demerits. But the defect in this volume, as recognized by the Cobden Club, is the absence of any notice of the local institutions of some of the most important countries, such as the constitutional monarchies of Italy, the Austro-Hungarian State and the Scandinavian kingdoms, as well as of the republics of the United States and Switzerland. The late Mr. Dudley Baxter wrote, in 1874, a little volume on local government and taxation, but did not attempt to do more than point out the gigantic increase of the total rates and the workings of the poor law in Great Britain. Palgrave, in his work on "Local Taxation," undertook to make a complete inquiry in this field, and treated the questions involved from a statistical point of view. Mr. Goschen's well-known and exhaustive report, made about the same time as Palgrave's, sufficiently demonstrated the difficulty of obtaining precise information as to the aggregate amount spent by local authorities, both in England and on the Continent. At that time Mr. Goschen succeeded in obtaining approximate data from the French authorities, but was obliged to acknowledge that no accurate accounts could be procured of a portion of the communal income and expenditure. In Prussia the same desire has been felt to collect reliable information as to the total extent of their local burdens, and the same irritation at the difficulty of obtaining complete reports. For more than twenty years efforts have been made to secure exhaustive scientific returns, but the same difficulty which has so often baffled other countries in their attempts in this direction has baffled also the Prussians—the difficulty of compelling the vast number of local authorities, dealing with different rates, and often with overlapping jurisdictions to fill up forms on the same principle, however minute the direction given might be.

M. Paul Leroy-Beaulieu, in his great work, "*Traite de la Science des Finances*," devotes only one chapter in two eight-hundred-paged volumes to the important subject, and the dearth of statistical data in the chapter clearly points out the difficulties which even this eminent political economist could not overcome. Parieu devotes the seventh volume of his "*Traite des Impots*," published in 1867, to *Des Taxes Provinciales.* This is probably the most exhaustive treatise on the local finance of France, but owing to the changes since the work was published, it is useful only for comparison.

M. Joseph Körösi, Director of the Bureau of Statistics of Budapest, has recently published two volumes relating to this subject. A large portion of the second volume on local taxation and debt is taken up with an exposition of the thousand difficulties he encountered. While the Hungarian statistician has not surmounted them all, he has certainly done his work with patience, exactitude and clearness, and it possesses many incontestable merits.

General Walker, the eminent Superintendent of the United States Census, is making every effort to present the country with a complete budget of the local finances of every State of the Union. The following table gives a summary of the total number of counties, cities, villages, townships and school districts which have been dealt with from the Wealth, Debt and Taxation Division of the Census Office:—

Civil Division.	Total Number of Places Reported.
Counties	2,400
Large cities	311
Cities of 1,000 to 7,500 population	2,000
Other municipalities	5,137
Townships	11,651
School districts, exclusive of Kansas, Kentucky, and ten other States without school district system	93,038
Total	114,537

To the above number must be added over twelve thousand school districts in Kentucky and Kansas, which were received from the respective States in bulk, giving a total of about one hundred and twenty-seven thousand minor subdivisions, and from this number the officers of over one hundred and twenty thousand have cheerfully responded with voluntary reports, payment being demanded in only a comparatively few cases. Sufficiently complete returns from the States, counties, cities, towns, townships and other subdivisions of the country have already been received to warrant the statement that a complete exhibit of the local indebtedness will be given. This will show the purposes for which the debt was contracted, the interest it bears, the dates of issue and maturity. It is probable that a very satisfactory statement of local taxation will be given, but some perplexing difficulties stand in the way of absolute accuracy in the analysis of receipts. It is hoped however that the work in this direction, when completed, will be the most thorough exposition of local finances ever made in any country, and that it will form a valuable basis for comparison. The digests of the laws relating to taxation, and the methods of assessing property for purposes of taxation of the different States, will not be the least useful part of the inquiry, and will aid in bringing about a more uniform system of taxation and a reorganization of the administration of local affairs.

In England, according to a recently published memorandum, there are no less than twenty-three distinct kinds of local authorities, differently constituted, having different but often overlapping and interlacing areas, using different periods of account and levying separate rates or contributions on different bases and valuations. No care in abstracting the accounts of these authorities could possibly elaborate a clear budget of local finance. It is certain that the effects of this confusion are more than mere statistical perplexity, and that it has an important tendency to perpetuate waste and extravagance.

Judged by the golden maxim of M. Say, that "the very best of all plans of finance is to spend little, and the best taxation of all is that which is least in amount," the municipal taxation of England can hardly be called successful. More than forty years ago the poor rates in England and Wales reached so high an amount that a revision of the system under which they were administered was imperatively called for. After the passage of the poor law amendment act, the poor rates in England fell in three years from $31,586,275 to $20,223,705. Unfortunately however since that time these rates have greatly increased, not only in amount but in proportion both to the value of property assessed and to the population. According to the most accessible data, the increase of local taxation in England is very marked.

Competent authorities estimate that in England the present local indebtedness is not far short of $750,000,000. Of the $573,415,010 of debt, as given in 1878, $424,866,605 are secured on rates; $139,323,405 on tolls, dues and rents; $9,225,000 on duties. An analysis of these different amounts shows that $230,919,640 of the nearly $425,000,000 secured by rates, was created for urban sanitary purposes; that $59,493,530 was expended by the Metropolitan Board of Public Works; $35,994,500 by the School Board (and still later reports show that the Public Works Loans Commissioners had advanced for educational purposes in England $47,992,770; and that further loans had been recommended, which would increase the amount to $56,303,580); the next largest item is for borough purposes, $32,105,410; Poor law, $21,303,835; County, $15,060,585; Metropolitan Local Management, $11,239,975; Drainage and Embankment Commission, $7,847,240; Burial Board, $7,949,260; with some other unimportant items, which make the total of nearly $425,000,000. Of the amount secured by tolls, dues and rents, $113,672,180 was created by the harbor commissions; $17,655,000 by the city of London.

An analysis of the local indebtedness in the United States will show that two-thirds of it is owned by a few of the large cities, and in

England, the metropolis, with some six or seven large cities, is the debtor for at least the same proportion. For example:—

The city of London is indebted to an amount in excess of........	$25,000,000
The metropolis outside the city...........................	70,733,500
Birmingham..	25,000,000
Liverpool...	20,000,000
Manchester..	22,250,000
Bradford..	12,159,910
Leeds...	18,067,650
Halifax...	5,317,000
Huddersfield......................................	5,423,010

The rural sanitary authorities have been much more economical than the city authorities, and rural total liabilities amount to $2,258,-400 against $230,919,640 for the urban sanitary authorities. The rate debt created by the county authorities in England, amounting, as we have seen, to $15,060,585, has been chiefly for asylums and prisons, while over $21,250,000 has been borrowed on the security of the poor rates. In England during ten years the ratable value of property has increased about ten per cent.; local expenditures about forty per cent.; and local indebtedness sixty per cent. The same increase has taken place in Belgium. The communal fund, formed by the State by means of deducting from its own resources, has increased sixty per cent. in seventeen years—from 1861 to 1877. The local taxes in the large cities have not increased in less proportion. According to an official document, the taxes, properly speaking, inscribed in the budget for Anvers, Malines, Bruxelles, Lourain, Bruges, Courtrai, Gand, Mons, Tournay and Liege, the ten principal cities of the kingdom, amounted to $1,595,-331 in 1854, to $1,944,820 in 1860, and $2,476,949 in 1866. This does not comprise the taxes since then replaced by the communal fund. From this it will be seen that from 1854 to 1866—the latest data at hand—there was an increase of fifty-five per cent.

It would be equally useless to look to Italy for commendable economy in the administration of local finance. The large cities of this country are all singularly involved, to a greater extent even than the French and English cities. Florence, for example, has a budget relatively heavier than that of the city of Paris. From recent statistics the budgets of the Italian provinces, which were only $5,400,000 in 1862, increased to $16,400,000 in 1874. The communal budgets, which show aggregate receipts of $45,805,000 at the time of the creation of the Italian confederation, increased to $74,000,000 in 1874—nearly seventy per cent. in fourteen years. The expenses of the large Italian cities are very great. Those of Florence especially are considerable, and it is generally claimed to be the heaviest taxed city in Europe. It is taxed almost as much per capita as Paris, although the city is much poorer. Leroy-Beaulieu, in his work on this subject, says: "These Italian cities are all the more to be pitied, since, while having the taxes to pay, they do not profit by the receipts from this taxation. Out of $27,200,000 which the various imposts brought in, in 1874, the communes had, for their account, only $15,800,000, the remainder, $11,400,000, going to the State."

The following table shows the total bonded, floating and gross debt, the sinking funds and the net debt of every city of the three hundred and eleven cities in the United States having a population of seven thousand five hundred and upward, summarized by the five geographical sections of the country:—

Sections.	Bonded Debt.	Floating Debt.	Gross Debt.	Sinking Fund.	Net Debt.
New England States	$113,931,573	$6,528,164	$120,459,737	$21,278,514	$99,181,223
Middle States	386,861,355	12,156,181	399,017,536	81,318,202	317,699,334
Southern States	64,082,648	6,501,589	70,584,237	5,671,806	64,912,431
Western States	109,961,269	3,008,727	112,969,996	7,091,269	105,878,727
Pacific States & Territories	7,259,615	244,803	7,504,418	1,831,715	5,672,703
Total	$682,096,460	$28,439,464	$710,535,924	$117,191,506	$593,344,418

The statistics of this class of indebtedness were so imperfect for 1870 that it would be useless to make any comparison. I have however been able to obtain a summary of the State debts of the various States in the Union by geographical sections, for five periods beginning with 1842:—

Section.	1842.	1852.	1860.	1870.	1880.
New England States	$7,158,274	$6,862,265	$7,398,060	$50,348,550	$49,979,514
Middle States	73,348,072	79,510,726	86,416,045	79,834,481	45,672,575
Southern States	73,340,017	64,499,727	93,046,934	174,486,452	113,967,243
Western States	59,931,553	42,993,185	49,395,325	44,018,911	36,565,360
Pacific States and Territories	....	2,159,403	....	4,178,504	4,547,389
Total	$213,777,916	$196,025,306	$236,256,364	$352,866,898	$256,732,081

While local indebtedness has grown during the last fifteen years at a very rapid rate, State indebtedness does not show such large increase. The aggregate of the State debts to-day only exceeds by about thirty-seven million dollars the aggregate of the same class of indebtedness forty years ago, yet the assessed value of property since then has increased over thirteen billion dollars. The aggregate State indebtedness is fully one hundred million dollars less now than it was in 1870, but this is largely owing to the amount repudiated and declared invalid by the Southern States. The following interesting table shows the increase in the assessed valuation of the real and personal property in the same sections of the country; table for 1842 is imperfect:—

Section.	1842.	1852.	1860.	1870.	1880.
New Eng. States	$410,680,000	$1,128,194,515	$1,606,468,193	$2,717,562,801	$2,499,113,899
Middle States...	1,141,360,000	1,593,256,934	2,773,302,936	4,393,728,339	5,316,699,137
Southern States	799,900,000	2,489,426,300	4,861,970,635	2,433,253,840	2,226,144,381
Western States.	223,000,000	879,666,617	2,643,662,209	4,026,368,368	5,532,159,699
Pacific States & Territories....	....	26,986,647	158,679,582	327,183,551	683,946,984
Total......	$2,574,940,000	$6,117,531,013	$12,014,083,615	$13,898,096,899	$16,258,064,100

In 1842 the Western States were in debt $59,931,553; the Southern States $73,340,017, and the Middle States $73,348,072. In 1852, the first reliable report of the valuation of property, the Southern States exceeded in wealth the Middle States by $896,169,366, and the Western States by $1,609,759,683. To-day the debts of the two latter sections are $45,672,575 and $36,565,360 respectively; while the South, before repudiation, owed $273,205,185, and to-day recognizes $113,967,243 debt. The valuation of property in the Middle States has increased since 1852 from $1,593,256,934 to $5,316,699,137; of the Western States from $879,666,617 to $5,532,159,699; while the Southern States, partly owing to the removal of slaves from the personal property column of the auditors' books—which has in nowise impoverished the States—and partly due to a general undervaluation of property, has decreased from $4,861,970,635 in 1860 to $2,226,144,381 in 1880.

We regret to say that the tabulation of the county debts is not yet sufficiently advanced to be given with any degree of certainty. It is possible that this class of indebtedness may reach as high as one hundred and fifty million dollars—and the debts of the numerous small cities, villages, townships and school districts will not improbably make a total of two hundred and twenty-five million dollars. Our local debt would then be about as follows:—

Net debt of large cities..	$593,344,418
State debts................	250,732,081
County, village, township and school district debt (estimated)..	225,000,000
	$1,069,076,499

This would give us a total net local indebtedness of $1,069,076,499, or about fifty-six per cent. of the national debt of the United States.

I am inclined to think that within the last five years the reform in our municipalities has been far more earnest and far more effective than that for which some writers give us credit. In England, the most recent statistics I have at hand, which I borrow from the annual report of the Public Works Loan Board for 1880, and from the report of the

Local Government Board for 1879, bring out the fact that during the last ten or fifteen years enormous sums have been raised under the operation of public and local acts of Parliament passed within that period, at a rate which is becoming alarming. Besides the loans contracted by the local authorities the Government for certain other purposes acts as the lender through the medium of the Public Works Loans Board, created for that purpose. The local indebtedness for the year 1872-3 amounted to $400,000,000; at the end of 1873-4 it stood at $427,500,000; in 1874-5 it was $464,100,000; in 1875-6, $498,271,090; in 1876-7, $531,511,925, and in 1877-8, $573,415,010.

A recent writer in the "Edinburgh Review" has in my estimation very ably pointed out this unsound system of making the State the money lender to the minor civil divisions or municipal corporations and other commissions having exclusively to do with local affairs. Even the chairman of the Board of Public Works Loan Commissioners has declared himself very strongly against the conversion of the Board of Commissioners into a financial department of the State for loaning money for all sorts of works. "The State," he says, "has no business to be a money lender at all. It is only from exceptional necessity that the existence and action of such a board as that can be tolerated." His main objections are that the Government ought not to interfere in the matter of loaning money. They are not capitalists; they have no surplus. On the contrary, they are largely in debt, and can never lend unless they begin by borrowing; therefore it its not their office; and the only circumstance which can in the least justify their intervention is the occurrence of some great public necessity which has to be dealt with immediately, and dealt with upon terms which would make it difficult or impossible for those who are to be assisted to obtain aid, in a pecuniary sense, from the general money market.

The truth is that the people of England seem to be awakening to the fact that it is easier and cheaper to borrow from the Public Works Loan Commissioners than it would be for communities to obtain their loans through ordinary money lenders; the Board are not so strict about their security; their terms are cheaper, and there is always a feeling that if the locality cannot pay, on an appeal the State will be apt to relieve them.

The question of local indebtedness is serious enough in our own country, and if the Government here was to set up as a money lender to our municipalities it would be difficult to imagine the outcome. The large amount of money which has already been remitted in England by the Public Works Loan Commissioners has been for the wildest pieces of folly ($752,500 for instance of the $1,250,000 advanced for the construction of the Thames Tunnel.) On the other hand there have been advances for useful public purposes, but frequently made on inadequate security.

Great as the abuse of municipal indebtedness is, I think we can afford to take a more cheerful view of it than at any period since the close of the war. The population of the country, and especially of the cities, has almost resumed its wonted decennial increase. Our financial condition was never sounder, and the development of our vast resources, the increase of our industries, are the wonderment of the world. The United States to-day is the country of all others that is occupying the attention of the world, as is fully demonstrated by the recent influx of immigration. With these bright prospects, it means a great deal to be able honestly to say that the affairs of our cities are being conducted more strictly on true business principles than ever before in our history. It may be truthfully urged, as Emerson would put it, that our States have been passing through a period in their financial history as necessary as lactation, dentition and puberty to the human individual. The population tables recently issued by the Census Office show this to be true as to population; let the masses of this great republic once awaken to the full meaning of this burden of debt and excessive taxation, and it is hardly probable the tax-payers and better element of these municipalities will suffer a relapse. Let the accounts of these cities be more simply kept; let that wretched delusion, with its attending perplexities, the sinking fund, be abolished; let the bonds be honestly paid and promptly destroyed; let the local authorities cease making a mystery of simple business transactions; let our great municipal corporations avoid too much party politics, and the reform so earnestly begun by the large cities will pass along down the line until it will permeate every city and hamlet in the country. Well may we say of these cities that

"'Tis honest government they want, and wanting it,
Party politics no garment to their backs can fit."

A little more of the old-time devotion to public affairs, a closer scrutiny of the tax levy, and of the purposes for which the money is expended, with additional safeguards on debt-creating will help on the good work. ROBERT P. PORTER.

WASHINGTON, D. C., July 25, 1881.

The Internal Revenue Bureau is still engaged in making examinations of banks other than national, in the principal cities, for the purpose of ascertaining if the full amount of the tax imposed on their capital by the internal revenue laws has been paid. The examination will cover all the principal cities.

The assessments on the capital and deposits of banks other than national during the last fiscal year were considerably larger than those of the previous year. These assessments are made semi-annually, in November and May. A statement just prepared by the Commissioner of Internal Revenue shows that the excess for May, 1881, over November, 1880, amounted to $285,176, or 13.8 per cent., and for May, 1881, over May, 1880, to $409,997, or 19.4 per cent.

TAXATION OF DEPOSITS.

The cashier of a Western bank writes:

"We have read the item on the taxation of deposits, in the July issue of RHODES' JOURNAL, and say *Amen* to every word of it. Banks must have relief from that unjust tax, or there will be some strong talk before long."

It is not to be wondered at that many banking men grow impatient of the burden under which they are causelessly staggering. But the only thing to do under the circumstances is to lay the case before the people on every possible occasion in a dispassionate and business-like manner. This may not be very consoling advice to those who believe themselves unjustly oppressed, but there seems to be no other means of relief at hand. This means ought to be tried. If the case were fully and fairly stated in print—in pamphlets or papers which might be freely distributed—the effect upon public sentiment could not but be great.

If the "plain people," who are in the majority, were made to understand how the present tax is a war tax, how onerous it is, and how it injures every branch of trade, they would not tolerate it for another year. It is doubtful if most people realize that after all the banks, including State and national, have paid their taxes to the State (amounting in the case of the national banks to $7,603,232, or 1.7 per cent. upon their capital) they are still liable to the General Government for tax upon circulation (amounting to $3,182,308), upon deposits ($6,569,485), and upon capital ($1,190,860). These make a total government tax of $10,942,755, not including the check stamp tax, which should be counted as it bears upon the banking business. The State and United States taxes upon the national banks for the fiscal year 1880 amounted to 3.2 per cent. of their capital, while the average dividend upon capital and surplus for the six months ended September 1, 1880, was only 3.18 per cent. If these and other pertinent facts were brought before the people the banks would have some chance of relief.

In treating this question *a propos* of the coming Banker's Convention "Bullion" advises the convention instead of airing grievances to "address itself to the task of considering how the banks can best care for and foster the interests of producers." "Let the fact once be generally known," it says "that banking institutions are of inestimable value to the people, and that bankers are earnestly striving to increase their usefulness rather than their profits, and friends will rise up everywhere to liberate banking from its thralldom. If the convention will consider the question, how banking facilities can be furnished to the remote Western village as cheaply as in New York city, it will be engaged in far more satisfactory work than in railing against taxation, no matter how unjust it is."

The advice is doubtless well intended, but we doubt if it will be considered practicable by bankers or well calculated to effect the purpose aimed at. To attempt to gain the goodwill of those who are opposed to the banks by establishing more banks, would be a suicidal policy. It might be asked: "How can cheap banking facilities be afforded in Colorado, where the State tax is 3.4 per cent. of the capital and the total tax is 6.7 per cent., or in Idaho where the local tax is 3.5 per cent., or in Montana where the same tax is 3 per cent." It is expecting a little too much of business men that they should expend money in practically demonstrating the usefulness of banks to those who can see no use in the present banks, excepting for taxation purposes. The only practical method seems to be to demonstrate to the understanding of *the people* the evils of the present conditions—the usefulness of banks to every kind of business and the injury which results from the burdensome taxes.

PREVENTION OF MONETARY PANICS.

So long as the causes of commercial crises are a matter of doubt and dispute, it may seem perfectly useless to attempt to show how they may be prevented. But this does not necessarily follow. For instance: When small-pox was committing such dreadful ravages some hundred and fifty years ago many physicians and scientists were doubtless most anxiously investigating the nature and causes of the disease, with a view to its prevention. But the discovery happened to be made that inoculation with the cow-pox was efficacious, and in the course of time the general practice of vaccination was found to have almost destroyed the power of one of the deadliest foes to humanity. The cure in this case was found and administered not by a process of reasoning, or scientifically, but empirically.

To take another familiar illustration, a man who is looking for a salubrious location does not find it necessary to first investigate the nature of malaria and decide what kind of places are or are not liable to it. That would be the scientific method, and it is the best one, provided its results be always carefully tested by experience. But among the manifold things upon which men have to decide every day there are only a few regarding which our knowledge is extensive and correct enough for this method. So the man in question merely inquires whether malaria has shown itself in a place heretofore or not, and decides accordingly.

It is announced that the causes of monetary panics will probably be a subject of discussion at the coming meeting of the Bankers' Association, and a more interesting and important subject could hardly be chosen. Several theories regarding it have been noticed in this JOURNAL, but none that has so far been formulated has received general assent. But they all agree in one respect, *viz.:* that for their practical application in the prevention of crises it is necessary that full and correct data, statistics, etc., be prepared and published. Whether crises be caused by over-production or under-production, or waste of capital, or overdoing the credit system, or speculative rise in land values, the fact remains that, in order that people may know whether the prevailing conditions at any time are such as to produce a crisis, statistics of the various kinds of production, of wages, rent, etc., must be kept. And in order that the general public may act according to the knowledge thus acquired, it must have the widest promulgation.

The importance of commercial statistics and news in aiding trade can hardly be over-estimated, and it may be safely predicted that the benefit which the business world has derived from this source is trifling, when compared with what it will gain in the future, as the means and methods of obtaining and compiling information become perfected. The way in which they may be used to prevent panics is very simple. Where full and correct data and statistics have been kept for a series of years, let the different cycles and periods be carefully compared and the conditions which characterize panicy times can doubtless be recognized without much difficulty. If this work were carefully and honestly done, and the results widely published, it should have a great effect in preventing monetary crises, as a panic foreseen is a panic prevented.

The great waste of capital in foolish enterprises during times when money is abundant and business active, might surely be in a large measure prevented by the publication of true information, not only regarding such projects but about others more reliable, so that people might make an intelligent choice. In so far as the waste mentioned is responsible for commercial crises, they might be prevented by the promulgation of correct news and figures.

By this means, together with the development of methods for rapid communication, have the terrible famines that used to desolate the various countries of the world been avoided. And in like manner it is considered not improbable, that in time commercial crises may become a thing of the past, even before their causes become well understood or agreed upon.

POSTAL SAVINGS BANKS IN EUROPE.

In a recent number of the "Journal des Debats" Mons. A. de Malarce gives some interesting information regarding the Postal Savings Bank system in Europe. He says that the system has been adopted in Graat Britain, France, Italy and Holland, and is at present a subject of study in the other countries of Europe as well as the United States. In this connection he observes that the ordinary savings banks of other countries are on quite a different footing from those of England and France; this difference generally rendering the establishment of the Postal Savings Bank system more difficult than in those two countries.

With the English and French the ordinary savings banks are simply intermediary agencies between the saving public and the State; between the depositors and a State bank—the National Debt office in England and the "Caisse des Depots et Consignations" in France—where the deposits are consolidated. There the Postal Savings Banks are only a new kind of collectors of savings by the side of the old, and the funds take the same direction as before, being confided to a State bank.

In most other countries, however, the savings banks carry on their business independently of the State, their managers loaning out the money on various kinds of security, under the direction of special statutes, the officers by this means enjoying a considerable local influence. For instance, the principal savings bank of Vienna, the "Erste Oesterreichische Sparcasse," which has probably the highest credit of any savings bank in the world, handles a sum of savings that at the end of 1879 amounted to more than three hundred and twenty-seven millions of francs (130,374,365 florins, or about $65,000,000). At the same date the three hundred and twenty-four savings banks of Austria had deposits amounting to 1,700,000,000 francs (699,339,200 florins, or about $340,000,000). Of course the managers of this enormous capital and those who are in the habit of receiving favors from them, are strongly opposed to any legislation looking toward a consolidation of part of these popular savings in a State bank, served by the post-office. Thus when on November 26, 1879, M. Lenz proposed a motion in the Austrian Reichsrath inviting the Government to present a law to establish postal savings banks, he was met by a powerful and angry opposition.

The report of the committee having charge of that motion shows that they were profonndly convinced of the utility of the proposed measure, but that their true sentiments were overcome by fear of of-.

fending powerful parties whose interests were opposed to it. The three hundred and twenty-four savings banks of Austria are represented as being ill-distributed among the provinces and quite insufficient in number, there being only one to 68,700 inhabitants, against one to each 5,400 inhabitants in Great Britain. M. Hausner, the chairman of the committee mentioned, has shown how the facilities for saving are greatly increased by the postal savings banks, especially in a country where the temptations to squander money exist not alone in the shape of thousands of taverns, but of thousands of lottery offices as well, where more than sixty millions of francs of the people's money are annually sunk.

M. Hausner also agrees with M. de Malarce, in showing that the savings banks cannot only exist, but prosper, by the side of the postal savings banks. The latter mostly operate in localities not reached by the savings banks, and among customers whose little savings are not much sought by the savings banks. This observation would well apply to Austria where the ordinary savings banks elude the limitation making the maximum deposit five thousand francs, by permitting the same depositor several pass-books, and where they offer high rates of interest to depositors. Thus those banks attract customers three-fourths of whom do not belong to the working class. They only differ from business banks in that they are managed gratuitously and pay no dividends to stock-holders. These banks could therefore prosper in their special sphere of action, which is not exactly that of ordinary savings banks, and the postal savings bank could supplement them even better than in England, and without injuring their business.

M. Hausner follows M. de Malarce in recommending that the rate of interest on deposits be very moderate. The intention of the system being to encourage small savings, by this means the depositor is impelled to withdraw his capital when it amounts to a considerable sum, in order to invest it to better advantage.

In response to the report of M. Hausner the Austrian Chamber of Deputies has passed a resolution asking the Government to carefully consider the matter of introducing postal savings banks paying a moderate interest. In the meantime the friends of the present savings banks are agitating in opposition to the measure.

M. de Malarce calls special attention to a point in connection with this subject: the *livret national* or national pass-book, which is the principal advantage of the postal savings banks. By this system a depositor can deposit or draw his savings at any agency, according to his convenience. The question is being discussed whether a similar arrangement could not be maintained with the ordinary savings banks, in places where the local sentiment is opposed to the establishment of a State savings bank. Publicists of Germany and Switzerland are said to be earnestly studying this matter.

A UNIFORM BANKRUPTCY LAW.

The United States Senate, before its adjournment, authorized the Committee on the Judiciary to sit during the recess of Congress, for the purpose of considering the question of establishing uniform laws on the subject of bankruptcy throughout the country. With a view to ascertaining the opinions of those who are competent to judge the matter, a sub-committee having the Hon. John J. Ingalls for chairman has issued a circular embodying the following questions:

Whether the commerce and business of the country require the early enactment of a permanent national bankrupt act ?

In any measure that may be adopted hereafter, as compared with the law of 1867:

1. Should the officers be compensated by fixed salaries, or by fees ?
2. Should the powers of registers be increased or diminished ?
3. Should the amount of indebtedness authorizing the filing of a petition in voluntary bankruptcy exceed three hundred dollars ?
4. Should composition settlements be continued ?
5. Should the discretionary powers of the Court relative to the granting of discharges be enlarged ?

There is nothing in the present condition of business to specially call for the immediate or early enactment of a national bankrupt act. But as a matter of principle, every business man will agree that in the various States the laws regarding the collection of debts, the obligations of debtors and proceedings in bankruptcy ought to be uniform. There has been considerable newspaper discussion recently about whether this country is a Nation or not. So far as it is a political question we have nothing to do with the matter. But so far as business is concerned there can be no dispute that the dissimilarity of the various State laws respecting the collection of debts tends to destroy credit, and the commerce which is based on credit.

While the evil which arises from the present system is apparent and palpable, the benefit is imperceptible. Of course where Congress makes a law for all the States, to supersede State laws, there is need for great care in its drafting, but the chances are that this work will be better done in Congress than by the average legislatures. An illustration of some of the differences in question will prove how useless they are, and at the same time how detrimental they must be to commerce between the States. Four of the principal States which are contiguous have been chosen, although by taking States wider apart much greater discrepancies could doubtless be shown.

In the case of a foreign attachment in the State of Connecticut, if the debt is due but not payable, execution is stayed until the debt becomes payable. In New Jersey execution can be stayed in justices' court by giving freehold security, for six months, if the judgment be over $60, and for a shorter time for smaller amounts. In Pennsylvania on sums over $500 execution can be stayed one year, and a shorter time on smaller amounts, while in New York there are no "stay laws" whatever.

In Connecticut the note of a married woman is binding, if she be married since March 16, 1877, and in case of a recorded mutual contract made since that time by a husband and wife, married prior to that time. In New Jersey a married woman may bind herself to the same extent as if she were single, excepting that she shall not be an accommodation endorser or surety, nor be liable on any promise to pay a debt, or answer for the default or liability of any other person. In Pennsylvania the note of a married woman is not binding unless it be given for necessaries, or for improving her separate property; nor in New York, excepting the note relates to or is made for the benefit of her separate estate, or it expressly charges her separate estate, or when it is created in her own trade or business.

In New York and New Jersey judgments are outlawed in twenty years, but in New York they are a lien against real estate for only ten years. In Pennsylvania and Connecticut judgments are never outlawed, but in Pennsylvania after twenty years, payment may be presumed.

In New York, Connecticut and Pennsylvania judgment may be obtained upon interest charged upon an open account, but in New Jersey it cannot.

In Connecticut and New Jersey assignments cannot be made preferring certain of the creditors, but in New York they can. In Pennsylvania a preference made in a deed of assignment is void, but a transfer made prior to the assignment would be valid if made for a *bona fide* debt.

In Connecticut an assignment by a debtor will dissolve an attachment previously issued, but in New York, New Jersey and Pennsylvania it will not.

The acceptance of a dividend will discharge a debt in New Jersey, but in Connecticut and Pennsylvania it will not. In New York, under an assignment for the benefit of creditors it will not, but under the Insolvent Law, or "Two-thirds Act" it will.

Regarding the release of an insolvent from his debts the laws of the various States differ very widely. In Connecticut a discharge can only be obtained upon payment of seventy per cent. of the debts. In Pennsylvania it requires the consent of all the creditors. In New York, under the "Two-thirds Act," if two-thirds of the creditors residing in the United States unite in a petition for the insolvent's discharge, he may obtain a discharge from all debts due to residents of the State, to the petitioning creditors and creditors accepting a dividend under the proceedings. Under present conditions it appears that an insolvent may obtain his discharge in bankruptcy in his own State, but may still be liable to arrest in another State where his discharge is of no effect.

The exemption laws of the different States exhibit differences comparable to the above.

The fact that such discrepancies exist, and that it is necessary for merchants and all who do a credit business of any extent, to take account of them in every transaction, seems to leave no room for doubt regarding the necessity for a uniform bankruptcy law.

The general experience teaches that the system of paying officers by fees instead of salaries is a bad one. The fees are bribes to officers, which too often tempt them to neglect the interests of those whom they are legally bound to serve. Where an officer, for instance, is paid according to the number of hearings or meetings, how adjournments are made from time to time on the most trivial pretexts, while the interests of those for whom the proceedings are carried on are shamefully neglected! It was a strong objection to the last national bankruptcy laws, that it was for the interest of registers and assignees to cause delay and expense in litigation.

Where proper appointments are made, the powers of registers might be safely made more comprehensive than under the old law. They should be empowered to hold meetings and hearings in various parts of their districts, according to the convenience of suitors. Under the law of 1867, the parties in bankruptcy cases, with their counsel, had often to go long distances to court at great expense and trouble. If registers had the power to dispense with written examinations at discretion, much of the expense which the old law entailed might be avoided. The power to set aside fraudulent or secret liens should be enlarged.

Under proper provisions of law the privilege to settle by composition may safely be allowed: that is, in the case of a blameless debtor, who may thus be able to compromise satisfactorily to his creditors, without the expense and delay of more formal proceedings. He will often thus be enabled to save the good-will of his business, while the creditors will receive as much or more than by means of regular bankruptcy proceedings. The law might guard the rights of creditors by prescribing the minimum share which shall be paid in cash, and providing that the remainder be amply secured before the debtor resumes his full rights as a trader.

It is an open question whether an honest debtor who has surrendered all his property and done what he could to settle his estate in the interest of his creditors, should not be discharged even without their assent. In any other case he is liable to be persecuted through spite or caprice, or perhaps compelled to make promises for the future to unscrupulous creditors in order to obtain his discharge. But no debtor who has been guilty of fraud, or who, being a trader to a considerable amount, has failed to keep proper accounts, or who has given preferences which the preferred creditor has failed to surrender, should receive a discharge.

THE BANKS OF ANCIENT TIMES.

I.

It is a mistake to suppose that banks were unknown in ancient times, although they were essentially of different character from those of the present day. The immense extension of the exchange business, and of banking operations in general, are a product of modern civilization. A writer in the "Journal des Economistes" says:—"The *Saraf* of Constantinople or Smyrna, sitting at the corner of a street with a pile of coins, the total value of which is never over twenty thousand francs, can alone give us an idea of the banker of hoar antiquity, whose sole operations were confined to changing coin, and lending out money at usurious rates. This limited field of banking was owing to the state of credit itself, which it might be said was unknown. The Indians, according to Elien, neither borrow, nor know how to borrow, and we have no contracts or agreements from them. The Persians considered debt a crime, because the debtor is obliged to lie; besides, they had a sort of contempt for financial transactions of all kinds, as being opposed to their warlike character. The Israelites loaned money at interest and usury according to all probability, for Moses seemed to have encouraged the taste of his people for lending to strangers (Deut. xxiii. 19; Psa. xiv.; Ezra xviii.). Homer advises to avoid debts. The error that money was not productive in itself existed for a long time. Even in Greece, where the interest on money was considered as payment for a service rendered, bankers were regarded unfavorably, and often subjected to the grossest insults—their profession was compared to the vilest and even classed as infamous. Among the expressions bestowed on them were: *obolostate* (obolos weigher) "miser," "mean wretch," "dirty fellow," "cummin seed splitter," etc. The evangelical writings give bankers hardly any better treatment (St. John II. v. 15.). Diodorus tells us that even from loans without written acknowledgment, the debtors would be declared absolved if they made a declaration of not owing. Creditors could never reduce debtors to slavery. These laws were introduced from Greece into Italy. Even twenty-five years ago in Greece, a debtor was not obliged to pay interest, if he could show that the interest already paid was equal in amount to the capital. According to all the testimony which comes down to us, the money changer of those early days, and later even the banker, were persons of low extraction. They were generally foreigners or freed slaves from Corinth or the Ionian Islands, where credit institutions had been established at an early date. The profession was not regarded as that of a free man—the banker himself was always represented as old and feeble, with a frown on his forehead, and with a bundle of old worm-eaten papers in his hands—melancholy in mind and always preoccupied with his business, which consisted in investing his capital at usurious rates.

The multiplicity of coins and the difference even of their relative purity, the rudimentary state of the bill of exchange, the limited state of credit, and the difficulties of travel—all these combined to furnish business for the money changer. But with the course of time the money changers and the usurers became bankers. Their principal business was to make other people's money fructify, but they soon began to add their own, and to become depositaries of capital, for which they generally paid a small rate of interest. They loaned money on pawn, mortgage, real estate, and on speculation. They continued the money changing, which was still very profitable, and they often put their capital into various industrial undertakings, such as the manufacture of arms, furniture, etc. When the business day (or as we might say here "banking hours") was over, these bankers led a retired life, and often left considerable fortunes, as in the case of the father of Demosthenes, and the father of Apollodoros. The first-mentioned left a bank, and a factory of beds and a sword factory, of an aggregate value of fourteen talents. The latter left a bank, which brought in annually about one hundred minas, and a manufactory of shields or bucklers—to the total value of some twenty talents. But it must be said that those bankers had nothing in common with the street-corner money changers. They had counting houses, cashiers, bookkeepers, secretaries, and employes of various grades. Their children were carefully educated, and often played an important part in politics, as we shall see farther on. Let us not forget to state, however, that then, as now, bankers often were bankrupt, and that their capital went under (Demos. *pro Phorm*, 1st pleading). They had great credit in all the large commercial houses of Greece, and they derived such strength from this support that Apollodoros rather vainly states "that he could borrow wherever he wanted, being the son of Pasion, who was in relations with a great many foreigners, and whose credit was established throughout the whole of Greece." These bankers were so greatly respected, and their credit stood so high, and gave so much confidence that not only were contracts entered into with them without witnesses (Isocrates), but silver and notes were deposited with them, and acts were sealed and opened in their presence, as is now the case before public officials. Loans were sometimes made from motives of friendship, and generally without interest or mortgage, and with or without witnesses; and these loans, mention of which is made in Demosthenes, could not be negotiated like others. In other cases recourse was had to an engagement (cheirographon) which was usually written on papyrus, or to a regular contract written by a third party on a diptych, which was signed by the witnesses, and entrusted to the care of a changer.

For various acts and writings various articles and materials were employed—fragments of vases, the shoulder bones of oxen, strips of bark, tablets of papyrus, hide skins, parchments, marble and bronzes. When loaned money was paid back again, there were several witnesses along with the debtors, "in order to make the bankers more indulgent." Money changers and bankers usually had the following "shop furniture:" a pair of scales for weighing precious articles and coins, from whence their appellation of "obolos weighers," and of the profession itself, oboloslatike. The touch stone and the trebuchet, for examining the exactness or deterioration of coins, from whence their appellation of *dokimastai*. A cash box and a bag, usually of dogskin, in which the precious articles and the register were put, and the whole sealed up every night.

Every banker, and in fact almost everybody, carried a pocket diary, consisting of one or two leaves of ivory, which were coated with wax. These pocket diaries became afterward pocket-books. The wax coating easily allowed corrections to be made. Different books were used, but the vagueness of their names and the uncertainty of their use render it impossible for us to institute any comparison between them and those at present in use. We know indeed that custom house registers were kept—that is, records of exports and imports. A book of public debtors was kept in the Acropolis, which resembled somewhat our records of mortgages. A passage in Demosthenes gives some details as to how bankers kept their books. If a sum was deposited with instructions to pay it to a third party, there was added in the margin "Pay to such a one," and his identity had to be established before delivering money. The entry in Pasion's books of a deposit which gave rise to the law suit known as Callipe's, was as follows: "Lycon, of Heraclea, sixteen hundred and forty drachms. Pay to Cephisiades. Cephisiades will be introduced by Archebiades of Lamptra."

There was no system of double entry bookkeeping, as some writers maintain. Arabic numerals were unknown, and their books could be only a confused collection of memoranda more or less divided into categories. The Roman bankers had indeed a more complete method of keeping their accounts. Their business was of a wider range, for they were at the same time public officers, money and note changers, brokers and notaries. They bought and sold, and drew up all the necessary deeds. The *Codex* was, however, a kind of memoranda book, as a passage in Pliny shows. Bankers in Rome were obliged to keep their counting houses open through the entire year. These houses were considered a patrimony, were bought and sold and often let out to clerks or slaves. These houses were a rendezvous for the idle and the vicious of both sexes. They were mostly around the Forum, near the Temple of Castor.

[*To be continued.*]

The lamented attempt upon the life of the President has brought before the public perhaps more forcibly than ever before, the expediency of civil service reform. Viewed as a matter of business it does not appear why the Government should not follow those simple rules which govern every business concern in its appointments. That is, the Government having certain work to do in its various departments, why should not it take measures to choose the men best fitted for that work? Again, in filling vacancies which occur in the lower classes of offices, it is the rule in all well-regulated establishments, such as banks, insurance companies, and other business concerns, to give the preference to officers or clerks employed in the next lower department. The advantages of this arrangement are so apparent as to be hardly worth discussing. By no other method can the *morale* of any body of men be kept up, as by the incitement to ambition which is offered by the chance of promotion on account of efficiency and faithful attention to duty. But there are reasons far more powerful to be urged in favor of reform in the method of appointment to public office. The low tone of public morals which exists, may be in a great measure directly traced to what is becoming known as the "spoils system." No improvement can be hoped for so long as public offices are used as perquisites of politicians and rewards of partisan service, instead of for the good of the public. The time and energies of those who control appointments are so absorbed by the importunities of office-seekers that important interests of the Government are made to suffer. In July, 1877, Mr. Garfield, now President, said: "One-third of the working hours of Senators and Representatives is hardly sufficient to meet the demands made upon them in reference to appointments to office. * * * The present system * * * impairs the efficiency of the legislators; * * * it degrades the civil service; * * * it repels from the service those high and manly qualities which are so necessary to a pure and efficient administration; and finally, it debauches the public mind by holding up public office as the reward of mere party zeal." To this may be added the testimony of Secretary Blaine, who has never been known as a civil service reformer, and who is reported as saying that nine-tenths of the time of the new administration has been taken up by office-seekers. This reform demands the effort of every business man. It may not be generally known that a society called the "Civil Service Reform Association," and composed of gentlemen of high standing, is endeavoring to keep the question before the public. Their headquarters are at No. 44 Pine street, New York.

BANKING AND FINANCIAL LAW

AND REPLIES TO QUESTIONS.

[The Editor of the Law Department of RHODES' JOURNAL will furnish, on application of subscribers, detailed information regarding any case referred to herein, or will answer questions in banking law.]

RESPONSIBILITY FOR PAYMENT OF A "RAISED" DRAFT.

The Susquehanna Valley Bank, Appellant, *vs.* Charles W. Loomis, as Executor of Justus Pickering, deceased, Respondent. Court of Appeals, New York.

Following is a summary of the opinion of Danforth, J.

It appears that on the fifth day of June, 1877, The First National Bank of Plainfield, N. J., made and issued its draft upon The First National Bank of New York for $25, payable to the order of William A. Palmer; but prior to the twelfth day of June, 1877, it was so altered by some unknown person that when on that day a stranger brought it to plaintiff's banking house, it bore date the sixth day of June, 1877, instead of the fifth, was for $1,200 instead of $25, and payable to the order of William Brown, instead of William A. Palmer; that the stranger then and there applied for the money on said draft; that the defendant came to the bank with the stranger. The plaintiff on such application purchased the draft, and paid the amount of it to the stranger. The defendant's signature was then on the draft as an indorser. The money was paid to the stranger, but not until after the defendant left the bank. From the order in which these events are stated by the trial judge, and the particularity of the detail, it may be fairly inferred that the indorsement by defendant was at the bank, and intermediate the application and the purchase; and this inference is strengthened by other facts. Thus plaintiff's case against Pickering rests solely on the draft and his indorsement, aided by no finding of collateral circumstances. It is found that he put his name upon the draft as "an indorser." He is bound then by no other legal obligation than as an accommodation indorser, as he received no portion of the avails of the draft. His engagement as indorser was in general terms to pay the draft to any holder for value whose title was derived through the payee, provided it was duly presented to the drawee and payment refused by it, and due notice of non-payment given to him. *Hall* v. *Newcomb*, 7 Hill, 416; *Spies* v. *Gilmore*, 1 Coms. 321.

The judgment of the Special Term cannot stand upon the performance of any of these conditions. The draft was sent by the plaintiff to its correspondent, The National City Bank, for collection, and after the usual course through the clearing-house, was paid to it by the drawee. It is contended by the defendant that the obligation of his testator was thus fulfilled. But, on the other hand it is urged "that by indorsing the draft he guaranteed its genuineness in all its particulars, including the amount of money for which it called," and as the drawee afterwards credited back to the Plainfield Bank the money with which it had charged it, and the National Bank repaid the money it received to the drawee, and the plaintiff to the National Bank, that the testator, as indorser, is bound to pay to the plaintiff the money which it paid the stranger for the draft. It must be conceded that the Plainfield Bank was at least entitled to have refunded to it the difference between the true sum for which the draft was issued, and that to which the check had been altered; and in like manner, that the plaintiff would be entitled to recover from the stranger to whom it was paid the same amount of money. *Hall* v. *Fuller*, 5 B. & C., 750; *Mer. Bank of N. Y.*, v. *Ex. Bank of N. O.*, 16 Lous. Rep., 357; *Turnbull* v. *Bowyer*, 40 N. Y., 456; *White* v. *Con. Nat. Bank*, 64 *Id.* 316; but it by no means follows that the principle by which this right is upheld applies to this case.

None of these authorities apply to the case of an accommodation indorser, who neither owned nor held the paper or received the money sued for. In the case at the bar the plaintiff knew that this was the position of the indorser, knew that he was not the holder of the paper, that he claimed no right to receive the money, and by the fact that the *payee* presented the bill with the defendant's name thereon as second indorser, was chargeable with notice that the defendant was an accommodation indorser. Nor were the facts upon which the plaintiff now seeks to recover within, or presumed to be within, the knowledge of the defendant, and not of the plaintiff.

There are, no doubt, cases in which an indorser is liable without notice of non-payment. *Bickerdicke* v. *Bollman*, 1 Term Rep., 405, is said by Parke, B., in *Carter* v. *Flower*, 16 M. & W., 743, to have made the first exception to the general law which requires notice. There the indorser knew the draft was not to be paid. In *The Mechanics' Bank* v. *Griswold*, 7 Wend., 165, the indorser had all the maker's property. Such exceptions are to be regretted, as nice distinctions were thus introduced into the law, and a plain and intelligible rule departed from. Such exceptions should not be multiplied. It has been held that a bank certifying a check in the usual form simply certifies to the genuineness of the signature of the drawer, and that he has funds sufficient to meet it. It does not warrant the genuineness of the body of the check, as to payee or amount.

In the *Marine National Bank* v. *the National City Bank*, 59 N. Y., 67, where the plaintiff certified a check which had been altered by changing the date, name of payee, and raising the amount, and subsequently paid it to the defendant, it was decided by this Court that the money so paid could be recovered back from the defendant who had received it. The defendant in the case before us might be held responsible for the truth of facts presumed to be within his own knowledge, and for an implied affirmation that so far as he was connected with it, the draft was not defective. It is not denied however that the signature of the drawer was genuine, nor that the person presenting the draft, and for whose accommodation Pickering indorsed it, was the payee appearing upon its face at that time. *The trial Court does not find that the payee's name as indorser was forged;* it finds no undertaking on the testator's part save that of an indorser; and we concur with the General Term in the opinion that his liability was not established. He had all the rights and privileges of an indorser, was subject only to the obligations which that relation imposed, and as he was not charged according to the law merchant, he cannot be held.

As the above views lead to an affirmance of the order appealed from, the respondent will, by force of the stipulation which made the appeal possible, be also entitled to judgment absolute.

POINTS ON MOTION FOR RE-ARGUMENT.

The Appellant's brief on motion for a re-argument of the above case contains the following points:—

First: the Court of Appeals overlooked the point that the original payee never indorsed the draft. The effect of this was first, to leave the instrument now negotiable, and second, to render it impossible to properly and legally demand payment of the draft.

1. By the law merchant a bill or note was negotiable only when payable to bearer, or payable to a certain payee, and indorsed in blank by that payee. In the case at bar, William A. Palmer, a different individual from William Brown, "another man," as the teller testifies, was the payee of the paper in suit. The paper in suit is a $25.00 draft, payable to the order of William A. Palmer. That draft has its own identity. It is true some person has altered it to make it resemble another draft, issued the following day by the same bank. But the identity of this $25 draft is not changed. This $25 draft has never been in dorsed by the payee. The failure to have on it the indorsement of the payee made the bill not negotiable.

The effect of the draft not being negotiable was, among other things, to make the indorser liable without presentation or protest. *Richards* v. *Warring*, 1 Keyes, 576.

2. As the payee had never indorsed the draft it could not be pro-

perly and legally presented for payment, so as to lay the basis for charging an indorser. In order to properly demand payment as a foundation for charging an indorser, the paper must be in such a situation that the drawee can properly pay it. If the drawee pays to any person other than the payee, or the indorser of the payee, it extinguishes no rights in the draft or bill. The original payee can recover, on proving that he has not in fact ever indorsed the draft, or assented to its payment to another. *Graves* v. *the American Ex. Bank*, 17 N. Y., 205. *Welsh* v. *the German-American Bank*, 73 N. Y., 424.

Now in the case at bar, before the draft in suit could be dishonored, the signature of the payee must have been put upon it (*and not erased*, 57 N. Y., 253), yet the signature was not on it. Under the circumstances, a presentation of the paper for payment could not be made, in any proper or legal sense. There is no default on the part of the bank. It does not refuse to pay. It is not properly asked to pay. It would be absurd to say payment was *demanded and refused*, when the bank stands ready and willing to pay, and is only waiting for the proper demand to be made. Therefore the draft in suit was not capable of being presented for payment. To require, therefore, as a condition precedent to absolute liability on the part of Mr. Pickering, that the draft could have been presented and dishonored, and notice given of such presentation and dishonor, is to require that which was and is impossible.

Second: When the draft in suit was presented to the drawee, the latter was ignorant of any wrong, recognized the genuine signature of the drawer, and (if we disregard the question of the lack of the real payee's indorsement), properly paid the draft. That the drawee had a right to pay (if we disregard the lack of the real payee's indorsement) is well settled. *White* v. *The Continental National Bank*, 64 N. Y., 316.

Can a draft be properly paid, and at the same time dishonored for non payment? It is impossible. Now neither will the law require, nor had Mr. Pickering a right to require, such an impossible thing.

SALE TO A NATIONAL BANK OF ITS OWN SHARES.

Johnston *vs.* Laflin. United States Supreme Court. Appeal by plaintiff from a decree of the Circuit Court of the United States for the Eastern District of Missouri.

The owner of shares in a National bank, which he believed to be solvent, sold them to a broker for a consideration, executing a power of attorney in blank, authorizing their transfer on the books of the bank. The shares were purchased by the broker, but without knowledge of the owner, for the president of the bank. The latter caused the name of his clerk to be inserted as attorney, the clerk then transferring the shares to the president as trustee, on the bank's official stock register. The president purchased the stock for the bank and with its funds. The clerk knew of this fact, but neither the broker nor the owner did. *Held*,

that the sale to the broker could not be impeached as in violation of the statute forbidding the purchase by a National bank of its own shares.

The facts appear in the opinion filed by Justice Field, of which the following is a summary.

The appellant, the complainant below, is the receiver of the National Bank of the State of Missouri, which failed on June 20, 1877. The defendant Britton was president of the bank and Laflin was owner of eighty-five shares of the stock. On May 16, 1877 Laflin, who had no personal knowledge of the bank's condition, sold his shares to a broker to whom he delivered his certificate of stock, with a blank power of attorney authorizing any person whose name might be subsequently inserted, to transfer it on the books of the bank. Laflin did not know for whom the stock was bought, but it was, in fact, on account of Britton the president of the bank, Britton paid his individual check for the stock, had it transferred to his name as trustee on the stock register, and voted upon it. He however caused the transaction to be entered by Geralt, the book-keeper, on the stock ledger in an account with him as "trustee of the bank." The amount of the check paid by him was credited to his individual account and charged to "sundry stock account." So that the entries showed that Britton bought the stock for the bank with its own money, although neither Laflin nor the broker knew these facts.

The present suit is brought by the receiver of the bank to set aside the purchase of the eighty-five shares, to compel Laflin to repay the money received, and Britton to retransfer to him the shares on the books of the bank, and to have him declared to be still a stockholder in respect of those shares.

The statute declares that no association shall be the purchaser of any shares of its own capital stock, unless the purchase be necessary to prevent a loss upon a debt previously contracted. The purchase by the bank, through its president, in the present case was not made to prevent such a loss. The receiver, therefore, starting with the conceded fact that the purchase by the bank was illegal on its part, seeks to charge Laflin with the consequences of such illegality, as though he had dealt directly with the bank, or knew that the purchase was made for it. He assumes such knowledge by Laflin, because the party with whose name the blank power of attorney was filled, to make the transfer of the certificate of stock, was cognizant of the facts. His argument is substantially this: The transfer of the stock is not complete until made on the books of the bank, and the attorney who made it knew that the purchase was by the bank and with its funds, and his knowledge was the knowledge of Laflin.

"The general doctrine that the principal in a transaction is chargeable with notice of matters affecting its validity, coming to the knowledge of his agent pending the proceeding, is not questioned. Had Geralt, the book-keeper, been appointed by Laflin to make the sale, and had he in negotiating it learned the facts as to the purchase and use of the funds of the bank, there would be ground to invoke the application of the doctrine. But such was not the position of Geralt to Laflin. The sale was consummated, so far as Laflin was concerned, when he delivered the certificate, with the power to transfer it, to the broker. The latter did not mention the name of the principal for whom he was acting. He declined to give it. Laflin had a right therefore to treat him as the principal, and if he was competent to make the purchase the sale was valid. Shares in the capital stock of associations, under the National banking law, are salable and transferable at the will of the owner. They are in that respect like other personal property."

The powers of attorney indorsed on stock certificates are generally printed, with a blank space for the name of the attorney. If the purchaser fill in some other name than his own, it does not so connect the vendor with the party named, as to charge him with the latter's knowledge and thus affect the previous transaction. It is a customary thing, and it would cause disturbance in business to make the filling in of another name than the purchaser's affect the previous sale.

"The further position of the receiver, that the assets of the bank constituted a trust fund for the benefit of its creditors, and where wrongfully diverted, can be followed in whosoever hands they can be traced, may, as the statement of a general doctrine, be admitted. But it has no application to the case at bar. Here no assets of the bank were received by Laflin. What he received came from the broker, the only person with whom he dealt or whom he knew as principal in the negotiation. The circumstance that the purchase was actually in the interest of the bank—though of that fact the broker was ignorant—cannot affect the latter's character as principal, so far as Laflin was concerned, which he bore in the negotiation." The whole case here would be changed if the sale by Laflin had not been made in good faith.

Decree affirmed.

NOTES AND ABSTRACTS OF CASES.

SET-OFF AGAINST OVER-DRAFT IN CASE OF A BANK'S FAILURE—DUTY OF RECEIVER.

In an action by the receiver of an insolvent bank to recover the amount of an over-draft, it was sought by defendant to reduce the amount due from him by applying to his credit balances due from the bank to certain depositors, which such depositors had attempted, by checks drawn on the bank about the time of its failure, to transfer to defendant's account. Certain of these checks which were accepted by an officer of the bank, came into the receiver's hands, and were retained by him, and it was claimed by defendant that this retention amounted to a ratification of the act of the officer of the bank who received them. *Held*, that the act of the receiver could not be so construed. He was the mere officer of the court, and powerless to do any thing except as provided by law or directed by the court. The receiver is described as an officer of the court, a trustee for the creditors and a representative of the corporation. *Devendorf* v. *Barclay*, 23 Barb 659. It has been held that he cannot waive a technical defense (*McEwert* v. *Lawrence*, Hoff. Ch. 175), or the rights of the creditors for whose protection he was appointed. *Reilly* v. *Dusenbury*, 10 J. & S. 238. See, also, High. on Receiv., § 188. If under the authority derived from the statute the receiver in this case had the power to allow a set-off (2 R. S. 469, §§ 68, 74, Laws 1849, ch. 226, § 11), that power did not extend to a case where no mutual debts subsisted at the date of his appointment and a demand had been afterward assigned to effect such purpose. In re Van Allen; 37 Barb. 231. Judgment affirmed. *Van Dyck* v. *McQuade*. New York Court of Appeals. Opinion by Finch, J.

LIABILITY ON A NEGOTIABLE NOTE MADE IN ERROR OR BY FRAUDULENT REPRESENTATION.

The maker of a negotiable note is liable thereon to a purchaser for value, before maturity, without notice of any defect, even if he misunderstood the legal effect of the instrument, or was induced by fraudulent representations to execute it; and this without regard to the question of negligence on his part. Where a question concerns an ordinary transaction, not involving any matter of science or unusual skill, it is the duty of the jury to find upon the facts proven without the intervention of experts. *Rowland* v. *Fowler*. Supreme Court of Errors, Connecticut. To appear in 47 Conn.

JURISDICTION IN CASES INVOLVING NATIONAL BANKS—NEGOTIABILITY OF RAILROAD AID BONDS.

(1) Under the provision of United States Revised Statutes, section 629, giving the Federal Circuit Courts original jurisdiction of all suits by or against any banking association established in the district in which the court is held, under any law providing for national banking associations, those courts have jurisdiction of suits brought by or against a national bank, without regard to the citizenship of the parties, and it has been so held by this court. *Kennedy* v. *Gibson*, 8 Wall. 498. (2) A bond issued by a county in aid of a railroad company set forth that the county was indebted to the railroad company, "or the holder hereof if this bond is transferred by the signature of the president of said company." The bond was indorsed, "For value received this bond is transferred to bearer," which indorsement was signed by the president of the company mentioned. *Held*, that the bond was a negotiable instrument. In order to make a promissory

note or other obligation, for the absolute payment of a sum certain, on a certain day, negotiable, it is not essential that it should in terms be payable to bearer or order. Any other equivalent expressions demonstrating the intention to make it negotiable will be of equal force and validity. Com. Dig., Merchant, F. 5; 3 Kent's Com. 77; Chitty on Bills, 180 (8th ed.); Bayley on Bills, 120 (5th ed.); Story on Prom. Notes, § 44. (3) Defenses in pleas to which demurrers were allowed were set up in other pleas to which demurrers were overruled. *Held*, on defendant's appeal, that whether the court was right or wrong in its judgment on the demurrers was immaterial. "There must be some injury to the party to make the matter generally assignable as error." *Greenleaf's Lessee* v. *Birth*, 5 Pet. 132; Randon v. Toby, 11 How. 493. Judgment of U. S. Circ. Ct., M. D. Tennessee, affirmed. *County of Wilson* v. *Third National Bank of Nashville.* United States Supreme Court. Opinion by Woods, J.

REPLIES TO QUESTIONS.

ROCHESTER, July 7, 1881.

Editor Rhodes' Journal:

A check was drawn on a bank here, in favor of a person who failed to present it for a long time. Is the maker responsible for it, regardless of the length of time?

X. Y.

Ans. The maker continues responsible unless he has suffered loss or injury through the negligence of the holder, and in that case he is discharged of liability only to that extent. If the holder reside in the same place as the bank, the maker is absolutely liable for the check on the day of its date and the succeeding day, but should the bank then fail the holder loses.

CHICAGO, July 11, 1881.

Editor Rhodes' Journal:

In case a note with several endorsements is not paid at maturity and judgment is obtained against both the maker and endorsers, must the execution be first made against the former, or can the holder of the paper choose whom he will proceed against?

R. G. D.

Ans. The holder of the note has the option of collecting from either the drawer or any indorser, as he may consider it expedient.

NEW YORK, July 19, 1881.

Editor Rhodes' Journal:

A customer in Atlanta sent us a draft at three days' sight for collection, with bill of lading attached. The draft was accepted on presentation and we delivered the bill of lading as customary. The draft was not paid at maturity, but was protested, and our customer thinks we are responsible for the surrender of the bill of lading. Is he right?

D. P. & Co.

Ans. If no instructions of any kind were received, you were justified in delivering the bill of lading upon the acceptance of the draft. This matter has been decided by the Supreme Court of the United States.

BANKING AND FINANCIAL NEWS.

The Bankers' Convention.—As already announced in RHODES' JOURNAL, the Annual Convention of the American Bankers' Association will be held at the Pavilion, Prospect Park, Niagara Falls, N. Y., on the 10th, 11th, and 12th August, 1881. Every banking firm, national bank, state bank, trust company, and savings bank in the United States is invited to designate and send one of its officers or directors as a delegate. Each member of the Association has one vote at all general and special sessions of the Convention. The Executive Council will have its headquarters during the Convention at the International Hotel. The Registrar will give information respecting hotel rates, which will be according to the location of rooms. $3.00, $3.50 and $4.00 a day at large first-class hotels, and $2.00 and $2.50 at the smaller houses. To the office of the Registrar, Mr. F. R. Delano, Cashier of the Cataract Bank, Niagara Falls, letters of inquiry and orders for rooms at all hotels, may be addressed at any time before the Convention. To prevent disappointment, delegates should engage their rooms as early beforehand as possible.

The usual invitation tickets issued from the office of the Association, 247 Broadway, New York, entitle all bankers and bank officers invited and designated to attend the Convention, to purchase railroad tickets at the special rates offered for the Convention by the railroad companies. On reaching Niagara Falls delegates will receive from the Registrar, for themselves and for each member of their families, a free ticket to the Pavilion in Prospect Park. This ticket is good only during the sessions of the Convention. The Registrar will sell at his office, tickets to Goat Island, Prospect Park, and the new Suspension Bridge, at fifty cents for each person, and for children under fourteen, half-price. By the courtesy of the proprietors, tickets to these places will be good for the Convention week, including the evening exhibitions of the Electric Lights at Niagara Falls.

The following railroads issue excursion tickets to and from Niagara Falls for members of the Convention and their families at half-rates, good from August 5 to August 20. The coupon card of invitation sent to the banks must be presented to the ticket agent, who will detach the coupon as his voucher for the tickets issued to the delegates. The Erie Railway will issue tickets at 401 Broadway, New York, as well as at the principal stations along the line. The New York Central Railroad will issue tickets at 413 Broadway, only. The Michigan Central, Michigan Southern, Lehigh Valley, Canada Southern, Great Western and Lake Shore Railroads will issue tickets or give information at the principal stations. To save trouble and to prevent delay, delegates should communicate immediately with the railroads and purchase their tickets as early as possible.

We learn that the number of invitations accepted exceeds that of any previous convention at the same stage of preliminary preparation, and that the large gathering of representative capitalists, bankers, and bank officers from the South-west and from all parts of the United States, will confer on the proceedings of this convention great practical value. To the 400 invitations sent to Canadian and foreign bankers a considerable number of replies have been received. A communication was received from Aristarchi Bey, the Turkish Ambassador, who has promised some statistical papers of an authentic character for the convention. The Hon. E. G. Spaulding, Chairman of the Statistical Committee, and Mr. Henry Martin, its Vice-Chairman, have been occupied in completing the official report on the lake commerce and the development of the through trade between our Western cities and Europe. When this report is presented, the Mayor of Buffalo, the Judges of Erie County, and a number of the wealthiest capitalists, bank directors, and merchants of Buffalo, who have been specially invited, will attend the convention. One of the most interesting and important topics that will come up before this convention is financial panics. It is expected that two or three papers will be presented as to the much-talked-of panic which some people believe to be impending. There has been no panic since 1873 in this country, and many persons seriously believe that a panic is now about due in the ordinary course of events. This subject will be considered and discussed, not from the stand-point of solitary thinkers and theorists, but from the point of view of practical bankers.

Another subject which will be broadly considered is the prosperity of our industrial system. In the West for many years there has been singular prosperity. In the South there has been for several years past steady improvement and increasing prosperity. In the bankers' convention last year there was some discussion of this topic, and papers were read discussing the progress of the South, its causes and impediments. The view generally taken by the bankers is that there are three great expedients for improving the South. First, there was a need of more capital there, and the convention will seek to inquire into the means by which capital may be induced to flow southward. Second, there is needed the means or field for the employment of that capital, through the enlargement and strengthening of industrial organizations. Manufactures are already taking root in the South—such manufactures as are suitable to the climate and to the genius of the people. The next great need of the South is workers possessing the active spirit which makes every man in the North, West and East a producer. To this end the increase of emigration to the South will be considered. In respect to the localization of capital the convention will consider the proposed establishment of a *credit foncier*, something like that which proved so serviceable in France, and which has since been imitated with good results in other parts of Europe. It is held that such an organization of capital might do great service in the South in furnishing capital to the owners of land on easy terms. Among others who are now interesting themselves in the organization of labor and capital in the South are Dr. Andrew Simonds, of South Carolina; Gen. John Echols, of Virginia; Mr. Butts, of Vicksburg, Miss.; Joseph L. Stephens, of Boonville, Mo.; Mr. Baxter, of Nashville, Tenn.; and Mr. Hopper, of Galveston, Texas, all of them bankers and members of the convention.

Among other topics which will come up for extended discussion is that of bank taxation. Taxation as it touches the banks and their machinery is claimed to be friction. It makes their mechanism work harder and costs more to work it. And, so far as it does that, the convention and the community of bankers will try to get the Congress and the State Legislatures to relieve them.

The currency question is expected to come in for full discussion, and it is believed that George S. Coe, President of the American Exchange National Bank; President Randolph, of the Continental National Bank; Alexander Mitchell, President of the Marine and Fire Insurance Bank of Milwaukee, Wisconsin, and W. G. Deshler, President of the National Exchange Bank of Columbus, Ohio, will discuss this topic in the convention. This includes the question whether as the greenback currency was a war expedient, it ought to be extinguished as soon as the financial power of the Government and the exigencies of the public credit will allow; or, on the other hand, if the cheapness of the greenback currency, its convenience, and other advantages justify its being made a perpetual currency. And to these arguments a third has been added, namely: that, at the present rate of liquidation of the public debt, the time will at length arrive when the bonds deposited by the national banks as security for their notes will be paid off. In proportion as this contingency supervenes, the substitution of some other security will be necessary. The need of a security which, under our national banking system, can take the place of United States bonds, as the basis of bank-notes has long occupied the attention of members of the Bankers' Association, and some suggestions on the subject were made at last year's Convention.

Comptroller Knox has accepted an invitation to deliver an address to the Convention. He will refer to the close connection of the banking business with the social and material interest of the people, and to some of the modern characteristics of banking in this country; such as the frequent publication of many of the details of the banking business, the preference of the people for paper money rather than gold coin, and the proportion of checks and drafts, and coin and paper money used in daily transactions, giving a summary of the returns received from the banks in response to the circular recently issued. This will probably occupy part of the second day. On the first day ex-Governor Reuben E. Fenton is expected to speak on a subject connected with the history of banking in New York State. Mr. Lloyd Tevis, of California, will probably address the Convention on the same day. Among the speakers will be Mr. Wm. E. Gould, of Portland, Me.

Mr. N. B. Van Slyke, President of the First National Bank of Madison, Wisconsin, will read a paper on "The Ill-founded Prejudice against National Banks." Mr. Van Slyke is believed to be the only living member of the Bankers' Convention of 1859, held at Milwaukee. He was one of the Vice-Presidents in that body. Mr. Speed Stephens, of the Central National Bank of Boonville, Mo., will submit a paper on "Banking, from a Country Stand-point."

Important Monetary Statistics.—Under date of June 24 the Comptroller of the Currency issued a circular to the cashiers of the national banks, with blanks enclosed, which were urgently requested to be filled up punctually. The blanks when filled up were to show the proportional amount of business done by each bank on the thirtieth day of June by means of actual money and of checks, etc., as follows: the amount of cash received in gold, silver and currency respectively, and the amount received in checks, drafts, certificates of deposit and bills of exchange, together with the number of them; also the number and amount of checks, drafts and certificates of deposit on each bank, paid in currency and coin repectively; the same on other banks; the number and amount of checks and drafts on each bank credited to depositors, and the same drawn by each bank on other banks and bankers. The intention of the Comptroller is said to be the compilation of the reports received for the purpose of showing how far checks, drafts, etc., have superseded actual money in ordinary use, a work which will be of great and unique value.

A Washington dispatch dated July 21, says: "Mr. Knox said that the indications are that nearly all the banks will make the reports requested. A large number of returns has already been received, and the clerks are busily engaged in tabulating them. It is found that the returns in regard to receipts are very full and satisfactory, and those in regard to payments fairly so. The Comptroller said, however, that he would issue a new and modified circular soon, asking for reports covering the business of two or three days in September. When these are received, Mr. Knox expects to be able to compile some statistics, which will be of great interest and value, and almost unique. No similar statistics were ever before gathered and compiled except once, and those were very imperfect, having been collected by a banker in London, whose opportunities were, of course, limited."

Miscellaneous Bank Matters.—The private banking house of H. W. Hughes & Co., of Cincinnati, was bought out by a company of capitalists, who on July 21 organized the Union National Bank with a capital of $500,000. H. W. Hughes is president and O. H. Tudor cashier.

The Lincoln National Bank was organized in New York on July 19, with a capital of $300,000. With it is incorporated under the same board, the Grand Central Safe Deposit Company. The head of the enterprise is William R. Grace, the Mayor of the city, who suggested the name of the bank in compliment to Abraham Lincoln. The names of the incorporators are William R. Grace, Cornelius Vanderbilt, F. Vanderbilt, John W. Harper, Mr. Stockwell, of the firm of Tiffany & Co., Ed. D. Morgan, Jr., Fred Kuhn and J. F. Navarro. The dual institution is to be allowed to select any piece of ground under control of the New York Central Railroad about the Grand Central Depot, and is intended to be a convenience to people living on the Harlem, Hudson River and New Haven Railways, both to keep their deposits and make their collections, and to store their securities and silver. The Fifth Avenue Bank, in that region, with only $100,000 capital, has accumulated $200,000 surplus.

The annual report of the New Hampshire Bank Commissioners of the State shows total deposits in sixty-four banks of $32,000,000. The banks have a surplus of $2,225,000.

Reports received at the Bureau of Internal Revenue show that there has been an increase of $117,397 in the assessments upon banks and bankers, other than national, in the Second District of New York city during the last year. The increase during the last six months amounts to $76,765.

The Newark (N. J.) Savings Institution, which is in the hands of the Chancellor, began on July 18 the payment of a 20 per cent. dividend to the old depositors. This makes 80 per cent. in all that has been paid. There are assets enough to enable the bank to pay dollar for dollar.

The Third National Bank was organized at Chattanooga, Tenn., on July 24, with a paid-up capital of $125,000. Dr. William Morrow, of Nashville, is its president, and J. H. Fulton, of Nashville, cashier. The board of directors is composed of Chattanooga business men.

A national bank has been organized at Des Moines, Iowa, by Boston capitalists, with a paid-up capital of $600,000, and which is to be made a general medium of financial negotiations between Des Moines and Iowa enterprise and Eastern capital. It is intended to increase the capital to $1,000,000 as soon as the business of the bank shall grow to a proportion that will justify it.

The shareholders of the Consolidated Bank of Montreal at a meeting on July 26 decided to accept the offer of George Simpson, a broker, of $260,000—little more than thirteen per cent.—for the balance of the bank's assets. The poorer shareholders opposed the acceptance of the offer, but the resolution embodying it was carried. Simpson will pay the amount named in cash and assume the full liabilities of the bank.

Mr. S. B. Brownell, referee to examine and pass upon the accounts of Frank Thompson, receiver of the Abingdon Square Savings Bank of New York, filed his report on July 19. It shows that he collected the sum of $49,407, paid to the depositors and creditors $40,048, disbursed for commissions and expenses of trust $8,162, leaving on hand a balance of $1,196, of which $930 36 is unclaimed dividends. The latter amount has been deposited with the Bank Department. Justice Landon, at Schenectady, on the same date granted an order discharging the receiver from all further liability.

Transportation of Coin and Notes.—A circular was issued by United States Treasurer Gilfillan on July 12, embracing the following changes in the regulation governing the transportation of coin and mutilated United States notes:

1. The registration fee on packages of standard silver dollars and fractional silver coin forwarded by mail by the Treasurer will be paid by the Government.

2. The Treasurer will forward fractional silver coin by express in multiples of $500 at the expense of the Government, for deposits of gold coin or currency, or remittances to his office.

3. The express charges are paid by the Government on worn and mutilated United States notes sent to the Treasurer for redemption in multiples of $500, and on new United States notes returned.

Notice is given that the five cent nickel coins are no longer furnished by the United States Mint, but may be had upon application at any sub-treasury.

Career of a Successful Banker.—The death of James Robb is recorded elsewhere in this issue of the JOURNAL. His career was remarkable in many respects. Several years after his retirement from business, he wrote the following sketch of his business experiences. It is dated Jan. 2, 1877:

This day fifty years ago, in my thirteenth year, I left the home of a noble mother [my father died in 1819], to perform a journey of twenty-two miles on foot, through deep and drifting snows, to begin my career of life, and from that day to this my fortune has been pushed singly and alone; without the aid of a penny from any one, living or dead.

In my twenty-first year I was appointed Cashier of the Branch Bank of Morgantown, Va., at a salary of $800 per annum. I resigned this position in my twenty-fourth year, owing to my removal to New Orleans, where I resided twenty-one years, having during this period made six visits to Europe, and fifteen to the Island of Cuba. I was principal in establishing, from 1838 to 1857, eight banking and commercial firms and agencies, viz: New Orleans, Philadelphia, New York, San Francisco and Liverpool, England, four of which were in existence in 1857. Under the "Free Banking Law of Louisiana," I established the "Bank of James Robb" [resigned in 1856], with a paid-up capital of six hundred thousand dollars, of which I was sole proprietor, except eight thousand dollars. [This bank did not suspend in 1857, and now exists as the Merchants' Bank of New Orleans.]

In 1842 I was elected President of the New Orleans Gas Light and Banking Company, with a paid-up capital of eighteen hundred thousand dollars. Its affairs were in disorder, and its shares depreciated to four dollars per share, for thirty dollars paid. The company in 1842 resumed its dividends, which have not since been suspended, and its shares at one time commanded over eighty per centum premium.

In 1844 the Spanish Gaslight Company was organized for lighting the City of Havanna, privileges being confirmed by "royal order." The original capital was fixed at $300,000, all of which I subscribed, and was made perpetual President of the company. Subsequently its capital was increased to $1,100,000, which was equally divided with the Queen Mother of Spain, Maria Christina, and myself.

In 1854, when this valuable property began to yield large profits, my necessities, owing to engagements for southern railways, amounting to more than $1,000,000, obliged me to sell my interests, which in the sequel proved a sacrifice of more than $300,000.

In 1851 I was made President of the Railway Convention at New Orleans, and from this time may be dated the first successful attempt of Louisiana to construct railways, and the beginning of my misfortunes. In November of this year, I visited Nashville, Tenn., to solicit the co-operation of that State in aiding works of internal improvement, and addressed its Legislature in respect to the same, in pursuance of a message from the Governor, William B. Campbell. In this year I was elected a member of the Senate of Louisiana, for four years—but only served one session.

In 1852 I was elected President of the New Orleans, Jackson and Great Northern Railway; a member of the City Council of New Orleans, and its President; and had I yielded to the solicitation of my friends, would have been selected as the representative of Louisiana in the Senate of the United States for six years, instead of J. P. Benjamin, whose election I both favored and promoted.

In 1857, of the firms established since 1838, there existed James Robb & Co. of New Orleans, Robb, Hallett & Co. of Liverpool, and Tallant & Wilde of San Francisco; the money panic in the autumn of this year caused a suspension of the three former, and on the first of January, 1858, their unliquidated liabilities amounted to $2,833,525, all of which I assumed, completing the final payments, principle and interest, in 1866; about $700,000 of the foregoing was satisfied in securities, accepted by creditors in preference to granting an extension of two, three and four years, with six per centum interest.

In 1859 my residence was changed from New Orleans to Chicago, where I was appointed by the Hon. Thomas Drummond (Judge of the United States District Court), receiver of the St. Louis, Alton and Chicago Railway Company. Upon the organization of a new company in 1862, I was elected its President, which was resigned in 1864, followed by a change of residence to the City of New York.

In 1864 the Presidency of the Atlantic and Great Western was tendered, and accepted at a salary of $20,000 per annun, but resigned within three months, upon the discovery of the fraudulent purposes of its projectors.

In 1865 the Presidency of the Dubuque and Sioux City Railway Company was accepted, and resigned the following year. In the autumn of this year I returned to New Orleans, to establish the Louisiana National Bank, which went into operation in January, 1866, with a paid-up capital of $1,000,000; I was selected as its first President, which office I surrendered in the beginning of 1869.

In 1871 I retired from business with diminished fortune, and in 1873 changed my residence to "Hampden Place," near Cincinnati, where I now reside, having purchased it in 1844 as a home for my mother, whose roof I had left fifty years ago, endowed with her example, her courage, and lesson to guide me, as they have, through the mazes of our uncertain existence and fluctuating fortunes.

My sacrifices and losses since 1847 (thirty years), including exactions under the "Community Laws" of Louisiana, exceed $1,000,000.

My signature is not outstanding for a penny, the remnant of fortune left is equal to my wants, present and prospective; my life one of tranquility, and my daily companions hundreds of authors, who instruct me in wisdom and impart consolations, more precious than riches, neither needed nor coveted.

Bonds Held to Secure Circulation.—The Comptroller of the Currency reports that the national banks held on April 23, 1881, at the commencement of the refunding operations, $213,135,650 of five and six per cent. bonds; $35,000,000 of four and one-half for cent. bonds, and $102,000,000 of four per cent. bonds as security for circulation, and $4,000,000 of Pacific Railroad sixes, making a total of over $354,000,000. The total amount now held is $362,684,000.

They now (August 1) hold $19,000,000 more of extended three and one-halfs than they held of fives and sixes at the time the refunding operations commenced, and about $11,000,000 less of four per cents. All of the five per cent. bonds held by the banks have been extended excepting $4,607,450, which are owned by one hundred different national banks.

Immigration in the Past Year.—The chief of the Bureau of Statistics reports that during the fiscal year ended June 30, 1881, the total number of immigrants arrived at the customs districts of Baltimore, Boston, Detroit, Huron, Key West, Minnesota, New Bedford, New Orleans, New York, Passamaquoddy, Philadelphia and San Francisco was 660,239, as against 451,902 arrived at the same districts during the preceding fiscal year.

The total number of immigrants arrived in the United States during the year ended June 30, 1880, was 457,257. It is estimated that the total immigration into the United States during the year ended June 30, 1881, amounted to about 668,000 persons, indicating a larger immigration than during any preceding year in the history of the country.

New Bank Examiner for Boston.—The Comptroller of the Currency has appointed John W. Magruder Bank Examiner of the City of Boston, under the recommendation of the Boston Clearing-house Committee, in place of C. O. Billings, who has been Bank Examiner for the last six and one-half years, and who resigned to accept the Vice-Presidency of the Globe National Bank, of Boston. Mr. Magruder has been connected with the office of the Comptroller for fifteen years, and has for several years been Chief of the Division of Reports. He has a thorough knowledge of national bank law and much experience in the examination of national banks. The Comptroller says that his appointment as Examiner is a well-earned certificate of competency and industry.

Amount of Bank Deposits.—The Commissioner of Internal Revenue has furnished the Comptroller of the Currency, upon his request, a statement of the gross amount of average deposits of banks, not national, for the year ending May 31, 1881, compared with the same for the corresponding period of the previous year. The deposits of banks and bankers for the first named period amounted to $585,757,421; deposits of saving institutions, $888,858,898; total, $1,467,613,319. For the year ending May 31, 1880, the gross amount of average deposits of banks and bankers, not national, was $469,124,384; of saving institutions, $796,704,336; total, $1,265,828,720, an increase for 1881 of $201,784,599. For the same period of 1880 the deposits of national banks were $900,000,000, and for 1881, $1,110,000,000, an increase of $210,000,000. The total deposits for all banks for the year ending May 31, 1881, was $2,578,000,000. The figures for 1881 are not quite complete, as a few of the smaller banks have not yet reported, which will change the totals slightly.

Savings Bank Deposit and Set Off.—The New Jersey Court of Appeals has just rendered a decision of interest to bank depositors. Just before the Mechanics' and Laborers' Savings Institution in Jersey City failed, Mrs. Bridget Harmon borrowed some money from it, giving a mortgage of real property by way of security. The amount of the loan was placed to her credit on the bank books and she drew against it by check. Before she had drawn all the bank suspended, the mortgage became due, and she refused to pay on it more than she had drawn, claiming that the balance still to her credit on the bank books should be allowed her as an offset against the amount of the mortgage.

The Court of Appeals decides that her real estate is liable for the whole amount of the mortgage, and that for the amount due her as a depositor she must stand equally with the other depositors in taking such dividends as the insolvent institution can pay.

Circulation of Silver.—A friend in the West writes as follows: "I have not time to go into the matter fully, but I think some plan might be adopted whereby a large amount of silver might be floated, and we be better off. According to some figures that I have,

The coinage of gold during 1880, of denominations less than $20, was........	$44,534,159
The amount of United States notes of denominations of $50 and under, in December, 1880, was........	277,986,646
Amount of National Bank notes of denominations less than $20 (Comptroller's report, November 1, 1879)........	213,307,758

Could we not readily float 350,000,000 silver dollars if we could make a place for them? We could also thus get rid of our legal-tender notes, which I think ought to be done soon."

A Plan for Sending Small Sums by Mail.—Postmaster-General James has, it is said, devised a plan for sending small sums of money through the mails at a cheap rate. The device consists of a card having three columns representing dollars, tens and cents, and the amount to be drawn is designated by punching out figures. Two denominations will be issued, one for all sums within $2.50, and the other for all sums within $5. The orders will be payable to bearer, and the post-office will not be responsible for their safe delivery any more than for fractional currency, for which they are a substitute. The orders will be finely printed on bank-note paper.

The postmaster will sell the $2.50 card for two or three cents premium, and the $5 card for four or five cents premium, and will himself punch out the amount paid and the buyer will simply enclose the card in his letter, and the receiver can cash it at any office. The postmaster will enter the amount of the order on a stub, which will be the only check the department will need, as the name of the sender and payee are not entered. In order to prevent the use of the postal orders as currency they are to be redeemable only for three months from the date of issue.

Silver Dollar Circulation.—Superintendent Davis, of the New Orleans Mint, reports to the Treasury Department that he will during the movement of the cotton and sugar-cane crops put out from New Orleans eight or ten millions of standard silver dollars. The annual demand for the silver dollar is thought to be about to recommence, to be followed inevitably by a backward flow of the coin into the Treasury vaults.

Foreign Friends.—Reference is made elsewhere in this issue of the JOURNAL to the amicable relations existing between every section of this country. This is one of the most auspicious signs of the times. It is especially gratifying to read the comments of the foreign press on our recent trial.

Old feuds have certainly worn themselves almost away when a leading London journal makes use of expressions like these in an editorial upon President Garfield:—"The Queen's gracious and feeling words * * * will tend to draw closer the ties of friendship which unite with the ties of blood to make the alliance of the two countries everlastingly indissoluble."

CLOSE OF THE MONETARY CONFERENCE.

After a recess of one month the International Monetary Conference re-assembled at Paris on June 30, and adjourned until July 2.

At the sitting on that date it was resolved to call upon M. Dumas, French delegate, and Mr. Thurman, American delegate, to speak, and afterward hear the views of the English representative. It was also resolved only to discuss chapters 4 and 5 of Mynheer Vrolik's list of questions, as the remaining portions have been covered by previous deliberations.

Mr. Thurman then spoke in favor of bi-metallism. He stated that, though speaking in his own name, he believed he was reflecting the feeling of his Government and Nation. He expressed the conviction that the offers of England and Germany would not warrant the United States in allowing the free coinage of silver. The United States, he said, did not insist on immediate and unqualified bi-metallism, but were ready to accept approaches thereto. believing it would eventually prevail; but they could not incur the risk of alternating the standard through the conflicting or inharmonious action of other States.

At the sitting of the Conference on July 4, M. Magnin, French Minister of Finance, addressed a few words to the American delegates in reprobation of the attempt on the President's life.

M. Dumas, French delegate, urged the adoption of a ratio of 15½ to 1 between the two metals.

Herr Schraut concurred in several of M. Dumas' arguments.

The delegates from Holland opined that the adoption of a double standard would remedy the constant fluctuation in the price of silver, which produced considerable evil.

At the next sitting, on July 6, an Italian delegate stated that Italy was willing to enter into a league with the Latin Union and the United States for a limited coinage of silver for five years, on condition that Germany suspends the sales of silver for that period, substituting silver for small gold coins and small notes, and making silver an unlimited legal-tender at the ratio of 15½ to 1 of gold, and on condition that England makes silver a legal-tender to a higher amount, the minimum quota of the mintage of each State to be proportionate to her population, with the option of exceeding that minimum on certain conditions.

At the session of July 8, Mr. Evarts read a declaration of the French and American delegates, in the names of their respective governments, strongly in favor of bimetallism at 15½ to 1.

On the same day the Conference unanimously adopted a resolution proposed by the French and American delegates, expressing a desire that negotiations shall be opened between the States which participated in the Conference, and that the Conference be summoned to meet on April 13, 1882, to settle the details of a Monetary Convention, which it was hoped would be concluded by that time. The Conference then finally adjourned.

A dispatch dated from Rome, July 20, says: "Italy will dispatch a memorial to the various powers represented at the Monetary Conference, proposing a solution of the monetary problem which Italy regards feasible at the present time. The Italian delegate to the Monetary Conference will probably draw up the memorial."

Purchases of Silver Stopped.—The Treasury Department has not purchased the full amount of silver bullion required by law for coining into silver dollars for several weeks past. The cause of this is that the high prices which have been placed upon bullion by the dealers rendered its purchase impracticable.

HOW TO CIRCULATE SILVER.

Editor Rhodes' Journal:

SIR:—I think it would be well to have those who favor a double standard for our coin to come to a determination as to the amount of silver coin our nation can use and still keep the two metals of equal value for circulation. I will mention a few points that I think should be considered. But I must say here that I have not time to write in detail, and I can only lay down an outline, without giving the reasons that lead me to the conclusions reached.

Gold is the standard of value with the nations that have most of our trade. Of others whose trade we desire, silver is the standard; for this reason, if for no other, we desire the two metals to hold equal value for the purpose of currency, upon some proportion which is fixed. That is, we do not want fluctuation in the value of either. This relative equivalent value, with free coinage of both metals, can only be acquired by the joint action of the European nations with us. The agreement necessary to secure this end does not seem possible at present, for the reason that England thinks we will take her chestnuts out of the fire.

Consequently our silver coinage should be limited to the amount we can use, and hold as of equal value with gold. To do this silver should go into circulation. This can be done, but how? Briefly, my plan is this:

Fix a limit to the silver coinage of say $300,000,000, or even $350,000,000, for the standard silver dollar. So soon as that limit is reached, no more to be coined, unless required; that is, the coinage of the standard silver dollar will be in all respects as the subsidiary silver coinage.

Next, to provide for the circulation of these dollars.

1. Prohibit the coinage of gold in pieces of less value than twenty dollars.
2. Immediately cancel all legal tender notes of less than one hundred dollars, issuing large notes in place of them.
3. Retire legal tender notes, monthly, to the amount of silver dollars coined.
4. Cease to issue silver certificates of any denomination.

The Government should not hold all the coin of the country; it should be distributed, and the banks should hold their share.

5. Retire all the bank notes that come into the redemption agency, under twenty dollars, and forbid the issue of smaller notes.

This plan will provide a place for the silver, and it will go into circulation. But as it is bulky, and people do not like to carry it on that account, I propose that it be treated in such way that national banks will be just as ready to hold it, as any coin. Hence, let the national banks issue silver certificates, in the following manner:

Let the national banks be permitted to issue silver certificates for coin on deposit of amounts, $20, $50, and $100—in form to be determined by the Government. These certificates to be payable to order *at the bank*, and to be cancelled when paid into the bank, the same as ordinary certificates of deposit.

The amount to be limited to the same amount as the capital, surplus and undivided profits of the bank. Personal bonds to be given by the bank that the regulations which may be made by the Secretary of the Treasury will in all respects be complied with. These certificates to be furnished the bank, and to be issued by it as called for. Reports of silver certificates and silver on hand to meet them to be forwarded monthly—and at such other times as the Comptroller of Currency may call for *silver report*, which should be not less than three times monthly. The silver report should cover all the items, as does the general report, but should not be published. General reports as now called for by law should also give a full report of the silver business. Inspection of banks to be made from time to time—not less than three times per year—as may be ordered by the Comptroller. But all inspections of banks issuing silver certificates to be made without cost to the bank.

Next provide for the exchange of silver for gold, so that a bank may pay out a portion of the silver and put gold in place when advantageous.

Do not tax silver in the hands of the banks—that is, silver deposits to be free from the present tax on deposits. Next, let the amount of silver on hand be deducted from the deposits subject to tax.

I may say here that in this place there are times when silver accumulates in the banks, while at others it is very scarce. But none of the banks want to bring much more silver, because of the time when it goes back to the bank, and is locked up—unprofitable. Under the plan I mention we would simply lock up our dollars, and issue certificates of deposit for them; they would circulate freely in our section, and come in when the silver was wanted. The certificates of deposit would make a *local* currency convenient, just as good as gold, because the government held it at that point, and it would be at the places where needed. The great objection which I find to silver here would be done away with—that is, the inconvenience of handling it over.

By the plan I name silver would get into circulation. Under our present laws it cannot be made to circulate, and it would not circulate in this country any better if the silver dollar was in bullion value equal to the gold one. It is simply a question of convenience, provided the amount of coinage is such that the Government holds the two of equal value for the use of the people.

If this plan should be adopted there will be no necessity for Government to provide storage room for more silver.

I might go on and give figures to show that what I suggest is reasonable, and advantageous to the nation. But those who will think over the matter, and look up the figures can prove it for themselves. W. B. S.

OUT WEST, June 30, 1881.

A Notable Speech.—The following was President Garfield's speech at a dinner of his Williams College class at Wormley's Hotel, Washington, on the evening of March 3. It was not published at the time, and has but recently appeared in print:—

"CLASSMATES: To me there is something exceedingly pathetic in this reunion. In every eye before me I see the light of friendship and love, and I am sure it is reflected back to each one of you from my inmost heart. For twenty-two years, with the exception of the last few days, I have been in the public service. To-night I am a private citizen. To-morrow I shall be called to assume new responsibilities, and on the day after the broadside of the world's wrath will strike. It will strike hard. I know it, and you will know it. Whatever may happen to me in the future, I shall feel that I can fall back upon the shoulders and hearts of the class of '56 for their approval of that which is right, and for their charitable judgment wherein I may come short in the discharge of my public duties. You may write down in your books now the largest percentage of blunders which you think I will be likely to make, and you will be sure to find in the end that I have made more than you have calculated—many more. This honor comes to me unsought. I have never had the Presidential fever—not even for a day; nor have I it to-night. I have no feeling of elation in view of the position I am called upon to fill. I would thank God were I to-day a free lance in the House or the Senate. But it is not to be, and I will go forward to meet the responsibilities and discharge the duties that are before me with all the firmness and ability I can command. I hope you will be able conscientiously to approve my conduct, and when I return to private life I wish you to give me another class meeting."

Italy and Bi-metallism.—Signor Luzatti, one of the Italian delegates to the recent Monetary Conference at Paris, writes to the "Liberta" rectifying some recent assertions relative to his opinions on bi-metallism. He says:—"In order to keep gold in Italy the coinage of silver should be suspended until, by certain international arrangements, it is possible to restore silver to its function as international currency."

TAXATION OF FOREIGN BANKING CAPITAL.

[In our July number allusion was made to the decision of Internal Revenue Commissioner Raum in the case of the government against the Bank of Montreal. In compliance with the request of a subscriber it is here given in full.]

In the Matter of the Claim of the United States *vs.* The Bank of Montreal. First District of Illinois.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
WASHINGTON, D. C., June 28, 1881.

The Bank of Montreal, a corporation created by Act of Parliament, with a chartered capital of twelve million dollars, a reserve fund of five million dollars, and deposits of seventeen million dollars, and located in the City of Montreal, Canada, has a place in the City of Chicago for the transaction of a banking business under the immediate supervision of a Manager or Agent who conducts the business in the name of the Bank of Montreal under the control and direction of its officers. The funds for carrying on this business of banking are furnished by the bank direct, or through its agents in New York city, Messrs. Watson & Lang.

The amount of money used by the bank at its office in Chicago constantly varies with the demand and the wants of trade, so that there is no fixed amount of the funds of said bank employed there in the business of banking. An examination of the books of the bank of Chicago discloses the fact that during the past nine years full returns for taxation have not been made of the money belonging to said bank, and employed in the business of banking at its office in that city.

L. H. Boutell, Esq., attorney for said bank, states that the bank in Chicago is a branch of the bank in Montreal, that the sum of one hundred thousand dollars has been allotted to it as capital, and that under the provisions of the third sub-division of Section 3408, United States Revised Statutes, the amount of taxable capital is fixed by such allottment, so that other moneys of the the Bank of Montreal used by its branch at Chicago, can be taxed neither as capital, the same not having been allotted as capital, nor as deposits, the money being the property of the Bank of Montreal.

In my opinion the law is well settled that the Bank of Montreal being a foreign corporation, cannot establish a branch in the State of Illinois, by virtue of authority conferred in its charter. This authority can be conferred only by the laws of that State. Such law has not been cited, and is not believed to exist.

Mr. Boutell has stated in argument that the business of the bank in Chicago is transacted in the name of the Bank of Montreal, and that suits in respect to such business are brought in the name of said bank. Under the foregoing statement of law and facts I am of the opinion that the provision of law cited in regard to branch banks and the allotment of capital is not applicable to this case.

The Legislature of the State of Illinois probably possesses the constitutional power of restricting by law the exercise of the powers of banking by foreign corporations in said State. This, however, has not been done. The Bank of Montreal is, therefore, lawfully engaged in the business of banking in its own name in the city of Chicago. It has brought a portion of its funds within the jurisdiction of the laws of the State and of the United States, and with said funds has engaged in the business of banking. It is under the protection of those laws, and subject to their provisions in respect to taxation. The laws of the United States have been framed with a view of levying a uniform tax upon the business of banking. Certain exemptions have been provided for capital invested in United States bonds, and in respect to deposits of certain classes of savings banks, but no exemption has been provided for the funds of foreign banks employed in the business of banking in this country.

I regard it as contrary to a sound public policy, and prejudicial to the interests of the citizens of the United States, to exempt from taxation the funds of a foreign bank which are employed in the business of banking in this country in competition with domestic banks whose capital is subject to taxation.

The rule in taxing domestic banks is to assess the chartered capital. This rule cannot justly be applied to the Bank of Montreal, for the reason that its twelve million dollars of capital has not been brought within the jurisdiction of the laws of the United States. A fair and just rule would seem to be to tax the amount of money brought within the jurisdiction of the United States, and used in the business of banking, month by month, during each semi-annual tax period.

For the months of December, 1880, January, February, March, April, and May, 1881, said bank returned for taxation $600,000 of capital, while it actually employed in the business of banking other of its moneys (not including deposits) the sum of $25,996,460, for which it made no returns for taxation.

It seems inconsistent with a true interpretation of Sections 3407 and 3408, which, were enacted for the purpose of raising revenue, to suppose that it was the intention of Congress that so extraordinary an exemption should be granted as appears to have been taken by the bank in the case just cited. Such a construction of said sections would operate as a serious discrimination in favor of foreign banks doing business in this country, which could not have been intended by the law-making power.

I am therefore of the opinion that the money of the Bank of Montreal brought within the jurisdiction of the United States, and employed by it at Chicago, in the business of banking, its capital within the meaning and intent of the Statute, and is liable to taxation as such. GREEN B. RAUM, Commissioner.

Notice to Advertisers.—By a notice published elsewhere in this number it will be seen that the publishers of RHODES' JOURNAL solicit no other class of advertising than that of banks and bankers, or such notices as may be of special interest to bank officers, bankers or investors. Advertisements now appearing in the JOURNAL other than the class indicated above will not be renewed at expiration of present contracts.

NOTICES OF NEW BOOKS.

Manual of the Railroads of the United States for 1881. By HENRY V. POOR. H. V. & H. W. Poor, 70 Wall street, New York.

The fourteenth annual number of the above publication fully sustains the reputation which it has gained, as a full and correct record of the progress and condition of the railroad interests of the United States. In addition to the usual information in regard to every railroad in the country, their mileage, stocks, bonds, cost, traffic, earnings, expenses and organizations, this number contains a "Sketch of the rise and progress of the internal improvements and of the internal commerce of the United States, with a review of the charges of monopoly made against railroad corporations," and also an appendix containing a full analysis of the debts of the United States and of the several States. To any one who requires to know the value of railroad securities and on what they are based, this publication is invaluable.

BOOKS RECEIVED.

Report of the Superintendent of the Bank Department relative to Savings Banks. Transmitted to the Legislature February 23, 1881. A. B. Hepburn, Superintendent. 1881.

The North American Review. August, 1881. D. Appleton & Company.

DEPOSITS TO RETIRE CIRCULATION AND FOR THE REDEMPTION FUND.

In the article entitled "Deposits to Retire Circulation," which appeared in the July number of RHODES' JOURNAL, it was explained how and why the United States Treasurer refused to allow further withdrawals of bonds, under section four of the act of June 20, 1874, without a previous deposit of United States notes. The action of the Treasurer appearing to Comptroller Knox to be contrary to the intent of the law, the latter wrote an elaborate argument upon the question in which he said:—"He (the Treasurer) declines to receive gold and silver coin, which is a legal-tender in payment of all debts, and insists upon a deposit of United States notes, which are but promises to pay coin on demand." The matter was laid before the Secretary of the Treasury, who submitted it to the Attorney-General for decision. The opinion of the latter, which is given in full below, fully sustains the view of the Comptroller:—

DEPARTMENT OF JUSTICE,
WASHINGTON, D. C., June 14th, 1881.

Hon. WILLIAM WINDOM, Secretary of the Treasury:

Sir:—Yours of the 6th instant desires my opinion "as to whether under the provisions of Section 4, Act of June 20, 1874, national banks desiring to withdraw circulating notes are required to deposit *legal-tender notes* with the Treasurer of the United States before the surrender by him of United States bonds held to secure said circulating notes?"

The act of June 20, 1874, ch. 343, section 4, reads:—

"SEC. 4. That any association organized under this Act, or any of the acts of which this is an amendment, desiring to withdraw its circulating notes, in whole or in part, may, upon the deposit of *lawful money* with the Treasurer of the United States, in sums of not less than nine thousand dollars, take up the bonds which said association has on deposit with the Treasurer, for the security of such circulating notes, which bonds shall be assigned to the bank in the manner specified in the nineteenth section of the National Bank Act; and the outstanding notes of said association, to an amount equal to the *legal-tender notes* deposited, shall be redeemed at the Treasury of the United States, and destroyed as now provided by law."—18 Stat. 124.

From the papers accompanying your letter I learn that the query suggested arises from the fact that while the first clause of Section 4, as above quoted, permits the withdrawal of bank notes upon the deposit of *lawful money*, the concluding one authorizes the redemption and destruction of such notes only "to an amount equal to the *legal-tender notes* deposited." And that, while the United States Treasurer considers his authority to surrender and assign bonds, as well as to redeem and destroy bank-notes, to be thus limited "to an amount equal to the legal-tender notes deposited," the Comptroller of the Currency, on the contrary, holds that the banks may withdraw their bonds upon a deposit of anything that is "lawful money" to the requisite amount.

The latter appears to me to be the correct view—even if the result should be that the Treasurer's power to redeem circulation would be more limited than that of the banks to withdraw their bonds.

The language of this section is almost too unambiguous for construction. It expressly confers upon these banking associations the right to deposit sums of not less thna $9,000 in "lawful money" and take up the bonds deposited as security for circulating notes—that these words as here used possess their ordinary signification is apparent from the phraseology of concomitant and other provisions of law, and from considerations touching the general subject. The first of the latter to suggest itself is the purpose for which the bonds are originally deposited with the Treasurer of the United States. As observed by my predecessor (XVI., 666), this purpose is to secure the bill-holders; to insure performance by the bank of its promise to redeem its issues in lawful money; *i. e.*, in coin or legal-tender bills of the United States. This purpose is accomplished, if the bank desires to take up its bonds, equally by depositing coin or legal-tender notes, which are now equivalent to coin.

Such is the requirement in case any association wishes to take up all its bonds and withdraw from business. R. S., Section 5222, says that "within six months from the date of the vote to go into liquidation, the association shall deposit with the Treasurer of the United States *lawful money* of the United States sufficient to redeem all its outstanding circulation."

What is "lawful money" is stated in R. S., Sections 3585, 3586 (amended by act of February 28, 1878, ch. 20), 3588 and 3589.

R. S., Section 5224, provides that "whenever a sufficient deposit of *lawful money* to redeem the outstanding circulation of an association proposing to close its business has been made, the bonds deposited by the association to secure payment of its notes shall be re-assigned to it."

Section 5226 permits notes which any such institution "fails to redeem *in the lawful money* of the United States," to be protested.

Under the next Section (5227), a special agent is "to ascertain whether it has refused to pay its circulating notes in the *lawful money* of the United States when demanded;" and if he reports such to be the case its bonds are forfeited to the United States, and it is prohibited (by Section 5228) from continuing business. Thereupon under Section 5229 the Comptroller of the Currency is to notify "the holders of the circulating notes of such association to present them for payment at the Treasury of the United States and the same shall be paid as presented in *lawful money* of the United States."

Of like purport are the other sections of the act of June 20, 1874, chapter 343, of which the fourth section is under consideration. Section 7 requires the Comptroller of the Currency to make requisitions upon certain of these banks to withdraw and return a stated portion of their circulation; or, in lieu thereof, to deposit in the Treasury of the United States *lawful money* sufficient to redeem such circulation; and upon the return of the circulation required, or the deposit of *lawful money* a proportionate amount of their bonds is to be restored to them.—18 Stats, 124.

The following Section (8) authorizes a sale of the bonds upon failure to return circulation or deposit lawful money, as required under the preceding Section.

I can come to no other conclusion than that a deposit of lawful money to the amount mentioned in the act, will authorize the banking association making the deposit to receive a proportionate amount of its bonds, although the lawful money so deposited be coin instead of legal tender notes.

Very respectfully, your obedient servant,

WAYNE MACVEAGH, Attorney-General.

The question regarding the deposits to retire circulation being decided the Treasurer applied to the Attorney-General for his opinion regarding the kind of deposit which the banks should make for the five per cent. redemption fund. He had held that only legal-tender notes could be used for the purpose and that the bank circulation could be redeemed by himself only in such notes. It will be observed that in this second decision which is given below, the words of the Attorney-General, "the government notes are promises to pay dollars; for such promises the thing promised may properly be substituted by the promiser," are almost identical with those of the Comptroller quoted above:—

DEPARTMENT OF JUSTICE,
WASHINGTON, D. C., June 30, 1881.

Sir:—To your inquiry of the sixth I replied upon the fourteenth instant, that a national bank has the right, under the act of June 20, 1874, chapter 343, paragraph 4, to deposit coin for the purpose of withdrawing bonds and reducing circulation; whereupon, on this latter date you address to me these two additional questions: 1. Whether, under section 3, of the act approved June 20, 1874, chapter 343, a national banking association may deposit any lawful money other than United States notes for the redemption of its circulation notes. 2. Whether the holders of the notes of any solvent national banking association may demand of the Treasurer of the United States, under the provisions of sections three and four of that act, redemption of such notes in United States notes.

First—Inasmuch as section three of the act of June 20, 1874, chapter 343, only requires that the banks shall at all times keep and have on deposit in the Treasury of the United States, in the lawful money of the United States, a sum equal to five per centum of its circulation, to be held and used for the redemption of such circulation, I think for the reasons indicated in my opinion of the fourth instant, construing similar language in the next section—that a bank may deposit coin for the purpose mentioned in the third section, as above quoted.

Second—I think the Treasury, while having the privilege, under sections three and four of said act, to redeem bank circulation in United States notes, has the right to pay them in coin. The Government notes are promises to pay dollars; for such promises the thing promised may properly be substituted by the promiser. Again This act of June 20, 1874, chapter 373, was not intended to repeal or affect the general provisions of the law (Revised Statutes, sections 3585 *et seq.*) making the coins of the United States a legal tender in *all* payments. These statutes fix the medium in which, as well as in United States notes, the banks may redeem its circulation at its own counter, and it gives the same privilege to the Treasurer paying them at the Treasury of the United States. Very respectfully, your obedient servant,

WAYNE MACVEAGH, Attorney-General.

To the HON. WILLIAM WINDOM, Secretary of the Treasury.

This opinion removes all distinctions in lawful money of the United States except that which exists in virtue of the rule of the New York Clearing House, requiring balances to be paid in gold or United States notes to the exclusion of standard silver dollars. Upon receipt of the Attorney-General's opinion Treasurer Gilfillan immediately issued the following circular relative to deposits for the five per cent. fund of national banks:—

TREASURY OF THE UNITED STATES,
WASHINGTON, D. C., July 12, 1881.

In accordance with an opinion of the Attorney-General, dated June 30, 1881, national banks may reimburse the Treasurer of the United States for their circulating notes redeemed in any of the following ways: 1. By a check drawn on New York, payable to the order of the Assistant Treasurer of the United States in New York and collectible through the Clearing House, forwarded directly to that officer, with instructions to deposit the amount on account of the five per cent. fund, and to forward the certificate of deposit therefor to the Treasurer of the United States. 2. By a deposit of lawful money of the United States with the Assistant Treasurer of the United States in New York, Boston, Philadelphia, New Orleans, Baltimore, Chicago, Cincinnati, St. Louis, or San Francisco on account of the five per cent. fund. Banks not situated in one of the above-named cities should make the deposit through their correspondents. The certificate of deposit may be forwarded directly to the Treasurer of the United States, by the bank making the deposit, as credit cannot be given until it is received. 3. By a remittance of lawful money of the United States addressed to the Treasurer of the United States, Washington, D. C., marked with the amount and nature of the contents, and the fact that it is "for credit of the five per cent. fund." The express charges, if not prepaid, will be deducted from the proceeds of the remittance at Government contract rates.

JAMES GILFILLAN, Treasurer United States.

A Sensible Woman.—At a recent prayer-meeting in a Connecticut town, the venerable mother of ex-Governor Andrew said :—"I hear the young men praying for the recovery of the President. I hope he will recover; I believe he will. But I hope these young men will learn the lesson, and vote so that such a sad crime will never be attempted again. I hear that the President has been worried almost to death by office-seekers. "God ordained that man should earn his bread by the sweat of his brow. I believe that many of these office-seekers want office because they are unwilling to submit to God's law. I am a poor, ignorant woman, but I think I could improve the present system of giving office. I would have the applicants for office examined and no man appointed that was not willing to earn his bread by the sweat of his brow."

New York City National Banks.

The following is an abstract of the 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 Thursday, June 30, the number of banks being 48:

RESOURCES.

Loans and discounts		$262,700,012
Overdrafts		120,863
United States bonds to secure circulation		22,352,500
United States bonds to secure deposits		820,000
United States Bonds on hand		15,657,800
Other stocks, bonds and mortgages		11,537,551
Due from other national banks		15,694,553
Due from State banks and bankers		2,079,233
Real estate, furniture and fixtures		10,730,409
Current expenses and taxes paid		171,715
Premiums paid		1,217,065
Checks and other cash items		2,307,926
Exchanges for Clearing-house		113,212,382
Bills of other national banks		2,562,098
Fractional currency		43,115
Specie, viz.:		
Gold coin	$19,658,412	
Gold Treasury certificates	4,513,400	
Gold Custom-house certificates	41,858,000	
Silver coin	484,247	
Silver Treasury certificates	680,130	67,194,190
Legal-tender notes		11,518,2[illegible]6
United States certificates of deposit for legal-tender notes		2,850,000
Five per cent. redemption fund		978,933
Due from United States Treasurer		519,496
Total		$544,268,102

LIABILITIES.

Capital stock paid in		$51,150,000
Surplus fund		19,882,931
Other undivided profits		10,768,757
National bank notes issued	$19,558,135	
Amount on hand	198,945	
Amount outstanding		19,359,190
State bank notes outstanding		47,472
Dividends unpaid		1,429,052
Individual deposits		284,242,159
United States deposits		568,039
Deposits of United States disbursing officers		103,691
Due to other national banks		117,651,167
Due to State banks and bankers		39,060,691
Total		$544,268,102

Comptroller Knox gives notice that depositors in the Freedman's Bank and Trust Company who have not filed any claims or received any dividends, must prove their claims and apply for dividends on or before the twenty-first of August, 1881, or they will be forever barred.

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 August 1, 1881, 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	$1,506,180	$317,000	$764,700	$1,081,700	$279,467
New Hampshire	643,165	72,997	55,800	128,797	27,784
Vermont	1,828,460	301,097	1,753,040	2,054,137	766,016
Massachusetts	23,776,520	234,800	9,680,700	9,915,500	1,795,001
Rhode Island	3,028,920	32,350	1,409,885	1,442,235	433,562
Connecticut	4,152,870	65,350	3,731,030	3,796,380	1,6[illegible]1,286
New York	27,100,845	2,571,478	30,507,780	33,079,258	7,803,919
New Jersey	2,572,035	467,603	2,563,137	3,030,740	1,242,898
Pennsylvania	15,308,120	1,311,226	12,135,171	13,446,397	5,618,664
Delaware	277,275	......	......	......	......
Maryland	1,903,310	166,600	1,718,380	1,884,980	83,862
District of Columbia	457,000	432,664	530,060	962,724	104,014
Virginia	1,034,500	919,369	1,036,010	1,955,379	293,866
West Virginia	226,810	731,060	386,685	1,117,745	155,634
North Carolina	1,235,660	128,200	1,147,585	1,275,785	228,108
South Carolina	179,160	......	1,187,380	1,187,380	182,779
Georgia	520,350	330,925	437,675	768,600	105,990
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	170,100	260,100	89,415
Mississippi	......	.....	......	......	266
Louisiana	1,623,110	656,413	2,099,250	2,755,663	71,254
Texas	489,600	61,290	229,340	290,630	45,140
Arkansas	171,000	....	171,000	171,000	13,075
Kentucky	4,400,800	629,867	2,130,833	2,760,700	851,605
Tennessee	812,770	370,401	551,859	922,260	156,152
Missouri	1,169,360	1,043,450	3,862,135	4,905,585	707,161
Ohio	5,016,560	1,661,097	4,651,034	6,312,131	2,099,555
Indiana	3,851,350	1,382,397	7,859,083	9,241,480	2,933,058
Illinois	3,353,225	1,828,934	7,706,046	9,534,980	1,785,4[illegible]5
Michigan	2,319,310	536,800	3,174,475	3,711,275	1,314,965
Wisconsin	1,171,139	680,860	1,259,589	1,940,449	565,280
Iowa	1,846,380	858,669	1,760,615	2,619,284	511,174
Minnesota	1,138,400	509,495	1,883,445	2,392,940	756,647
Kansas	238,400	781,721	316,550	1,098,271	283,140
Nebraska	266,400	45,000	449,980	494,980	232,708
Nevada	36,000	......	......	......	1,778
Colorado	644,400	147,225	149,400	296,625	20,448
Utah	134,900	161,191	196,800	357,991	13,453
Montana	165,600	111,700	81,000	192,700	68,193
Wyoming	30,600	......	......	......	......
New Mexico	90,000	......	......	......	......
Washington	180,000	......	90,000	90,000	75,590
Dakota	238,500	.....	......	......	......
California	825,800	......	......	......	......
Totals	$116,243,355	$19,639,229	$107,837,552	$127,476,781	$33,438,382
Legal tenders deposited prior to June 20, 1874, and remaining at that date				3,813,675	
Total				$131,290,456	

JOHN JAY KNOX,
Comptroller of the Currency.

The National Debt Statement, August 1, 1881.

AND FOR COMPARISON, THE JULY STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	July 1, 1881.		August 1, 1881.
Bonds at 6 per cent	$196,378,600	....	*$178,055,150
" 5 "	439,841,350	....	439,708,050
" 4½ "	250,000,000	....	250,000,000
" 4 "	738,659,000	....	738,693,950
Refunding certificates	688,000	....	653,850
Navy pension fund	14,000,000	....	14,000,000
Principal	$1,639,567,750	....	$1,621,111,000
Interest	20,223,225	....	13,234,609
DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.			
Principal	$6,723,365	....	$9,959,015
Interest	718,668	....	773,660
DEBT BEARING NO INTEREST.			
Old demand and legal-tender notes	$346,741,551	....	$346,741,501
Certificates of deposit	11,925,000	....	10,740,000
Gold and silver certificates	56,949,450	....	57,733,800
Fractional currency	7,105,953	....	†7,098,645
Principal	$422,721,954	....	$422,313,946
Unclaimed Pacific Railroad interest	6,746	....	6,746
TOTAL DEBT.			
Principal	$2,069,013,569	....	$2,053,383,961
Interest	20,948,657	....	14,015,017
Total	$2,089,962,227	....	$2,067,398,979
Total cash in the Treasury	249,363,415	....	236,878,190
Debt, less cash in the Treasury	$1,840,598,811		$1,830,520,788
Decrease of debt during month	12,323,159	....	10,078,023
Decrease of debt since June 30, 1880	101,573,483	....	111,651,506
CURRENT LIABILITIES.			
Interest due and unpaid	$2,125,544	....	$2,844,439
Debt on which interest has ceased	6,723,865	....	9,959,015
Interest thereon	718,686	....	773,660
Gold and silver certificates	56,949,450	....	57,733,800
U. S. notes held for red'n of certificates of deposit.	11,925,000	....	10,740,000
Cash balance available	170,920,896	....	154,827,274
Total	$249,363,415	....	$236,878,190

AVAILABLE ASSETS.

Cash in the Treasury	$249,363,415	....	$236,878,190

* Continued at 3½ per cent.

† Total $15,474,579; amount estimated lost or destroyed, $8,375,934.

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	49,528,566	....	51,467,272

INTEREST REPAID BY COMPANIES.

By transportation service	$14,426,126	....	$14,426,644
By cash payments, 5 per cent. earnings	655,198	....	655,196
Balance of interest paid by the United States	$34,447,241	....	36,385,428

Treasury Payments during July.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$6,245,607
On account of war	4,379,896
On account of navy	1,777,130
On account of interior (Indians)	595,206
On account of interior (Pensions)	7,362,380
Total	$20,360,220

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 August 1, 1881, 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*	356,236,938
Increase during the last month	2,482,338
Increase since August 1, 1880	13,420,166

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	33,438,382
Decrease in deposit during the last month	48,250
Increase in deposit since August 1, 1880	13,641,100

*Circulation of National Gold Banks not included in the above.....$1,087,675

JOHN JAY KNOX,
Comptroller of the Currency.

STATEMENT OF LIABILITIES AND ASSETS OF THE TREASURY OF THE U. S. FROM LATEST RETURNS RECEIVED.

LIABILITIES.

Post-Office-Department Account		$3,435,271 69
Disbursing Officers' Balances		21,283,338 56
Fund for redemption of notes of National Banks "failed," "in liquidation," and "reducing circulation."		32,737,970 60
Undistributed assets of failed National Banks		439,227 03
Five per cent. Fund for Redemption of National Bank Notes		15,125,026 32
Fund for redemption of National Bank Gold Notes		402,072 00
Currency and Minor-Coin Redemption Account		5,154 94
Fractional Silver-Coin Redemption account		60,206 90
Interest Account		1,366 50
Interest Acct., Pacific Railroads and L. & P. Canal Co.		5,860 00
Treasurer U. S., agent for paying interest on D. C. Bonds		601,860 41
Treasurer's Transfer Checks and Drafts outstanding		6,627,806 87
Treasurer's Gen'l Acct...Interest due and unpaid	$8,347,536 27	
Treasurer's Gen'l Acct...Matured Bonds & Interest	5,306,733 44	
Treasurer's Gen'l Acct...Called Bonds and Interest	4,626,887 12	
Treasurer's Gen'l Acct...Old Debt	799,055 66	
Treasurer's Gen'l Acct...Gold Certificates.	5,749,820 00	
Treasurer's Gen'l Acct...Silver Certificates	51,983,980 00	
Treasurer's Gen'l Acct...Certificates of Deposit	10,740,000 00	
Treasurer's Gen'l Acct...Balance includi'g Bullion Fund	150,024,451 93	
Total Treasurer's General Account	237,578,464 42	
Less Unavailable Funds	700,274 17	
		236,878,190 25
		317,603,352 07

ASSETS.

Gold Coin	$62,685,423 98
Gold Bullion	92,226,041 23
Standard Silver Dollars	64,246,302 00
Fractional Silver Coin	27,295,486 63
Silver Bullion	2,962,277 52
Gold Certificates	1,700 00
Silver Certificates	11,181,088 00
United States Notes	29,624,909 88
National Bank Notes	5,347,718 27
National Bank Gold Notes	184,990 00
Fractional Currency	20,468 31
Deposits held by National Bank Depositaries	13,292,918 44
Nickel and Minor Coin	663,939 62
New York and San Francisco exchange	1,774,500 00
One and Two-Year Notes, &c	21 60
Redeemed Certificates of Deposit, June 8, 1872	215,000 00
Quarterly Interest-checks and Coin Coupons paid	674,341 31
Registered and Unclaimed Interest paid	5,070,044 01
U. S. Bonds and Interest	....
Interest on District of Columbia Bonds	7,242 87
Speaker's Certificates	122,179 00
Pacific Railroad interest paid	6,750 00
	317,603,352 07

TREASURY OF THE UNITED STATES,
Washington, D. C., August 1, 1881.

JAMES GILFILLAN,
Treasurer U. S.

New Banks, Bank Changes, Etc.

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

2539—First National Bank, Manistee, Michigan. Authorized capital, $100,000. Paid-in capital, $100,000. T. J. Ramsdell, President; George A. Dunham, Cashier.

2540—First National Bank, Cambridge, Illinois. Authorized capital, $50,000. Paid-in capital, $25,000. Nathaniel B. Gould, President; E. D. Richardson, Assistant Cashier.

2541—South Pueblo National Bank, South Pueblo, Colorado. Authorized capital, $50.-000. Paid-in capital, $25,800. Hiram L. Holden, President; Delos L. Holden, Cashier.

2542—Metropolitan National Bank, Cincinnati, Ohio. Authorized capital, $500,000. Paid-in capital, $250,000. Joseph F. Larkin, President; John R. DeCamp, Cashier.

2543—First National Bank, Bainbridge, New York. Authorized capital, $50,000. Paid-in capital, $50,000. Gervis Prince, President; Irving L. Pruyn, Cashier.

2544—The Potters' National Bank, East Liverpool, Ohio. Authorized capital, $50,000. Paid-in capital, $50,000. William Brunt, Jr., President; F. D. Kitchel, Cashier.

2545—First National Bank, Poultney, Vermont. Authorized capital, $50,000. Paid-in capital, $50,000. John B. Beaman, President; Martin D. Cole, Cashier.

COLORADO.

South Pueblo.—South Pueblo National Bank; capital, $25,800; Hiram L. Holden, President; Delos L. Holden, Cashier.

CONNECTICUT.

Ansonia.—Ansonia National Bank; Edwin H. Tomlinson, Acting Cashier, during absence of Cashier.

DAKOTA.

Deadwood.—First National Bank; E. F. Kellogg, Cashier, in place of M. C. Thum.

ILLINOIS.

Aurora.—Second National Bank; W. C. Estee, Cashier, in place of J. A. Egleston.

Cambridge.—First National Bank; capital, $25,000; Nathaniel B. Gould, President; E. D. Richardson, Assistant Cashier.

KENTUCKY.

Danville.—Farmers' National Bank; Thos. McRoberts, President, in place of J. G. Cecil.

Louisville.—Merchants' National Bank; J. H. Lindenberger, President, in place of H. C. Caruth, resigned; Wm. R. Johnson, Cashier, in place of J. H. Lidnenberger.

Bank of Kentucky; F. O. Anderson, Cashier, in place of W. G. Hume.

MAINE.

Augusta.—First National Bank; James W. North, President, resigned.

Skowhegan.—R. B. Shepherd, President, in place of S. Robinson.

MASSACHUSETTS.

Boston.—First Ward National Bank; Geo. W. Moses, Cashier, in place of George B. Ford.

Anthony, Poor & Oliphant; admit Howard Walter and J. Willard Tuckerman.

Joseph H. Alder; failed.

MICHIGAN.

Manistee.—First National Bank; capital, $100,000. T. J. Ramsdell, President; Geo. A. Dunham, Cashier.

State Bank of Manistee; now First National Bank; same officers.

MISSOURI.

Ashland.—Farmers' Bank; incorporated with capital of $10,000, one-half paid up.

BOONVILLE.—Elliott, Williams & Co.; incorporated; capital, $20,000.

CAMERON.—Farmers' Bank of Cameron; N. S. Goodrich, President, in place of Geo. Smith, resigned.

INDEPENDENCE.—Anderson Chiles & Co.; incorporated as the Anderson Chiles Banking Co; paid-in capital, $80,000.

The Chrisman-Sawyer Banking Co.; capital stock increased to $100,000.

KANSAS CITY.—Merchants' National Bank; capital increased to $500,000.

NORBORNE.—The Bank of Norborne; incorporated; paid-up capital, $25.000.

WELLSVILLE.—The Wellsville Bank; incorporated; paid-up capital, $10,900.

NEW YORK.

BAINBRIDGE.—First National Bank; capital, $50,000. Gervis Prince, President; Irving L. Pruyn, Cashier.

GOSHEN.—Goshen National Bank; John Ogden Smith, Cashier, in place of W. M. Murray.

JAMESTOWN.—First National Bank; Reuben E. Fenton, President, in place of A. Kent.

NEW YORK CITY.—Lincoln National Bank; capital, $300,000.

Grand Central Safe Deposit Co.

Nichol, Hatch & Co., 72 Broadway.

Second National Bank; John C. Eno, President, in place of Amos H. Trowbridge, deceased.

OHIO.

CINCINNATI.—Metropolitan National Bank; capital, $250,000. Joseph F. Larkin, President; John R. DeCamp, Cashier.

Union National Bank; capital, $500,000. H. W. Hughes, President; O. H. Tudor, Cashier.

H. W. Hughes & Co.; succeeded by Union National Bank.

Joseph F. Larkin & Co.; good-will transferred to Metropolitan National Bank.

EAST LIVERPOOL.—The Potters' National Bank; capital, $50,000. Wm. Brunt, Jr., President; F. D. Kitchel, Cashier.

WOOSTER.—Wayne Co. National Bank; J. G. Hartman, Cashier, in place of P. S. Van Houten.

PENNSYLVANIA.

HUNTINGDON.—First National Bank; J. Simpson Africa, Cashier, in place of G. W. Garrettson.

SUSQUEHANNA DEPOT.—First National Bank; no President in place of H. W. Brandt.

RHODE ISLAND.

WARREN.—National Hope Bank; George Barton, President, in place of G. T. Gardner.

SOUTH CAROLINA.

GREENVILLE.—National Bank of Greenville; H. T. Poe, Cashier, in place of L. M. McBee.

TENNESSEE.

CHATTANOOGA.—Third National Bank; capital, $125,000. William Morrow, President; J. H. Fulton, Cashier.

NASHVILLE.—Merchants' National Bank; W. T. Bang, Jr., Cashier.

VERMONT.

POULTNEY.—First National Bank; capital, $50,000. John B. Beaman, President; Martin D. Cole, Cashier.

VIRGINIA.

RICHMOND.—Merchants' National Bank; John F. Glenn, Cashier, in place of J. B. Morton.

Planters' National Bank; Mann S. Quarles, Cashier, in place of W. R. Quarles.

WISCONSIN.

BEAVER DAM.—National Bank of Beaver Dam; J. H. Barrett, Cashier, in place of C. W. Whinfield.

BRODHEAD.—Bank of Brodhead.

E. Bowen & Co.; in liquidation. Succeeded by Bank of Brodhead.

MONTHLY RECORD OF FINANCIAL EVENTS.

JULY, 1881.

4. MONDAY.—The attempt upon the life of the President had a very moderate effect upon the prices of American securities in London.

5. TUESDAY.—Cable reports from England indicate only fair crops.

Bar silver in London 52¼d. per ounce.

6. WEDNESDAY.—A dispatch says the harvest in Southern Russia promises to be unprecedented.

A bill authorizing the prolongation of treaties of commerce for three months was agreed to by the French Chamber of Deputies.

Bar silver in London 51¾d. per ounce.

7. THURSDAY.—Meeting of the Executive Council of the American Bankers' Association at Niagara Falls, to arrange for the annual convention there on August 10, 11 and 12.

8. FRIDAY.—The International Monetary Conference at Paris, after expressing a desire that a new conference meet on April 12, 1882, to settle the details of a monetary convention, finally adjourned.

Bar silver in London 51½d. per ounce.

9. SATURDAY.—Rate of discount for 60 days to three months bank bills in London 1½ per cent.; trade bills 1¾ @ 2¼ per cent.

Indorsed bills 60 to 90 days, at New York, 3 @ 3½ per cent.; call loans 2½ @ 3 per cent.

Excellent accounts of all crops have been received from the provinces of France.

The Italian agricultural report for June says: "The harvests in the central and northern provinces are expected to be abundant; in the south they will be less so."

11. MONDAY.—Bar silver in London 51d. per ounce.

The Pall Mall Gazette argues the probability of a financial crisis in the United States.

The Austrian harvest promises to be fully up to the average.

Cutting of railroad passenger rates to the West begun.

12. TUESDAY.—A London dispatch says that not for many years have crops of all sorts, in Switzerland and the adjacent districts of France, Germany and Italy, been in such good condition.

13. WEDNESDAY.—According to the official estimate of the German harvest scarcely a medium yield is anticipated.

The "Toronto Globe" reports that the coming harvest in Canada will not equal those of four years past, but will surpass 1876.

14. THURSDAY.—The Southwestern Railway Association resolves to restore freight rates and renew the pooling arrangement.

15. FRIDAY.—Two receivers appointed for the Manhattan Railway Company, New York.

The three cable companies announce that on August 1 the rate for telegrams between New York and the United Kingdom and France will be reduced to twenty-five cents per word.

16. SATURDAY.—Rate of discount in London for 60 days' to three months' bank bills 1⅛ per cent.; trade bills 1¾@2¼ per cent.

Money on call in New York 3@2 per cent.; 60 to 90 days indorsed bills 3@3½ per cent.

Warner Miller elected United States Senator from New York, *vice* Thomas C. Platt, resigned.

18. MONDAY.—The railroad contest continued; the fare from New York to Chicago reduced to $10.

19. TUESDAY.—Bar silver in London 51⅛d. per ounce.

Of the 5 and 6 per cent. bonds about $577,000,000 have been continued at 3½ per cent.

20. WEDNESDAY.—The iron trade at Philadelphia advanced the price of bar iron one-tenth cent per pound.

A strike of 30,000 nailmakers in Staffordshire, England, ended, the masters having conceded an advance of 30 per cent. in wages.

21. THURSDAY.—Bar silver in London 51⅝d. per ounce.

22. FRIDAY.—The rise in the prices of grain, particularly wheat, caused three failures at Chicago.

Elbridge G. Lapham elected United States Senator from New York, *vice* Roscoe Conkling, resigned.

23. SATURDAY.—Rate for call loans in London ¾@1 per cent.; 60 days to 3 months bank bills 1¼ per cent., and trade bills 1½@2½ per cent.

Call loans in New York 2 per cent.; 60 to 90 days indorsed bills 3@3½ per cent.; four months acceptances 3¾@4¼ per cent.

25. MONDAY.—Bar silver in London 51⅛d. per ounce; gold value of the legal-tender silver dollar 87.46 cents.

26. TUESDAY.—A new Indian 4 per cent. loan amounting to £3,000,000 has been allotted at a price about equal to 86½.

The London "Times" says: "The money market is quiet and inflated to some extent. There are anticipations of a satisfactory harvest, which would prevent a renewal this year of the drain of gold to America."

The fare from New York to Chicago reduced to $7.50; stock market excited and weak.

27. WEDNESDAY.—Articles of incorporation filed of the Lincoln Safe Deposit Co. of New York.

28. THURSDAY.—Postal Telegraph Co. organized; capital $21,000,000; James R. Keene elected President.

The through rates on wheat per bushel from Chicago to Liverpool, via Montreal, reduced to 15 cents, and via New York 18 cents, the lowest rates ever known.

29. FRIDAY.—The Irish Land Bill passed the House of Commons.

30. SATURDAY.—Rate of discount in London for 60 days to 3 months bank bills 1¼ per cent., and trade bills 1¼@2½ per cent.

Call loans in New York 2@3 per cent.; 60 to 90 days indorsed bills 3½@4 per cent

RECORD OF DEATHS.

James Stokes, of the firm of Phelps, Stokes & Co., bankers, New York, died August 1, aged seventy-seven years.

Mr. Stokes was one of the oldest and most highly respected merchants of New York, was born in Wall street, in a building on or near the same site as that which is now occupied by Phelps, Stokes & Co., on January 31, 1804. In 1838 he entered the firm of Phelps, Dodge & Co., of which the senior partner was his father-in-law, and was connected with it about forty years, leaving it about four years ago to assist in founding the banking house of Phelps, Stokes & Co. He was a man of excellent business judgment, and was eminently successful. His business connections were widely extended; but he was, perhaps, equally well-known for his charities, and as an example of sterling business integrity.

Amos H. Trowbridge, President of the Second National Bank, New York, died June 28, 1881, aged sixty-seven years.

Mr. Trowbridge was born at New Haven, Conn., in 1814. From 1829 to 1835 he was in the dry-goods business in Philadelphia, and from 1835 to 1849 was a member of the firm of Dwight & Trowbridge, of New Orleans. From the latter date to the close of the war he belonged to the firm of Trowbridge, Dwight & Co. of this city. He was chosen President of the Second National Bank upon its organization, and under his management it has proved one of the most successful of the older national banks. He had been in ill-health for some time, and was visiting at Ansonia, Conn., when overtaken by death. He was a conservative and very popular bank officer, and a liberal and highly esteemed citizen.

Alexander V. Blake, Comptroller of the Brooklyn Savings Bank, Brooklyn, N. Y., died June 25, 1881, aged sixty-two years.

Mr. Blake was connected with the Brooklyn Savings Bank for a number of years, first as Trustee, then as Vice-President, and afterward as Comptroller. He was also Treasurer of the Episcopal Diocese of Long Island. His death was sudden. He left the bank on Saturday afternoon for Sands Point, where he was spending part of the summer, and the same night had a fatal attack of apoplexy or heart disease. He was widely respected for his many excellent qualities.

James Robb, retired banker and financier, died July 30, 1881, aged sixty-eight years.

Mr. Robb, who was widely known through his connection with many banking and railroad enterprises for a long period ending with 1871, died at his residence, "Hampden Place," near Cincinnati, whither he had retired in that year. An extended account by his own hand, of his highly successful and honorable career, will appear in the Journal.

Elisha Riggs, banker, of New York, died July 8, aged about fifty-eight years.

Mr. Riggs was a member of the banking firm of Riggs & Co., of Washington and New York. His father, of the same name, was a well-known banker in this city many years ago. Mr. Riggs was at one time President of the Missouri, Kansas and Texas Railway, but has been of late years solely engaged in banking, spending a great part of his time in Paris.

Augustus R. Elwood, of the firm of Elwood & Tuller, bankers, of Richfield Springs, New York, died June 10, 1881, aged sixty-one years.

George Smith, ex-President of the Farmers' Bank of Cameron, Mo., died July 14, 1881, aged seventy-two years.

The subject of this brief notice was an extraordinary man, not only in himself but in his career, which extended from pioneer times in the west up to the present. He was born in Ohio in 1809. Both his grandfathers served during the Revolutionary war, and his father in the war of 1812. He attended the Miami University, leaving it at twenty to engage in transporting flour to New Orleans by flat-boat in winter, and drive cattle in summer. At the age of twenty-seven he was elected to the Legislature from his native county (Columbiana), serving two terms. In 1844 he removed to Caldwell county, Mo., and in 1868 to his late residence near Cameron, Clinton county. He was one of the organizers of the Hannibal & St. Joseph railroad, in 1847; was elected to the Legislature as a Union man in 1862; was elected Lieutenant-Governor of Missouri in 1864, and presided over the State Senate four years. In 1869 he was appointed United States Marshal for the Western District of Missouri, but resigned in 1877. He was a leader in every worthy public enterprise, and his high character and moral worth were everywhere acknowledged. For sometime past he was President of the Farmers' Bank of Cameron. On July 6, he tendered his resignation, upon the acceptance of which the Board of Directors passed the following resolutions:

Resolved, By the Board of Directors of the Farmers' Bank of Cameron, in special session convened, July 9, 1881,

1st, That we learn with great sorrow that the severe and protracted illness of President Smith has rendered his resignation necessary, and it is with the most profound regret that we accept the same. That in so doing we desire to express our appreciation of his high character and moral worth as a man and a citizen; of his untiring energy, great ability, and uncompromising integrity as an officer, whether of State, Nation or corporation.

2d, That we earnestly hope for his recovery, that his life may yet be spared to his family, to our country and to us.

3d, That the Secretary present him with a copy of these resolutions.

JACOB L. SWAYZE.

At a meeting of the directors of the Merchants' National Bank of Newton, New Jersey, on June 20, 1881, the following resolutions were adopted:

WHEREAS, By the death of Mr. J. L. Swayze, late President of the Merchants' National Bank, this institution is called upon to mourn the loss of one of its founders, and one of its most valued and efficient officers; therefore be it

Resolved, That while submitting to the will of Providence we deplore the event which has deprived us, in the midst of his usefulness, of one whose energy, prudence and rare business ability, have in the greatest degree contributed to the success of the bank, and who ever proved most faithful to its interests.

That we cherish the remembrance of the unfailing courtesy and kindness which marked the performances of his official duties and which, extending through the long period of a painful illness, ended only with his life. That we tender our sympathies to his family in their deep affliction, to the large social circle by whom he will be sadly missed, and to the many in this community to whom he has been a willing counsellor and friend.

That a copy of these resolutions be presented to his family; that they be inscribed on the minutes of this bank, and that copies be furnished to the county papers for publication. By order of the Board, JOHN C. HOWELL, Secretary.

ELI BUTLER.

At a special meeting of the Directors of the Home National Bank of Meriden, Conn., held May 25, 1881, the following resolutions were adopted:

Whereas, We are through the inscrutable dispensation of Divine Providence, called to mourn the removal by death of our respected and loved President, Eli Butler. Therefore,

Resolved, That while we mourn our great loss, we bow with submission to the sad dispensation, and desire to express and place upon record our high appreciation of the valued service he has rendered to this bank as its chief executive officer for the long term of twenty-five years; also to bear witness and pay tribute to the memory of one whose pure life and christian character as a citizen has always been marked by generous private and public charities, sound judgment and prompt and liberal action in all matters pertaining to the advancement of the interests of this, his native town.

Resolved, That we most respectfully tender to the bereaved family of our deceased associate, our sincere and heartfelt sympathy in their deep affliction.

Resolved, That the Secretary be instructed to place upon the records of the bank the foregoing resolutions, and to transmit a copy to the family of the deceased, and a like copy to the press for publication.

Voted, That the Directors attend the funeral in a body on Friday, the 27th inst., and that the bank be closed at noon on that day, as a mark of respect to the memory of our deceased associate.

[Attest] A. CHAMBERLAIN, JR., Secretary.

THE BANKER'S GAZETTE.

The Money Market and Financial Situation.

NEW YORK, AUGUST 1, 1881.

As was anticipated there has been no sign of a lack of available capital in the country as yet. The deposits in the banks and savings institutions of the United States are about twenty per cent. larger than they were a year ago, and the business of the clearing house is about thirty per cent. greater. We obtain the fact in regard to the amount of deposits from a Washington dispatch, which gives the results of the returns to the Bureau of Internal Revenue. The average deposits with banks (other than national), bankers and savings institutions of the country, during the year ended May 31, amounted to $1,467,613,319, being $201,784,599 greater than the average in the preceding year. The deposits held by the national banks were about $1,110,000,000, or $210,000,000 greater than in the previous year. The statement of the Associated Banks of New York for the week ended July 30, confirms these figures: the deposits were $351,777,900, an increase of $60,471,400 over those of the corresponding week of 1880.

The stock market was very weak and irregular for about two weeks, up to last Wednesday, when there was a decided reaction. The cutting of railroad rates down to a ruinous extent, to which the decline may be principally ascribed, still continues, but the opinion has obtained currency that an agreement will soon be arrived at, and hence the recovery, which has been quick and decided. The case shows that there is real confidence in the market, and the means at hand to support it. Whether the conditions will continue thus during the Fall, may well be questioned. Good authorities see at present a rapid absorption of capital in new enterprises. The present prices of securities depend not only upon the earning value of the properties represented, but partly upon the fact that rates of interest generally are very low. Any pressure for money would therefore be very certain to act unfavorably upon prices of stocks and bonds. Much dependence seems to be placed upon the power, which this country is supposed to possess, to draw upon Europe for whatever specie we need, in order to keep "money easy;" but every student of finance knows that Europe can only send what money she has to spare. The outlook for the foreign trade, is that the balance in favor of this country may turn at any time, in which case the chances of further shipments of gold this way would be much reduced.

It should not be supposed that general business is going to suffer, even if the balance of trade should change and the prices of securities should fall. On the contrary it almost necessarilly follows that if business continues to prosper, prices of merchandise and the rate of interest will rise, causing a decrease in the exports, an increase in the imports and a decline in stock prices.

RECENT TREASURY OPERATIONS.—The debt statement for this month shows a decrease in the public debt, during July, of $10,078,023. The 3½ per cents. appear in the statement for the first time, to the amount of $178,055,150, being the amount of 6 per cents. continued at the lower rate. The amount of 5 per cents. continued at 3½ will not appear until the next monthly statement. Of these bonds about $35,000,000 are called for payment on October 1st, after which the remainder will be described as 3½ per cents.

It is calculated that after October 1st, the bonded debt, exclusive of the six per cents. issued to the Pacific railway companies, will stand about as follows:

4½ per cents	$250,000,000
4 "	739,347,800
3½ "	576,881,800
Total	$1,566,229,600
Navy pension fund	14,000,000
Total	$1,580,229,600
The amount of annual interest March 1, 1881	$76,845,937
Annual interest after October 1, 1881	61,434,775
Annual saving of interest	$15,411,162

UNITED STATES BONDS have not been so strong recently as about the beginning of July, but there is a steady demand for them for investment, and any drop in the market is quickly taken advantage of by purchasers.

The following table shows the closing bids for the principal issues of Government bonds on each day of the month of July, and the highest and lowest during the month:

July	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.	July	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.
1	103¼	102⅝	115	117¼	134	18	102⅛	102	114⅞	116⅝	134
2	103⅛	102⅝	115	116¾	134	19	102⅛	101⅞	114⅛	116⅝	134
4	.....	.....	.....	.....	...	20	102¼	101¾	114⅝	116⅝	134
5	102⅞	102¼	114¾	116⅝	134	21	102⅜	101⅞	114½	116¼	134
6	103	102¼	114¾	116¾	134	22	102⅜	101¾	114¼	116¼	134
7	102⅞	102⅜	114⅞	116¾	134	23	102¼	101¾	114¼	116¼	134
8	102⅝	102⅛	114⅝	116⅝	134	25	102¼	101¾	114¼	116	134
9	102⅝	102¼	114⅝	116⅝	134	26	102	101⅝	114⅛	115¾	134
11	102⅝	102¼	114⅝	116⅝	134	27	102	101⅝	114⅛	115⅞	134
12	102⅝	102⅛	114½	116½	134	28	102¼	101¾	114¼	116⅛	134
13	102½	101⅞	114⅝	116⅝	134	29	102⅜	102	114½	116⅜	134
14	102½	102	114½	116⅝	134	30	102¼	102	114½	116¼	134
15	102½	101⅞	114½	116½	134	High	103¼	102⅝	115	117¼	134
16	102½	101⅞	114½	116½	134	Low	102	101⅝	114⅛	115¾	134

FOREIGN EXCHANGE.—The rates for foreign bills have been so low some days recently, that the probability of further receipts of gold from Europe has been discussed in certain quarters. How the present movement in prices of merchandise may affect this is argued above. The actual rates to-day for bankers' sterling, 60 days, are $4.82@4.82½; sight, 4.84@4.84½; for Antwerp, commercial, 60 days, 5.25@5.24⅜; Swiss bankers' 60 days, 5.23⅛@5.22½; sight, 5.19⅜@5.18¾; Reichsmarks (4) bankers' 60 days, 94@94⅛; Reichsmarks (4) sight, 94⅝@94¾; Guilders, bankers', 60 days, 39⅞@40; sight, 40⅛@40¼. Paris dispatches quote exchange on London 25 francs 20 centimes.

The following shows the posted rates for prime bankers' sterling bills on London at 60 days and sight, cable transfers and prime commercial sterling at 60 days, with exchange on Paris on July 1, the changes in the rate as they occurred during the month, and the highest and lowest during the months of June and July:

	Bankers 60 days.	Bankers Sight.	Cable Transfers.	Commercial.	Paris 60 days.	Paris Sight.
June—						
Highest	4.85	4.87	——	4.82¾	5.21¼	5.18⅝
Lowest	4.84	4.86	——	4.80¾	5.22¾	5.19⅝
July 1	4.84½	4.86½	4.86⅝	4.82⅛	5.22⅛	5.19
" 19	4.84	4.86	4.86⅛	4.82⅛	5.22⅛	5.19
" 25	4.83½	4.85½	4.85¼	4.81⅞	5.22⅛	5.19
" 26	4.83½	4.85½	4.84¾	4.81¾	5.23⅛	5.19¾
" 28	4.83	4.85	4.84½	4.81¾	5.23⅛	5.19¾

New York City Bank Movements.—The average loans and discounts reached their highest point in the week ended July 9th, amounting to nearly 353 million dollars. Within the past month the loans have decreased slightly; the specie reserve is 4½ millions stronger, while the legal-tenders are somewhat decreased; the deposits are over 5 millions greater, while the surplus reserve, above what is required by law, increased from less than 7 million dollars on July 2d, to over 10 millions during the past week.

The statements of the New York City Clearing-House banks, the range of call loans and rate of discount on prime paper for the four weeks of July were as follows:

N.Y.City B'k Statm'ts.	July 2.	July 9.	July 16.	July 23.	July 30.
Loans and discounts	$350,491,100	$352,856,800	$348,744,400	$349,240,500	$349,188,400
Specie	76,415,600	77,728,500	81,946,900	81,491,400	81,043,400
Circulation	19,176,800	19,149,200	19,181,300	19,185,300	19,212,900
Net deposits	346,466,400	349,843,000	351,199,500	352,658,800	351,777,900
Legal tenders	17,112,300	16,284,300	17,058,700	16,752,000	16,931,800
Legal reserve	86,616,600	87,460,750	87,799,875	88,164,700	87,944,475
Reserve held	93,527,900	94,012,800	99,005,600	98,243,400	97,975,200
Surplus	$6,911,300	$6,552,050	$11,205,725	$10,078,700	$10,030,725
Range of call loans	3@5	3@6	2½@4	2@4	2½@4
Rate of prime paper	3@4	4@4½	4@4½	3@4½	3½@4

Money and Domestic Exchange.—The money market continues easy, most of the loans on call being made at 2½ to 3 per cent. For time loans 3 to 5 per cent. is obtained, according to the kind of collateral. Commercial paper is in fair demand. The rate of discount on 60 to 90 days, indorsed bills receivable, 3½ to 4 per cent.; four months' acceptances, 4¼ to 4¾, and good single names, four to six months to run, 5 to 6 per cent. The following are the rates of exchange on New York, to-day: Savannah, buying ⅛; selling at ¼@⅜ premium. Charleston, buying ⅛ premium; selling ¼ premium. New Orleans, commercial, 75c.@$1 per $1,000 discount; bank $1 per $1,000 premium. St. Louis, 50c. per $1,000 discount. Chicago, 80c.@$1 per $1,000 discount. Boston, 1s. per $1,000 premium.

Railroad and Miscellaneous Stocks.—For the past three weeks the break in the trunk line agreement, the reduction in fares and freight-rates, and the prospect of reduced earnings have tended to unsettle prices at the Stock Exchange. The condition of the President has also been used to aid the downward movement. Within a few days, however, the supposition that the railroad managers would put an end to the suicidal rivalry has checked the downward tendency of stocks, and the reaction has carried prices well up toward the former figures. The table below will show the extent of the decline, and of the subsequent recovery.

The following table shows the highest, lowest and closing prices of the most important railway and miscellaneous stocks at the New York Stock Exchange during the month of July:

Companies.	Highest.	Lowest.	Clos'g	Companies.	Highest.	Lowest.	Clos'g
Canada Southern....	69	66⅞	67	Met. Elevated........	93¾	80	85
Central Pacific......	100½	89¾	94	Mich. Central........	105¾	106½	101
C., C., C. & Ind......	96½	89	94	Mo., Kan. & Texas..	51⅝	40⅝	44½
C., C. & I. C..........	25¾	20	23½	Nash., Chat. & St. L.	90	75	82
Chic., Bur. & Q......	165½	154	161½	N. J. Central........	102⅝	89¾	95¾
Chic., R. I. & P......	144	134	139	N. Y. Central........	146¾	141⅛	144¾
Chic. & Alton........	142½	135	131	N. Y. & N. Haven...	—	—	184
Northwestern........	131⅝	121	126½	N. Y. Elevated......	110¾	104¼	107
Mil. & St. Paul.......	128⅜	108½	114⅜	N. Y., L. E. & W....	47¼	41¼	44½
Del., Lack. & West..	125	118	123¼	Northern Pacific....	45½	35	40¾
Denver & R. G......	110½	94⅝	102⅝	Ohio & Mississippi..	42½	36	39⅛
Hannibal & St. Jo...	94¾	89⅞	92	Oregon R. & N......	173	160	163
Illinois Central......	142	134½	136	Phila. & Reading....	61	56½	59¾
Ind., B. & W.........	56¾	45	51	St. L. & San F........	52½	45¾	51
Lake Erie & West..	62½	52½	57½	Texas & Pacific......	68½	52½	58¾
Louisville & Nash...	108½	98½	103⅜	Union Pacific........	131¾	122½	127¼
Lake Shore...........	127¼	120¼	125¾	Wabash, St. L. & P..	59⅞	48⅛	53¾
Manhattan R........	26¾	15⅝	18¼	Western Union Tel..	93⅝	84⅛	89¾
Missouri Pacific.....	112½	105⅝	109¼	Pacific Mail..........	52⅝	47	53

STATE BONDS.—The dealings in State securities have been very light, and without any specially interesting features. It is a matter of doubt whether the Governor of Tennessee will convene the Supreme Court to pass upon the funding law or not. Tennessee sixes have sold recently up to 71¾@74½; Louisiana consols, which have been the most active of the list, sold at 68@67½. In addition to these, sales have been made at the Stock Exchange within two weeks at the following prices: Alabama, class A, 78; class B, 97⅝; class C, 82½; Arkansas 7s, L. R., P. B. & N. O., 16; Georgia 7s, new, 111½; North Carolina special, class 1, 7½; class 3, 7; South Carolina, non-fundable, 9½: Virginia 6s, old, 39, deferred bonds, 17; District of Columbia, 3-65s, 107@108½.

RAILROAD BONDS have sympathized with the movement of stocks to a certain extent, having generally declined toward the middle of July and recovered quite recently. The following are the prices at the Stock Exchange of the railroad bonds principally dealt in, since the recovery: Erie new seconds, 103@102¾; Texas & Pacific income, 81½; firsts, Rio Grande division, 93¾; Kansas Pacific consols, 109; Missouri, Kansas & Texas seconds, 82⅞, consols 11, general 6s, 92@92½; Denver & Rio Grande consols, 115⅞; Rome, Watertown & Ogdensburg consols, 99; Lehigh & Wilkesbarre consols, 112; American Dock & Improvement Co. 7s, 135½@136½, Central of New Jersey, adjustment, 106⅞; St. Paul consols, 124@125⅜; Ohio Central income, 56, firsts, 100@102; C. C. & I. C. income, 82½@80; Boston, Hartford & Erie firsts, 80@79⅞; Chesapeake & Ohio currency 6s, 61½, firsts, series B, 86@87¾; Canada Southern firsts, 100; Rochester & Pittsburg income, 49¾. The latest quotations will be found in the table of Railroad Bonds and Miscellaneous Securities at the end of this department.

COINS AND BULLION.—The following are New York quotations (AUGUST 1) in gold for the various foreign and domestic coins, and bullion:

Sovereigns................	$4 84 @$4 87	Silver ¼s and ½s............	99¾@ par
Napoleons	3 83 @ 3 86	Five francs..................	93 @ 95
X X Reichmarks.........	4 74 @ 4 78	Mexican dollars.............	87 @ 89
X Guilders................	3 96 @ 4 00	do uncommercial.......	87 @ 89
Spanish Doubloons.... ..	15 55 @ 15 75	English silver.......	4 75 @ 4 85
Mex. Doubloons....	15 55 @ 15 65	Prussian silver Thalers.....	68 @ 70
Fine silver bars...........	1 11½@ 1 12⅛	U. S. Trade dollars.........	99¼@ 99⅝
Fine gold bars, oz........	par @ ¼ prem.	U. S. silver dollars...........	99¾@par.
Dimes and ½ Dimes......	99½@ par.		

STATISTICAL SUMMARY ON OR ABOUT AUGUST 1, 1879, 1880 AND 1881.

The following summary shows the condition of the New York Clearing House banks, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of August in 1879, 1880 and 1881; and, for comparison, the same figures for last month, July, 1881:

	JULY	AUGUST		
NEW YORK CITY BANKS—	1881.	1881.	1880.	1879.
Loans and discounts	$345,490,700	$349,188,400	$297,779,300	$267,280,100
Specie	77,091,500	81,043,400	68,037,700	19,652,400
Circulation	19,144,300	19,212,900	19,477,600	20,594,800
Net deposits	343,640,800	351,777,900	291,306,500	254,770,700
Legal tenders	18,092,900	16,931,800	20,631,300	57,655,100
Legal reserve	85,910,200	87,944,475	....	....
Reserve held	95,184,400	97,975,200	....	....
Surplus	9,274,200	10,030,725	15,812,375	13,614,825
MONEY, EXCHANGE, SILVER—				
Call loans	2 @3	2½@4	2 @4	1½@3
Prime paper	3 @4	3½@4	3½@4½	3 @4½
Silver in London per oz	51 ⅝d	51 ⅜d	52 13-16d.	51⅛d.
Prime Sterling bills, 60 days	4 84½	4 83	4 83	4 82½@4 83½
UNITED STATES BONDS.				
6s, 1881, coupon	103	102¼	104⅜	104¾
6s, currency, 1898	133	133	125	123¼
5s, 1881, coupon	...	102	102½	102⅞
4½s, 1891, coupon	115	114½	111⅜	106¼
4s of 1907, coupon	117½	116⅜	109½	102¼
RAILROAD STOCKS.				
New York Central & Hudson Riv	146	144⅞	133	119
Erie (N. Y., L. E. & W.)	43½	44½	44¼	28⅛
Lake Shore & Michigan Southern	126	126	109⅝	80⅝
Michigan Central	104	100¾	98	83¼
Chicago, Rock Island & Pacific	142	138	115½	139½
Illinois Central	140¼	137¾	111	89½
Chicago & Northwestern, common	127½	126½	99⅜	74¾
Chicago, Milw. & St. Paul, com	126	115	89⅜	64⅞
Delaware, Lackawanna & Western	123½	123½	87½	62¼
Central of New Jersey	101⅝	96	77⅜	54
MERCHANDISE.				
Cotton, Middling Uplands, per lb	11 1-16	12⅛	11 9-16	11½
Wool, American XX, per lb	34 @42	42	42@48	32@40
Iron, American Pig, No. 1, per ton	23 50	....	27@28	20 00
Wheat, No. 2 spring, per bush	1 27⅝	1 22	1 08¾	1 05@1 06
Corn, Western mixed, per bush	58 @56½	47@58	43 @48¼	43 @45
Pork, Mess, per bbl	1 700	18 25	13@14 60	8 75@8 80

SWINDLING BY FORGED DRAFTS.—At frequent intervals during the last year the Leather Manufacturer's National Bank of New York has received forged drafts purporting to come from the Exchange National Bank of Pittsburgh, for which bank the Leather Manufacturer's Bank acts as New York agent. No attempt is made to imitate the genuine drafts of the Pittsburgh bank, the spurious draft being on larger paper and of a different color; but it is neatly engraved and appears to be a regular bank draft. The signature of the Pittsburgh bank's cashier, Andrew Long, is not imitated at all, but is written in an entirely different handwriting. A dozen of these drafts have come to the Leather Manufacturer's Bank during the last year for payment. They come through the Clearing House from all parts of the country, Ohio, Western New York, Pennsylvania, and even Canada, and usually from some small country bank whose officers are not likely to recognize the forgery.

INVESTMENT NOTES.

TENNESSEE STATE DEBT.—Chancellor Merritt has just dismissed a bill of injunction against the State Funding Board, for want of equity on its face. An appeal will be taken to the Supreme Court, where the bill goes for final decision.

MINNESOTA BONDS.—The tribunal which will decide an important question relating to the settlement of Minnesota's bonded debt, consists of Judge Young, of Minneapolis; Judge Crosby, of Hastings; Judge Brown, of Montevideo; Judge Brill, of St. Paul, and, we believe, Judge Severance, of Mankato. The duty now before the tribunal is to hear arguments and decide whether the Legislature has power to provide for the payment, adjustment, or settlement of the liability of the State on State railway bonds, without submitting the matter to a vote of the electors of the State, which would defeat it. The holders of these bonds having deposited their bonds and coupons with the State Auditor, and obliged themselves in writing to accept fifty per cent. of their face for them, the State Auditor is to lay the bonds so deposited before the judges. If the decision should be against the validity of the constitutional amendment, or that the Legislature has power to provide for the settlement of the bonds withont submission to the people, then it will be the duty of the Governor and the Auditor to procure new bonds in the denomination of $10,000, payable in ten years or thirty, in New York City, with semi-annual interest at five per cent. The old bonds may be paid in new bonds or cash, at the option of the State.

TAXING DISTRICT, OR CITY, OF MEMPHIS.—A case which recently came up in the Supreme Court of Tennessee, bears closely upon responsibility of Memphis for its old debt. The case of O'Conor *vs.* Memphis, was on appeal when the City of Memphis committed suicide. The plaintiff moved to revive the judgment against the taxing district. The majority of the court, McFarland, judge, dissenting, concurred in the opinion that the reviver should be ordered, holding that the taxing district was a municipal corporation, organized for the government of the same people and territory as were formerly under the local government of the city. The court holds that so much of the act establishing the taxing district as declares that it should not be liable, for the debt of the City of Memphis is void; that the same people and territory being reincorporated under a new name, the new municipality is but a continuation of the old, and liable for its debts, notwithstanding a legislative declaration to the contrary.

REDUCING INTEREST ON LOANS.—The Society for Savings of Hartford, Conn., the largest savings bank of the State, with assets of nearly $8,500,000, has decided practically to reduce the rate of interest of real estate loans from six to five per cent. Borrowers are at liberty to give notice to the bank that, after the expiration of the next six months, they desire to pay only five per cent. The bank managers will then have a new inspection of the property made, and if satisfied with the security will reduce the rate; if not satisfied, they will give notice to the borrower how much the loan must be reduced in order to obtain the reduced rate of interest. The intention is to make all "gilt-edged" loans bear only five per cent. The result will probably be similar action on the part of other savings banks throughout the State. The common rate on real estate being six per cent. without regard to the general decline in interest. The society, from savings alone, has more than $5,000,000 loaned on real estate.

RAILROAD BONDS AND MISCELLANEOUS SECURITIES.

QUOTATIONS IN NEW YORK AND OTHER CITIES.

T e following tables give the latest procurable bid and asked prices of Railroad Bonds and miscellaneous securities at the New York Stock Exchange, and Southern securities not called at the Stock Exchange, and al o under their appropriate heads, the quotations of securities dealt in at other cities. The quotations represent per cent of par, and not dollars.

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

SECURITIES.	Bid.	Askd
RAILROAD BONDS.		
Boston, H. & E. 1st m..........	74	80
B., Cedar Rap. & N. 1s 5s g.....	102	102½
Chesapeake & Ohio 6s 1st B ...	85	88
do do cy. int. def.	55	58½
Chicago & Alton 1st mortgage.	118	125
do income ...	105½	107
Joliet & Chicago 1st mortgage.	.....	100
La. & Mo., 1st 7s, ...	111⅝	......
St. L Jacksonville & Chic 1st...	119	120
Chic. Bur. & Qu. 8 per ct. 1st m	105½	106
Chic. Bur. & Qu. cons M 7s	131	132½
do do 5s Sinking Fund	113	116
Chic. R. I. & Pac 6s 1917. cp....	129	129
do 6s 1917, registered	127	129
Keokuk & Des Moin 1st 5s.....	108	110½
Cen. R R. of N. J. 1st 7s. 90..	121	124
do cons. assent.	......	118½
do conv. do...	......	117½
L. & W. B'e. con. assented....	108	110½
Am' Dock & Imp. bonds as'd	182	183
Chic. Mil. & St. Paul R. R		
M. & St. P. 1st mtg 8s P. D...	136	145
do 2d 7 3-10 P. D.....	123	127
do 1st 7s $ gold R. D	126	131½
do 1st 7s £ do	113	113½
do 1st M. LaC. D.....	123	128
do 1st M. I. & M. D..	126	......
do 1st M. I. & D......	125	......
do 1st M. C. & M.....	126	130
do consolidated s f..	125	126
do 2d mortgage 7s...	101¾	107
Chic. & N. W. sinking fund....	112½	113
do do int. bonds.......	106¼	109
do do cons. bonds.....	133	135⅛
do do exten. bonds...	134	111
do do 1st mortgage...	113½	114½
do do coup gd bonds..	127	128
do do reg'd do	125½	127
Iowa Midland 1st m. 8s......	127	183
Galena & Chicago extension.	105½	......
Peninsula 1st m. conv........	120	140
Chicago & Mil. 1st m.....	125	127½
Winona & St. P. 1st mort.....	135	......
do do 2d mort.....	123	......
C. C. C. & Ind's 1s m. 7s s. f.....	125	126
do consol, M. bonds.	125½	127
Del., Lack. & W. 7s conv.......	......	......
do do m. 7s 1907....	127	130
Morris & Essex 1st mor.......	143	......
do 2d do	119	120
do 7s 1900.	120½	......
do 7s of 1871.....	123	124
do 1s con. gd....	......	124
Del. & Hud. Can. 1s 7s. 1884....	106½	110
do do 1891 ...	115	117
do Coup. 7s 1894...	119½	121
do Regis'd 7s 1894 ...	121	...
Albany & Susq. 1 s 7s	114	116
do do 2d do........	109	110
do do 1st c gua'd....	126	126
Rens'r & Sara. 1st 7s. Coup..	135	......
do do 1st reg'd 7s ...	135	135
Erie 1st. con. f'd. coup. 7s.	123	126½
do new 2d. con. 6s..........	100½	103½
do 2d. con. f'd. coup. 5s	98	100
Han. & St. J. 8s convertible m.	113	......
Illinois Central,.......		
Dub. & Sioux City 1st m......	103	104
do do 2d div....	107	... ...
Cedar Falls & Minn. 1st m....	......	114
Indp's Bloomn & W'n 1st p....	128	......
do do 2d ...	84	86
Lake Shore Bonds		
M. So & N. I. Sink. fd 7.........	111½	112¼
Cleve. & Tol. sink. fd...........	110	112¾
Cleve. & Tol. new bonds........	111	115
Cleve. Painesv & A bonds 7s...	117	120
Buff. & Erie, new bonds...	124	......
Buff. and State Line 7s.........	103	115
Kala. & W. Pigeon 1st m.......	114	... ..
Det. Mon & Tol 1st 7s 1906......	121	125
Lake Shore div. bonds..........	120	127
do con c'p 1st 7s.	128	131
do con reg 1st bds.....	128	131
do con coup 2d 7s......	126¼	127½
do con re'gd 2d m.....	126¼	126½
Marietta & Cin. 1st m..	......	125
Mich. Cent. consol. 7s 1902......	127	131
do 1st m. 8s '82 s f	107	109
do equipment bds.....	......	.....
N. Y. Cent. 6s, 1883.............	105	105½
do do 6s, 1887..............	109	115
do do 6s, real estate......	105	110
do do 6s, subscription...	104½	106
do do & Hud 1st m c.....	136½	137½
do do do 1st m reg....	136½	139
Hud. Riv. 7s 2d m s f 1885.....	109	......
Harlem 1st m 7s coupon......	132	135
do do reg'd.........	132	132
Ohio & Miss cons s f............	123	......
do consolidated 7s....	121½	122½
do 2d do...........	......	121⅛
do 1st Springfield div.	117	118¼
Pacific R R bonds........... ...		
Cent Pacific gold bonds......	115¾	116⅛
do San Joaquin branch....	111¼	.... .
do Cal & Oregon 1st........	107	......
do State aid bonds	108	......
do land grant bonds........	106½	107
Western Pacific bonds........	......	112
Union Pacific 1st m bds.......	118⅛	118⅛
do land grants. 7s...	118¾	119
do sinking fund.....	129	129½
Pacific R of Mo. 1st m..........	112¼	113
do 2d m. 7s...........	112	115
Pennsylvania R R		
Pitts, Ft W & C 1st m	139	139
do do 2d m..........	131	......
do do 3d m..........	126	......
Cleve & Pitts con s f..........	127½	129
do 4th do..........	113½	114
Col. Chic & Ind cent. 1st m..	134⅞	140
do do 2d m..........	......	100
Rome, Water'n & Og con 1.....	93	94
St. L. & Iron M 1st m...........	120	125
do do 2d m...........	110	114
St. L. Alton & Terre H. 1st 7s..	115	118

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid.	Askd
St. L. Alton & T. H. 2d pref...	115	118
do 2d do inc......	106	109
Bell & S. Ill R. 1st m 8s........	118	......
Wab., St. L. & Pac. gen. m 6s..	......	101
do Chic. div. 5s	99	99⅞
do Han. " 6s	103	105
do Tol. P. & W. 7s.........	118	118½
Wabash R. m. 7s...........	108	112
Tol & Wab 1st m ex...........	114	115
do 1st M. St. L. div.....	111⅛	111⅛
do 2d m. extdg. 7s	112	112
do equipment bonds..	50	70
do cons conv'ble......	112	115
Gt West'n 1st m 7s 1888.......	113	115
do 2d 7s 1893	111	112
Quincy & Tol. 1st M.......1890	110	......
Illinois & S Iowa 1st m 7s....	103	104
West'n Un bds, 1900, c'pon.....	120	121⅛
do do do reg........	121⅛	121⅛
MISCELLANEOUS LIST.		
Arkansas Levee 7s...	5	10
Atchison & P Pk 6s gold........	......	......
Atchison, Top & S Fe 7s, g.....	124½	125½
California Pac R R 7s gold.....	106	108
do 6s 2d m gold.... ..	105	110
Central Pac 7s gold, conv.......	100	103
Chi & Southwestern R R 7s....	124	126
Chi & Mich Lake Shore 8s.	106	112
Chi & Can South 1st m'g 7s.. ..	65	75
Cin, Rich & F W 1 m g 7s.......	110	114
Cleve, Mt V & Del 7s gold......	65	75
Connecticut Valley 7s gold....	65	70
Connecticut Western 1st 7s....	35	37½
Col & Hock Val 1st 7s 30 ys.....	112	118
Denver Pacific 7 gold...........	108½	109
Erie & Pittsburg 1st 7s.........	102½	103½
do 7s, cons..................	110	115
Evans & Crawfordsville 7s.....	102½	107½
Evansville, T & H Chic 7s g.. .	90	100
Flint & Pere M 7s land grant...	110	112
do pref stock......	103	104
Grand River Valley 8s..........	107½	110
G'd Rapids & Ind 1 guar 7 g....	118	120
G'd Rapids & Ind 1st 7s g	110	115
Ill Grand Trunk 8s......	116¾	117½
Ind. Bl. & W., scrip.............	28	35
Indianapolis & Vinc's 1st 7s gr.	110	115
Indianapolis & St. Louis 7s.....	80	90
Io Falls & Sioux City 1st 7s.....	110	112
Jack. Lansing & Sag. 1st m.....	108	110
Jeff'ville, Mad & Ind 1st m 7s..	115	118
Kala'zoo & South H 8s guar....	114	116
Kal, Alleghan & G R 8s gr......	110	115
Kal & White Pigeon 7s.........	110	115
Kansas City & Cameron 10s.....	118	122
Michigan Air Line 8s...	119	121
N. J. Midland 1st 7s gold.......	97	98
Omaha & S West'n R R 8s......	115	120
Oregon & Cal 7s gold..........	......	......
Oswego & Rome 7s guar........	110	......
Ott, Oswego & Fox R V 8s.....	......	....
Pitts, Cin & St Louis 1st 7s..	124	124⅛
Sand, Mans & Newark 7s.......	117½	119
Sioux City & Pacific 6s.........	......	......
Southern Central N Y 7s.......	50	90
Steubenville & Indiana 6s......	102	104
St L & S Eastern 1st 7s gold ...	100	......
Union Pacific So br 6s gold...	110	112
Union & Logansport 7s.	105	110

SECURITIES.	Bid.	Askd
CINCINNATI.		
COUNTY AND CITY BONDS.		
Cincinnati 4s....................	105	105½
City of Cin. consol 5s..........	115	x115⅛
City of Cincinnati 6s...........	122¼	122½
do do 7s............	130	132
City of Covington, Ky 6s '81...	102	......
do do . 7 3-10, '81....	102	104
RAILROAD BONDS.		
L Miami & I & C con 6s	105	......
do do 1st 6s '83......	103	......
Cin, Ham & Day 2 m 7s '85......	107¼	x108
Dayton and Mich, 2 m 7s '84....	106	107
do do 3 m 7s '88....	107	109
Cin, Rich & Chi, 1 m 7s '95......	109	110
Cin, Han & Ind 1st m gr 7s.....	x 108	110
Marietta & Cin 1st m 7s '91.....	87	90
do do 2d m 7s '96......	30	33
Indianap & Cin 1st m 7s '88.....	109	......
Cin & In guar 1st m 7s '92.....	109	110
do 2d m 7s '77 '82.......	104	106
Indianap C & L 1st m 7s '97.. .	......	110
Day & W 1 m, 1881.	x 101	102
do 2 m, 1905.............	......	100
MISCELLANEOUS STOCKS.		
Columbus & Xenia.......... 50	150 x	160
Cin, Ham & Dayton.........100	93	x 94
Dayton & Mich 3½ guar..... 50	62	x 65
Little Miami.... 50	145	x146
Marietta & Cin 1st pref..... .50	17	......
do do 2d do....... .50	....	3
Cin Gas Light & Coke Co....100	167¾	x168¼
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s..................	112	115
do 8s............	118	120
Augusta, Ga 7s bonds..........	112	115
Charleston stock, 6s...........	78	80
Charleston, S. C. 7s F L bonds..	100	......
Columbia, S. C. 6s	65	75
Columbia, Ga. 7s bonds.........	100	......
Lynchburg 6s..................	106	107
Macon 7s bonds...	100	105
Memphis bonds 6s..	45	......
do new consols..........	45	......
do end, M & C R R	50	... ..
Nashville 6s old	100	105
do 6s new....	100	105
New Orleans 5s................	72	80
do consol, 6s......... ...	75	80
do bonds. 7s............	60	......
do to railroads 6s.........	......	60
Norfolk 6s....	103	104
Petersburg 6s..................	103	106
Richmond 6s...	113	115
Savannah 5s	88	92
RAILROADS.		
Atlantic & Gul, consol.........	110	115
Central Georgia cons, 7s... ...	117	120
do do stock..........	116	120
Charlotte Col & A, 1 m 7s......	110	114
do do stock...	50	......
E Tenn & Georgia 6s...........	102	106
East Tenn, Va & Geo 1st m 7s..	118	122
do do stock..........	200	230
Georgia R R 7s.................	115	......
do stock	160	165
Macon & Western Stock.......	120	130
Macon & Augusta bonds.......	100	......
do do endorsed....	100	.....

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Memphis & Charleston 1st 7s...	110	......
do do 2d 7s.....	102	108
do do stock....	70	72
Mississippi Central 1st m 7s....	102	......
do do 2d m 8s....	112	115
Mississippi & Tenn 1 m.........	130	......
do do cons, 8s....	120	122
Motg'y and West P, 1st 8s....	103	......
do do 1st end.......	......	......
N Orleans and Jackson 1st m..	112	116
do do 2d m....	117	125
Nash and Chattanooga 6s......	100	115¾
Norfolk and Petersb 1st m 8s...	104	......
do do 2d do..	102	......
Northeastern, S C, 1st m 7s.....	126	.....
do do 2d do.....	116	......
Orange and Alex 1st 6s.........	107	......
do do 2d 6s........	111	.....
do do 3d 8s........	93	......
do do 4th 8s........	55	......
Rich and Peters'b 1st m 7s.....	......	......
do do 2d m 6s.... ..	......	......
do do 3d m 8s......	102½	......
Rich and Fred'b and Pot 6s...	104	......
do do do con 7s.	118	......
Rich and Danv 1st con 6.......	102	103
do Piedmont 8s......	112	114
do 1st 8s....	......	.....
Southside Va 1st m 8s	104	......
do 2d m guar 6s......	100	127
do 3d m 6s...........	97	......
do 4th m 8s..........	......	......
Southwest R R, Ga 1st m.......	120	......
do do stock	120	130
S. Caro R R, 1st m 7s, new	105	......
S. Caro R R 6s	70	76
do 7s 2d	120	122
Virginia and Tenn 2d 6s.......	103	.....
do do 3d 8s.......	122	125
West Ala, 8s guar..............	119	121
Wilmington and Weldon 7s....	119	......
PAST DUE COUPONS.		
Tennessee State coupons......	40	50
Virginia consol coupons.......	91	92
Memphis city coupons...	30	.....

BOSTON.

RAILROAD STOCKS AND BONDS.

Securities.	Bid	Askd
A T and Santa Fe, 1st m 7s.....	123	124
do do L G.......	121	......
do do stock......	142⅝	142¾
Bost and Alb'y stock...........	174	174¼
Boston and Lowell stock.	112	113
Boston and Maine, stock	......	160
Boston and Providence, stock.	......	163
Chicago, Bur and Quincy... ..	156½	157
Cin, San, and Cleve, Com. stk.	26	......
Connecticut River, stock	......	......
Eastern stock.......	50⅛	50⅜
Fitchburg, stock	153¼	......
N. Y. & New England R. R. 7s.	121	.....
do do do 6s.	......	......
Northern (N. H.) stock...	110	110½
Norwich and Worcester stock.	......	165
Ogdenburg and L Champ stock	50½	......
Old Colony stock........... ..	130	......
Portl, Saco & Portsmouth st'k	113	......
Portsmouth, Gt F & Con'y s...	......	......
Rutland pref. stock...........	29	29¾
Vermont and Mass............	......	......

Securities.	Bid	Askd
Worcester and Nashua........	66	67
MISCELLANEOUS STOCKS.		
Boston Land Co	8⅝	8¾
Boston Water Power..........	8½	8⅝
Pullman Palace Car	......	......

PHILADELPHIA.

STATE AND CITY BONDS.

Securities.	Bid	Askd
Penn. 5s, new, reg, '92 1902. ...	115	116½
do 6s, 10-15, reg, '77 1882.....	105	......
do 6s, 15-25, reg, '82 1892.....	101	105
Philadelphia 6s, old..	130	......
do 6s, new, over 1895..	127½	129
Pittsburg 5s, reg, 1913..........	95	......
do 7s, water loan.... ...	126	127
do 7s, street improv.....	108	......
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96.....	122½	124
Bel & Del R R, 1st m 6s, 1902....	120	......
do 2d do '85.....	108	110
do 3d do '87.....	107	......
Cam & Amboy R R 6s, 1883.....	106	107
do do do 6s, 1889.....	108	......
do do do m 6s, 1889...	115½	116½
Cam & At. 1st m 7s, gold 1893.	116	......
do do 2d do cur, 1879.	......	......
Cataw R R new 7s, 1900.........	125	126
Connecting R R 6s. cp. 1900.....	120	121
Del & B B R 1st m. 7s, 1905......	124¾	125
H. & B. T. 2d m 7s, gld 1895.....	112	121
do 3d do cur. 1895...	92¼	93½
Lehigh Valley, 1st m, 6s, c, '98..	122	123½
do do r g '98....	123	......
do 2d m, 7s, reg 1910.....	137	138
do cons. m, 6s reg 1923....	121½	122
do do 6s, coup. 1923.......	......	122
N Cent. 2d gd. m. 5s, cp'n 1926..	......	101¼
North Penn, 1st m 6s, c 1885...	107½	......
do 2d m 7s, c. 1896...	122	125
do gen. m 7s, c. 1906...	122	123
do do reg., 1906..	120	......
Oil Creek 1st m 7s, coup '82.....	101½	103
Pittsb'h Titus & Buff 7s, c, 1896.	104½	105
P & N Y C. & H. R. 7s, r&c 1896.	....	124½
Penna. 1st mort 6s, c, 1910......	126	127
do do do 6s reg 1910......	126	128
do cons m, 6s reg. 1905..	121	122
Phila & Erie 1st mort 6s c 1881.	......	......
do 2d mort 7s, c 1888.	118½	120
Phila & Reading 1st m 6s, 1880..	121	......
do 2d m 7s, c 1893..	122	125
do cons m 7s c 1911..	126¾	126½
do do m 7s r 1911..	127	......
do do 6s, g r & c 1911..	117	......
Pitts, Cinn. & St. L 7s c 1900....	124½	125
Tex & Pac 1st m, 6s, g 1905......	....	109½
do cons m, 6s, g 1905......	......	104
Un & Titus 1st m, 7s, 1890.......	109½	109⅞
War. & F. 1st mort. 7s, c 1896..	115	120
West Jersey 6s, d coup 1883....	100	......
West Jersey 1st mort 6s, c 1896.	119½	121
do do 7s, r & c '99..	120	122
West Penn 6s, coup, 1893.......	110½	112
do 6s. p b c, 1896.......	109	109½
Lehigh Nav. m 6s, r 1884........	106½	107
do M.R. R. r, 1897	......	120
do M conv g. r. 1894	116½	......
do M gold, r. c, 1897	115⅝	116
do cons m 7s r, 1911	119½	120

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Schuyl. Nav. 1st m 6s, reg 1897..	105	......
do 2d do r. 1907..	90	......
do m 6s, coup. 18[illegible]5..	50	......
do 6s, bt&car r 1913..	60	70
do 7s, bt&car r 1915..	70	......
R. R. AND CANAL STOCKS.		
Catawissa.................. 50	20	21
do pref..... 50	.....	59
do new pref..... 50	55½	59
Lehigh Valley.............. 50	60½	61¼
Liltle Schuylkill........ 50	55⅛	55¾
Minehill..........................	60½	......
Northern Pacific..................	35⅛	35⅜
do pref.........	74⅛	74¼
North Pennsylvania........ 50	60	60½
Pennsylvania 50	63	63⅛
Philadelphia & Reading..... 50	29	29⅛
Pitts. Titus. & Buffalo..........	21¼	21⅜
St. Paul & Duluth...	......	40
do pref........	87¾	88
United Cos. of N. J..........100	190	192
CANAL STOCKS.		
Lehigh Navigation.......... 50	44¼	44¾
Schuylkill Navigation..........	6½	......
do do pref.....	15	16
BALTIMORE.		
Maryland 6s, defence, J. & J...	105½	108
Virginia 10-40s, J. & J..........	55	55¼
do deferred, J. & J....	16	17
do consol. do.......	82¼	82½
do do 2ds do.......	40	42
do consol coup, p due......	91¾	92
Balt. 6s, J., A., J., O., 1890... ..	117	118
do 6s, J. A. J. O. 1900........	126	......
do 6s, J. & J., 1902............	127	......
do 5s, M. & N., ex., 1916......	125	126
Balt. & Ohio, May & N.......100	200	205
do 1st preferred	123	125
do 2d do	122	124½
Northern Central, J. & J.....50	53½	54½
Central Ohio, June & Dec....50	48	50
do preferred....50	50	60
South Side, 1st 8s, J & J........	110	.....
do 2d 6s, do	103	......
do 3d 6s, do	103	......
Cin. & Baltimore 1st 7s..	115	120
W. M. 1st m 6s gu. 1890, J. & J..	116	.....
do 1890. J. & J..	112	115
W. Maryland 2d m (pref).......	107½	108
M. & Cin. 1st m 7s F and A 1891	123½	124
do 2d m 7s M. and N....	86	86½
M. & Cin. 3d m 8s 1900 J. and J..	46	47½
Rich. & Dan. 1st m. M.and N...	104	105
Union R. R., End. Cant. Co.....	117	119
Canton Co., 1st 6, gold, J and J.	110	111
Orange, Alex. and Mn's 7s do..	......	......

SECURITIES.	Bid	askd
Orange & Mid. 1st 6s, M. and N.	115	118
do 2d 6s, J. and J.....	111½	112½
do 3d 8s, M. and N.. .	95	100
do 4th 8s, M. and S ...	55	60
Virginia & Tenn 6s 2d J. and J.	100¼	100½
do 8s, J. and J..	102	.....
W. & W. 7s gold 1900 J. and J.	115	.....
W. and Columbia and Aug. 7s.	115	120
ST. LOUIS.		
Corrected by Wernse & Dieckman, Bankers and Brokers, 203 N. Third St., St. Louis.		
BANK STOCK. Par.		
Bank of Commerce...... ...100	340	......
Laclede Bank 100	110	115
Biddle Market Sav'gs Bank.100	80	90
Boatmen's Sav'gs Bank.....100	117	119
Bremen Sav'gs B'k..80½pd.100	80	100
Citizens' Sav'gs Bank.......100	54	70
Commercial Bank........ .. 100	230	......
Fourth National Bank......100	260	......
Franklin Bank 100	115	125
German Sav'gs Institution. 50	54	......
German American Bank...100	98	......
Mechanics' Bank............100	104	107
Merchants National Bank..100	115	120
Mullanphy Sav'gs Bank....100	97	......
Continental Bank...........100	115	......
Provident Sav'gs Bank.....100	104	110
International Bank 100	90	......
Lafayette Bank... 100	96	100
St. Louis National Bank....100	105	107
State Sav'gs Association.... 50	112	......
Tenth Ward Sav'gs Bank...100	112	......
Third National Bank.........100	99	101
Union Sav'gs Bank...........100	50	57½
Valley National Bank.......100	100	108
Northwestern Sav'gs Bn'k.100	120	.....
SUNDRY STOCKS & BONDS.		
ST. LOUIS CITY AND COUNTY BONDS.		
City 6s, Bridge Approach	112½	......
do Sterling bds, due 1898..	116	.....
do Water b'nds, due 1887..	109	......
County 6s, gold.................	109	......
City 5s, due 1900...	108	......
do 10-20 years.............	107	......
STOCKS. Par.		
American Cent. Ins. Co..... 25	29	31
Marine Insurance Co........100	110	......
B.lcher's Sug. Refin'g Co...100	64	.....
Laclede Gas Light Co.......100	114	.....
St. Louis Gas Light Co...... 50	270	......
Iron Mountain Co..........1000	900	......
Pilot Knob Iron Co.........100	75	90

RHODES' JOURNAL

A RECORD OF AMERICAN BANKING.

NEW SERIES. VOLUME VIII. | SEPTEMBER, 1881. | No. 9.

From time to time, and especially since money has been less abundant than formerly, some of the financial newspapers are careful to give the amounts which the Treasury is about to pay out, presumably with the effect of easing the money market. Such statements when understood in that sense are misleading, as the available balance in the Treasury on September 1 was only about $150,000,000, being ten millions less than on March 1, at the close of Secretary Sherman's term of office. The balance is now about as low as safety will permit, so that any future payments will probably be made from revenue to be collected. That is, the money which it is supposed will ease the market will first have to be withdrawn from the market.

The ease of the money market, after lasting for several months, was suddenly checked toward the middle of August. On the eighteenth the rate for call loans in Wall street rose to the unusual rate of six per cent. plus three-sixteenths of one per cent. "commission." The coin and legal-tender reserve of the associated banks fell off during the week ended the twentieth $4,786,900, the average held during the week being $82,981,200, or 24.79 per cent. of the deposits, and $717,700 or 21-100 per cent. less than is required by law. The stringency was attributable to some extent, to the active speculation and sharp rise in prices of grain, provisions, cotton, etc., as well as, to a smaller degree, the withdrawal of money to the West and South. But the principal cause was that money was being drawn into the Treasury for customs and internal revenue quicker than it was being disbursed for expenses and to pay the public debt. Of the coupon five per cent. bonds which were called for payment on August 12 only a portion had been presented at the Treasury. The Secretary had given notice that the registered five per cents, due on October 1, would be paid at any time with interest to the time of presentation; but of these only about $500,000 had been offered for redemption. Under these circumstances the newspapers hinted more or less plainly from day to day that the Secretary

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ought to use the power which he could easily exercise, and without detriment to the Government, to ease the money market. On August 22 a circular appeared, giving notice that the registered five per cent. bonds, maturing on October 1, would be paid upon presentation without rebate of interest.

A dispatch from Washington, which was published at the same time as the notice, says that the Secretary of the Treasury, upon being asked why the payment of the five per cent. bonds maturing on October 1 had been anticipated, stated that it had been customary to anticipate such payments more or less, when the Treasury had ample means for the purpose, rather than to let the money lie idle in the Treasury, to be paid out all at once in a large amount. It was not expected that the bonds would be presented all at once, but that the payments would be gradual; and that the payment of these bonds being the completion of the plan to continue the bonds at a reduced rate of interest, the Secretary was anxious to have the transactions closed as soon as possible. There was nothing whatever said in regard to the desirability of easing the money market, and yet no one doubts that this was part of the object of the circular. Professor Price says that "a monetary storm in the city is a convulsion which makes even a Chancellor of the Exchequer tremble," and it must be acknowledged that a Secretary of the Treasury is not much more removed from such cataclysms than a Chancellor of the Exchequer. It follows from the difference between the English and American financial systems that a Secretary is even the more liable of the two to be called upon for succor, in case of financial stress. In England the Government revenues are deposited in the Bank of England, and the large amounts involved are not locked up in the Treasury and out of the current of trade, as in this country. Each system has its drawbacks, no doubt, but they do not belong to the present subject. The point worthy of remark is, that under the present condition of things the Secretary of the Treasury is bound to interfere at times, more or less, with the money market. It will sometimes happen that, as recently, money will accumulate in the Treasury at unexpected times, when the Secretary must either choose between the somewhat irregular (but not unusual) course which he has just taken, and a policy of non-interference that would prove disastrous to business generally. It is one of the evils of his position, and one that will always leave him open to criticism. It is evil especially in that it makes him the object of petition or abuse at every time that the exigencies of speculation make it desirable that he should interfere in the market. The only course to be recommended is the conservative one. The revenue receipts should be closely estimated beforehand, and the payments should be graduated to them and made at short intervals. After that, the less the Secretary has to do with Wall street the better it will be for his fame and peace of mind.

THE BANKERS' CONVENTION OF 1881.

A REVIEW.

It is the fashion of the present day to combine pleasure with just sufficient business to take off the curse which our Puritan traditions attach to the former. This mixture is apt, as Charles Lamb remarked of brandy and water, to spoil two good things. Something of this was to be seen at the American Bankers' Convention, held at Niagara Falls on the 10th, 11th and 12th of August last. Why Niagara Falls should have been selected as the place of the convention, is one of the numerous mysteries which are encountered in the history of human events. Perhaps the bankers believe in one term of office only, and the convention had already been held at Saratoga. But there are other places than Niagara Falls and Saratoga. The latter has many advantages over the former. If you get tired of the convention you can go to the races. At both places the water is convenient. At Niagara you can put yourself in the water, at Saratoga you can put the water in you. At the former place it is fatal, at the latter it is said by the circulars to restore the failing health. The Falls is a great place for suicides, but strange to say, they do not avail themselves of the natural facilities afforded, but generally end their despair with morphine.

The International Hotel was made the headquarters of the convention. Now this is not the best hotel nor the cheapest. If it were either, some reason for the selection could be seen. It was crowded—that was to be expected--but the proprietors did not seem to have expected it, as the table set was both inadequate and inferior. Of this, too, the proprietors were apparently unaware, as they made no reduction in the bill.

The success of the convention was due to those who attended and presented papers, not to any of the arrangements which were made to accommodate them. The pavilion at which the meetings were held is situated in Prospect Park. The latter is one of the chain of fortifications which have been devised to protect the cataract from the hands of a too eager public, and in consequence of which, it is now impossible to obtain a view of the Falls from the American side without the frequent use of the talismanic quarter. The love of the public for the cataract is known to be greater than their love of gold. To Prospect Park alone, during the sittings of the convention only, admission was free to registered members. Mr. Delano, Cashier of the Cataract Bank, from his acquaintance with their manners and customs, was enabled to so soften the hard and stony hearts of the guardians of the before mentioned fortifications, that admission to all points of interest was reduced to a $1.50. Macaulay, in his essay on Barrere, says that, "a man who has never looked on Niagara has but a faint idea of a cataract." Once seen, however, it is enough. The mind soon wearies of gazing. The first day one sees all. The second day is a bore. The third day is insufferable.

The attendance was not large. The President and first Vice-President were absent. The Corresponding Secretary, who is a host in himself was, however, on hand, and on the opening day (Wednesday, August 10th), the Hon. E. G. Spaulding, President of the Farmers and Mechanics' National Bank of Buffalo, father of the legal-tender act, and author of the first draft of the National Bank Act, was called to the chair. After prayer by Rev. R. B. Woolsely, Mr. Spaulding opened the Convention with a few felicitous remarks. The report of the Treasurer of the Association was then read, showing disbursements of $9,737.-14 during the year, and a balance on hand of $4,013.51. A committee was then appointed to nominate officers for the coming year. The first paper was one prepared jointly by Mr. Henry Martin and Hon. E. G. Spaulding, of Buffalo, giving a sketch of the commercial and financial history of the Queen City of the Lakes. Such papers are interesting and valuable, and from them the elemental causes of success or failure of communities can be gathered. There should be more of them—singly they have a local interest only, but in connection with similar papers giving the like histories of other important cities, they furnish to the economist and financial student reliable data, from which the general rules of a lasting prosperity may be drawn.

Governor Fenton next addressed the convention. This was a clear statement of the proper relations between banking and banking systems, and the general business of the country. Free from dogmatism, it read like a new chapter in political economy. The striking idea was that so long as money is a necessary factor in all business transactions, so long are banks and banking systems a useful and necessary concomitant. The address was suggestive as well as explicit. It suggested the questions, What is the true position and function of the bankers? and to what extent should he be controlled by the Government? On both of these lines of thought, essays might, and perhaps need to, be written. Governor Fenton was followed by Mr. John Thompson, of New York, in an address on panics. Mr. Thompson has reduced the theory of panics to a nicety. He says that in about five years after the occurrence of a panic things reach the top wave of prosperity. In five years more, however, credit becomes overloaded, and another panic ensues. This chain of events he appears to consider inevitable. But it is to be hoped that this wonderful periodicity, which Mr. Thompson is so sure he has discovered, is one that will yield to treatment, and that some financial quinine may be discovered that wiil break up the decennial ague.

This was followed by the address of Mr. N. B. Van Slyke of Wisconsin, on "Our future Currency."

After Mr. Van Slyke had concluded, Mr. Geo. S. Coe, President of the American Exchange National Bank of New York City, made a motion extending the heart-felt sympathy of the convention to President Garfield and family. There were some papers presented which were not read, but referred to the Committee on Publication. There now occurred some discussion on a question presented by Mr. Channing Whitney, of the Commercial Exchange Bank of Adrian, Mich., whether in the negotiation of merchants' checks by country banks with metropolitan banks, they should be received at par, after exchange, or discounted by the country banks. The general sense of the convention, as expressed in the debate, appeared to be that the country bank was entitled to its profit on the transaction, but the obtaining this profit depended upon the course taken by the bank with its customers. If a cashier dealt wisely, and was actuated by a proper desire to accommodate his customers, there would be no difficulty. The idea was embodied in the speech made by Mr. Logan H. Roots, of Little Rock, Ark.

Mr. McGraw, of Springfield, O., made an interesting off-hand address on the large grain production of the United States, and the relations between it and cheap transportation. After this the convention adjourned for the first day. On this day the number of bankers and others registered at the Cataract Bank as in attendance on the convention, was 178.

SECOND DAY—THURSDAY.

This was *the* day of the convention. Mr. George S. Coe, President of the American Exchange National Bank of New York, and of the Excutive Council, called the convention to order, and as the Hon. E. G. Spaulding, who acted as temporary chairman on the previous day, was now unable to be present, Mr. Coe moved that Mr. Thomas Henry, President of the Mobile Savings Bank, and Vice-President of the Association from Alabama, be called to the chair. Mr. Henry remarked on taking his seat that he had the honor to be from the first State in the Union—alphabetically. Prayer was offered by the Rev. John S. Bacon.

The address of Secretary Windom was then read by E. D. Randolph, of New York. It was received with applause, and gave a succint and clever account of the rise, progress and present condition of refunding operations. The great reduction of the public debt, announced in this paper, was enthusiastically cheered. This shows the disinterestedness of bankers, for to them the bonds of the United States are a safe security, both as an investment or as collateral for loans, and in the national banking system these bonds form the material of the foundation.

The very next paper, that presented by Mr. Geo. S. Coe,* discussed

* Mr. Coe's paper is published in full in this number of the JOURNAL.

the problem of furnishing a safe and uniform bank circulation, when the bonds of the United States shall have been redeemed, or so largely reduced that their amount will be insufficient to secure the necessary amount of circulation. In discussing the matter, Mr. Coe took the ground that in view of the public sentiment, which, even in the face of heavy taxation, remained in favor of the rapid extinction of the public debt, it was evident this debt will shortly become too greatly reduced to afford a basis for the circulation of the National banking system. He advocated the retention of the present National banking law with all its other provisions and restrictions, but in place of a circulation secured as now, by United States bonds, he suggested that each bank under the system be permitted to issue circulation equal to one-half of its capital, such circulation to be a preferred debt. He claimed that it will be secured by all the assets of the bank, which in turn represent the values upon which it loans money or in any way transacts business; and argued that United States bonds are no better security, being only a debt due from the United States, as its bills receivable are from individuals.

While Mr. Coe's plan may, in some of its features, be the best that could be devised were the National and State debts inadequate to the task of furnishing a security for circulating notes, yet he was unfortunate in attacking the present system, even in order to make his plan shine the brighter. For, if United States bonds are a debt, and on that account objectionable as security, how are bills receivable any better? And certainly United States bonds are a debt much more easily handled and realized upon than the ordinary run of bills receivable. Another objection might be urged to Mr. Coe's mode of reasoning, though not to the plan itself, that if bills receivable are as good a security as United States bonds, why limit circulation to one-half the capital stock of the bank. This limitation is doubtless a concession to the unwieldiness of the security. The issue of circulation in the way and to the extent proposed under the authority of the United States, is doubtless perfectly feasible, and all banks so issuing circulation being under government supervision, the notes would be reasonably secure, although not as secure as now. Such a circulation would have the advantage of uniformity, and this project, as compared with any scheme for relegating the issue of circulation to banks chartered by State authority, would be immeasurably superior. Mr. Coe's plan, although not well presented, under certain limitations, is a good one, and deserves a wider elaboration.

The Chairman now introduced as the next speaker the Hon. John Jay Knox, Comptroller of the Currency, who was received with prolonged applause. His address is printed elsewhere. It contains the broadest, fullest and most practical resumé of banking in the United States, from the statistician's point of view, that has yet been presented. Rich opportunties for collecting data upon which to base an address of this character have been enjoyed by no other person, and he has used the opportunities with all the enthusiasm that an innate love for the subject can inspire, and with great natural capacity. Probably in no recent paper on banking matters has so much that is new, interesting, and valuable been presented. The popular form in which it has been shaped makes it attractive to those who care little for banks and their business.

One of the newest, and perhaps the most valuable portion of this address, is that which treats of the proportion of checks and drafts to that of the actual money used in banking transactions. Mr. Knox is a speaker who at once gains the good-will of his audience, and though his address was lengthy, the audience seemed unconscious of the lapse of time.

At its conclusion a motion was made by Mr. W. G. Deshler, of Columbus, O., that the thanks of the convention be extended to Mr. Knox for his valuable paper, in which he had given the convention the fruits of his best ability, after labor and research which must have consumed a great deal of time and strength. The convention then adjourned until the afternoon.

Afternoon Session.—The bankers reassembled at half-past three o'clock. The Chairman called the regular order of business which, on motion, was suspended.

Mr. Wm. R. Rhawn, of Philadelphia, presented the following, which was adopted:

Resolved, That the question of providing for the continuance or renewal of articles of association of national banks be referred to the Executive Council for consideration, and such action as may be deemed fit.

Mr. H. H. Camp, of Milwaukee, presented the following:

Resolved, That the Secretary of the Treasury be and is hereby requested upon the deposit of gold coin or bullion, with the Treasurer of the United States in sums of not less than twenty dollars, to issue gold certificates therefor.

Mr. Geo. A. Butler opposed the resolution, and expressed regret that it had been offered. If approved it would place a mischievous power in the hands of the Government. It would be better to introduce a resolution to contract the promises of the Government. The matter was finally referred to the Executive Council.

The Chairman announced that the Special Committee appointed on Wednesday to nominate officers of the Association for 1881 and 1882 were ready to report. Their report was adopted.

[The list of officers and members of the Executive Council are published elsewhere. See News Department.]

Mr. Geo. S. Coe, of this city, the newly elected President of the Association was called to the chair, and thanked the convention for the preference expressed in his election, and promised to do all he could to sustain the Association. He wished that the honor had fallen to some one else, but inasmuch as the delegates had seen fit to do otherwise, he would fill the office to the best of his ability, and make it as interesting as he knew how.

The Chairman announced a communication from Hon. A. H. Buckner, Member of Congress from Wisconsin, on the subject of bank taxation, which was ordered before the Executive Council without being read before the convention.

The Chairman also submitted an elaborate address prepared by Hon. Lloyd Tevis, of San Francisco, President of Wells, Fargo & Co's. Express and Banking Company, which was ordered printed without being read in Convention.

Mr. D. H. Thomas, of Baltimore, offered the following, which was ordered printed:

The frequency with which banks have suffered from dishonest officials, burglars, forgers, etc., renders it imperatively necessary that steps should be taken immediately for the protection of the stockholders, by their representatives.

I beg to suggest, therefore, that the attention of the Association be called to this matter, and that a committee be appointed to prepare, and to report at the next annual meeting, a suitable Constitution and By-Laws for a "Bankers' Protective Union," which shall form a branch of the American Bankers' Association.

The chief feature of the Association should be the prosecution of all offenders, irrespective of their social or political standing, and never to compromise or compound with them. That this policy is the correct one, is clearly evidenced by the almost entire immunity enjoyed by the Adams Express Company from attacks of this character. I understand that this company carried last year valuables to the extent of $4,000,000,000 without the loss of a single dollar. Another feature of the Association should be the accumulation of a large capital or insurance fund, through initiation fees and annual dues, which might be applied, under certain circumstances, to the payment of losses incurred by the members.

In this connection Mr. L. J. Gage. of Chicago, submitted a number of proposed amendments to the Constitution. The most important amendment is embodied in the following sections to article four:

SEC. 1. The Executive Council shall appoint a standing protective committee of three persons, whose names shall not be made public. Said committee shall control all action looking to the detection, prosecution and punishment of persons attempting to cause, or causing loss by crime to any member of the Association.

SEC. 2. Said Committee, when called upon for aid by any member of the Association through the Secretary, shall forthwith take such steps as it shall deem proper to arrest and prosecute the party charged with crime.

SEC. 3. Said Committee is prohibited from compromising or compounding with parties charged with crime, or with their agents or attorneys.

SEC. 4. All detective and legal expenses and costs, shall be paid by the Association out of any money in the Treasury not otherwise appropriated, subject, however, to the approval of a quorum of the Executive Council.

SEC. 5. All members of the Association, when called upon by the Secretary in behalf of the protective committee for information or aid, shall promptly respond by giving all the assistance in their power, and all members shall at all times notify the Secretary of any attempted or accomplished crime likely to affect the other members of the Association.

The amendments were discussed at some length by a number of gentlemen, and on motion of Mr. W. G. Deshler, were adopted.

Mr. Parker, of Boston, moved that the matter of bank taxation be the first subject of discussion for the next (third) day, and it was carried. Interesting addresses were also submitted without being read from Mr. Julian E. Davis, of New York, on bank taxation; from Mr. Wm. A. Camp, Manager of the New York Clearing House; Mr. B. C. Wright, of San Francisco, on California banking, and a number of others. All were referred to the Executive Committee.

After considerable routine business the convention adjourned until the next morning at eleven o'clock.

THIRD DAY—FRIDAY.

Geo. S. Coe presided, and the opening prayer was made by the Rev. Dr. Weldman, of Niagara Falls. The presiding officer presented the report of the Executive Council as to its organization. Jacob D. Vermilye was chosen Chairman of the Council; Geo. F. Baker, Treasurer; Edmund D. Randolph, Secretary, and as usual, George Marsland Corresponding Secretary. The convention was evidently in haste, the promised discussion on bank taxation did not take place. This is like the play of "Hamlet" with the hero suppressed. To lighten the existing weight of taxation is the principal *raison d' etre* of the American Bankers' Association. If not for this, why was it begun? Many came to express their views on this subject, and to receive encouragement and enlightenment from others; but when pleasure and business are commingled, the former will take the lead. The pleasure in this case was to get away from the Falls and the International Hotel. The vote of thanks to the proprietors of the latter was a piece of exquisite irony, so very fine, that like the victim of the Saracen's sword, the landlord will not know he has been cut into until he chokes on his own viands. This is not likely to happen, as he probably, like a wise man, goes elsewhere when he dines.

In view of the recent decisions of the Commissioner of Internal Revenue as to taxable deposits, which deeply affect State banks and private bankers, it is strange that there was no opportunity given for an expression of opinion, which, if the bankers had talked as they feel, would doubtless have had much weight in setting aside these decisions. The whole matter of taxation was referred to the Executive Council. Papers were read by Edward A. Sowles, of St. Albans, Vt., on panics, and their relation to bank taxation and partisan legislation; and by Dr. Andrew Simonds, President of First National Bank of Charleston, S. C. on the industrial resources and progress of the South Atlantic Cotton States. George Hague, of the Merchants' Bank of Canada, addressed the convention on the subject of Canadian banking, and George L. Wright gave a sketch of the progress of the export trade by way of the Mississippi river.

The Executive Council reported the resolution referred to them the previous day, in regard to the issue of gold certificates by the Secretary of the Treasury, and recommended its adoption. It was adopted.

F. R. Delano, Cashier of the Cataract Bank at Niagara, and Register of the convention, read an address on the water power of Niagara Falls and plans for its utilization. In its natural state it has a fatal influence in extracting money from the pockets of the public. What it could do if developed palls the imagination. Seriously, however, this address was an exceedingly interesting one, and whether the utilizing of this immense power will ever prove practicable or not, the description given by Mr. Delano impressed on the minds of his hearers a better idea of the incalculable energy of the cataract, than could be acquired in years spent in empty-headed gawping at it from the vantage ground of Prospect Park or Goat Island.

The last paper read was one prepared by C. R. Thomas, of the Second National Bank of Utica, N. Y., on the future of National banking. He was inclined to stop paying the National debt, and use it to bank on.

After thanking the retiring President and other officers of the Association, and the people of Niagara, at one o'clock on the third day, the convention adjourned *sine die.*

"One good turn deserves another," says the adage. It seems to be on this principle that the officers of the Internal Revenue Department have lately been giving the banks an extra squeeze. Demands have been made upon the banks, bankers and brokers of New York for taxes, upon the basis of the decision of April 20, 1881 in the test case brought against the International Bank of Chicago. According to the ruling of the Commissioner of Internal Revenue, clearing-house checks are taxable as deposits; overdrafts should not be deducted from the total deposits; cashiers' checks must be considered as deposits, as must collections made for outside banks, unless remitted for on the following day, and margins deposited as security on option dealings, as well as special accounts upon which interest is paid with the understanding that the deposit shall remain a certain time. Money borrowed by banks at interest, on certificates of deposit, are in the same category, as are also moneys borrowed on Government bond security. Out-of-town checks deposited at par must be treated as deposits on the day they are received, if the customer is authorized to check against them. A moment's thought will show that under the rulings two or three banks may, and will, pay taxes upon the same money at the same time. In the matter of out-of-town checks, the liability to tax depends, not upon the benefit which the bank receives from the deposit, but upon the amount of accommodation he allows his customer. If the customer is allowed to immediately check against such a deposit, the bank is liable to tax on it, but if he has not that privilege there is no tax. We understand that the bankers of New York and Philadelphia are to have a hearing before the Commissioner on September 14.

*BANKING AND CURRENCY OF THE COUNTRY.

BY JOHN JAY KNOX, COMPTROLLER OF CURRENCY.

It was with pleasure I received your kind invitation again to attend your annual convention. It is pleasure to revisit my native State, and to meet here old friends from this and other States—from the East and from the South, as well as from the West, which was, during later years, my adopted home. These yearly meetings combine, in the pleasantest manner, recreation and business; for it is not possible for so many gentlemen of intelligence, from widely different parts of the country, and engaged in the same occupation, annually to meet together, as is your custom, without receiving much benefit from an interchange of opinions regarding the best methods of conducting business. I trust, therefore, that this Association may continue a prosperous and permanent one.

I have already furnished to the Secretary of the Association tables showing, by State and geographical divisions, the number and the capital and deposits of the different classes of banks, and of the private bankers of the country, and I now propose to avail myself of this opportunity to make reference to other tables, which, of late years, have been given to the public, containing new information, entirely out of the usual routine of bank statistics.

DRY BANK STATISTICS.

I am well aware that dry statistics are exceedingly distasteful to most persons, particularly so in the Summer season, and that an announcement that I propose to read an abstract exhibiting the resources and liabilities of the banking institutions of this country, or a paper upon the subject of "Dry Bank Statistics," would probably have the effect of dispersing many members of the convention, who might prefer to enjoy the grand and beautiful scenery of this noted place rather than be wearied with figures and statistics.

The great majority of persons—and, I may say, of bankers as well—have little taste for the study of bank statements in which they are not personally interested. One of the most successful bankers of this country said to me one day, when I had given him the results of some valuable data, which had recently been collected: "All this is very interesting, but I have no time for the examination of such subjects. While

* An address delivered before the American Bankers' Association, Niagara Falls, August 11th, 1881.

other people are studying your tables, I am making money." On a similar occasion, a leading Senator of the United States, said: "The whole subject of finance is to me incomprehensible; I cannot understand it, and if asked my views upon a financial subject, should reply by giving the well-known answer of the Scotchman who, when asked for a definition of metaphysics, said: 'When the chiel wha listens dinna ken what the chiel wha speaks means, and when the chiel wha speaks dinna ken what he means himsel, that's metaphysics!'"

DISTRIBUTION OF BANK STOCK.

A true appreciation of the magnitude and importance of the banking business in this country can perhaps be best obtained by reference to the distribution of the stock of the banks, and of their loans and deposits. A few years ago tables were prepared, showing, by States and geographical divisions, the aggregate number of shares of National bank stock held, the number of shareholders in each State holding the stock of banks in their own State, and also of those holding the stock of banks in other States, and the number of stockholders owning specified amounts of stock, in groups of ten shares or less, over ten and less than twenty shares, and so on, up to five hundred shares and over. The total capital, at the time this statement was prepared, was five hundred and five millions ($505,822,866); the number of shares, 6,505, 930; and of shareholders, 208,486; and if each shareholder be assumed to have been the head of a family composed of five persons, then they represent at least a million of persons having a direct interest in the National banks. Of these shares, I am glad to say that 6,519 were held by our neighbors and cousins on the other side of the river, the citizens of the Dominion of Canada, 3,992 of them having been issued by banks in the State of New York, 1,205 by banks in Massachusetts, 707 in Maine, and 312 in Michigan.

DEPOSITORS IN SAVINGS BANKS, NATIONAL AND STATE BANKS, AND WITH PRIVATE BANKERS.

The average number of depositors in 629 savings banks, in the year 1880, was 2,335,582, and the average amount of each depositor was $350.71. Later statistics, recently received from the Commissioner of Internal Revenue, show that the average deposits of the savings banks for the year ending May 30th, 1881, were $881,000,000, which, at the above average, would make the total number of depositors more than two and a half millions. These deposits were chiefly held by heads of families, composed, on an average, of not less than five persons; so that it is probable there were at least twelve and a half millions of persons directly interested in these funds.

The National and State banks and bankers now hold at least 1,628 millions of deposits, and these deposits are, as you know, often transferred by check from one depositor to another; and it is therefore reasonable to estimate that a number of persons, equal at least to one-half of the population of the country, are directly or indirectly interested in the deposits of its National and other banks, and bankers.

DISTRIBUTION OF LOANS.

For a number of years past the public has been informed how much of the aggregate loans, held by the National banks in the large cities, consisted of endorsed and unendorsed paper, of call or demand loans, and of loans upon real estate; and last year, for the first time, full tables were given, showing the amount of investments in United States bonds, not only by the National banks, but by State and savings banks, and private bankers also. The amount was distributed as follows: To National banks, 403 millions; savings banks, 189 millions; State banks, 25 millions, and private bankers, 14 millions; total, 631 millions of dollars, which is fully equal to two-fifths of the present interest-bearing funded debt of the United States.

DISTRIBUTION OF LOANS OF THE BANK OF FRANCE.

Two years ago the report of the Bank of France contained, as it had done during some previous years, some interesting and curious statistics in reference to its loans. The total number of pieces of paper discounted during the year 1879, was eight millions, of which four millions were payable at its ninety different branches, and nearly four millions at the bank of Paris. The average amount of each bill discounted at Paris was $171.80, and the average of the whole number was $180. The probable average of the discounts exceeding $20 was about $231. Nearly eight thousand of the pieces of paper discounted in Paris (7,842) were for two dollars (10 francs) or less; nearly four hundred thousand (392,845) were for amounts varying from two dollars and twenty cents to ten dollars (or 11 to 50 francs); and more than six hundred thousand discounts (623,232) were for amounts varying from ten to twenty dollars (51 to 100 francs). More than two-thirds of the whole number were, however, in notes above 100 francs, or twenty dollars each. In other words, the Bank of France, which most people suppose deals only in large transactions, discounted during the year more than one million (1,023,919) different pieces of paper of amounts less than twenty dollars each. The whole amount of these small loans was about sixteen millions, while the remainder, aggregating 456 millions of dollars, consisted of nearly three millions (2,878,294) of promissory notes or bills of exchange.

The report of the bank, in commenting upon these small bills, says:

"You will observe, gentlemen, that this number of small trade bills, below one hundred francs, which was only 393,503 in 1877, reached, in 1878, the number of 1,054,381. There are, again, this year, as many as 1,023,919, and from this you will be able to judge of the extent of the service which the bank renders to the commerce of Paris."

DISTRIBUTION OF LOANS OF NATIONAL BANKS.

Acting upon this hint, obtained from the Bank of France, circulars were issued to the national banks, asking them to furnish similar information regarding the notes and bills discounted, held by them on October 2d, 1879. Their total amount of loans at that time was 875 millions (875,013,107). The number of pieces of discounted paper then held was 808,269, and the average of each discount was $1,082.59. The number of notes discounted, in amounts of $100 and less, was 24,345. The other bills were classified in amounts from $100 to $500, $500 to $1,000, $1,000 to $5,000, $5,000 to $10,000, and $10,000 and above; and tables were given showing the number of each class of discounts held, their average amount, and the total amount of money loaned in each of the States and principal cities of the Union. The amount of loans is now more than 1,000 millions. Assuming the number of loans to be the same now as in the tables, the average time of the loans to be 60 days each, and that the banks hold continually the same amount, then the number of discounts made during the year would be nearly six millions, and their amount more than six thousand millions of dollars, which is $120 annually for each inhabitant of the country; $840 for each voter, and $600 for each family in the country. The number of notes and bills of $100 or less was nearly one-third of the whole; the number of less than $500 each was 547,385, or considerably more than two-thirds of the whole; while the number of bills of less than $1,000 was 643,765, which was more than three-fourths of the whole amount.

There were, however, more than 12,000 pieces of paper in amounts over $10,000 each, of which the banks in New York City, Boston, Philadelphia and Chicago held more than one-half, although such notes were found in the banks of every State, except Florida. Demand loans of from $10,000 to $30,000 are frequently found in New York City.

The small pieces of paper, corresponding to the small trade bill of the City of Paris, which are in part received by sewing machine companies, manufacturers of billiard tables, pianos and farming implements in monthly payments on articles sold by them, are usually received by the bankers in this country as collateral security for loans, and are forwarded by them for collection.

While the average amount of cash loans made by the banks was $1,082.59, the average in the large cities varied from $3,962 in New York City to $1,007 in Louisville; and in the different States, exclusive of the large cities, it varies from $882 in Georgia, where there are but few banks, to $375 in Iowa, $353 in Kansas, and $350 in West Virginia.

If, from these data as a basis, an estimate were to be made of the aggregate loans of the National banks, State banks and private bankers of the country, the number of discounts during the year would appear to be about 8,500,000; from which it is fair to infer, as was found in the case of the deposits, that not less than one-half the population of the country are directly interested in these negotiations.

Such statistics are not alone curious and interesting—they are useful; and they show how the vast deposits of the country, which flow in large and small streams into the bank reservoirs, are again distributed in large or small streams to turn the wheels of business. They also show how closely the business of banking is interwoven with other branches of business, and how dependent even is the social and domestic welfare of the citizen upon some good system of banking. The student who is familiar with these subjects finds it difficult to understand or to account for the prejudice which prevails in this country against institutions that are conducted upon sound principles.

LOANS AND OTHER INVESTMENTS OF THE BANKS AND THEIR DEPOSITS NEARLY EQUAL.

The deposits of the banks and bankers of the United States, including savings banks, were, in May, 1881, about 2,510 millions of dollars; and if the aggregate loans of the National and State banks be compared with their deposits, it will be found that they do not very largely differ. In other words, the commercial banks, in the aggregate, loan or invest in some way their deposits, reserving an amount about equal to their capital for investment in real estate, which they may be obliged to take in the settlement of debts and need for banking purposes, and for expenses and suspense accounts, and for the reserve and working fund of the bank.

The savings banks have little or no capital, but during the year ending May 31st, 1881, had average deposits amounting to 882 millions ($881,855,898). According to their latest statements they keep on hand as a reserve less than five per cent. of their deposits, including bank balances, and the remainder is represented by loans and other forms of investment; while their surplus, undivided profits and minor liabilities, amounting in November last to about 62 millions, were represented by real estate and other minor assets.

The bills receivable and other investments of the commercial banks and private bankers, together with the loans upon real estate and other investments of the savings banks, amounted in 1880, according to my estimates, to more than 2,200 millions of dollars, which was also about the amount of their deposits at that time. Those two items—one of them constituting a resource and the other a liability of the banks—together with our almost universal system of checks and bank accounts, form the basis of almost every business transaction. With these your lodging and breakfast at the hotels are paid for, households are maintained, children are educated, the grain is harvested, the cotton picked, and the immense products of the country are gathered and moved, the revenues of the Government are collected, the shaft is sunk in the mine, houses and cities are built, and iron foundries and cotton and woollen mills, and all of the other innumerable objects of industry are erected and kept in motion. If you meet a farmer with his rounded load on the way to market, a stage upon the frontier, droves of cattle or horses or sheep upon the plains, a train of cars with goods or coal or grain, a raft of pine logs or lumber on the river, a ship upon the lakes, or a steamer upon the ocean, you may safely assume that every one of these movements, now so happily progressing in time of peace, is in some way connected with the loans and deposits of the banks.

Why, then, should few people understand or care to interest themselves in bank statements and other similar statistics ? It is partly because the course of instruction in the schools for years has treated of subjects of political economy in the abstract only, unaccompanied by practical illustrations, drawn from the actual operations of business. The people and the school-boy are interested in such practical illustrations or details, and having acquired familiarity with them, are better prepared to comprehend and appreciate the aggregate results and the abstract principles deduced therefrom. Let an old, well-established banker become unexpectedly insolvent, how quickly then the interest of all persons is manifested—not alone of those who have funds in the bank, but of those who have not. The creditor and the borrower, the laborer and the lounger unlimber their tongues, and talk finance more glibly than the most profound economist; and the newspaper men gather around, as active and as numerous as bees, to obtain the material with which to gratify the eager public. Somebody is to meet a loss, and somebody is to be obliged to pay; and everybody, the world around, is deeply interested in those who must pay and those who must lose.

USUAL AND SPECIAL REPORTS OF THE BANKS.

The law authorizes the Comptroller to call for statements of the resources and liabilities of the National banks, and also for special reports, whenever in his judgment such reports are necessary. It also requires him to prepare an exhibit of the resources and liabilities of State and savings banks from such official or other sources as are attainable; and he takes this public opportunity to return his acknowledgements to State officials and bank officers generally, for the promptness with which they have responded to his requisitions, not only for the usual statements of the conditions of the banks, but also for special reports. The penalty of one hundred dollars each day for non-compliance by National banks with his requests for reports, has been very rarely enforced. He begs to assure, not only the officers of the National banks, but also State and private bank officers and others, that he is at all times gratified to receive from any source practical suggestions in reference to bank returns and banking statistics generally.

The most recent special report called for is the one asking for the amount of the receipts and payments by each bank, on June 30th last, in coin, in paper-currency, and in checks and bills of exchange, to which statement reference will be made hereafter. Previous returns were made by the banks in relation to the distribution of their bills receivable on October 2d, 1879; and during the panic of 1873 the amount of their loans, circulation, deposits, specie and legal tender notes, and other items, were given at two different dates—one in the midst of the crisis, the other for the day on which currency payments were resumed. Annual reports have also for some years been made, showing the amount of taxes paid under the laws of the several States. This information can be obtained in no other way, and the returns show that the range of State taxation upon capital in the principal cities is from one to three per cent., and in the States outside of these cities from one to two per cent., and that the National and State taxation combined, varies in the several States from a little more than one per cent. to over six per cent. These abstracts, carefully compiled each year from reliable data, exhibit with more force than words can express, the outrageous and, I may say, the dishonest system of assessment which now prevails in many of the States, and the facts thus disclosed should, of themselves, be sufficient to bring about the uprootal of such systems, and to inaugurate new legislation more worthy of intelligent Commonwealths. A bill passed the Senate of the United States during its last session, relieving the banks from the tax on capital and the stamp tax on checks; and there is good reason to believe, now that the remainder of the public debt has been so successfully funded by Secretary Windom, at the low rate of 3 1-2 per cent., that similar legislation will follow during the next session of Congress.

OTHER INTERESTING AND USEFUL TABLES.

For the information of all, others facts are compiled: such as the earnings, losses and dividends of the banks, which are given semi-annually; the increase and decrease of the surplus fund; the number of depositors in the savings banks, and the average amount held by each; the loss to the people and the gain to the government from missing bank notes; the ratio of capital to the liabilities of the banks in this country and of those in Great Britain, including the Bank of England; the average amount of interest realized to investors of different English and French loans; the average discount at which these loans were sold; the amount of United States bonds held by National, State and savings banks, and private bankers, in each State and principal city; the cash reserve of the banks, consisting of coin and legal tender notes, and of total reserve, including also, amounts on deposit with approved reserve agents in the principal cities; the ratio of loans to capital and surplus; the profit on circulation; the failures of National banks; the failures of State banks; the percentage of claims paid to insolvent banks, and the legal and other expenses incurred by receivers in closing their affairs; the annual transactions at the Clearing House in New York City since its organization, and its average daily exchanges and balances paid in money; the rates of interest upon call loans and commercial paper in New York City, and in the Bank of England, and the Bank of France and in other great commercial centres; the amount collected upon the individual liability of shareholders of National banks; the national and legal tender notes by denominations, and their values in coin during the suspension of specie payments; the condition of State banks in previous periods of suspension, compared with the condition of National banks previous to the year 1878; the different kinds of United States bonds held as security for circulating notes; the movements of circulation—its issues, redemption and retirement; the amount and kinds of currency and coin held by the banks and in the Treasury, and by the people of the country; and the amount and kinds of coin held by other principal foreign depositories; and, in fact, almost every feature of banking which can be presented to the people in properly arranged tables. These tables are nearly all subordinate to the abstracts of the resources and liabilities of the banks, reports of which, as you know, are called for upon some past date at least five times in each year, and are required to be published in the newspapers published in the cities and villages in which the banks are located. Publicity is one of the leading characteristics of modern banking; and these tables are prepared and widely distributed under the belief that publicity as to the condition of banking institutions, whether of those organized by authority of Congress or under that of State legislation, is desirable, not only for statistical and legislative purposes and for the information of the people, but as a check upon illegitimate operations.

GOOD RESULTS FROM THE FREQUENT PUBLICATION OF STATISTICAL TABLES.

The frequent publication of all these details, and of similar statements made by others upon economic subjects, as well as the discussion throughout the country, during the period of suspension of specie payments, of the matters to which they refer, has had a wonderful influence in educating the people, and has revolutionized the method of instruction upon these subjects in the larger schools and colleges and universities. The effects of this education of the people will be seen in the next generation, when, it is believed, that the unjust prejudice now existing against banks and bankers that pursue a legitimate business will, to a great extent, disappear in this country, as it has already ceased elsewhere.

DISTRIBUTION OF COIN AND PAPER MONEY.

Perhaps the most interesting feature of the banking of the present time is the distribution of the paper money and coin of the country. On May 1st, 1881, there was $669,000,000 of paper money outstanding, all of which was and is readily convertible into coin on demand. There was on that day, according to the estimates of the director of the Mint, $520,000,000 of gold coin in the country, and about $172,000,000 of silver coin, the latter of which, under our present absurd silver legislation, is still increasing at the rate of $2,300,000 monthly.

The total amount of coin and paper-currency on that day, including 39 millions of silver certificates, was 1,430 millions, as follows:

May 1, 1881.	Amount.
Gold coin	$520,000,000
Silver coin	172,071,327
Silver certificates	39,157,940
Legal-tender notes	346,681,016
National bank notes	352,600,567
Total	$1,430,510,850

If the amount of coin and currency in the Treasury and the banks be deducted from the total amounts estimated to be in the country, the remainder will be the amount then in the hands of the people, as given below:

May 1, 1881.	Amount.
Gold coin	$221,992,874
Silver coin	76,848,927
Silver certificates	37,897,600
Legal tender and National bank notes	534,643,393
Total	$871,382,794

Of the gold, the Treasury and the banks held, on May 1st, $298,000,000, and the people $222,000,000; of the silver, the Treasury held $88,000,000, the banks nearly $7,000,000, and the people $76,000,000, including about $51,000,000 in subsidiary coin. Of the paper money, including silver certificates, the banks and the Treasury held $166,000,000, and the people the large amount of $572,000,000.

The people throughout the country everywhere ask for paper, and the banks find difficulty in supplying the demand, and a like difficulty in inducing their dealers to accept coin in payment.

The Clearing House vault in New York is full to overflowing. On November 11th, 1869, the amount of balances paid to and received from the Clearing House in gold coin was $8,300,000, weighing about 15 1-2 tons; and on the 2d of last month the Clearing House banks received from the Assistant Treasurer, $4,950,000, weighing a little more than 8 tons. The Assistant Treasurer of New York pays to the banks daily an average of a ton and a half of coin. This form of payment is a relic of barbarism, which could be easily remedied by legislation that should authorize the issue of a sufficient amount of gold certificates receivable for customs. Even the preference of the Treasury itself for paper money was so great, that it is only recently the banks have been permitted to redeem their circulation at the Treasury in the gold coin of the Constitution.

PREFERENCE OF THE PEOPLE FOR CREDIT PAPER MONEY.

It was supposed that after the war famine of seventeen years' duration the people, who had hardly seen a gold coin during that period, would welcome back the yellow metal with eager hands. But the fixed habits of the people are stronger than their love for gold, and convertible paper-currency is preferred by them to coin.

This love of paper money is not a new thing. It existed in this country before the Declaration of Independence, and has grown to be bone of our bone and flesh of our flesh. It is generally believed that the revolt from the mother country was on account of the stamp tax; and it is true that the throwing overboard of the tea in Boston harbor was an overt act, and that the attempt of the mother country to enforce by the sword the right of taxation without representation, was the immediate cause of the Revolution. Our fathers, it is true, hated taxation without representation, but, as it afterwards proved, they hated taxation even with the right of representation.

Paper notes, of from two shillings to ten pounds denomination, were in circulation in Massachusetts in 1690, nearly one hundred years before the Declaration of Independence, and not long thereafter, "were receivable for payment of taxes, to be levied, and for all other payments into the public treasury." In 1721, Governor Belcher recommended measures for preventing the depreciation of the currency, and the Assembly answered, "that they had passed a bill for issuing £100,000 more in bills of credit, and that to prevent their depreciation, they had prohibited the buying, selling and bartering silver at any higher rate than set by acts of Parliament!"

The famous Land Bank was organized, and bills of credit were loaned for five years, at five per cent. interest, one-fifth of the principal to be paid annually in its own notes or in manufactures. The Governor used his influence to prevent the bank from going into operation, and civil and military officers who were engaged in it were displaced. The Speaker of the House and thirteen members, who were directors or partners in the bank, were prevented from serving in a legislative capacity, and finally, application was made to Parliament to suppress the banking company, and "thereon it was declared the Act of King George the First, Chapter 18 (Bubble Act), did, does, and shall extend to the colonies and plantations of America." Hutchinson, the historian of Massachusetts, says: "Had not the Parliament interfered, the province would have been in the utmost confusion, and the authority of government entirely in the Land Bank Company."

An act of Parliament was passed in 1763, "to prevent paper bills of credit, hereafter to be issued in any of his Majesty's colonies or plantations in America, from being declared to be a legal tender in payment of money, and to prevent the legal tender of such as are now subsisting from being prolonged beyond the periods for calling in and sinking the same." The act made all acts of the Assembly void, which should subsequently authorize such tender, and inflicted a fine of one thousand pounds on any Governor who should give assent to such act of legal tender, together with dismissal from office and future incapacity to fill a place of trust. These acts, under the vigorous administration of Colonial Governors, had the effect of preventing the issue of any large amount of inconvertible bills of credit or bank notes. Pelatiah Webster estimates the whole circulating cash in the thirteen States, at the commencement of the war of the Revolution, at twelve millions of dollars, of not more than ten millions hard dollars in value, of which about three-fifths was paper. Within three years after the Declaration of Independence, in 1779, the issue of Continental money had increased to 149 millions, and its depreciation did not stop its circulation. There were not wanting those who believed in the principle, that "nothing is useful which is not honest;" but the masses did not consider the motto applicable to the issue of paper money. And it is said that when, during the early part of the war of the Revolution, a proposition was before Congress to establish a regular revenue system, one member exclaimed: "Do you think, gentlemen, that I will consent to load my constituents with taxes, when we can send to our printer and get a wagon load of money, one quire of which will pay for the whole?"

How much or how little the preference of our fathers for paper money, whether issued by the government or banks, had to do with the Revolution, I do not undertake to say; but it is certain that our prejudice against the mother country on account of the stamp tax, should be tempered by the fact that she instructed her Colonial Governors, not only to give good advice in reference to the issue of unconvertible paper money, but also, in the case of Massachusetts, insisted that the advice should be followed, though not without danger of a rebellion from the flat money advocates of that day.

I do not purpose at the present time to discuss the question of the amount of convertible paper-currency required for the business of the country, but I should be glad to see the coin go more generally into circulation; for there is danger that the use of paper, issued so exclusively, may lead many people to believe that National bank notes and legal-tenders are real money, instead of simple promises to pay money on demand. There is danger that such conclusions, formed from the habit of receiving and paying out as money promises to pay, will again lead to over issues of inconvertible money, if an occasion should arise, in preference to raising the necessary revenue by some form of taxation; and such a course would certainly involve new and enormous losses to the country and the people.

FIRST USE OF BANK CHECKS IN ENGLAND.

"In the reign of William, old men were still living who could remember the days when there was not a single banking house in the

City of London. So late as the time of the Restoration every trader had his own strong box in his own house, and when an acceptance was presented to him, told down the crowns and Caroluses on his own counter. But the increase of wealth had produced its natural effect, the subdivision of labor. Before the end of the reign of Charles the Second, a new mode of paying and receiving money had come into fashion among the inhabitants of the capital. A class of agents arose whose office was to keep the cash of the commercial houses. This new branch of business naturally fell into the hands of the goldsmiths, who were accustomed to traffic largely in the precious metals, and who had vaults in which great masses of bullion could lie secure from fire and from robbers. It was at the shops of the goldsmiths of Lombard street that all the payments in coin were made. Other traders gave and received nothing but pàper.

"This great change did not take place without much opposition and clamor. Old-fashioned merchants complained bitterly that a class of men, who, thirty years before, had confined themselves to their proper functions, and had made a fair profit by embossing silver bowls and chargers, by setting jewels for fine ladies, and by selling pistols and dollars to gentlemen setting out for the Continent, had become the treasurers, and were fast becoming the masters of the whole city. These usurers, it was said, played at hazard with what had been earned by the industry and hoarded by the thrift of other men. If the dice turned up well, the knave who kept the cash became an alderman; if they turned up ill, the dupe who furnished the cash became a bankrupt. On the other side, the conveniences of the modern practice were set forth in animated language. The new system, it was said, saved both labor and money. Two clerks, seated in one counting-house, did what, under the old system, must have been done by twenty clerks in twenty different establishments. A goldsmith's note might be transferred ten times in a morning, and thus a hundred guineas, locked in his safe close to the Exchange, did what would formerly require a thousand guineas, dispersed through many tills, some on Ludgate Hill, some in Austin Friars, and some in Tower street.

"Gradually, even those who had been loudest in murmuring against the innovation, gave way and conformed to the prevailing usage. The last person who held out, strange to say, was Sir Dudley North. When, in 1680, after residing many years abroad, he returned to London, nothing astonished or displeased him more than the practice of making payments by drawing bills on bankers. He found that he could not go on 'Change without being followed round the piazza by goldsmiths, who, with low bows, begged to have the honor of serving him. He lost his temper when his friends asked him where he kept his cash. 'Where should I keep it,' he asked, 'but in my own house?' With difficulty he was induced to put his money into the hands of one of the Lombard Street men, as they were called. Unhappily, the Lombard-Street man broke, and some of his customers suffered severely. Dudley North lost only fifty pounds; but this loss confirmed him in his dislike of the whole mystery of banking. It was in vain, however, that he exhorted his fellow-citizens to return to the good old practice, and not to expose themselves to utter ruin in order to spare themselves a little trouble, He stood alone against the whole community. The advantages of the modern system were felt every hour of every day in every part of London; and people were no more disposed to relinquish those advantages for fear of calamities, which occurred at long intervals, than to refrain from building houses for fear of fires, or from building ships for fear of hurricanes."

REPRESENTATIVE MONEY.

The graphic description of Macaulay's* gives authentic information concerning the earliest organization of banks and the use of checks among English-speaking nations. It was more than eighty years thereafter before the London Clearing House was established, and the organization of the New York Clearing House dates eighty years still later—in 1853; so that it may be said that the complete system of banking machinery now in use in this country, and so familiar to all bankers, has been in operation but thirty-eight years.

Checks, certificates of deposits, and drafts or bills of exchange, which of late years have been somewhat incorrectly termed "representative money," are the most important and useful parts of the machinery of the bank. The issue of circulating notes is not an essential feature of banking; for, as you know, there are more than 1,600 State and savings banks in the country, chiefly incorporated under State laws, which do not issue such notes. But checks and drafts are almost as indispensible as capital or deposits to the successful conduct of the business of banking.

In discussing in 1877 the prospects of resumption, in reply to those who insisted that the banks must provide specie for the payments of all their notes and deposits, it was said:

"Not many years ago it required one hundred large and heavy weights to balance one hundred bushels of wheat. To-day, by the advance in mechanical science, a five pound weight will balance a much larger amount of produce, while the actual use of the pound weight is confined to the small transactions of the retail trade. It would now be impracticable to weigh the products of the country with the old-fashioned balances; but, by the aid of the modern platform scales, the weight of car loads of coal and of canal boats of grain are quickly and accurately determined in pounds, every one of which is exactly sixteen ounces avoirdupois. There is not sufficient gold or silver coin in the country with which to pay for the one-twentieth part of the products of the present year; but the machinery of the bank, with its system of

* Macaulay's History of England, Vol. IV., p. 5.

checks, and bills of exchange and Clearing Houses, can pay for it all in dollars, every one of which will be an equivalent of the true standard dollar of twenty-five and eight-tenths grains of gold, nine-tenths fine. Resumption does not mean the actual use and handling of the gold dollar in every transaction. Coin and currency are but the small change used in trade. Bank checks and bills of exchange are the instruments employed in all large transactions. A single check pays for a whole invoice of goods, for car loads of coal, and for houses and lands." *

The number of such checks and drafts used in any country depends largely upon the number of places of deposit which it contains. In England, banks and bankers are numerous, and large numbers of such instruments of exchange are used, particularly in the principal cities. In France, on the other hand, their use is much more infrequent, for there are no incorporated banks in that country, except the Bank of France, with its 99 branches; and 41 of these branches, in 1878, were conducted at a loss of $162,225, and 30 of them, in 1869, at a loss of $95,840.

Victor Bonnet, a well-known French writer, says: "The use of deposits, bank accounts and checks is still in its infancy in this country. They are very little used, even in the great cities, while in the rest of France they are completely unknown. It is, however, to be hoped that they will be more employed hereafter, and that here, as in England and the United States, payments will be more generally made through the medium of bankers, and by transfers in accounts current. If this should be the case, we shall economize both in the use of specie and of bank notes; for it is to be observed that the use of bank notes does not reach its fullest development except in countries where the keeping of bank accounts is unusual, as is evident by comparing France in this respect with England." M. Pinard, manager of the Comptoir d'Escompte, testified before the Commission of Inquiry, that "the greatest efforts had been made by that institution to induce French merchants and shopkeepers to adopt English habits in respect to the use of checks and the keeping of bank accounts, but in vain; their prejudices were invincible; it was no use reasoning with them; they would not do it, because they would not."

In 1880 there were in this country 6,522 banks and bankers distributed throughout all its principal cities and villages, and the number of checks and drafts in daily use by our own people is consequently far greater than anywhere else in the world. In some countries not all deposits offered are received, and a charge is made to the depositor for keeping his account. In others, bank accounts are refused, unless the depositor comes well introduced, and it is believed that his account will be of considerable pecuniary benefit to the bank. In this country the bank is in many instances a convenience to the depositor, rather than the depositor of benefit to the bank; for the latter keeps the cash account of the depositor, and pays out amounts upon his order, and at

* Comptroller's Report 1877, page 14.

his request returns to him his checks properly endorsed, which are then held by the depositor as vouchers or receipts for the payment of his debts. How largely such checks and drafts and certificates are used in this and other countries is not known; for there are no published statistics upon this subject, except those contained in the transactions of the Clearing House.

TRANSACTIONS OF CLEARING HOUSES.

The total amount of transactions of the New York Clearing House in 1880 was more than 37,000 millions, and the amount of balances paid in money was more than 1,500 millions. The average daily exchanges were more than 121 millions, while the average daily balances paid in money were but four and nine-tenths millions, or only four and one-tenth per cent. of the amount of the settlements. The transactions of the London Clearing House, which is the oldest establishment of this kind in the world, are large, and the balances are settled by checks on the Bank of England, without the handling of money; while those of the Paris Clearing House are comparatively small.

There are 26 Clearing Houses in the United States, representing 394 banks, and having a capital of nearly 245 millions ($244,981,686) and surplus of 92 millions (92,913,746). The capital represented in these Clearing Houses is equal to about 38 per cent. of the banking capital of the United States.

PROPORTION OF BANK CHECKS USED IN LONDON, FROM DATA PREPARED BY SIR JOHN LUBBOCK.

I have said there are no published statistics exhibiting the extent to which checks, drafts and certificates are used in the business of banking. To this statement two exceptions are to be noted. The first consists in information given by Sir John Lubbock, an ėminent banker, who is president of the Bankers' Institute in London, in reference to the business of his bank during the last few days of 1864, which statement is published in the "London Statistical Journal" for 1865.

The receipts of money from his town customers during those days amounted to 19 millions of pounds, and, when analyzed, gave the following results:

	Per cent.
Checks and bills	96.8
Bank of England notes	2.2
Country bank notes	.4
Coin	.6
Total	100.0

Jevons, in his book on "Money and Mechanism of Exchange," says: "It is not for a moment to be supposed that these figures represent the average use of coin in banking transactions. The proportional amounts of different kinds of money and commercial documents used in different parts of the country, in different trades, or in banks of different size and character, differ widely. It is much to be desired that bankers and others, who have the facts before them, should publish more copious information on the subject."

PROPORTION OF BANK CHECKS USED, FROM DATA PRESENTED BY PRESIDENT GARFIELD.

The second exception is the following: In 1871, a gentleman in this country, then a member of Congress, collected some data upon this subject. He has now been connected with public affairs for nineteen years, and since about the time of the passage of the National Bank Act; and notwithstanding that his residence has been in a section of the country where his financial views were not in harmony with those of a large class of the people, he has made a record for consistency and soundness not excelled by that of any public man of the day. I may add, in this connection, that he has long been a leader among men, and has recently become endeared to the whole American people by the high qualities displayed by him under a most trying ordeal, hitherto, happily, with one exception, unknown to the public men of this country. It is not necessary for me to say that I refer to President Garfield.

In his noted speech on resumption, delivered in the House of Representatives on November 16th, 1877, he said: "In 1871, when I was chairman of the Committee on Banking and Currency, I asked the Comptroller of the Currency to issue an order, naming fifty-two banks which were to make an analysis of their receipts. I selected three groups; the first were the city banks. The second consisted of banks in the cities of the size of Toledo and Dayton, in the State of Ohio. In the third group, if I may coin a word, I selected the 'countriest' banks, the smallest that could be found, at points away from railroads and telegraphs.

"The order was that those banks should analyze all their receipts for six consecutive days, putting into one list all that can be called cash, either coin, greenbacks, bank notes or coupons, and into the other list all drafts, checks or commercial bills. What was the result? During those six days $157,000,000 were received over the counters of the fifty-two banks; and of that amount, $19,370,000—twelve per cent. only—in cash, and eighty-eight per cent. of that vast amount, representing every grade of business, was in checks, drafts and commercial bills."

PROPORTION OF COIN, PAPER MONEY AND CHECKS RECEIVED BY THE NATIONAL BANKS ON JUNE 30, 1881.

I have already referred to the circular letter recently issued to the national banks, asking for special statements showing the receipts and payments by them on the 30th of June last. In that letter it was stated that similar information would also be requested for some subsequent date. This circular will be issued in September next, when I hope to receive responses from all the banks ; for I feel assured that in no official way can we so surely gratify the President as by completing in this year, the work which he commenced ten years ago.

Responses to this circular were received from 1,966 of the 2,106 national banks to which it was sent, including all the banks in the sixteen reserve cities, and leaving 140 associations only, from which the desired information was not obtained.

TOTAL AMOUNT OF RECEIPTS OF ALL THE BANKS IN MONEY AND CHECKS.

The total receipts of these 1,966 banks on June 30, last, were 284 millions of dollars ($284,714,017). Of this amount there was less than two millions ($1,864,105) in gold coin, about half a million ($440,997) in silver coin, and eleven and one-half millions ($11,554,747) in paper money; the remainder, amounting to 270 millions ($270,854,165), being in checks and drafts, including nine millions ($9,582,500) of Clearing House certificates. The gold coin equaled 65-100 of one per cent. of the total receipts; the silver coin was 16-100 of one per cent.; the paper money 4.6 per cent.; while the checks and drafts constituted 91.77 per cent. of the whole amount; or, including the Clearing House certificates, they were equal to 95.13 per cent. In other words, the total percentage of coin and paper money was 4.87 per cent. only, and of checks and drafts 95.13.

TOTAL RECEIPTS OF MONEY AND CHECKS BY THE BANKS IN NEW YORK CITY AND IN FIFTEEN OTHER PRINCIPAL CITIES, AND OF THE REMAINING BANKS.

The receipts of the forty-eight national banks in New York City were 167 millions ($167,437,759), of which less than one-half million ($460,993.67) was in gold coin, $15,996.95 in silver coin, and $1,706,604.06 in paper money; the remaining 165 millions ($165,254,164) being in checks and drafts, including nearly four millions ($3,835,500) of Clearing House certificates.

The receipts of the 187 banks in the fifteen reserve cities, exclusive of New York, were seventy-seven millions ($77,100,705), of which $581,070 was in gold, $114,485 in silver, $3,631,710 in paper money, and seventy-two millions ($72,773,450) in checks and drafts, including $5,747,000 of gold Clearing House certificates.

The total receipts of the remaining banks, 1,731 in number, were forty millions ($40,175,542), of which $822,041 was in gold coin, $310,516 in silver coin, six millions ($6,216,433) in paper money, and nearly thirty-three millions ($32,826,552) in checks and drafts.

TOTAL RECEIPTS AND PROPORTION OF GOLD COIN, SILVER COIN, PAPER MONEY, CHECKS AND DRAFTS.

The proportion of gold coin to the whole receipts in New York

City was 21-100 of one per cent; of silver coin, 1-100 of one per cent.; of paper money, 1.02 per cent., and of checks and drafts, including Clearing House certificates, 98.7 per cent.

The percentage of gold coin received in the fifteen other cities was 0.76, of silver coin 0.15, of paper currency 4.71, and of checks and drafts 94.38. The percentage of gold coin received by the banks not included in these cities was 2.05, of silver coin 0.77, of paper currency 15.47, and of checks and drafts 81.71.

Taking all the 1,966 banks together, the relative proportion of gold coin received was 0.65, of silver coin 0.16, of paper currency 4.06, and of checks and drafts 95.13, as will be seen from the following table:

	No of Banks.	Receipts.	PROPORTION. Gold coin.	Silver coin.	Paper currency.	Checks, Drafts, &c.
New York City	48	$167,437,759	0.27	0.01	1.02	98.70
Other principal cities	187	77,100,715	0.76	0.15	4.71	94.38
Banks elsewhere	1731	40,175,542	2.05	0.77	15.47	81.71
United States	1966	$284,714,016	0.65	0.16	4.06	95.13

The percentage of checks and drafts received in Boston was 96.5; in Philadelphia, 96.0; in Baltimore, 92.9; Chicago, 91.9; Cincinnati, 88.0; St. Louis, 82.3: Louisville, 92.8; New Orleans, 89,9; Detroit, 87.5; Cleveland, 93.9, and Milwaukee, 88.3, as will be seen from the following table, which gives the total receipts, the number of banks and the proportion of checks and drafts held by those in each city:

LOCATION.	No. of Banks.	Receipts.	Proportion of ch'ks,d'fts,&c.
New York City	48	$167,437,759	98.7
Boston	54	33,088,080	96.5
Albany	7	1,417,704	93.8
Philadelphia	32	18,061,565	96.0
Pittsburgh	22	2,149,067	90.3
Baltimore	16	3,875,255	92.9
Washington	5	206,601	59.8
New Orleans	7	1,206,759	89.9
Louisville	8	742,330	92.8
Cincinnati	8	2,965,355	88.0
Cleveland	6	1,751,037	93.9
Chicago	9	8,141,189	91.9
Detroit	4	806,211	87.5
Milwaukee	3	417,244	88.3
St. Louis	5	1,940,053	82.3
San Francisco	1	332,265	91.8
Total, excluding New York City	187	$77,100,715	94.4
" including " " "	235	$244,538,474	97.3
Banks elsewhere	1731	40,175,542	81.7
United States	1966	$284,714,016	95.1

As soon as the returns to be called for during the month of September are received, the whole will be carefully tabulated, and I shall then have the satisfaction of presenting to the public the first elaborate statistical tables upon this subject ever compiled, which information will, I am confident, interest you as much as any which has ever been published in reference to the business of banking.

MONETARY CRISES.

There was a monetary crisis in the autumn of 1873, which differed in its results from any other panic ever known in this respect, namely: that on the 20th of September, of that year, there occurred not a suspension of specie payments, but a suspension of paper-currency payments. So extraordinary was this crisis that it was supposed it would be remembered for a century at least. But I am informed that although but eight years have passed since its occurrence, it has already been nearly forgotten; and by way of remembrance, and at the risk of wearying your patience, I venture to recall to your minds some memoranda heretofore prepared by me, which has been already printed.

THE PANIC OF 1873.

The monetary panic of 1873 may be said to have had its beginning in New York City, on September 8th, of that year, by the failure of the Warehouse Security Company, and of two houses which had left their regular business to embark in enterprises foreign thereto, and these were followed on the 13th of that month by the failure of a large firm of stockbrokers. On the 18th and 19th two of the largest banking houses in that city, well-known throughout the country, and which were interested in the negotiations of large amounts of railroad securities, also failed; and on the 20th the failures of the Union Trust Company, the National Bank of the Commonwealth, and three other well-known banking houses were announced. On the same day the New York Stock Exchange, for the first time in its existence, closed its doors, which were not again opened for a period of ten days, and during this period legal tender notes commanded a premium over certified checks of from one-fourth of one per cent. to five per cent. An active demand for deposits commenced on the 18th, and increased rapidly on the 19th and 20th, chiefly from the country correspondents of the banks; and drafts for their paper currency continued to such an extent that the reserves of the banks were alarmingly reduced.

The "call loans," amounting to more than sixty millions of dollars, upon which the banks relied to place themselves in funds in such an emergency, were entirely unavailable, because the means of the borrowers, upon which they depended to realize the means to repay their loans were, to a great extent, pledged with the banks. These collaterals could in ordinary times have been sold, but at that time no market could be found except by making ruinous sacrifices. Had there been a market, the payments would have been made in checks upon the associated banks, which would not have added to the general supply of cash. A meeting of the Clearing House Association was called, and on Saturday evening, September 20th, a plan for issuing loan certificates, based on the resources of the banks belonging to the Association, and which were to be used in the settlement of balances at the Clearing House, was unanimously adopted.

The suspension of currency payments followed, and was at first confined to the banks of New York City, but afterward extended to other large cities, because New York banks could not respond to the demands of their correspondents in those cities, and these, in turn, could not respond to the demands of their correspondents. Exchange on New York, which would otherwise have commanded a slight premium was at a discount, and to a considerable extent unavailable. The suspension of the banks in other leading cities, almost without exception, therefore, followed, and their partial or entire suspension continued for forty days, until confidence was, in a measure, restored by the resumption of the New York City banks on the first day of November. Although predictions had been made of the approach of a financial crisis, there were no apprehensions of its immediate occurrence. On the contrary, there were in almost every direction evidences of prosperity. The harvest was nearly or quite completed, and the bins and and granaries were full to overflowing. The manufacturing and mining interests had also been prosperous during the year, and there was good promise that the Fall trade, which had opened, would be as large as during previous years.

It would require much space to explain all the causes which led to this crisis. The immediate cause of the crisis can, however, be briefly stated. The money market had become oveloaded with debt, the cost of railroad construction for five years past being estimated to have been $1,700,000,000, or about $340,000,000 annually; while debt, based upon almost every species of property—State, city, town, manufacturing corporations and mining companies—had been sold in the market. Such bonds and stocks had been disposed of to a considerable extent in foreign markets, and so long as this continued the sale of similar securities was stimulated, and additional amounts offered. When the sale of such securities could no longer be affected abroad, the bonds of railroads and other enterprises of like nature which were in process of construction were thus forced upon the home market until their negotiation became almost impossible. The bankers of the City of New York, who were burdened with the load, could not respond to the demands of their creditors, the numerous holders of similar securities became alarmed, and the panic soon extended throughout the country.

It was my intention in this connection, to have called your attention to the special tables, to which reference has already been made, giving, at three different dates, the amounts of loans, deposits, balances due for banks, and legal tender notes and coin held by the banks in the City of New York, and in fifteen other cities, and in the remaining banks during the panic of 1873. But as I have been informed through the press that other gentlemen are to read papers upon the subject of financial crises, I shall close the address with a page of English history, of some two hundred years ago, written by the author from whom I have already quoted; for it gives a graphic and entertaining description of the results of that spirit of speculation which always seem to follow the rapid accumulation of capital; and if the banks and bankers of this country will decline to make loans upon speculative stocks and keep their reserves well in hand, they will be prepared for a return of the "dark days" of 1873, which I trust are many years distant.

"During the interval between the Restoration and the Revolution, the riches of the nation had been rapidly increasing. Thousands of busy men found every Christmas that, after the expenses of the year's housekeeping had been defrayed out of the year's income, a surplus remained; and how that surplus was to be employed was a question of some difficulty. In our time, to invest such surplus at something more than three per cent., on the best security that has ever been known in the world, is the work of a few minutes. But in the seventeenth century a lawyer, a physician, a retired merchant, who had saved some thousands, and who wished to place them safely and profitably, was often greatly embarrassed. . . . . . .

"The natural effect of this state of things was that a crowd of projectors, ingenious and absurd, honest and knavish, employed themselves in devising new schemes for the employment of redundant capital. It was about the year 1688, that the word stockjobber was first heard in London. In the short space of four years a crowd of companies, every one of which confidently held out to subscribers the hope of immense gains, sprang into existence; the Insurance Company, the Paper Company, Lustering Company, the Pearl Fishing Company, the Glass Bottle Company, the Alum Company, the Blythe Coal Company, the Swordblade Company. There was a Tapestry Company, which would soon furnish pretty hangings for all the parlors of the middle class and for all the bed-chambers of the higher. There was a Copper Company, which proposed to explore the mines of England, and held out a hope that they would prove no less valuable than those of Potosi. There was a Diving Company, which undertook to bring up precious effects from shipwrecked vessels, and which announced that it had laid in a stock of wonderful machines resembling complete suits of armor. In front of the helmet was a huge glass eye, like that of Polyphemus; and out of the crest went a pipe through which the air was to be admitted. The whole process was exhibited on the Thames. Fine gentlemen and fine ladies were invited to the show, were hospitably regaled, and were delighted by seeing the divers in their panoply descend into the river, and return laden with old iron and ship's tackle. There was a Greenland Fishing Company, which could not fail to drive the Dutch whalers and herring brisses out of the Northern Ocean. There was a Tanning Company, which promised to furnish leather superior to the best that was brought from Turkey or Russia. There was a society which undertook the office of giving gentlemen a liberal education on low terms, and which assumed the sounding name of the Royal Academies Company. In a pompous advertisement it was announced that the directors of the Royal Academies Company had engaged the best masters in every branch of knowledge, and were about to issue twenty thousand tickets, at twenty shillings each. There was to be a lottery; two thousand prizes were to be drawn, and the fortunate holders of the prizes were to be taught, at the charge of the company, Latin, Greek, Hebrew, French, Spanish, conic-sections, trigonometry, heraldry, japanning, fortifications, book-keeping, and the art of playing the theorbo. Some of these companies took large mansions and printed their advertisements in gilded letters; others, less ostentatious, were content with ink, and met at coffee-houses in the neighborhood of the Royal Exchange. Time bargains soon came into fashion. Extensive combinations were formed, and monstrous fables were circulated, for the purpose of raising or depressing the price of shares. Our country witnessed for the first those phenomena with which a long experience has made us familiar. A mania, of which the symptoms were essentially the same with those of the mania of 1720, of the mania of 1825, of the mania of 1845, seized the public mind. An impatience to be rich, a contempt for those slow but sure gains which are the proper reward of industry, patience and thrift, spread through society. It was much easier, and much more lucrative, to put forth a lying prospectus announcing a new stock, to persuade ignorant people that the dividends could not fall short of twenty per cent., and to part with five thousand pounds of this imaginary wealth for ten thousand solid guineas, than to load a ship with a well-chosen cargo for Virginia or the Levant. Every day some new bubble was puffed into existence, rose buoyant, shown bright, burst and was forgotten. The new form which covetousness had taken furnished the comic poets and satirists with an excellent subject.

"This is well illustrated in the 'The Stockjobber,' written by Shadwell, and put on the stage in 1692. 'The best scene,' in the play, 'is that in which four or five nonconformists, clad in the full Puritan costume, after discussing the prospects of the Mouse Trap Company and the Flea-Killing Company, examine the question whether the godly may lawfully hold stock in a company for bringing over Chinese rope-dancers. 'Considerable men have shares,' says one austere person, in cropped head and bands, 'but, verily, I question whether it be lawful or not.' These doubts are removed by a stout old Roundhead colonel, who had fought at Marston Moor, and who reminds his weaker brother that saints need not themselves see the rope-dancing, and that, in all probability, there will be no rope-dancing to see. 'The thing,' he says, 'is like to take. The shares will sell well, and we shall not care whether the dancers come over or no.'" *

* Macaulay's History of England, Vol. 4, page 390.

* THE CURRENCY OF THE FUTURE;

WHAT SHALL IT BE?

It is very obvious that the continued reduction of the public debt is fast removing the foundation of the national banking currency, and that the system itself, thus losing its characteristic support, is approaching dissolution.

The advancing price of government bonds, consequent upon their gradual diminution in volume, and strengthened by a growing demand for the investment of trust funds of every character, has already made the service of issuing currency profitless to banks, weighed down as they are with heavy burdens of special taxation.

With the certain progress of this reduction and absorption of bonds, it is evident that the existence of the present system of banking cannot long be protracted, and that very soon some substantial change in the basis of our national currency will be inevitable.

The circumstances that originated, and perhaps compelled, the creation of the national currency law, have not only entirely passed away into history, but they have become completely reversed. The system was called into being as an important auxiliary to government, and was designed to absorb, utilize and sustain the public debt, when it was being thrown upon the country during the agonies of a collossal war, in almost countless sums, and with the prospect of further unnumbered millions to come; all to be carried solely by the unaided power of a divided nation, and by home capital and institutions. And well did the banks perform their part in the heroic struggle.

But the public debt no longer requires this extrinsic support. It is not only essentially self-sustaining, but is eagerly sought for in all parts of the world, as the choicest and safest among national loans.

It has become so embodied in the vital interests of our own people, and so interwoven with the whole fabric of our institutions, that the very payment of small proportions from time to time is regarded by the owners as a penalty to be suffered, rather than as a benefit to be secured.

To avert this dreaded *penalty of receiving payment of a debt*, the public creditors have eagerly hastened, voluntarily, to surrender a large proportion of their annual interest, thereby substantially giving freely to the government nearly one half the amount of their principal

* A paper read before the American Bankers' Association, by George S. Coe, at Niagara Falls, August 11th, 1881.

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debt, for the sake of saving to themselves a diminished, yet certain annuity.

Such a transition in national affairs within a brief period of twenty years has never been witnessed since the world began, and such a marvellous reversal and triumph of public credit is unknown to history. In view of it every man of real sensibility, must stand in grateful wonder.

Notwithstanding the social inconvenience which may result from this rapid payment of the national debt, and the consequent disturbance in the affairs of individuals and organizations throughout the country, yet the public sentiment undeniably favors its early and entire extinction. This sentiment, costing as it does the continuance of heavy taxation, nevertheless has too much of national good in it to be repressed. It is public virtue in its most emphatic expression. However much the national currency may be regarded as superior to other systems, yet it manifestly will not be perpetuated, if to do it, the national debt must also continue. Dependent upon the sentiment of the country upon that issue alone, it is evident that the currency must die. Its days are already numbered. Every fractional advance in the price of Government bonds is a blow at its life—and the march of events everywhere indicates its subversion from the present basis.

The practical question before the country, then, is this—*What currency shall take its place?*

Can the national features be preserved and other sound security for circulating notes be substituted?

Since the prohibition of the issues of State banks, the debts of the wealthier States have been paid off or reduced to small sums. Many of them owe little or nothing. Those that remain are either too unstable in value, or too small in amount, to furnish the requisite security for either national or State issues, so that State bonds cannot supply the place vacated by the withdrawal of the national debt. A great change, has also, in the meantime, taken place in the commercial conditions and relations of the various States to each other, and to the country at large. States once comparatively isolated, have become interlocked with the others by railroads and modern motors, and sections once distant and almost exclusive in their local trade and currency, are now so banded together by commercial ties and easy modes of social intercourse, that local interests formerly restricting them, no longer exist. Modern commerce knows no State lines; it is by its very nature widely national. Every railroad, every telegraph, every newspaper, is doing its part to consolidate this people into commercial and social unity. We may as well divide into parts and restrict the currents of our great rivers, as our growing commerce by sectional divisions. The Mississippi could not be so bound, and to that great fact in nature we owed, in a large measure, the preservation of the imperiled nationality.

Currency notes, in the same manner, once emitted anywhere within the States of the Union, diffuse themselves among the people of the broad land, and become practically national. They involuntarily come into the possession of the holders for money value, by the natural operations of trade and travel. Whatever their origin, the receiver cannot stop to exchange them at the border lines of their native domain. They are a commercial representative, and however issued, they follow the course, and are subject to the laws, which govern their commercial constituents. They accompany their possessor over railroads, rivers and lakes, wherever he goes, irrespective of State boundaries or political divisions.

In the very nature of the case, they should all therefore be equivalent to coin in every part of the land, be made convertible at the central point of commerce, possess some homogeneous character, and be subject to some general national control and regulation.

But if government bonds are becoming impracticable, and State debts do not exist of proper amount and character, to be admissible as security for the currency, what remains ? In place of the present national system, the alternative will of course be pressed upon Congress of *government notes, whether legal tender or otherwise, as a perpetual currency.*

I do not propose at this late day to spend the valuable hours of an association of bankers, in discussing the intrinsic absurdity of any form of notes to circulate as money, in which the full commercial money value does not inhere. Of whatever name, or from whatever source derived, all such notes "are only evil, and that continually." The higher the authority that emits them, the greater their influence for harm.

After all the light which history, experience and reason have shed upon that plausible, yet intrinsic absurdity, it may be left to die with the small party which still cling to it for support. If superior wisdom in Congress or Court does not earlier extinguish it, the payment of the national debt will happily sweep away that worst remaining relic of the war, and purge the currency of the poisonous and deceitful element.

Nor can the accustomed security be supplied by corporate bonds, or individual mortgages of real estate. These are all too fluctuating, transitory and local in their character for the purpose proposed, and are given a fictitious and temporary value by the very currency they are intended to protect. They have already been tried for this purpose, and found wanting in the necessary elements of sound, permanent and convertible security.

We are then finally reduced to commercial assets, as the original and only remaining basis of currency issues. And is not this, after all, the most natural, useful and reliable foundation for the community to rest upon ?

All financial values consist of the gathered results of human labor. These gradual accumulations constitute the real capital of society;

upon them alone, both the community and the State must subsist. From them the government draws its total strength and vitality, and the share of them which can be contributed to it in the form of taxes, is everything that the State can possibly possess. All the reserved forces of the country are in these articles of subsistence and comfort and commerce. That country is most independent that has the most of them, and so far as it possesses them, it holds the world at command.

The business of a bank is to assist in the exchange and distribution of these products, both within and without the community. It first gathers an aggregation of these stores in a capital of its own, to secure the trusts otherwise committed to it, and to increase its resources and its ability to facilitate the distribution and diversify the exchanges of others, and also to possess itself of a reserve to meet delays and unforeseen contingencies. The condition of that bank is soundest, and its power most effective whose assets are all composed of notes, drafts and obligations of the people, that constitute title-deeds to those article most demanded for the subsistence and necessities of men, and for their comfort and convenience, together with a due proportion of ready money, into which all those things are exchangeable. As seed-time and harvest are perpetual, and human wants demand incessant supply, and prompt to unceasing labor, so the men and the institutions that keep themselves and their resources intelligently within this circle of industry, are most useful to society and safest for themselves. A bank thus rightly conducted is the focal point to which all active labor converges, and from which goes out in return the vital energy that renews and stimulates industry and enterprise. Its assets consist of the stored-up labor and exchangeable industry of society.

Now to say that an institution organized for such a purpose, to be safe, should first deprive itself of its capital and lend it to the State, in order to secure its liabilities to the community, is to say that it is strongest when it empties itself of strength. It is to so far relinquish the very object of its creation. It may be truly said that "a bank is not a bank," to the extent that it does this very thing.

Commerce is wealth, public debt is poverty. It is therefore intrinsically absurd, first to gather together the real thing for its legitimate use, and then to substitute for it that torpid investment, which has not a single function for the purpose intended. And when the law thus diverts the working capital of any institution from its proper object, it not only deprives the community of so much of its efficient commercial energy; but it practically declares that the business of banking is of such dangerous character, that its natural and full exercise cannot be safely permitted, even where the highest commercial instinct declares it indispensable. It is to say that trade cannot be best left to its own inherent laws. All history disproves this position. The oldest and safest institutions in this country and in the civilized world are commercial banks. They have in all nations outlived the changes of governments that formed them, and have uniformly given, rather than received, support from States in their greatest emergencies. And this because they are the embodiment and receptacles of the active industrial power of the people, always greater than the State itself.

The idea of protecting bank notes by State or national bonds is a modern device, and it certainly has not been conclusively proved a superior security. The same disposition has prevailed in times past to excessive issues of State as of corporate obligations, and the same financial disturbances which have heretofore caused a decline of the one, have equally and at the same time affected the other. Such security did not prove the most effective in the day of extremity; on the contrary, the union of commercial and political interests involved them both in the same embarrassment, just when they most required independent action.

And so it would have occurred with our own national currency during the war, had not the whole system been accompanied by an issue of irredeemable notes, poured out of the treasury in quantities demanded for every trial, and subject to none of the restraints of imperative payment in money, that govern commercial obligations.

The most conspicuous and influential authority for the emission of circulating notes for use as money, upon a pledge of public debt, is found in the Bank of England, whose issue department is permitted to put forth some fifteen millions sterling, of such paper, based upon a loan of the capital of that institution to the British Government.

Experience in that nation has repeatedly shown, that whenever a severe strain and crisis in financial affairs has there occurred, the public debt instantly felt the depressing force, and declined in measured extent; and instead of a sale of that security, relief was only found in a temporary suspension of the government restrictions, and in an additional issue of notes upon commercial paper. That whole measure is so akin to our system of legal tender issues, that the family likeness is distinctly traceable. Can it be doubted that if, instead of the government debt, the same amount of commercial paper, commanding as it would the various industrial products required by all civilized men, were pledged to the issue department, it could draw from the world the speedier and more efficacious relief, in any form demanded?

The statement of the question furnishes its own reply.

While it cannot be denied that such evil and loss has resulted from the issue of currency notes by irresponsible organizations, it is also true that greater loss has come from such notes emitted by States and governments themselves; and it may be fairly questioned, whether the injury incurred in the United States by broken and defaulting corporations, did not proceed from isolated and sporadic institutions, inconsiderately permitted in the earlier and unsettled period of the country, before the States had become consolidated into a commercial nation, by facilities of travel and trade, and before they thus became subjected to those inexorable financial laws that govern the commercial world.

But notwithstanding all the disadvantages of inexperience, in a new country of wide area and of scattered populations, comparatively inaccessible to each other, the fathers of our States, in the financial institutions they established after due deliberation, displayed, in many of the States, a rare sagacity in placing them upon solid and substantial foundations.

The history of the various systems of bank note currency, thus created in many of the older States in the Union, fully demonstrates the superiority of the commercial basis of security.

First. The system of New England, under the mutual redemption and exchange of notes at the Suffolk Bank, Boston, proved a safe and effective one, and was attended with little or no loss to the community during its many years of trial.

Second. The States of Ohio, Indiana and Kentucky each enjoyed for a long period, under their State organizations, a strictly commercial currency of great efficiency, without loss to the holders of the notes.

Third. The State of Louisiana possessed a banking and currency system unsurpassed in its excellence and stability.

Fourth. The currency system of the State of New York last established, was the first one requiring such special collateral security for its issues. So far as this security consisted of bonds and mortgages upon real estate, it was an admitted failure; and the change to State bonds did not save it from suspension in 1873. Its notes were then all finally redeemed, but they were so rather by a combination of commercial forces, than because of the pledge of bonds for their protection.

But our aim is not so much to review the various plans hitherto adopted to secure the public against loss by currency notes used as money, as, in view of the inevitable payment and withdrawal of the national debt, to show that in commercial assets the banks and the people possess the security required, and the best security that can possibly exist; and this because it is that upon which alone not only the government itself, but the whole structure of human society reposes.

The final question is, *under what regulations can this security be made available for this special object ?*

The obligations of a bank, as well for its deposits as for its circulating notes are substantially the same. They are equal in quality, and perform the same office of exchanging the products of labor. But the holders of the notes receive them as money, in a great degree involuntarily and in ignorance of their value, and therefore the State has properly undertaken to give to the people that protection which they cannot themselves secure. And this is eminently just.

The important features of the existing system are these:

First. The pledge of bonds as security for circulating notes.

Second. The responsibility of shareholders for another amount equal to their shares.

Third. The public exhibition of the bank's condition by requirement of sworn reports.

Fourth. The inspection by government officials.

Fifth. The regular and central redemption of all the notes, and the retention of coin deposit for that purpose.

With the exception of the first, these are reasonable, practicable and just regulations. They may all be preserved in a national law, as necessary to any substantial system. In place of the security now required, the circulating *notes* may be *limited to a sum equal to one-half or three-fourths the cash capital paid in; be made a preferred debt in case of failure; and carry interest at an extra rate for every day's delay that they are not redeemed in coin, after presentation at the home or central office;* with the prohibition of any circulating notes in the United States, not embraced within these regulations. These restrictions will afford perfect security to the public, and are sufficiently severe to prevent any dangerous expansion of paper money. In making the note-holder a preferred creditor, the capital and assets of a bank are substantially pledged as now for the circulating notes, but the institution may meantime be free to employ them both at its own discretion for business purposes, *controlled and admonished by the ceaseless requirements of the central coin redemption.* Thus will the whole power of the organization be restricted to such commercial uses as will keep the entire fund in constant, useful and healthful activity, and give to the country a currency so representing and keeping pace with its moving industries, that it will, in the very nature of things, always provide for its own redemption.

* A WORD OF WARNING.

The question is so often asked, "When will this great prosperity end, or when will another panic sweep over the country?" that it becomes not only interesting, but absolutely to our safety, to get the best ideas possible, and to analyze the signs of approaching danger.

Foreshadowing future events—prophesying—is extra hazardous business. Still, I will recklessly lead off into the financial future, begging you, gentlemen, to not only discount but to take rank usury, if you please, off of my views.

Panics do occur about every decade. This ten-year period is quite natural; it takes about five years after a revulsion to pay up, compro-

* A paper by Mr. John Thompson, of New York, read before the American Bankers' Association, at Niagara Falls, August 11th, 1881.

mise or wipe out indebtedness. Then follows five years of prosperity, expansion, confidence in credits—in fact, a "boom." The last panic was in 1873; the present prosperity commenced in 1878. We have now had three years of extraordinary augmentation of riches, much of it real solid, but most of it emanating from raising prices or putting up quotations. The signs of an approaching "blizzard" are numerous, but very delicate as yet. When the stock market becomes "mixed," and the bulls and bears become desperate, and when the courts grant injunctions liberally, and the financial knavery of the opposing parties is exposed, then capital and credit insidiously vanish—hoarding is considered the best investment, or loans secured beyond any contingency, even at a nominal interest, which is akin to hoarding. This species of financiering involves contraction; distrust follows, and the credit system is impaired. When we consider that nine-tenths, and, I think, nineteen-twentieths, of our money, so called, is credit, and nothing else, it is no wonder that financial panics come suddenly.

The most important sign of a coming panic and revulsion is to be found in our trade balances with foreign nations. As our prosperity has been hugely augmented by the importation of gold, so when the flow of the precious metal is from us, distrust will inspire contraction, and contraction will lead directly to inability to pay. Money not only becomes scarce, but it is absolutely gone.

In fact, there is at no time but an inadequate amount of real money to do business on. I feel confident that over 95 per cent. of our business and the business of England is done on paper tokens—checks, drafts, notes, letters of credit, &c.—which, so long as confidence is good, are a perfect substitute for money, but, like young partridges that disappear "on call," not allowing even three days grace. Discounts are declined, deposits drawn and hoarded. Thus, not only the credit system and the money token is power destroyed, but the real money itself disappears, not to be again visible until induced out by an enormous depression in prices.

At present there is but one alarming indication of trouble, and that is the number and magnitude of new enterprises, involving the issue of millions on millions of obligations. In 1871–2, and for a half of 1873, this same sign of coming trouble was apparent, but to a fractional extent, as compared with the present. As this is purely a Convention of bankers, and as I am probably the oldest member of the Association, I must be excused in uttering a word of caution to bank managers, more particularly to those at the head of deposit banks.

In receiving deposits from the general and promiscuous public, we morally, though perhaps not legally, assume a fiduciary trust, and in using such deposits the utmost caution and conservatism should be adhered to, by always having a sure and speedy controllability over a sufficient amount of our assets to meet any "demand obligation," even in the light of a raging panic.

It is criminal to assume liabilities or enter into negotiations, though ever so promising, over which hangs a contingency that may possibly endanger this fiduciary trust. Intimately connected with the ideas that are briefly expressed above, is the spirit of speculation, bordering on gambling. It is safe to say that, during the past three years, nine out of every ten ventures have netted a profit.

This is because almost continually prices have advance. When the panic and depression shall come—as surely they will—then all ventures will be losses, and many "lambs" will come to grief. I simply touch on this topic because, in the delinquency of bank officers, it is often shown that the defalcation is the outcrop of a venture. Banks that undertake heavy negotiations which, if fortune favors, will yield enormous dividends, but if fortune frowns, bankruptcy is inevitable, must always stand in the category of doubtful institutions.

We are positively going too fast, and it is the part of wisdom, and I conceive it to be but our duty, to put on the "brakes," that the wreck, when it does come, may be the less disastrous. I instance an item of the panic of 1873. Early one morning the active managers of three of the New York City banks were invited to the office of Jay Cooke & Co. We were informed that one million of dollars were necessary by ten o'clock to save that house from protest. "What security do you offer?" was asked. Answer—"None; our securities are all used." It is needless to say that the million was not forthcoming. We left. In fifteen minutes Wall street was in a panic, and this is only a duplicate of what transpired in 1857, when the Ohio Insurance and Trust Company suspended.

I will not elaborate the progress and results of those panics, for you are all conversant with what transpired in and following 1873. Sufficient to say, that houses of undoubted standing were unable to meet their engagements, and the New York City banks, after one startling failure—(the "Commonwealth")—were saved from suspension of even currency payments, by lodging with a Clearing House committee securities, and taking securities that were good only at the Clearing House for balances. The banks then, to a great extent, declined cash or currency payments, but certified checks and drafts "good through the Clearing House." This was certainly a unique financial measure, but it saved the banks from an out-and-out suspension of even currency payments. Specie was then out of the category of money. I refer to these historical events to show that panics do burst upon us without warning, and panics culminate in revulsions of some five years' duration.

Gentlemen, I am not prophesying evil, so do not stone me. I am only ringing the bell to awake the brakeman, for unless we "slow up" and guard our assets, nothing in the past will compare with what is in the future. The negotiations, the issue of stocks and bonds, are fourfold what they were prior to 1873.

SAVINGS BANKS OF NEW YORK.

A recapitulation of the reports of the savings banks of New York State, giving a view of their condition on the morning of July 1, 1881, has been issued by the Bank Department. It shows that the total amount on deposit at that time was $370,672,297; the amount on January 1, 1881, was $353,629,657, showing an increase of $17,042,640, or 4 82 per cent. during the half year. The total resources on July 1, were $424,204,808; the liabilities, other than deposits, were $229,127; and the aggregate surplus was $53,303,383. The number of open accounts at same dates was 995,742, an increase of 42,035, during the six months. The current expenses of the banks during that period, amounted to $597,971. During the year 1880, the expenses were $1,-251,298, the proportion for each six months being $625,649, compared with which rate, the expenses for the past six months show a decrease of $27,678.

A comparison of the present condition of the banks with their statements for some years past, will serve to show to what an extent their usefulness has increased, as well as to indicate what effect the conditions of the times have affected the class of savings banks' depositors. In the year 1860, the amount of the deposits was $58,178,160, and, upon calculation, we find that the amount of deposits, *per capita* of the population, was $14.99. By 1870, the amount of deposits had increased to $194,360,217, and the amount *per capita* to $44.34. On January 1, 1880, the aggregate deposits were $319,258,501, the amount *per capita* being $62.80. From the beginning, 1858, when the deposits were $41,422,672, there was a steady increase until 1861, when they amounted to $67,-440,397. In the latter year, owing to the depression at the beginning of the war, there was an actual decrease of over three millions ($3,357,-278), but during the three years following, there was an increase of 47 1-2 millions. There was a partial check to the increase at the close of the war, in 1865, but from that time onward to 1872, there was a steady growth at an increasing ratio, the amount of increase during 1871, being $37,156,418, and larger than during any other year before or since. During 1873, the year of the panic, the increase was only $233,-464, but in the two succeeding years it amounted to $33,740,117. In 1876, began the numerous failures of weak banks, most of which were started during the few prosperous years that followed the close of the war, but which were unable to withstand the contraction and depression that continued for years after the panic. In the year mentioned, banks failed having deposits amounting to $5,097,310, but the total decrease in deposits was only $2,582,917. The deposits of the banks that failed in 1877, were $2,078,218, and there was a decrease in the deposits of other banks of $1,776,000, making the total falling off in deposits, $3,854,227. The year 1878 makes the worst showing of all. Banks failed with deposits of $3,170,017; the decrease in the deposits of other banks was $10,578,402, making the total decrease in the year $13,748,-419. With the resumption of specie payments, and the renewal of business activity in 1879, the savings banks again began to prosper, the increase in deposits during that year being $20,183,862. During 1880, the increase was $34,371,156, and it promises to be about as much in 1881.

As might be supposed, the number of depositors fluctuate very much, as did the amount of deposits, during the twenty years under review. In 1860, the number of depositors, or open accounts, was 273, 697, representing a little over seven per cent. of the population. In 1870, the number was 651,474, or nearly 15 per cent , and in 1880, the number had increased to 864,456, or about 17 per cent. of the popula tion. In other words, and speaking roughly: In 1860, one person in fourteen was a savings bank depositor; in 1870, one person in seven, and in 1880, about one person in six.

While the benefits of the savings banks has thus been rapidly extended to an increasing proportion of the people, the average amount to the credit of each depositor has also steadily increased. In 1860, it was $208.91; in 1870, $296.80; in 1880, $369.32, and on July 1, 1881, $372.26.

In order to facilitate comparison, some of the above figures are given in tabular form:

Year.	No. Banks.	Deposits.	No. Depositors	Per. cent to Population.	Average Deposit.	Average to Population.
Jan. 1, 1860.	64	$58,178,160	273,697	7	$208.91	$14.99
" 1870.	133	194,360,217	651,474	15	296.80	44.34
" 1880.	128	319,258,501	864,456	17	369.32	62.80
" 1881.	128	370,672,297	995,742	..	372.26	....

The preceding has more special reference to the depositors, and attention is now called to some particulars with respect to the condition of the banks and their management. The number of banks that reported to the Superintendent of the Bank Department, on July 1, 1881, was 128, being the same number as on January 1, 1881 and 1880. On January last, there were thirteen banks in process of voluntary liquidation, and twenty-five in the hands of receivers. Superintendent Hepburn complains that the department has no supervision of the banks from the time they pass under receivership, until the receivers are discharged by order of court, and the trifling remainder of assets is turned over to the Superintendent for distribution. There seems to be no good reason why receivers ought not to make reports to the department, so that its archives may (to use the language of the Superintendent), "furnish a complete record, and continuous history of each savings bank. from its inception to its extinction."

The aggregate surplus of the banks, as reported on January 1, 1881, was $47,099,094. showing an increase during 1880 of $12,317,142. The ratio which this surplus bore to the total deposits, was represented by the high percentage, 13.32.

The aggregate fund. consisting of cash and loans, which is always available in case of a sudden demand on the part of depositors was on January 1, $35,488,865, and 8.85 per cent. of the total assets. The amount invested in real estate was $10,412 881, being 2.59 per cent. of the assets.

Superintendent A. B. Hepburn makes a number of pertinent remarks and suggestions in his last report. Regarding economy of management, he says that the interest of depositors and the safety of trustees alike demand that the bank officers be good and thoroughly competent men, and that salaries be so graduated as to command such services. Notwithstanding the increase in the business done, there was a slight decrease in the expenses of the banks during 1880, and there was no material change in the amount paid for salaries for two years back. While the policy of many of the banks secures the greatest efficiency with the wisest economy, in many others the sums paid for salaries and expenses exceed the limit of necessity and propriety.

It has frequently been urged that the restrictions of law, which prescribe in what kind of securities the bank assets should be invested, should be somewhat relaxed. At the same time that the deposits are increasing, making the amount to be invested larger, the securities in which investments may be made are becoming scarcer and dearer. While he fully recognizes this fact, the Superintendent advises against any present change in the law, for the reason that "All investments in securities of corporations, whose validity is beyond the power of this State to ascertain or guarantee, introduce elements of uncertainty hardly consonant with the proper conduct of savings banks." The only remedy is a reduction in dividends. No bank ought to pay more than four per cent., and many ought not to pay so high a rate. The bonds which the banks hold are all at a premium. The premiums form a part of their surplus, and in some cases equal the entire surplus. Out of the total surplus of $47,099,094, the premiums represent $27,378,164. Therefore, even though a bank may earn five per cent. on account of old investments, it is wiser not to pay so high a dividend, but rather to guard against a possible depreciation of securities, by accumulating a large surplus.

THE NEW FRENCH TARIFF.

Whether it is a matter for congratulation or one to be deplored, the fact cannot be disputed that the tendency of most nations in the present times is toward protection, rather than free trade. Within a few years, most of the colonies of Great Britain, who is herself the great exponent of the free trade doctrine, have taken measures looking toward protecting their struggling industries against the competition of foreign manufacturers, including those of the mother country. The present policy of Germany is more determinedly protective than before, and now France has just promulgated a new tariff, which will go into effect on November next, and which is more stringently protective than the present one. Notice of the abrogation of the existing treaties of commerce were at the same time published, so that any nations that want the benefits of reciprocity, such as they at present enjoy under the most favored nation clauses, have to treat with the French government anew.

So far as this country is concerned, there seems to be no present prospects of a treaty of commerce with France. Something over a year ago, Mr. Leon Chotteau came here as representative of some of the French chambers of commerce, to agitate the matter. He was respectfully listened to by the commercial organizations in our principal cities, but the prevailing sentiment of the people here was clearly against the attempt. Since it appears that the French government has publicly promised the Chamber of Deputies that it will exclude agricultural produce from future treaties of commerce, there is less chance than ever of a mutual arrangement with this country. As the greater portion of our exports to France consist of produce, the gain to be expected from a treaty would be necessarily slight, and besides, the present condition of trade here is not favorable to the extension of free trade principles.

It is scarcely possible to form a judgment as yet, regarding the effect of the new tariff upon our trade with France, the details of the change not having yet reached here. It is said, however, that there has been a general increase in the duties on agricultural produce, of from 300 to 600 per cent.; that the duty on fresh meat is raised from 1-6 of a cent to one cent per pound, and that cereals have been taken from the free-list, and will pay from four to sixteen cents per bushel. As France has hitherto been, next to Great Britain, our largest customer for these articles; the new tariff threatens to make a serious inroad in our foreign trade.

It is with England, however, that the new tariff will make the greatest difference. When it became evident that the new tariff would prove practically more protective than the present one, the English people were very much annoyed, their irritation showing itself through the press, in proposals of retaliation. The directors of the Manchester Chamber of Commerce, one of the most important organizations in the kingdom, proposed a resolution to the effect that England should refuse to negotiate a new treaty, which was, however, afterward modified by the chamber. The cooler judgment of the more conservative class prevailed, when the French government invited the English to send commissioners to negotiate a new treaty. Still, the movement in favor of retaliatory duties has not, according to recent accounts, been stopped, and is especially strong in the manufacturing districts in the north of England. The old-time free traders, such as John Bright, treat the protective ideas of the working people with as much contempt as ever, being determined to uphold the principles which have stood the test of about thirty-five years, of what has been, for the most part, great prosperity.

The present commercial treaty between France and England, was chiefly the work of the celebrated free-trade orator and statesman, Richard Cobden. He had made an "agitating tour" throughout Europe, in the interest of the principles to which he devoted himself some years before, when in 1859 he determined to visit France with a practical view to reciprocity. Although the mission was approved by Mr. Gladstone and other leading liberal statesmen, Mr. Cobden went unofficially, but he was so successful that negotiations were soon begun between the two governments. Cobden was appointed Minister Plenipotentiary to aid Lord Crowley, British Ambassador at Paris, and after many months' labor, the Cobden treaty was completed in 1860. The arrangement worked so satisfactorily, that on the expiration of the term of ten years, in 1870, the treaty was renewed for a like term. Last year an understanding was had between Earl Granville, on the part of England, and M. Léon Say for France, looking to a new treaty on the basis of a reduction in the French duties on English goods, and in the English duties on French wines. Mr. Gladstone submitted to Parliament the proposed reduction in the English tariff, and he was empowered to act at his own discretion. The negotiations failed, probably on account of changes in the French ministry, and the new French tariff was passed.

A statement showing the difference between present duties on English goods and the one decreed by the new law, says that the changes are of two kinds: "(1): Increase of about 24 per cent. in the duties now levied specifically on many important articles of British produce and manufacture; and (2): Conversion into specific duties of the *ad valorem* rates hitherto charged, also with an increase in many articles of 24 per cent. With regard to increased duty, it will be noticed that 24 per cent. equals the amount of the two additional tenths (*décimes de guerre*) which have been levied under the general tariff, plus the four per cent. additional imposed in 1873; and it was stated in the Government 'Exposé des Motifs,' in the introduction of the new Tariff Bill in 1878, that that this increase was chiefly intended to give a margin for reduction in negotiating treaties. Besides these two distinct changes, there have been a few decreases of specific duties, which are, however, more than balanced by increases larger than the prescribed 24 per cent., and several new duties have been imposed. The conversion of the *ad valorem* rates has necessarily led to many more separate classes of goods being enumerated, and even with these elaborations, the incidence of the new duties must be very unequal on the cheapest and dearest articles which come into the same category for duty." Although the professed intention of the new law was to virtually continue the old rates, the English manufacturers find that the new law will be much more prohibitive than the old. While the additional duties on some textiles is less than 24 per cent., on others it ranges from 50 to 100 per cent. On some commodities the increase is over 200 per cent.

Various accounts have arrived regarding the progress of the negotiations for a new treaty, which were begun toward the end of May. The conditions are such as to naturally cause some solicitude in England, for, in case the negotiations should miscarry, the best that can be expected will be a great disarrangement of her trade with France. The prospect would be a reduction of the wages of laborers in her manufactories, causing dissatisfaction, which would doubtless add to the perplexities of the government. Even if the present negotiations are successful, it is doubtful if the arrangement will be confirmed by the French Assembly, as the time between the opening of its session and November 8, when the new tariff takes effect, will probably be very short.

In the meantime, the new tariff has not been received without protest from portions of the French business public. Loud complaints have recently been heard from the manufacturers of piece goods at St. Etienne and Calais, that the tariff on yarn, which is their raw material, would drive their trade to Switzerland and Germany. The Superior Council of Commerce, who were appealed to, modified the tariff in such a way as is not yet satisfactory. The Bordeaux Chamber of Commerce has more recently addressed a letter to the Minister of Foreign Affairs on the subject of the tariff. It points out that the treaty of 1860 has proved favorable to the industries of France. It says: "Our customs returns show that we export three or four times the quantity of manufactured products which we import. The latest figures—those for 1879, are:

Imports of foreign manufactures into France....	$71,220,000
Exports of manufactures from France..............	316,580,000

"Do not these figures prove in a striking manner that French industry has certainly no cause to complain of the results to it from the

Treaty of 1860 ?" In the renewing of the commercial treaties, therefore, "the dominating idea that ought to prevail;" the letter continues, "should in our opinion be that the new treaties ought to mark, relatively to those of 1860, an amelioration and a progress in the direction "of commercial freedom—a wise, prudent and measured progress, no "doubt, but still a progress." And lest there should not be time for the conclusion of a satisfactory treaty with England before November 8, next, the members of the chamber ask, "that the government should "take steps as soon as possible to prolong existing treaties until April "30, 1882."

THE FOREIGN PRESS is frank and outspoken on the gold question. The following are extracts from leading journals on or about the 27th ult.:

The "Daily News," in its financial article, said: "An International struggle for gold has now begun. The banks of England, France and Belgium have raised their rates of discount, and the banks of Germany and Holland are expected to follow. The Imperial Bank of Germany has already raised its rate of discount to five per cent., and its rate of interest on advances to six per cent. The American demand for gold is thus seen to affect a wide area. It therefore meets with resistance which may prove a powerful check."

The "Economist" in a leading article, said: "The stock of bullion at the Bank of England is believed to be about £17,000,000 of British coin and $4,000,000 in foreign, principally French. The remainder is only in bars. The Bank does all that can be legally asked in meeting the demands on it in British coin."

The Paris correspondent of the "Economist" wrote : "Exports of gold to the United States have commenced. Steamers sailing from Havre have taken about 2,000,000 francs in gold during last week, and as much more will probably be sent to-day. So far, however, the exports by French houses are principally made from London and Amsterdam. The Bank of France doles out gold very gradually, and as napoleons are light they are for the present of very little use for export."

WE are not at all discouraged as to the outcome of the crops. It is evident that the British demand is going to be even larger than it was last year, and our production according to present advices will be 430,000,000 bushels of wheat, and the corn crop will not fall more than six per cent. below the excellent crop of last year. British gold is coming this way, and evidently the great Bank of England cannot stop it. We see no cause for grumbling, or signs of a panic—at least not in the near future.

BANKING AND FINANCIAL NEWS.

American Bankers' Association.—The following are the officers, and members of the Executive Council, of the American Bankers' Association for the year 1881-2, elected at the Niagara Falls Convention, Aug. 11, 1881:

President—George S. Coe, Pres. American Exchange National Bank, New York.
First Vice-President—L. J. Gage, Cashier First National Bank, Chicago.

VICE-PRESIDENTS.

Alabama—Thomas Henry, President Mobile Savings Bank, Mobile.
Arizona—M. W. Kales, Cashier Bank of Arizona, Prescott.
Arkansas—Logan H. Roots, President Merchants' National Bank, Little Rock.
California—William Alvord, President Bank of California, San Francisco.
Colorado—William B. Berger, Cashier Colorado National Bank, Denver.
Connecticut—George A. Butler, Cashier National Tradesmen's 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, Pres. Citizens' Nat'l Bank, Washington.
Florida—D. G. Ambler, President Ambler's Bank, Jacksonville.
Georgia—L. J. Hill, Vice-President Gate City National Bank, 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 Company, 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 P. 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.
Nebraska—H. Kountze, President First National Bank of Omaha, Omaha.
Nevada—George Tufly, Cashier Carson City Savings Bank, Carson City.
New Hampshire—Henry J. Crippen, Cashier Nat'l 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, Pres. Gallatin National Bank, New York City.
North Carolina—Wm. E. Anderson, President Citizens' National Bank, Raleigh.
Ohio—Benjamin Eggleston, President Merchants' National Bank, Cincinnati.
Oregon—H. W. Corbett, Vice-President First National 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—L. P. Poland, President First National Bank, St. Johnsbury.
Virginia—J. P. Branch, President Merchants' National Bank, Richmond.
West Virginia—J. Nelson Vance, President Exchange Bank, Wheeling.
Wisconsin—N. B. Van Slyke, President First National Bank, Madison.
Wyoming—Edward Ivinson, President Wyoming National Bank, Laramie City.
Washington Territory—Dexter Horton, of Horton & Co., Seattle.

EXECUTIVE COUNCIL.

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.
Charles B. Hall, President Boston National Bank, Boston, Mass.
William G. Deshler, President National Exchange Bank, Columbus, Ohio.
Edward B. Judson, President First National Bank, Syracuse, N. Y.
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, Wisconsin.
William H. Rhawn, President National Bank of the Republic, Philadelphia, Pa.
R. H. Thurman, Cashier First National Bank, Troy, N. Y.
Logan C. Murray, Cashier The United States National Bank, New York.
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.
Henry Martin, President Manufacturers & Traders' Bank, Buffalo.
William P. Halliday, President City National Bank, Cairo, Ill.
J. H. Lindenberger, President Merchants' National Bank, Louisville, Ky.
Jacob D. Vermilye, President Merchants' National Bank, New York.
A. D. Lynch, President First National Bank, Indianapolis, Ind.
Edmund D. Randolph, President Continental National Bank, New York.

OFFICERS OF THE EXECUTIVE COUNCIL.

Chairman—Jacob D. Vermilye; *Secretary*—Edmund D. Randolph; *Treasurer*—George F. Baker; *Corresponding Secretary*—George Marsland.

Mono-Metallism in Germany.—Consul-General Lee, of Frankfort-on-the-Main, calls the attention of the Department of State to the last annual report of the Frankfort Chamber of Commerce—a report which, he says, is "in accord with the overwhelming public sentiment of this commercial district as ascertained by the Chamber of Commerce through painstaking inquiry." The report takes strong and unequivocal ground in favor of maintaining a standard based upon gold alone, and looking to the complete adoption and perfection of such a standard. One of the principal considerations adduced is that heavy losses are constantly suffered by German dealers in their trade with all countries where a silver standard exists, owing to the fluctuations in the prices of silver, and that this is particularly the case with regard to the trade with China, East Indies and Japan. In the importation of the single article of indigo, of which Germany receives about 15,000 centners per annum, the annual losses to dealers, by reason of the fluctuations in the silver exchange are estimated at not less than $300,000. A like state of affairs prevails as to the importations of silk, tea, spices, drugs, ethereal oils, cotton, rice, jute, sugar, dye-stuffs, skins, tin, copper and many other articles.

"We hold illusory," says the report, "that a vote favorable to bi-metallism is to be expected from the next Imperial Parliament. If here and there a member may err by reason of the continual attacks made upon the existing coinage system, by deceptive representations as to the nature and consequences of the double standard, and by the prospects of a new international money conference, there is no doubt but that calm reflection will secure from the majority of the delegates a just judgment as to the existing coinage system, and prevent the adoption of hasty innovations therein.'

The report then specifically approves the adoption of resolutions by the Imperia Handelstag that the overthrow of the existing coinage law would work infinite damage to the economical interests of the empire, that such legislative action should be taken as shall remove all doubt as to the maintenance of the single gold standard, and that, should the existing clamor for increase in the silver coinage continue, there can be no objection to a concession to that clamor in the form of an additional coinage of one and two mark pieces.

Prepayment of Government Bonds.—The following notice to holders of called bonds has been issued by the Treasury Department:

OFFICE OF THE SECRETARY,
WASHINGTON, D. C., August 22, 1881.

Notice is hereby given that the Department will redeem upon presentation, without rebate of interest, the outstanding 5 per cent. registered bonds (funded loan of 1881) embraced in the 104th call, maturing October 1 next. Parties transmitting bonds for redemption should address them to the "Secretary of the Treasury, Loan Division, Washington, D. C.," and all the bonds included in this notice should be assigned to the "Secretary of the Treasury for redemption." Where checks in payment are desired in favor of any one but the payee the bonds should be assigned to "the Secretary of the Treasury for redemption for account of (here insert name of person or person to whose order the check should be made payable).

(Signed) WILLIAM WINDOM, Secretary.

The bonds which it is proposed to redeem aggregate about $30,000,000, as nearly as can be ascertained by the Treasury officers. In addition to this large amount, there are about $10,000,000 of coupon bonds of the same series that were not continued at the lower rate. These are payable Aug. 12, on which date interest ceased, but thus far (August 22) not more than $1,500,000 have been presented for payment. The Treasury now holds a large surplus, which is being daily augmented by unusually large receipts. The receipts for August from customs and internal revenue have averaged about $1,250,000 per day. It is expected that the action of the Secretary in thus anticipating, six weeks in advance of maturity, so large an amount of the public debt, cannot fail to have a good effect abroad on American credit, and the effect will be more marked in view of the present uncertain condition of the President.

The Secretary of the Treasury, upon being asked why the payment of the 5 per cent. bonds maturing October 1 had been anticipated, stated that it had been customary to anticipate such payments, more or less, when the Treasury had ample means for that purpose, rather than to let the money lie idle in the Treasury, to be paid out all at once in a large amount. Under the present notice it is not expected that any large amount will be presented at once, but that the payment of the bonds will be extended through the remainder of this and perhaps all of next month. The payment of these bonds is the last act in the plan by which the loans have been continued at the reduced rate of interest, and the Secretary is anxious to have the transactions closed as soon as possible.

Immigration in July.—The Chief of the Bureau of Statistics reports that during the month of July, 1881, there arrived in the customs districts of Baltimore, Boston, Detroit, Huron, Minnesota, New Orleans, New York, Passamaquoddy, Philadelphia and San Francisco, 62,589 passengers—of whom 56,607 were immigrants. Of the total number of immigrants there arrived from England and Wales, 6,693; Ireland, 5,337; Scotland, 1,320; Austria, 1,941; Belgium, 120; Denmark, 744; France, 382 Germany, 20,374; Hungary, 225; Italy, 675; Netherlands, 889; Norway, 2,905; Poland, 250; Russia, 793; Sweden, 6,067; Switzerland, 558; Dominion of Canada, 4,890; China, 2,046; and from all other countries, 398. During July, 1880, the total number of immigrants was 49,855.

Personal.—After eighteen years of faithful and diligent service, Mr. Edwin E. Curtis retired from the Presidency of the Meriden Savings Bank at the annual meeting on Monday, July 15, his health and advancing years warning him to relinquish all public care. Mr. Curtis has been connected with the bank since its organization in 1850, and has been its President since 1863, and so closely identified had he become with it that it was better known as Mr. Curtis' bank than by its proper name. Mr. Curtis intended resigning three or four years ago, but on the death of Mr. A. H. Curtis, the Directors requested the President to remain, and have every year since renewed the request, which has always been so decided and unanimous that he yielded. But he could not in justice to himself continue longer.

Foreign Trade Statistics.—The Chief of the Bureau of Statistics in his first monthly statement for the current fiscal year, of the imports and exports of the United States, reports that the excess of exports of merchandise was as follows:

	1881.	1880.
Month ended July 31	$10,699,460	$13,710,587
Seven months ended July 31	108,689,426	44,874,061
Twelve months ended July 31	256,691,591	171,750,150

The excess of exports or of imports of gold and silver coin and bullion was as follows:

	1881.	1880.
Month ended July 31 (excess of exports)	$177,222	....
Month ended July 31 (excess of imports)	....	$324,451
Seven months ended July 31 (excess of imports)	22,633,432	1,196,227
Twelve months ended July 31 (excess of imports)	80,666,977	76,156,569

The total values of the imports of merchandise during the twelve months ended July 31, 1881, were $683,972,221, and during the previous twelve months, $637,724,475.

The total values of exports of merchandise for the twelve months ended July 31, 1881, were $855,722,371, and for the twelve months ended July 30, 1880, $894,416,066.

A National Bank for Mexico.—A contract was signed at the City of Mexico on August 17 for the establishment of a national bank by E. Noetzlin, representative of the Franco-Egyptian Bank on one part, and representatives of the Mexican government on the other. So far as can be learned from dispatches, the new national bank is to be charged with the service of the Treasury. Government can take limited credit with guarantees of liquidating every year. Preference is given the bank in the financial business of the Republic. Operations are to begin within six months. The capital stock is reserved to Mexicans. A council of administration is provided for, composed of men prominent for honor, ability and social position, representing all nationalities.

On August 24 the "Official Journal" published the National Bank contract. The trustees are Antonio Mier y Celes, Ramon Guzman and Felix Cuevas, Mexican; D. Robert, French; Banne Struck, German; and J. Bumejillo, Spanish. For each $1,000,000 deposited the bank can emit $3,000,000 in notes. The capital stock of the bank is $8,000,000, of which $1,500,000 have been subscribed by Mexicans.

Tennessee State Debt.—Governor Hawkins of Tennessee has received a letter from Chief-Justice Deadrick, stating that the Supreme Court deemed it inexpedient to hold a special term to hear the State debt injunction case. If allowed to take its course on the docket the case will not be reached before the meeting of another Legislature. The regular term of the court commences next December, when it may be advanced.

Sir John Lubbock, the eminent naturalist, banker, and M. P. for the University of London, is 47 years of age, and a handsome member of a handsome race. He is the fourth baronet of the family. The Lubbocks have for a hundred years been closely connected with banking interests in London. He has a fine seat in Kent, where Darwin has been his neighbor.

Miscellaneous Bank Matters.—In the matter of the People against the Third Avenue Savings Bank of New York, Judge Westbrook has entered an order referring the report of S. H. Hurd, receiver, etc., to the referee, Samuel B. Hamburger.

In the matter of the Bond Street Savings Bank, of New York, on the petition of Willis S. Paine, receiver, showing that there is now in the hands of the United States Trust Company $19,177.27 of the assets of the bank, Justice Learned on August 3 granted an order allowing the receiver to draw $5,000 for the payment of counsel fees and incidental expenses.

In the matter of the Central Park Savings Bank of New York, Justice Learned on August 15 granted an order directing Marcus T. Hunt, the receiver, to pay a dividend of 25 per cent. on $39,413.98; also to withhold the payment of any dividend on the claims of James Fay for $138; John G. Carey for $825.98; and Joseph McGuire, as trustee, for $515. The Union Trust Company is also directed to pay said receiver $1,000 for incidental expenses.

MUNICIPAL BURDENS.

The subject of municipal indebtedness and taxation has never been fully investigated. Indeed, the difficulties of such an investigation are so many and so great—the chief of them being the indifference, indisposition or incapacity of municipal officers—that it has generally been thought impossible to obtain information even approximating to the truth, except by an inquiry conducted and supported by United States authority. Superintendent Walker has made a vigorous effort to overcome the manifold difficulties of the work, and the powers conferred upon officers of the census gave the inquiry incalculable advantages in comparison with any other ever made in that direction. Mr. Porter, the agent having charge of that division of the census, had made earnest efforts in the same direction, prior to his employment in an official capacity, and was therefore aware of the difficulties to be overcome. Some of the results thus far attained, with interesting comparative statements regarding local debts and taxes in other countries, are given by Mr. Porter in an article in RHODES' JOURNAL OF BANKING, which is copied in the "Tribune." It appears, however, that this branch of the census work is not yet finished, and Mr. Porter gives an estimate of the debts of all municipalities other than 311 cities of over 7,500 population. This estimate, $225,000,000 for debts of all counties, villages, townships, school districts, and cities smaller than those above mentioned, will probably be found below the truth. In the account of State debts, too, Mr. Porter appears to have failed to include very large sums which Southern States have repudiated or declared invalid. With these deductions, however, the net debt of States and municipalities still appears to be over $1,069,000,000.

These are net debts, so-called; all sinking funds are deducted. Mr. Porter is not ignorant of the fact that such funds are often fictitious, or erroneously reported in order to cover up maladministration; in fact he thinks cities ought to abolish "that wretched delusion, the sinking fund, with its attendant perplexities." The important matter is to know how much the municipalities owe, and statements of real or pretended assets, sinking funds, and other offsets, may well be put away by themselves. The reported amount in the sinking funds of 311 cities is $117,191,506, and allowance for similar funds seems to be made in estimates of the indebtedness of other municipalities and of States. But one of the greatest difficulties in this inquiry, which it was hoped might be overcome by an investigation supported by United States law, arises from the persistency of many local officials in reporting not what the municipality actually owes, but what they want people to consider its "net indebtedness." It is greatly to be desired that the completed census report will help us to find out what some cities really owe. The amount which they pretend to owe is quite a different matter, and can be ascertained without the machinery of a census.

It is to be especially regretted, too, if Mr. Porter has not included the debts which States, counties and cities have pretended to repudiate. Indeed, the omission of such sums would go far to render this branch of the census a positive nuisance, as a kind of official recognition of the validity of repudiating acts. The reduction in debts of Southern States from $174,486,000 in 1870 to $113,967,000 in 1880 is not honest, valid or actual, and the omission of the debt of Memphis, because the present local authorities pretend that the taxing district has no debt, would tend to give the countenance of the Census Bureau to an infamous and impudent fraud.

The assessed valuation of real and personal property in different sections, as everybody knows, has for years been another form of official falsification and fraud. Mr. Porter reports an increase of 18.3 per cent. in the Middle States, 37.4 per cent. in the Western States, 109 per cent. in the Pacific States and Territories, and a decrease of 7.9 per cent. in New England, and 8.4 per cent. in the Southern States. The reports at the South have been deliberately falsified in order to facilitate the swindling of creditors. In New England, where repudiation is not the fashion, changes in the ratio of assessment, and the concealment of personal property by individuals probably account for the decrease.

Mr. Porter expresses the opinion that there has been a decided improvement of late years in the fiscal conduct of municipalities. In some localities there has doubtless been an honest and actual decrease of debt and of taxation. But the statistics given, when contrasted with estimates previously published, lead to the fear that a large part of the apparent improvement has been the result of dishonest and repudiating processes. There has been some debt paying, but a great deal more debt shirking, and we apprehend that the Municipal, County and State debts honestly due this day are not smaller than they were ten years ago, or five years ago.—*New York Tribune of August 8.*

INTERNAL REVENUE IN 1880-81.

The following is Commissioner Raum's annual letter to the Secretary of the Treasury, containing a review of the Internal Revenue service during the last fiscal year, and showing the collections and expenses of the service during the past five years of his administration.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 1, 1881.

Sir:—I transmit for your information a statement of the amount of internal revenue taxes collected in each collection district of the United States during the past fiscal year. The regular quarterly examinations of the offices of collectors of internal revenue have exhibited a constant improvement in the manner of transacting the public business. The annual examinations of these offices, made at the close of the fiscal year ended June 30, 1881, have been completed and show that the records have been accurately kept, and that the accounts are correct. The sum of $135,229,902.12 was collected and duly paid into the Treasury. The sum collected during the past five fiscal years is $602,310,787.22, the entire amount of which, without any loss by defalcation, has been paid into the Treasury. The expenses of the Internal Revenue service during the past fiscal year will be shown, upon the final adjustment of the accounts, not to exceed $5,063,330. The entire expense for the past five years has been $21,992,330, being 3.37 per cent. upon the amount collected, and in the disbursement of this amount there has been no loss to the Government. This satisfactory result is due to the intelligence, capacity, and fidelity of the officers and employes of the Internal Revenue service, to whom I desire to convey my appreciation of their laudable efforts to reach and maintain the highest standard of excellence.

The taxes are assessed and collected in all the States and Territories of the Union. There are engaged in this work 126 collectors and 226 deputy collectors, with separate offices and financial responsibility. There are besides 949 deputies, 363 clerks, 943 store-keepers, 1,106 store-keepers and gaugers, 698 gaugers, and 35 internal revenue agents, who are charged by law and regulation with important duties in connection with the assessment and collection of the revenue. An increased knowledge of the laws and regulations by both officers and tax-payers has contributed to greater harmony between the tax-payers and the Government. The firm enforcement of the laws has almost overcome organized resistance, and I believe the day is not far distant when the internal revenue taxes will be collected throughout the country with as little friction as those of the State, county, or municipality. The District Attorneys and Marshals are entitled to commendation for their aid in the enforcement of the laws. I am of the opinion, however, that greater certainty in the prompt trial and punishment of the guilty by some of the courts of the United States would aid to materially reduce the number of offenses. It is confidently believed that all the officers of internal revenue will endeavor to maintain during the present fiscal year the same improvement that has reflected so much credit on them in the past.

Very respectfully, your obedient servant,

GREEN B. RAUM, Commissioner.

To the Hon. WILLIAM WINDOM, Secretary of the Treasury.

The letter is accompanied by the following statement, showing the aggregate receipts from internal revenue during the fiscal year ended June 30:

Alabama	$130,651 39
Arizona	88,008 21
Arkansas	132,096 94
California	3,613,390 86
Colorado	215,051 06
Connecticut	579,690 02
Dakota	48,603 66
Delaware	311,036 76
Florida	254,889 51
Georgia	364,133 48
Idaho	25,800 17
Illinois	25,784,681 52
Indiana	7,281,253 48
Iowa	923,776 98
Kansas	239,527 33
Kentucky	8,719,162 21
Louisiana	760,618 92
Maine	82,457 05
Maryland	2,483,463 41
Massachusetts	2,699,681 20
Michigan	1,787,275 27
Minnesota	445,140 34
Mississippi	96,122 19
Missouri	6,470,349 19
Montana	44,881 67
Nebraska	962,064 86
Nevada	53,421 41
New Hampshire	309,720 94
New Jersey	4,873,676 31
New Mexico	47,465 89
New York	17,233,267 76
North Carolina	2,476,440 35
Ohio	19,295,825 69
Oregon	85,004 14
Pennsylvania	7,669,214 01
Rhode Island	209,079 27
South Carolina	136,907 16
Tennessee	1,146,763 64
Texas	248,685 61
Utah	43,116 79
Vermont	53,145 83
Virginia	6,063,105 75
Washington	32,763 73
West Virginia	452,596 33
Wisconsin	2,910,095 01
Wyoming	18,551 18
Total	$127,851,624 48

Receipts that cannot be apportioned among the States and Territories:

From salaries	$3,021 92
From adhesive stamps, cash receipts	7,375,255 72
Commissions allowed	449,452 23
Aggregate receipts, including commissions allowed on sales of adhesive stamps	135,779,354 35
Aggregate receipts, exclusive of commissions allowed on sales of adhesive stamps	135,229,902 12

The National Debt Statement, September 1, 1881.

AND FOR COMPARISON THE AUGUST STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	August 1, 1881.	Sept. 1, 1881.
Bonds at 6 per cent., continued at 3½	$178,055,150	$178,055,150
" 5 "	439,708,050	*421,939,850
" 4½ "	250,000,000	250,000,000
" 4 "	738,693,950	738,703,900
Refunding certificates	653,850	643,900
Navy pension fund	14,000,000	14,000,000
Principal	$1,621,111,000	$1,603,342,800
Interest	13,234,609	12,044,851

* Continued at 3½ per cent.

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

	August 1, 1881.	Sept. 1, 1881.
Principal	$9,959,015	$14,198,665
Interest	773,660	800,948

DEBT BEARING NO INTEREST.

	August 1, 1881.	Sept. 1, 1881.
Old demand and legal-tender notes	$346,471,501	$346,741,076
Certificates of deposit	10,740,000	9,625,000
Gold and silver certificates	57,733,800	62,979,230
Fractional currency	†7,098,645	†7,098,559
Principal	$422,313,946	$426,443,865
Unclaimed Pacific Railroad interest	6,746	7,226

† Total $15,474,493; amount estimated lost or destroyed, $8,375,934.

TOTAL DEBT.

	August 1, 1881.	Sept. 1, 1881.
Principal	$2,053,383,961	$2,043,985,330
Interest	14,015,017	12,853,026
Total	$2,067,398,979	$2,056,838,356
Total cash in the Treasury	236,878,190	240,498,738
Debt, less cash in the Treasury	$1,830,520,788	$1,816,339,567
Decrease of debt during month	10,078,023	14,181,221
Decrease of debt since June 30, 1881	10,078,023	24,259,244

CURRENT LIABILITIES.

	August 1, 1881.	Sept. 1, 1881.
Interest due and unpaid	$2,844,439	$2,426,370
Debt on which interest has ceased	9,959,015	14,198,665
Interest thereon	773,660	800,948
Gold and silver certificates	57,733,800	62,979,230
U. S. notes held for red'n of certificates of deposit	10,740,000	9,625,000
Cash balance available	154,827,274	156,468,575
Total	$236,878,190	$240,498,738

AVAILABLE ASSETS.

Cash in the Treasury	$236,878,190	....	$240,498,788

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	51,467,272	....	51,467,272

INTEREST REPAID BY COMPANIES.

By transportation service	$14,426,644	....	$14,441,719
By cash payments, 5 per cent. earnings	655,198	....	655,198
Balance of interest paid by the United States	$36,385,428	....	36,370,353

Treasury Payments during August.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$4,023,053
On account of war	3,194,673
On account of navy	1,433,425
On account of interior (Indians)	774,159
On account of interior (Pensions)	6,680,102
Total	$18,105,414

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 September 1, 1881, 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*	356,913,011
Increase during the last month	676,073
Increase since Sept. 1, 1880	14,184,993

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	33,268,245
Decrease in deposit during the last month	1,170,087
Increase in deposit since Sept. 1, 1880	12,576,377

*Circulation of National Gold Banks not included in the above.....$1,087,675

JOHN JAY KNOX,
Comptroller of the Currency.

Condition of the National Banks.

ABSTRACT of Reports made to the Comptroller of the Currency, showing the condition of the National Banks in the United States (2,115 in number), at the close of business on June 30th, 1881, together with the figures of the previous statement, and that of June 11, 1880, for comparison (cents omitted).

RESOURCES.

	May 6, 1881.	June 30, 1881.	June 11, 1880.
Loans and discounts	$1,089,412,901	$1,140,750,198	$991,143,126
Overdrafts	4,236,480	4,238,750	3,589,520
U. S. Bonds to secure circulation	352,653,500	358,287,500	358,512,050
U. S. Bonds to secure deposits	15,240,000	15,265,000	14,727,000
U. S. Bonds on hand	44,116,500	48,584,950	28,604,800
Other stocks, bonds, and mortgages	52,908,123	58,049,292	44,948,345
Due from approved reserve agents	128,017,350	156,258,637	115,935,618
Due from other National Banks	63,221,699	75,703,599	56,578,444
Due from State Banks and bankers	16,938,734	18,850,775	13,861,582
Real estate, furniture, and fixtures	47,791,348	47,834,060	47,979,244
Current expenses and taxes paid	6,096,109	4,235,911	6,778,829
Premiums paid	4,024,763	4,115,980	3,702,354
Checks and other cash items	11,826,603	13,544,116	9,980,179
Exchanges for Clearing-House	196,633,558	143,950,347	122,390,409
Bills of other National Banks	25,120,933	21,632,432	21,906,193
Fractional currency	386,950	372,140	387,226
Gold coin	65,002,533	60,043,276	48,622,509
Gold Treasury Certificates	5,351,300	5,137,500	8,439,560
Gold Clearing-House Certificates	44,194,000	56,030,000	41,067,000
Silver coin	6,820,379	6,482,561	5,862,035
Silver Certificates	1,260,340	945,590	495,400
Legal-tender notes	62,516,296	58,728,713	64,480,717
U. S. cer. of deposit for legal-tender notes	8,045,000	9,540,000	12,500,000
5 per cent. redemption fund with Treasurer	15,572,501	15,729,019	15,920,010
Due from Treas. other than redemption fund	2,876,097	1,522,849	1,079,073
Total	$2,270,264,014	$2,325,833,200	$2,035,493,280

LIABILITIES.

	May 6, 1881.	June 30, 1881.	June 11, 1880.
Capital stock paid in	$459,039,205	$460,227,835	$455,909,565
Surplus fund	124,405,926	126,679,517	118,102,014
Other undivided profits	54,906,090	54,683,492	50,443,635
*National Bank notes issued	315,171,335	318,524,770	322,538,701
Amount on hand	5,434,142	6,300,918	4,450,139
Amount outstanding	309,737,109	312,223,852	318,088,562
State Bank notes outstanding	252,647	242,967	290,738
Dividends unpaid	2,617,184	5,871,595	1,330,179
Individual deposits	1,027,077,710	1,031,731,043	833,701,064
U. S. deposits	9,504,081	8,972,471	7,680,905
Deposits of U. S. disbursing officers	3,371,512	3,272,610	3,026,757
Due to other National Banks	191,502,091	223,503,034	171,462,131
Due to State Banks and bankers	80,700,506	91,035,599	67,938,795
Notes and bills re-discounted	2,908,370	2,220,053	2,268,769
Bills Payable	4,493,544	5,169,128	5,250,192
Total	$2,270,264,014	$2,325,833,200	$2,035,493,280

* The amount of circulation outstanding on May 6, as shown by the books of the department was $353,326,051; on June 11, 1880, it was $344,995,021; which amount includes the notes of insolvent banks, of those in voluntary liquidation, and 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 September 1, 1881, 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	$1,506,180	$317,000	$764,700	$1,081,700	$275,357
New Hampshire	643,165	72,997	55,800	128,797	27,334
Vermont	1,945,460	251,097	1,753,040	2,104,137	783,156
Massachusetts	23,827,820	234,800	9,680,700	9,915,500	1,704,946
Rhode Island	3,046,920	32,350	1,409,835	1,442,235	376,217
Connecticut	4,278,470	65,350	3,731,030	3,796,380	1,538,826
New York	27,633,065	2,571,478	30,507,780	33,079,258	7,510,218
New Jersey	2,584,335	467,603	2,563,137	3,030,740	1,192,413
Pennsylvania	15,856,220	1,311,226	12,135,171	13,446,397	5,398,226
Delaware	277,275	......	......	......	......
Maryland	1,930,310	166,600	1,718,380	1,884,980	80,612
District of Columbia	457,000	432,664	530,060	962,724	100,209
Virginia	1,034,500	919,369	1,036,010	1,955,379	286,336
West Virginia	226,810	731,060	386,685	1,117,745	149,254
North Carolina	1,235,660	128,200	1,147,585	1,275,785	222,278
South Carolina	180,700	......	1,187,380	1,187,380	172,099
Georgia	520,350	330,925	437,675	768,600	103,840
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	170,100	260,100	84,545
Mississippi	......	.....	......	......	246
Louisiana	1,623,110	656,413	2,099,250	2,755,663	68,209
Texas	489,600	61,290	229,340	290,630	44,380
Arkansas	171,000	....	171,000	171,000	11,445
Kentucky	4,558,830	629,867	2,130,833	2,760,700	832,520
Tennessee	812,770	370,401	551,859	922,260	152,217
Missouri	1,169,360	1,043,450	3,862,135	4,905,585	687,526
Ohio	5,247,060	1,704,597	4,651,034	6,355,631	2,074,675
Indiana	3,851,350	1,382,397	7,859,083	9,241,480	2,850,633
Illinois	3,381,925	1,839,934	7,706,046	9,545,980	1,746,730
Michigan	2,323,810	536,800	3,174,475	3,711,275	1,289,260
Wisconsin	1,208,039	680,860	1,259,589	1,940,449	553,430
Iowa	1,896,400	858,669	1,760,615	2,619,284	496,276
Minnesota	1,138,400	554,495	1,883,445	2,437,940	784,367
Kansas	269,080	781,721	316,550	1,098,271	276,520
Nebraska	266,400	45,000	449,980	494,980	223,090
Nevada	36,000	......	......	......	1,768
Colorado	693,900	147,225	149,400	296,625	19,558
Utah	134,900	161,191	196,800	357,991	13,263
Montana	165,600	111,700	81,000	192,700	64,903
Wyoming	30,600	......	......	......	......
New Mexico	90,000	......	......	......	......
Washington	180,000	......	90,000	90,000	71,360
Dakota	238,500	.....	......	......	......
California	840,600	......	......	......	... ..
Totals	$118,280,015	$19,788,729	$107,837,552	$127,626,281	$32 268,245
Legal tenders deposited prior to June 20, 1874, and remaining at that date				3,813,675	
Total				$131,439,956	

JOHN JAY KNOX,
Comptroller of the Currency.

BANKS OF CALIFORNIA.

The following is a condensed statement, prepared by Bank Commissioner Evan J. Coleman, of the financial condition of the savings and commercial banks of California on July 1, 1881:

18 SAVINGS BANKS.

Resources.

Bank premises	$685,954
Real estate by foreclosure	5,298,000
United States bonds (cost)	8,627,312
Other stocks and bonds	844,974
Loans on real estate	33,845,436
Loans on stocks and bonds	1,578,277
Loans on "other securities" (grain, etc.)	592,967
Loans on personal security	407,749
Money on hand	1,979,190
Due from banks	1,226,550
Other assets (interest accrued, etc.)	925,708
Total resources	$56,012,123

Liabilities.

Capital paid up	$3,704,507
Reserve fund	1,945,561
Due depositors	49,954,332
Other liabilities	407,722
Total liabilities	$56,012,123

56 COMMERCIAL BANKS.

Resources.

Bank premises	$1,523,626
Real estate taken for debt	1,981,253
United States bonds (cost)	6,247,020
Other stocks and bonds	595,306
Loans on real estate	7,522,883
Loans on stocks and bonds	3,248,765
Loans on "other securities" (grain, etc.)	7,435,542
Loans on personal security	14,307,932
Money on hand	9,286,819
Due from banks and bankers	7,819,388
Other assets	6,898,766
Total resources	$66,867,305

Liabilities.

Capital paid up (home banks	$14,098,974
Surplus (home banks)	9,141,185
Due head offices by English banks	6,352,708
Total of above	$29,592,869
Due depositors	32,819,392
Other liabilities	4,455,042
Total liabilities	$66,867,305

New Banks, Bank Changes, Etc.

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

2546—Western National Bank, South Pueblo, Colorado. Authorized capital, $50,000. Paid-in capital, $25,000. William L. Graham, President; Charles B. McVay, Cashier.

2547—Denton National Bank, Denton, Maryland. Authorized capital, $50,000. Paid-in capital, $31,000. Philip W. Downes, President; Richard T. Carter, Cashier.

2548—First National Bank, Valley City, Dakota. Authorized capital, $50,000. Paid-in capital, $50,000. Charles McC. Reeve, President; Herbert Root, Cashier.

2549—Union National Bank, Cincinnati, Ohio. Authorized capital, $500,000. Paid-in capital, $253,500. Hugh W. Hughes, President; Octavius H. Tudor, Cashier.

2550—First National Bank, Quincy, Michigan. Authorized capital, $50,000. Paid-in capital, $35,000. Benjamin F. Wheat, President; Charles R. Hannan, Cashier.

2551—First National Bank of Madison, New Jersey. Authorized capital, $50,000. Paid-in capital, $30,000. Jacob S. Paulmier, President; Wilbur F. Morrow, Cashier.

2552—Second National Bank, Reading, Pennsylvania. Authorized capital, $100,000. Paid-in capital, $50,000. William McIlvain, President; Christopher Leoser, Cashier.

2553—First National Bank, Richburgh, New York. Authorized capital, $50,000. Paid-in capital, $50,000. John S. Rowley, President; Frank E. Fairbanks, Cashier.

2554—Union National Bank, Newport, Rhode Island. Authorized capital, $155,250. Paid-in capital, $155,250. George F. Crandall, President; John S. Coggeshall, Cashier.

2555—First National Bank, Nevada, Iowa. Authorized capital, $50,000. Paid-in capital, $50,000. Elijah L. Lyon, President; Wilber F. Swayze, Cashier.

ALABAMA.

DADEVILLE.—Vaughan & Wright; closing up.

ARIZONA.

GLOBE.—Wells, Fargo & Co.; J. J. Vosburg, Agent.

ARKANSAS.

CAMDEN.—Henry W. Meyer; sells exchange only.
LITTLE ROCK.—Martin & Thompson; Brokers.

CALIFORNIA.

ALLEGHANY.—Crafts & Son.
SAN DIEGO.—J. A. Fairchild.

COLORADO.

CRESTED BUTTE—Holt & Axtell; collection agents.
DENVER.—Denver Bank; G. W. Gildersleeve, President; Arthur E. Pierce, Cashier.
FORT COLLINS.—Larimer County Bank; F. C. Avery, President, acting as Cashier, in place of C. P. Scott, resigned,
GUNNISON.—Miners' Exchange Bank; Lewis Cheney, President; M. Coppinger, Cashier.
KOKOMO.—Summit County Bank (Eshelman, Ordean & Co.); now George R. Fisher & Co.
LEADVILLE.—City Bank; now managed by C. C. Howell & Co.; S. M. Strickler, Cashier.
RICE.—Bank of Rice (Krille & Cushing); dissolved.
SILVER CLIFF.—Custer County Bank; F. W. Dewalt, President, in place of F. A. Raynolds; F. S. Hartzell, Cashier, in place of F. W. Dewalt.

SOUTH PUEBLO.—Western National Bank; capital, $25,000; William L. Graham, President; Charles B. McVay, Cashier.

CONNECTICUT.

ANSONIA.—Ansonia National Bank; Edwin H. Tomlinson, Acting Cashier, during absence of Cashier.

HARTFORD.—Connecticut Trust & Safe Deposit Co.; surplus reported, $30,000.

DAKOTA.

CHAMBERLAIN.—Brule County Bank (A. G. McKellan).

COMSTOCK.—Traill County Bank; John H. Sarles, President; E. Y. Sarles, Cashier.

GRAND FORKS.—E. P. Gates.

MANDAN.—W. F. Smith & Co.

MILLBANK.—Bank of Millbank (Sargent & Diggs).

MILL CITY.—Name of Post Office changed to Hillsboro'.

MITCHELL.—Bank of Mitchell; O. D. Letcher, President; W. C. Metcalf, Cashier.

PIERRE.—Bank of Pierre; capital, $20,000; C. G. Robinson, Cashier.
Citizens' Bank; H. F. Sawtell, President; Eugene Steere, Cashier.

ROCKERVILLE.—Gold Exchange Bank; succeeded by C. A. Girdler & Co.

SALEM.—Norton & Brown.

SIOUX FALLS.—Citizens' Bank (Hills & Beebe); E. M. Hills, Cashier.
Easton, McKinney & Scougal; succeeded by McKinney & Scougal.

VALLEY CITY.—First National Bank; capital, $50,000; Charles McC. Reeve, President; Herbert Root, Cashier.

YANKTON.—Easton, McKinney & Scougal; succeeded by McKinney & Scougal.

GEORGIA.

AMERICUS.—First National Bank; in liquidation. Succeeded by A. C. Bell & Co.

ATLANTA.—Nelson P. Barker & Co.

GRIFFIN.—Griffin Banking Co.; D. D. Peden, Cashier, in place of W. M. Mitchell, resigned.

JONESBORO'.—W. M. Hynds.

PALMETTO.—A. Hutcheson & Co.; collections only.

SAVANNAH.—Savannah Bank and Trust Co.; Charles Green, President, deceased.
Southern Bank of State of Georgia; capital increased to $500,000; surplus, $200,000.
T. S. Wayne; broker.

ILLINOIS.

ATKINSON.—Atkinson Bank; Thos. Nowers, Jr., President; John F. Nowers, Cashier.

BRIMFIELD.—C. W. Hamilton; successor to J. W. Herrington.

CAMBRIDGE.—Henry County Bank (C. R. Wheeler & Co.); now First National Bank.

CARROLLTON.—Carrollton Bank; E. B. Hobson, Cashier, in place of J. M. Roodhouse.

CASEY.—C. Fuqua & Sons; J. O. Fuqua, Cashier, in place of R. B. Higgins.

EFFINGHAM.—Eversham, Wood & Engbring.

FREEPORT.—Second National Bank; Alfred H. Wise, President, in place of John H. Addams, deceased.

GALESBURG.—Second National Bank; W. W. Washburn re-elected Cashier.

JERSEYVILLE.—Carlin & Bagley.

MALTA.—Bank of Malta (McCrea & Chamberlin).

MANSFIELD.—Mansfield Bank (W. W. Beatty).

MOMENCE.—Momence Bank (J. B. Durham & Bro.); dissolved. J. B. Durham retires; W. M. Durham continues.

NAPLES.—James McKean; collections.
S. & F. Keener; collections.

POLO.—Barber Bros. & Co.; successors to Barber & Trumbauer.

ROODHOUSE.—Roodhouse Bank; Richard A. Worcester, Cashier, in place of T. L. Smith.

STERLING.—Galt Brothers; now Galt & Tracy.

SYCAMOUR.—Divine & Co.; closing.

TABLE ROCK.—S. W. Durham.

INDIANA.

ANDERSON.—Exchange Bank; J. L. Forkner, President, in place of H. J. Daniels; H. J. Daniels, Cashier, in place of J. Fulton.

SOUTH WHITLEY.—John Arnold & Co.

IOWA.

ALLISON.—Bank of Allison; N. B. Ridgeway, President; J. E. Lucas, Cashier.

AMES.—Union Bank; W. M. Greeley, President; E. R. Chamberlain, Cashier.

BATTLE CREEK.—McPherson & Bassett.

BLOOMFIELD.—Davis County Loan & Trust Co.; now Steckel & Overton.

COIN.—Bank of Coin; W. E. Webster, President; T. C. Beard, Cashier.

DUNLAP.—G. C. Kirby; collections only.

GARRISON.—Reeve & Butterfield.

GRINNELL.—Citizens' Bank; M. Snyder. President; D. E. Spencer, Cashier.

HASTINGS.—H. B. Gray & Co.

MARENGO.—Iowa Co. Loan & Savings Bank; capital, $10,000. J. H. Branch, President; C. Baumer, Cashier.

MELROSE.—Melrose Bank; Thomas Brandon, President; S. A. Brandon, Cashier.

MT. AYR.—Citizens' Bank; Day Dunning, Cashier, in place of C. B. Dunning, deceased.

NEVADA.—First National Bank; capital, $50,000. Elijah L. Lyon, President; Wilber F. Swayze, Cashier.

Nevada City Bank; succeeded by First National Bank. Same management.

NORWAY.—Benton County Savings Bank; T. H. Brown, President; Thomas Atkinson, Cashier.

ODEBOLT.—Farmers' Bank; O. P. Thompson, President; G. M. Taggart, Cashier.

OELWEIN.—Bank of Oelwein (Hoagland & Jamison); now S. B. Zeigler & Co.

OSKALOOSA.—National State Bank; M. E. Cutts, President, in place of Seth Richards.

PERRY.—Citizens' Bank (Branch of Bank of Dallas Centre); O. Mosher, President; A. T. Pearson, Cashier.

RIVERTON.—Fremont County Bank (Davies & Sexton); lose by robbery $5,200; now John Davies.

WILTON.—Farmers & Citizens' Bank; J. D. Walker, President, in place of F. Bacon; Frank Bacon, Cashier, in place of A. N. Van Camp.

KANSAS.

CARBONDALE.—Carbondale Bank; J. D. Salmons, Cashier, in place of W. D. C. Smith, resigned.

CLIFTON.—Bank of Clifton (Snyder Bros.); reorganized; M. F. Southwick, President; C. W. Snyder, Cashier. Capital, $20,000.

HIAWATHA.—Brown County Bank; capital, $50,000. B. L. Harding, President; S. A. Fulton, Cashier.

LINCOLN.—C. J. Brown; succeeded by Saline Valley Bank; capital, $50,000. A. N. Schuster, President; C. J. Brown, Cashier.

LINDSBORG.—Bank of Lindsborg; closing.

OSAGE CITY.—Osage County Bank; P. I. Bonebrake, President; T. L. Marshall, Cashier.

OSBORNE.—Charles R. Wooley.

SENECA.—Nemaha County Bank; capital, $50,000. State charter.

KENTUCKY.

FRANKLIN.—McElwain, Meguiar & Co.

LOUISVILLE.—People's Bank of Kentucky; reorganized; capital, $150,000; George H. Moore, President; James Henry Huber, Cashier.

LOUISIANA.

NEW ORLEANS.—Morin & Faurie; Brokers.

MAINE.

AUGUSTA.—First National Bank; Daniel A. Corry, President, in place of James W. North.

MARYLAND.

DENTON.—Denton National Bank; capital, $31,000. Philip W, Downes, President; Richard T. Carter, Cashier.

MASSACHUSETTS.

BOSTON.—American Loan & Trust Co.; A. P. Potter, President.
Paine, Webber & Co., 53 Devonshire street.
First National Bank; John Carr, President, in place of Samuel D. Warren; Chas. H. Draper, Cashier, in place of John Carr.
Shoe & Leather National Bank; Benj. E. Cole, President, in place of Seth Turner.
Joseph H. Alden; granted extension by creditors.
G. P. Baldwin & Dillaway; G. P. Baldwin, deceased.
Putnam & Heath; now C. A. & W. F. Putnam.

BROCKTON.—Home National Bank; F. B. Howard, Cashier, in place of C. D. Fullerton.

HAVERHILL.—Merrimack National Bank; U. A. Killam, Cashier, in place of John L. Hobson.

WESTFIELD.—First National Bank; George L. Laflin, President, resigned.

WORCESTER.—Quinsigamond National Bank; Henry P. Murray, Asst. Cashier.

MICHIGAN.

BANCROFT.—Watson, Obert & Co.

CONSTANTINE.—First National Bank; W. W. Harvey, Cashier, in place of P. Haslet.

DAVISBURG.—E. M. Newell; closing.

MT. PLEASANT.—G. A. Dusenbury & Co.

QUINCY.—Farmers & Merchants' Bank; succeeded by First National Bank; capital, $35,000. Benjamin F. Wheat, President; Charles R. Hannan, Cashier.

ROSCOMMON.—Brown & Flower; out of business.

ST. JOSEPH.—First National Bank; now Bank of St. Joseph; same officers.

MINNESOTA.

ATWATER.—Bank of Atwater; M. Johnson, President; J. D. Marshall, Cashier.

CHATFIELD.—Root River Bank; C. W. Keeler, President; J. C. Easton, Cashier.

ST. PAUL.—C. Livingston & Co.

WORTHINGTON.—Bank of Worthington (Elihu Smith); now Thomas H. Parsons & Co.; C. T. Pope, Cashier.

WYKOFF.—Exchange Bank (L. G. Kilborne).

MISSISSIPPI.

ENTERPRISE.—George O. Evans; collections only.

MERIDIAN.—Merchants' Bank; O. J. Waite, Cashier, in place of E. R. Mitchell, resigned.

VERONA.—Lee County Bank; H. H. Raymond, Cashier, deceased.

MISSOURI.

BOONVILLE.—Central National Bank; J. L. Stephens, President, deceased.

MOBERLY.—Exchange Bank; capital, $10,000. Adam Given, President; O. E. Hannah Cashier. Successors to Avery, Woolfolk & Co.

RICH HILL.—Rich Hill Bank; F. J. Tygard, President, in place of P. A. Burgess.

ST. JOSEPH.—State Savings Bank; C. B. France, President, in place of A. M. Saxton; E. Lindsey, Cashier, in place of C. B. France.

TARKIO.—Rankin, Stevenson & Co.

NEBRASKA.

CLAY CENTRE.—Clay County Bank (Cowles, Fowler & Berge).

FAIRFIELD.—Small & Randall.

GRAFTON.—L. R. Grimes.

HARDY.—Ellsworth & Leigh.

HASTINGS.—Cramer & Bostwick.

HUBBEL.—Conklin & Gaw.

NIOBRARA.—Niobrara Valley Bank (Solomon Draper); now Perrine & Draper; Solomon Draper, Cashier.

TECUMSEH.—Farmers' Bank (Moss & Turner); now E. M. Moss, President; W. G. Swan, Vice-President; J. S. Dew, Cashier.

WILBER.—Blue Valley Bank; capital, $40,000. James Harvey, President; E. Ballard Cashier.

WISNER.—McNish & Graham.

NEVADA.

RENO.—Paxton, Curtis & Co.; consolidated with First National Bank.

VIRGINIA CITY.—W. H. Clarke & Co.; Brokers.
R. Keiman & Co.; Brokers.

NEW JERSEY.

MADISON.—First National Bank; capital, $30,000. Jacob S. Paulmier, President; Wilber F. Morrow, Cashier.

NEW MEXICO.

LAS VEGAS.—Gross, Blackwell & Co.

NEW YORK.

BUFFALO.—Third National Bank; Charles A. Sweet, President, in place of Abraham Altman, resigned.
CANANDAIGUA.—Frank R. Durry & Co.
RICHBURG.—First National Bank; capital, $50,000. John S. Rowley, President; Frank E. Fairbanks, Cashier.
Dow Brothers.
RICHFIELD SPRINGS.—Elwood & Tuller; now Tuller & Bloomfield.

OHIO.

BUTLER.—J. W. Pearce.
LOGAN.—First National Bank; in liquidation; now First Bank of Logan; same officers.
MANSFIELD.—Farmers' National Bank; Joseph S. Hedges, Cashier, in place of George A. Clugston.
WILMOT.—Farmers' Bank; Samuel Wolf, President; John Longenecker, Cashier.
ZANESVILLE.—C. W. Potwin & Co.; now Citizens' National Bank.

OREGON.

OREGON CITY.—Bank of Oregon City; Thomas Clearman, President; C. H. Canfield, Cashier.
PORTLAND.—Bank of British Columbia (Branch); Frederick Townsend, Manager, in place of W. W. Francis.

PENNSYLVANIA.

BROOKVILLE.—Ira C. Fuller.
CHAMBERSBURG.—Chambersburg Deposit Bank (John R. Orr); now J. R. & W. B. Orr.
COCHRANTON.—Farmers' Co-operative Trust Co.; capital, $20,000; R. P. Miller, President; William W. Dean, Cashier.
EAST BERLIN.—Jacob M. Smyser.
ERIE.—German Savings Institution; L. G. Reed, President, in place of J. Gensheimer.
FOXBURG.—Foxburg Bank; J. M. Fox, President, in place of E. Ritts.
PHILADELPHIA.—Gilpin & Co.
Bowen & Fox; now George S. Fox & Son.
PITTSBURGH.—Mechanics' National Bank; Wm. R. Thompson, President, in place of W. B. Holmes; Geo. J. Gorman, Cashier, in place of Wm. R. Thompson.
READING.—Second National Bank; capital, $50,000. Wm. McIlvain, President; Christopher Leoser, Cashier.
RIDGWAY.—Elk County Bank; M. S. Kline, Cashier, in place of C. R. Kline, resigned.
WEST MIDDLESEX.—Veach's Bank; J. M. Veach, now President; J. W. Veach, Cashier, in place of Hiram Veach.

RHODE ISLAND.

NEWPORT.—Union National Bank; capital, $155,200. George F. Crandall, President; John S. Coggeshall, Cashier.
PROVIDENCE.—Merchants' National Bank; Horatio N. Campbell, President, *pro tem.*, in place of R. C. Taft.

SOUTH CAROLINA.

COLUMBIA.—T. J. Gibson; collections only.
G. K. Wright; collections only.
LANCASTER C. H.—Twitty & Connors.

TENNESSEE.

KNOXVILLE.—People's Bank; Jos. R. Mitchell, President, in place of C. M. McGhee; W. K. Mitchell, Cashier, in place of Jos. R. Mitchell.

TEXAS.

CISCO.—Berry & Fleming; removed from Eastland and Stephenville.
GAINESVILLE.—Lindsay, Hemming & Co.

KAUFMAN.—Nash & Carlisle; George W. Voiers, Cashier.
SAN MARCOS.—Mitchell & Glover; now Glover & Co.

VERMONT.

BELLOWS FALLS.—National Bank of Bellows Falls; J. H. Williams, President, deceased.

VIRGINIA.

RICHMOND.—Warren & Quarles.
City Bank; Walker Hill, Cashier, in place of W. R. Trigg.
Richmond Banking & Insurance Co.; W. W. Gosden, Cashier, in place of M. S. Quarles.
WINDSOR.—Bank of Windsor; J. W. Duck, President; M. L. Watkins, Cashier.

WEST VIRGINIA.

MORGANTOWN.—Second National Bank; E. Shisler, Vice-President.

WISCONSIN.

BARABOO.—Bank of Baraboo; W. H. Vittum, President, in place of A. P. Vittum.
DARLINGTON.—LaFayette County Bank (Orton, Otis & Co.); succeeded by P. A. Orton & Co.; George S. Anthony, Cashier.
JENNY.—Name of Post Office changed to Merrill.
KAUKAUNA.—Reuter Brothers; successors to Hewitt Bros. & Norton.
KEWAUNEE.—R. B. Kellogg; now Decker, Duvall & Walender.

ONTARIO.

BARRIE.—Holt, Sons & Co.
BERLIN.—Canadian Bank of Commerce; D. B. Dewar, Manager, in place of J. Young.
CAMPBELLFORD.—Standard Bank of Canada; B. A. Bog, Agent, in place of F. I. Gosling, resigned.
CAYUGA.—M. Minkler & Co.
DRESDEN.—Dresden Banking Co.; J. W. Sharpe, Manager.
DUART.—Duart Banking House (J. Campbell & Co.); J. D. Currie, Manager.
DUNNVILLE.—Canadian Bank of Commerce; James Young, Manager, in place of J. R. Clarke.
DURHAM.—Canadian Bank of Commerce; H. E. Gurney, Acting Manager.
FOREST.—M. Fleming.
HAMILTON.—Bank of Hamilton John Stuart, President, in place of D. McInnes.
INGERSOLL.—Merchants' Bank of Canada; J. G. Fitzgibbon, Manager, in place of T. E. P. Trew.
LISTOWEL.—Hay's Banking House; John C. Hay, Manager.
MILLBROOK.—Millbrook Banking Co. (Thomas Fawcett); S. V. Hutchins, Manager. E. Woods & Kells.
MILVERTON—Mitchell Banking Co.; E. R. Cheesman, Asst. Manager.
MT. FOREST.—Robinson & Robertson.
ORANGEVILLE.—Fead & McAdam.
PARIS.—Canadian Bank of Commerce; R. C. Jennings, Manager, in place of F. L. Hankey.
STRATFORD.—William Mowat & Son dissolved; William Mowat, Sr. continues under same style.
THORNBURY.—W. O. Smith & Co.
TILSONBURG.—Harrison & McTaggart.
TORONTO.—Bank of Toronto; William Gooderham, President, deceased.
R. H. Brett & Co.; R. H. Brett, deceased.
WALKERTON.—Canadian Bank of Commerce; J. R. Clarke, Manager, in place of D. B. Dewar.
WALLACEBURG.—Steinhoff & Lillie.
WARDSVILLE.—Fawcett, Livingston & Co.
WIARTON.—G. W. Ames & Co.

QUEBEC.

BERTHIER.—Banque Ville Marie; Z. Lefebvre, Manager.
LOUISEVILLE.—Banque Ville Marie; L. H. Mineau, Manager.
MONTREAL.—Banque Ville Marie; W. Weir, President, in place of L. J. Archambault; Ubaldi Garand, Cashier, in place of G. H. Dumesnil.
La Banque Nationale; Chas. A. Vallee, Manager, in place of J. B. Sancer.
NICOLET.—Banque Ville Marie; C. A. Sylvestre, Manager.
STANBRIDGE EAST.—A. H. Gilmour; successor to John C. Baker.
STANSTEAD.—Eastern Townships Bank; S. Stevens, Manager, in place of A. P. Ball.
ST. CUTHBERT.—Banque Ville Marie; discontinued.
THREE RIVERS.—La Banque d'Hochelaga; P. E. Panneton, Manager.

NOVA SCOTIA.

STELLARTON.—Albion Mines Bank; George C. Carritt, Manager.

MANITOBA.

PORTAGE LA PRAIRIE.—Alloway, Champion & Mowat.
Quebec Bank.

DAILY RECORD OF FINANCIAL EVENTS.

AUGUST, 1881.

1. MONDAY.—The fare from Chicago to Boston reduced to $5.

The public debt reduced in July, $10,078,023.

A business holiday in England.

National bank notes outstanding, $356,236,938.

2. TUESDAY.—Bar silver in London 51¼d. per ounce. Gold value of the legal-tender silver dollar 86.23 cents.

The "National Fair Trade League" started in London to urge a retaliatory tariff.

3. WEDNESDAY.—Death of William G. Fargo, of Wells, Fargo & Co., and President of the American Express Co.

4. THURSDAY.—Track-laying begun on the Mexican Central Railway.

The Virginia Conservative-Democratic State Convention held. John W. Daniel nominated for Governor.

5. FRIDAY.—The Joliet, Rockford & Northern Railroad Co. incorporated. Capital stock $1,500,000.

The St. Louis & Eastern Railroad Co. incorporated. Capital stock $2,400,000.

A reduced schedule of west-bound freight rates adopted by the trunk lines.

6. SATURDAY.—The Denver & Rio Grande Railroad opened to Durango.

From accounts of the French harvest it appears that the yield will be less than last year's and scarcely an average one.

Rate of discount in London on 60 days to 3 months bank bills 1¾ per cent,; trade bills 2 @ 2⅛ per cent.

Money on call in New York 2½ @ 3½ per cent.; prime commercial paper 3 @ 4½ per cent.

7. MONDAY.—A dispatch says the crop prospects of India are decidedly gloomy.

9. TUESDAY.—Bar silver 51⅝d. per ounce, English standard. Gold value of the legal-tender silver dollar 87.46 cents.

10. WEDNESDAY.—Convention of the American Bankers' Association at Niagara Falls.

Demonstration at Exeter Hall, London, in favor of retaliatory tariff measures.

Meeting of the joint executive committee of the trunk lines at New York to restore railroad rates. "Cutting" continued.

11. THURSDAY.—Dispatches indicate increased, but not great crops in England and Northern France. Drouth prevails in Switzerland.

A paper from Secretary Windom read at the Bankers' Convention; Mr. G. S. Coe and Comptroller Knox delivered addresses.

National Conference of the Civil Service Reform Association at Newport, R. I.

12. FRIDAY.—Close of the Bankers' Convention.

Sharp rise in the prices of breadstuffs and provisions.

13. SATURDAY.—Rate of discount in London on 60 days to 3 months bank bills 2⅛ @ 2¼ per cent.; trade bills 2½ per cent.

Money on call in New York 3 @ 2 per cent.; 60 to 90 days indorsed bills 3½ @ 4 per cent.

15. MONDAY.—The Department of Agriculture returns show the average condition of the cotton crop to be eighty-eight.

The condition of the President very critical.

A dispatch to the London "Daily News" from Paris says: "The threatened export of gold to America began to-day with £30,000. Other exports are expected next week."

16. TUESDAY.—A London dispatch says the Central and South American Telegraph Company's cable, to connect the United States with Central America and Brazil, is in preparation.

A contract completed for the establishment of a Mexican National Bank with a representative of the Franco-Egyptian Bank.

17. WEDNESDAY.—Bullion amounting to £207,000 withdrawn from the Bank of England for shipment to New York.

The Montreal Telegraph Co. amalgamated with the Great Northwestern Co., giving the Western Union control of the telegraph system of British North America.

18. THURSDAY.—The Bank of England's rate of discount raised from 2½ to 3 per cent.

Money on call in New York loaned at 6 per cent., plus 3-16 per cent. "commission."

19. FRIDAY.—First arrival of gold ($500,000) from Europe in some months.

20. SATURDAY.—Rate of discount in London on 60 days to 3 months bank bills 2¾ @ 2⅞ per cent.; trade bills 3 per cent.

Money on call in New York 6 @ 2½ per cent.; 60 to 90 days indorsed bills 5 per cent.

The New York Associated Banks hold $717,700 less than the legal reserve.

22. MONDAY.—Notice given that the outstanding five per cent. registered bonds, due Oct. 1, will be paid on presentation in full.

23. TUESDAY.—The Buffalo & Rock City Pipe Line Co. began business in opposition to the Standard Oil Co.

24. WEDNESDAY.—Dispatches from London say that heavy rains have done immense damage to the crops.

Greenback conventions held in New York State, Massachusetts and Mississippi.

25. THURSDAY.—The gold drain from Europe continued. The Bank of England, Bank of France and Bank of Belgium raised their minimum rate of discount to 4 per cent.

Bar silver in London 51¾d. per ounce. Gold value of the standard silver dollar 87.90 cents.

26. FRIDAY.—The Imperial Bank of Germany raised its rate of discount to 5 per cent., and its rate of interest on advances to 6 per cent.

Drought prevails in Indiana, Illinois and Iowa.

27. SATURDAY.—Rate of discount in London on 60 days to 3 months bank bills 3¾ per cent.; trade bills 3⅞ @ 4 per cent.

Money on call in New York 6 @ 3 per cent.; 60 to 90 days indorsed bills 5 per cent.

29. MONDAY.—A great sensation caused in Paris by the sudden disappearance of M. Felix, chief of the Union Financier Bank, with about $500,000.

30. TUESDAY.—A shipment of $144,000 gold arrived from Europe. It is supposed in England that the drain is stopped.

31.—WEDNESDAY.—The Treasury received to date $5,003,750 coupon and $10,637,700 registered 5 per cent. bonds for redemption under the 103d and 104th calls.

RECORD OF DEATHS.

JAMES F. D. LANIER, banker, of New York, died August 28, 1881, aged eighty years.

The deceased was the senior surviving partner in the well-known banking firm of Winslow, Lanier & Co. He was born in Washington, N. C., in the year 1800, but early in life removed to Ohio. His father, who served in the war of 1812, ranking as major, sometime afterward began business at Madison, Ind., where the subject of this sketch, when still young, entered upon the practice of the law. He achieved success in his profession. In 1833, when the State Bank of Indiana was established, Mr. Lanier abandoned the law to take an active part in its management. He became President of the Madison branch of the bank, and continued to be the leading spirit in the banking system which proved highly beneficial to the State, until his removal to New York in 1849. Here he joined in establishing the banking house of Winslow, Lanier & Co. This firm early distinguished itself by its success in negotiating loans for Western railroads and by aiding the development of the West. In 1847 Mr. Lanier undertook, at the request of the Governor of Indiana, to make arrangements with the foreign creditors of the State, which was embarrassed, and succeeded to entire satisfaction. At the beginning of the civil war he again rendered substantial aid to his State, and at its close he was instrumental in placing the bonds of the general Government in Europe. About the same time he established the Third National Bank of New York, and was for some years its President. Ten years ago Mr. Lanier withdrew from active participation in business, after making arrangements for the continuance of the present firm even after his death. He was eminent for his breadth of view, prudence and self-reliance, traits which were combined with true courtesy and generosity.

GEORGE W. RIGGS, of the firm of Riggs & Co., bankers, of New York and Washington, D. C., died August 24, 1881, aged about sixty-six years.

Mr. Riggs was the senior member of his firm, and brother of Elisha Riggs, whose decease was noticed last month. He was the son of Elisha Riggs, a successful merchant of New York city. In 1836 he entered the banking business in Washington with W. W. Corcoran, forming the firm of Corcoran & Riggs, which did the banking of the foreign legations. The firm of Riggs & Co. was formed by Mr. Riggs in connection with his brother Elisha in 1848, and was and continues to be very well known and highly respected as well as successful. The first loan called for by the Government during the Mexican war, amounting to $5,000,000, was nearly all taken by the firm of Corcoran & Riggs, and proved a successful venture. Mr. Riggs afterward made a profitable investment in land in Washington, owned by the Government. The fortune which he left is estimated at $4,000,000. Mr. Riggs was a man of cultivated taste, a liberal but unostentatious contributor to charities, and famous as a genial host, in Washington, where he resided.

WILLIAM G. FARGO, of Wells, Fargo & Co., died August 3, 1881, aged sixty-three years.

Mr. Fargo. whose name is identified with the express business of this country from its beginning, was born in Pompey, N. Y., in 1818. His first employment was carrier of the mail on horseback. He worked his way upward gradually until in 1844 he joined with Henry Wells and Daniel Dunning in organizing an express line from Buffalo to Detroit, under the firm name of Wells & Co. The business grew rapidly until in 1850 the American Express Co. was formed, Mr. Fargo becoming Secretary. Upon the consolidation with the Merchants' Union Express Co. in 1868, he was elected to the office of President, which he continued to fill until the time of his death. In 1851 he assisted in forming the company called Wells, Fargo & Co., for the purpose of doing an express and banking business in San Francisco and New York, and which is too well known to need special mention here. The deceased was a man of keen perception and great executive ability, as well as hospitable and liberal. He was twice elected Mayor of Buffalo, where he resided.

FITCH SHEPARD, ex-President of the National Bank Note Company, died August 22, aged seventy-nine years.

Mr. Shepard was a native of Southbury, Conn., and in his youth was engaged in the Bank of Lockport, New York. He was successively Cashier of the Chautauqua County Bank, Jamestown, and of the bank at Warren, Pa. In 1840 he came to New York, and entered the firm of Danforth, Wright & Co., bank-note engravers, and in 1859 became President of the National Bank Note Company, of which he was the chief organizer. Under his control the company was very successful, sustaining confidential relations with the National and State Governments, and the banks throughout the country. Upon its consolidation with the American Bank Note Company Mr. Shepard retired from business. He was officially connected with several benevolent institutions, and was always ready to aid the unfortunate. He leaves two sons—Augustus D. Shepard, Vice-President of the American Bank Note Engraving Company, and Elliott F. Shepard, the distinguished lawyer.

LAFAYETTE CLARK, ex-President of the Vermont National Bank, Brattleboro', Vermont, died August 21, 1881, aged eighty years.

Mr. Clark was born in Dover, Vt., in 1801, whence he removed to Brattleboro' at an early age. He was at one time in business with his father, but retired after a few years. He was one of the Trustees of the Vermont Savings Bank from its organization, and subsequently became its President, but resigned in 1869 in order to become a Director of the Vermont National Bank. His connection with the latter institution lasted ten years, during the last four of which he held the office of President, declining a re-election in January, 1879. During his long career the deceased sustained a high reputation for integrity and ability.

JAMES HENRY WILLIAMS, President of the National Bank of Bellows Falls, Vermont, died August 13, 1881, aged sixty-eight years.

The deceased was born in Chester, Vt., on January 13, 1813, where his business career began. In 1834 he went to Bellows Falls and was employed by the Bellows Falls Bank, where he soon displayed unusual financial ability for his age. In 1839 he was elected Cashier of the bank at Woodstock, and in 1841 was called to occupy the same office in the Cheshire Bank at Keene, N. H., which was then one of the principal banks in that part of the State. He succeeded the late Hon. William Henry as Cashier of the Bank of Bellows Falls in 1847, and in 1872 became President. He was the principal manager of that bank for over thirty years, and was the principal organizer of the Bellows Falls Savings Institution, of which he was Treasurer for many years. He filled a large place in the community, being interested in numerous enterprises of value to the public, and was considered one of the ablest and safest financiers in his State. His death was very widely regretted.

JOHN H. ADDAMS, President of the Second National Bank of Freeport, Illinois, died August 17, 1881, aged fifty-nine years.

Mr. Addams was born in Berks county, Pa., in 1822, and received a liberal education, graduating from Lafayette College. In 1844 he removed to Illinois, where he engaged in the milling business, and soon by force of character and integrity became a leading man. From 1854 to 1870 he represented his district in the State Senate. When the Second National Bank of Freeport was organized in 1864, Mr. Addams became its President and continued to hold the position much to his own credit and the profit of the bank up to the time of his death. His demise caused many public expressions of regret and esteem.

THE BANKER'S GAZETTE.

The Money Market and Financial Situation.

NEW YORK, SEPTEMBER 1, 1881.

The expectations that were so confidently expressed some weeks since, that money would continue easy throughout the summer and fall, have been disappointed. It was then supposed that the amounts which would be disbursed from the National Treasury on account of the public debt, flowing into a market already replete with money would be certain to prevent any stringency. The likelihood of a renewal of the movement of gold to this country was also relied on for the same purpose. But, although the Treasury has paid out considerable money, and the gold movement has begun, premiums have had to be paid for call loans several times recently, and very little prime commercial paper can be discounted at a lower rate than 6 per cent. per annum.

Almost the sole reason that can be given for this state of things is the fact that money flowed into the Treasury much quicker than it came out. Upon calculating from all the sources at hand it did not appear that the stringency was caused by a withdrawal of money from New York to the interior. But the revenues of the Government were unusually large while the payments were small. During the last week of July and the first three weeks of August the balance in the Treasury was increased about $15,000,000, most of which came from the banks. The consequence was that, on August 18, 3-16 of 1 per cent. per day "commission" was paid for loans in addition to 6 per cent. per annum. In that week the reserves of the Associated Banks of New York fell below the legal requirement of 25 per cent. for the first time in several months. During the next week, ending August 27, there was a further decrease in the cash reserve of $4,618,900.

The coupon 5 per cent. bonds that were called for payment on August 12 came into the Treasury very slowly, as did also the registered fives due October 1, which the Treasury Department was ready to pay off, with interest to the date of presentation, at any time. Therefore on August 22 the Secretary issued a circular stating that the registered fives would be paid on presentation with interest in full to October 1. Up to last night (August 31) $5,903,750 of the coupon and $10,6[illegible]7,700 of the registered fives had been received at the Treasury Department for redemption, leaving about five millions of the former class and twenty millions of the latter still outstanding and drawing no profit to the holders.

The payments to be made between now and November 1, so far as can be foreseen, are as follows: About $2,800,000, quarterly interest on 4½ per cents, on September 1; about $7,400,000, quarterly interest on 4 per cents on October 1; about $3,500,000, quarterly interest on extended 5 per cents, on November 1, and about $15,000,000 for pensions about September 4. These together make over $28,000,000; so that, adding the amount of called five per cents above-named the total is about $55,000,000. But the receipts of the Government during the same period will absorb a large portion of this amount.

There is no good reason, however, why money should be allowed to accumulate in the Treasury to an amount above what is required to insure specie payments and the prompt payment of all Government obligations. There has been much speculation recently as to what bonds the Secretary would next choose to call for redemption. A dispatch from Washington says that rumors have been circulating "to the effect that Secretary Windom had decided to purchase 4 and 4½ per cent. bonds for the sinking fund. There is no foundation for the rumors beyond the fact that the Secretary had conversed with certain gentlemen on the subject of redeeming some of the outstanding bonds, and it can be stated authoritatively that no decision has yet been reached as to what would be the most practicable method of procedure. Secretary Windom is known to have considered the matter to some extent, but up to this time, owing to the pressure of other business, he has been unable to give it mature deliberation. It is his intention, however, to look into the subject at an early day with a view of arriving at a conclusion which will best subserve the business interests of the whole country."

We must confess that the difficulty in choosing which bonds to pay off first seems fanciful. It is claimed by some financiers that it would not be fair in the Secretary to call the extended bonds so soon after they have been extended, and that it would therefore be better to buy 4 or 4½ per cents at a premium. But the Secretary gave no pledge whatever that the extended bonds should not be called whenever it was convenient to the Government. In fact he had no authority whatever to do so, and no one had any reason to suppose that these bonds would not be called first. This JOURNAL has repeatedly called attention to the fact that their average duration would be probably only a few years. And now it is claimed that the Secretary should offer a high premium for the long time bonds in order to establish an obligation into which the Government never entered. A glance at the present price of the 4 and 4½ per cent. bonds will show that it is far more to the advantage of the Government to pay off the extended bonds, which are actually due, at par, than to make offers for the long-time bonds. It is not at all probable that the Secretary will hesitate long when the matter comes up for actual decision.

With a view to showing the extent to which capital is being absorbed in railway and telegraph enterprises, the "Financial Chronicle" has prepared a table giving the amount of securities issued from January 1 to September 1, 1881. The mortgage bonds aggregate $296,350,000; income bonds $51,484,200, and stock $323,093,900, making a total of $670,930,100. Of this amount 221 millions were mortgage bonds for construction of new road, which call for full value in cash; 25¾ millions were income bonds given as a bonus, and 143 millions stock, of which only about $13,500,000 called for cash. This leaves 234 millions cash expended for construction of new railways. After making proper deduction, the amount estimated as actually expended for improvements, for purchase of other roads, etc., is $155,194,200; which gives a grand total of $389,877,209 cash, required to meet the payments on railroad and telegraph stocks and bonds issued or subscribed for during the first eight months of the current year.

THE GOLD MOVEMENT from Europe to this country has set in again, the first arrival being reported on August 19. The amount received so far, together with that now under way is not far from $12,000,000. At the first meeting of the Directors of the Bank of England after the beginning of the drain, the minimum rate of discount was raised from 2½ to 3 per cent. On the 25th it was again raised to four per cent., and the Banks of France and Belgium followed the example. The next day the Imperial Bank of Germany raised its rate to 5 per cent, This action was prompted not merely by the prospect of what might occur if the drain continued, for the reserves of the European banks are much less strong than they were a year ago. The Banks of England, France and Germany now hold about $50,000,000 less gold than at that time, and the amount has been steadily decreasing lately. How long the movement will continue is a question which no known authority pretends to reckon. For the present, at least, the raising of the rates of discount has had no apparent effect to stop it.

THE BUSINESS AT THE CLEARING HOUSES during August is commented upon by the "Public" as follows: "Complete returns from distant cities, for the month which closed last night, have not been received. At New York the exchanges for the month amounted to $3,555,804,054 against $2,399,761,848 in August, 1880, an increase of 48.2 per cent. over last year. After deducting double the market value of stocks sold, the remaining exchanges for the month amount to $2,578,459,293, against $1,642,478,048 in August of last year, a gain of 57.0 per cent. Hence the increase in exchanges not due to stock transactions was greater at New York than the increase in aggregate exchanges. At several other cities, also, the increase in exchanges for the month was remarkably large, and there is no doubt that the aggregate of exchanges for the month, when ascertained, will be found far in excess of the aggregate for any previous August."

The above is one among many indications of the large volume of business that is being done in nearly every department of trade. During August there was a sharp rise in the prices of breadstuffs, provisions, etc., which has been generally spoken of as speculative. While this is true to a certain extent yet, as has been shown heretofore, the movement of money indicated a natural advance in prices some time ago.

THE PUBLIC DEBT.—The decrease in the public debt during August was $14,181,221 and the decrease in the interest-bearing debt nearly $12.000.000. The entire amount of 5 and 6 per cent. bonds renewed at 3½ per cent. appears in the debt statement issued to-day. They amount to $578,690,100. The amount of 5 per cent. bonds upon which interest ceases on October 1, and which are now payable, is stated at $21,304,900. On October 1 the interest-bearing debt will consist of 3½ per cents, $578,690,100; 4½ per cents, $250,000,000; 4 per cents, $739,347,800, and Navy bonds, $14,000,000.

UNITED STATES BONDS.—The business in Government bonds has been very moderate recently, and the scarcity of money has caused a weakness in prices. The fluctuation in August is well enough indicated by the course of actual prices at the Stock Exchange for four per cent. coupon bonds. On the 5th they sold at 116⅝; on the 26th they were down to 114¾, and on the 30th they were up again to 115¾. The continued bonds are weak in consequence of the chance that they may soon be called for payment. But in any case only a small proportion of the whole amount can be called this year.

The following table shows the closing bids for the principal issues of Government bonds on each day of the month of August, and the highest and lowest during the month:

Aug.	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.
1	102¼	102	114½	116⅜	134
2	102¼	102	114½	116⅜	134
3	102⅜	102	114⅝	116½	134
4	102⅜	102⅛	114½	116⅝	134
5	102⅜	102⅛	114½	116⅝	134
6	102½	102⅛	114½	116½	134
8	102½	102⅛	114½	116½	134
9	102½	102⅛	114½	116⅝	134
10	102½	102⅛	114½	116½	134
11	102½	102	114½	116½	133
12	102⅜	102	114½	116⅜	134
13	102⅜	102	114½	116⅜	134
15	102⅛	101⅞	114⅜	116¼	134
16	101⅞	101⅞	114⅛	116⅛	133
17	101⅞	101¾	113⅞	116	133
18	101⅝	101½	113¾	115½	132
19	101¾	101½	113¾	115½	133
20	101⅝	101½	113¾	115⅝	133
22	101⅝	101½	113¾	115⅝	133
23	101¾	101½	113⅞	115½	133
24	101⅝	101⅜	113⅞	115⅜	133
25	101½	101	113½	115	130
26	101½	101	113⅜	114¾	132
27	101½	101	113½	114⅞	134
29	101½	101	114	115⅜	134
30	101½	101⅛	114	115¾	134
31	101⅛	101⅜	114	115⅞	134
High	102⅜	102⅛	114⅝	116⅝	134
Low	101⅛	101	113⅜	114¾	130

FOREIGN EXCHANGE.—The market for foreign exchange is dull, and the rates for foreign bills is so low as to make shipments of coin hither profitable. The actual rates for prime bankers sterling bills at 60 days is 4.79@4.79¾, and at sight 4.82¾@4.83¼; for cable transfers 4.83¼@4.83½, and prime commercial bills 4.77½@4.77¾. The actual rates for continental exchange are as follows: Paris bankers, 60 days, 5.25¼@5.25⅞, and sight, 5.33⅛@5.33¼; Reichsmarks, bankers, 60 days, 93¾@93⅞ and sight, 94⅜; Guilders. bankers, 60 days, 39⅝@39¾ and sight 39⅞@40.

The following shows the posted rates for prime bankers sterling bills on London at 60 days and sight, cable transfers, and prime commercial sterling at 60 days, together with exchange on Paris on August 1, the changes in the rates as they occurred during the month, and the highest and lowest during the months of July and August:

	Bankers 60 days.	Bankers Sight.	Cable Transfers.	Commercial.	Paris 60 days.	Paris Sight.
July—						
Highest	4.84½	4.86½	4.86⅝	4.82⅛	5.23½	5.19¾
Lowest	4.83	4.85	4.84⅛	4.81¾	5.22⅛	5.19
Aug. 1	4.83	4.85	4.84¾	4.81¾	5.23⅛	5.19¾
" 8	4.83	4.85	4.84¾	4.81¾	5.24⅛	5.20⅝
" 11	4.83	4.85	4.84¾	4.81¾	5.24¾	5.21
" 16	4.82½	4.84½	4.83¼	4.81¼	5.24¾	5.21
" 17	4.82½	4.84½	4.83⅞	4.80¼	5.23¾	5.22⅛
" 18	4.82	4.84½	4 83⅞	4.80⅛	5.24¾	5.22⅛
" 23	4.81½	4.84	4.84¾	4.79⅛	5.24¾	5.22⅛
" 24	4.81½	4.84	4.83¾	4.79¼	5.26	5.22¾
" 25	4.81	4.84	4.83½	4.79¼	5.26⅛	5.22¾
" 26	4.80½	4.84	4.83½	4.79¼	5.26	5 22¾
Highest	4.83	4.85	4.84¾	4.81¾	5.26⅛	5.22¾
Lowest	4.80½	4.84	4.83⅛	4.79⅛	5.23⅛	5.19¾

NEW YORK CITY BANK MOVEMENTS.—It has been mentioned above that the reserves of the Associated Banks for the last two weeks have fallen somewhat below the legal requirement. This has necessitated a reduction of loans from $351,024,700, according to the statement of August 13, to $343,369,600, by that of August 27. The present indications are that the gold imports and the payments from the Treasury will immediately make good the deficiency.

The statements of the New York Clearing-House banks, the range of call loans, and the rate of discount on prime paper for the four weeks of August were as follows:

N.Y.City B'k Statm'ts.	July 30.	Aug. 6.	Aug. 13.	Aug. 20.	Aug. 27.
Loans and discounts	$349,188,400	$350,624,800	$351,024,700	$349,542,800	$343,369,600
Specie	81,043,400	76,510,900	71,841,100	67,138,400	62,151,400
Circulation	19,212,900	19,360,600	19,486,000	19,566,000	19,590,900
Net deposits	351,777,900	347,342,700	342,722,400	334,795,600	323,721,300
Legal tenders	16,931,800	16,060,000	15,927,000	15,842,800	16,210,900
Legal reserve	87,944,475	86,835,675	85,680,600	83,698,900	80,930,325
Reserve held	97,975,200	92,570,900	87,768,100	82,981,200	78,362,300
Surplus	$10 030,725	$5,735,225	$2,087,500	*$717,700	*$2,568,025
Range of call loans	2½@4	2@4	2@3½	†2½@6	5@6
Rate of prime paper	3½@4	3@4½	4@5	5@6	5@6

* Deficiency. † Plus 3-16 of 1 per cent. per day.

MONEY AND DOMESTIC EXCHANGE.—As already mentioned money has been scarcer than was expected earlier in the season, and, in fact, much more so than at the same time last year. In August, 1880, the rate for call loans ranged from 1 to 4 per cent.; in September from 1½ to 4 per cent.; in October from 1½ to 6, and it was only at the end of November that a commission was charged. At one time recently a commission of 3-16 of 1 per cent. was charged, but the indications are that a condition of comparative ease is at hand. There is little commercial paper selling at less than 6 per cent., but the nominal rates are as follows: On 60 to 90 days, indorsed bills receivable, 5 per cent.; four months acceptances, 5 to 6, and good single names, four to six months to run, 6 per cent. and over. The following are the rates of exchange on New York, to-day: Savannah, buying, ¼; selling at ⅛ discount. Charleston, buying ⅛ premium; selling ¼ premium. New Orleans, commercial, 50c.@$1 per $1,000 discount; bank $1 per $1,000 premium. St. Louis, 75c. per $1,000 discount. Chicago, $1 per $1,000 discount. Boston 20@25c. per $1,000 premium.

STOCK EXCHANGE BUSINESS.—The total recorded transactions at the New York Stock Exchange for the past five months, were as follows:

	April.	May.	June.	July.	August.
Government bonds......... ..	$4,692,000	$4,194,200	$2,392,200	$2,444,000	$1,696,150
State bonds......................	20,114,320	3,618,500	3,675,900	2,385,000	1,248,500
Railroad bonds.................	34,237,860	58,436,600	39,971,100	19,064,300	13,412,300
Bank stocks—shares..........	971	756	503	270	345
Railroads, etc., "	8,186,655	12,378,730	8,632,511	8,611,522	6,868,750

RAILROAD AND MISCELLANEOUS STOCKS.—If it had been foreseen a month ago that the trunk lines would have failed to come to an agreement respecting passenger and freight rates, and that money would be at a premium above 6 per cent., very likely serious consequences to the stock market would have been generally predicted. But notwithstanding these things prices have been very fairly upheld. So long as the war of rates continues, prices are certain to be unsettled. In the meantime railroad construction is going forward at an unprecedented rate.

The following table shows the highest, lowest, and closing prices of the most important railway and miscellaneous stocks at the New York Stock Exchange during the month of August:

Companies.	Highest.	Lowest.	Clos'g	Companies.	Highest.	Lowest.	Clos'g
Canada Southern....	68	60¾	63¾	Met. Elevated........	85¼	78	80
Central Pacific......	94	87½	89¾	Mich. Central........	101¾	91¼	93½
C., C., C. & Ind	94¾	81	87	Mo., Kan. & Texas..	45⅜	37	40¼
C., C. & I. C..........	23¾	18¾	21¼	Nash., Chat. & St. L.	91	80	86½
Chic., Bur. & Q......	161½	149	152	N. J. Central........	98¼	89	93¼
Chic., R. I. & P......	139	131¼	134⅞	N. Y. Central........	145¼	141½	142
Chic. & Alton........	141	127	129¼	N. Y. & N. Haven...	—	—	—
Northwestern........	128⅞	122	124¼	N. Y. Elevated......	108	96	98½
Mil. & St. Paul.......	116¼	110⅛	114½	N. Y., L. E. & W....	44⅞	41⅝	42⅜
Del., Lack. & West..	125¾	119⅞	123⅞	Northern Pacific....	42	37¼	40
Denver & R. G......	102⅞	80	87¼	Ohio & Mississippi..	39¼	35⅛	37⅛
Hannibal & St. Jo...	95⅝	91	94½	Oregon R. & N......	164	155½	159
Illinois Central......	138¼	124½	127¾	Phila. & Reading....	67½	59	61½
Ind., B. & W.........	51¼	38½	43½	St. L. & San F........	50⅞	43¾	46¼
Lake Erie & West..	58	47¾	53¼	Texas & Pacific......	59½	48½	53
Louisville & Nash...	104½	90	96¾	Union Pacific........	127½	118¼	123½
Lake Shore...........	126¼	121⅝	123⅛	Wabash, St. L. & P..	54⅛	45¾	47½
Manhattan R.........	21½	15¼	20¾	Western Union Tel..	90⅞	84	87⅞
Missouri Pacific... .	110⅞	98	103½	Pacific Mail..........	53⅝	47⅝	48½

STATE BONDS have been depressed in price in sympathy with other securities, and business in them has been very quiet. Tennessees are quoted at 68@69; Louisiana consol. at 66@66½; South Carolina non-fundable at 11; North Carolina special tax class 1 at 7@9, and District of Columbia 3-65s at 107½.

RAILROAD BONDS have shown a tendency toward easier prices, but in spite of adverse circumstances they have been well maintained, especially the bonds of the more stable railroads. We quote the last prices obtained at the Stock Exchange for a few of the bonds most dealt in: Boston, Hartford & Erie, first, 71¼@73; Chesapeake & Ohio, series B, 85½@86; Denver & Rio Grande first, 116; Lehigh & Wilkesbarre, consolidated assented, 111¼@112; Metropolitan Elevated, first, 98½; New York Elevated, first, 114¾; Missouri, Kansas & Texas, consolidated assented, 104½ and second, 80@81; Erie, second consol. 100½@101, and second 5s funded, 97½; Union Pacific first, 117¼. The latest quotations will be found in the table of Railroad Bonds and Miscellaneous Securities at the end of this department.

COINS AND BULLION.—The following are New York quotations (September 1) in gold for the various foreign and domestic coins and bullion:

Sovereigns	$4 83 @ $4 86	Silver ¼s and ½s	99¾@ par
Napoleons	3 83 @ 3 86	Five francs	93 @ 95
X X Reichmarks	4 74 @ 4 78	Mexican dollars	88¼@ 89¼
X Guilders	3 96 @ 4 00	do uncommercial	87 @ 89
Spanish Doubloons	15 55 @ 15 75	English silver	4 72 @ 4 82
Mex. Doubloons	15 55 @ 15 65	Prussian silver Thalers	68 @ 70
Fine silver bars	1 11⅞@ 1 12⅛	U. S. Trade dollars	99¼@ 99⅝
Fine gold bars, oz	par @ ¼ prem.	U. S. silver dollars	99¾@par.
Dimes and ½ Dimes	99½@ par.		

STATISTICAL SUMMARY ON OR ABOUT SEPTEMBER 1, 1879, 1880 AND 1881.

The following summary shows the condition of the New York Clearing House banks, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of September in 1879, 1880 and 1881; and, for comparison, the same figures for last month, August, 1881:

	AUGUST	SEPTEMBER		
NEW YORK CITY BANKS—	1881.	1881.	1880.	1879.
Loans and discounts	$319,188,400	$343,369,600	$310,738,100	$258,160,300
Specie	81,043,400	62,151,400	65,413,800	19,684,700
Circulation	19,212,900	19,590,900	19,396,800	20,942,500
Net deposits	351,777,900	323,721,300	296,422,900	228,817,400
Legal tenders	16,931,800	16,210,900	15,335,500	41,279,300
Legal reserve	87,944,475	80,930,325	74,105,725	57,204,350
Reserve held	97,975,200	78,362,300	80,749,300	60,964,000
Surplus	10,030,725	*2,568,025	6,643,575	3,759,650
MONEY, EXCHANGE, SILVER—				
Call loans	2½@4	†3@6	2@3	5@7
Prime paper	3½@4	5@6	4½@5	6@6½
Silver in London per oz	51⅜d	51¾d	52½d.	51⅝d.
Prime Sterling bills, 60 days	4 83	4 80½	4 82	4 80½@4 81½
UNITED STATES BONDS.				
6s, 1881, coupon	102¼	101½	104¾	104⅝
6s, currency, 1898	133	133	128	122
5s, 1881, coupon	102	....	102¾	102¼
4½s, 1891, coupon	114½	113	111½	104¼
4s of 1907, coupon	116⅝	116	110¼	101⅛
RAILROAD STOCKS.				
New York Central & Hudson Riv.	144⅞	142	129⅞	118½
Erie (N. Y., L. E. & W.)	44½	42⅝	38⅛	23¾
Lake Shore & Michigan Southern	126	123	106⅜	88⅛
Michigan Central	100¾	93⅛	94	79⅝
Chicago, Rock Island & Pacific	138	133¾	114½	138¾
Illinois Central	137¾	127½	112¾	86
Chicago & Northwestern, common	126½	124⅜	90⅜	75¼
Chicago, Milw. & St. Paul, com	115	114½	87¾	65
Delaware, Lackawanna & Western	123½	123⅝	89¾	55
Central of New Jersey	96	93	76¼	50⅞
MERCHANDISE.				
Cotton, Middling Uplands, per lb	12⅛	12¼	11 13-16	12⅛
Wool, American XX, per lb	42	34@43	40@47	32@39
Iron, American Pig, No. 1, per ton	23½@25	21@25½	27½@29	20@23
Wheat, No. 2 spring, per bush	1 22	1 44⅞	1 03¼	1 10⅝
Corn, Western mixed, per bush	47@58	65@71½	50¼@52½	46@46½
Pork, Mess, per bbl	18 25	18 75	15 87@16	8 70@8 75

* Deficiency.

† Plus 1-16 of 1 per cent per day.

RAILROAD BONDS AND MISCELLANEOUS SECURITIES.

QUOTATIONS IN NEW YORK AND OTHER CITIES.

The following tables give the latest procurable bid and asked prices of Railroad Bonds and miscellaneous securities at the New York Stock Exchange, and Southern securities not called at the Stock Exchange, and al o under their appropriate heads, the quotations of securities dealt in at other cities. The quotations represent per cent of par, and not dollars.

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

SECURITIES.	Bid.	Askd	SECURITIES.	Bid	Askd
			Erie 1st. con. f'd. coup. 7s.	123	131
RAILROAD BONDS.			do new 2d. con. 6s..........	100½	101¾
			do 2d. con. f'd. coup. 5s	95	98½
Boston, H. & E. 1st m. 7s, 1900..	68	78	Han. & St. J. 8s convertible m.	114	114
B., Cedar Rap. & N. 1s 5s g.....	102	102½	Illinois Central,...............		
Chesapeake & Ohio 6s 1st B ...	84⅝	85½	Dub. & Sioux City 1st m......	104	104
do do cy. int. def.	56½	57	do do 2d div....	110	......
Chicago & Alton 1st mortgage.	118	120½	Cedar Falls & Minn. 1st m....	115	......
do income ...	105½	107	Indp's Bloomn & W'n 1st p....	120	......
Joliet & Chicago 1st mortgage.	.....	100	do do 2d ...	76	81
La. & Mo., 1st 7s, ...	115	120	Lake Shore Bonds		
St. L Jacksonville & Chic 1st...	119⅞	120	M. So & N. I. Sink. fd 7.........	111½	112
Chic. Bur. & Qu. 8 per ct. 1st m	106⅛	106½	Cleve. & Tol. sink. fd...........	109	111
Chic. Bur. & Qu. cons M 7s	131	131¾	Cleve. & Tol. new bonds........	111	111½
do do 5s Sinking Fund	......	105	Cleve. Painesv & A bonds 7s...	117	120
Chic. R. I. & Pac. 6s 1917, cp....	129	130	Buff. & Erie, new bonds...	125	126
do 6s 1917, registered	127	129	Buff. and State Line 7s.........	126	126
Keokuk & Des Moin. 1st 5s.....	107	110	Kala. & W. Pigeon 1st m.......	114	.....
Cen. R R. of N. J. 1st 7s. 90..	121	121	Det. Mon & Tol 1st 7s 1906......	121	125
do cons. assent.	......	115	Lake Shore div. bonds..........	120	127
do conv. do...	......	117	do con c'p 1st 7s.......	128	130
L. & W. B'e. con. assented....	109	110	do con reg 1st bds.....	128½	130
Am' Dock & Imp. bonds as'd	135½	136½	do con coup 2d 7s......	126	127½
Chic. Mil. & St. Paul R. R			do con re'gd 2d m.....	126	127
M. & St. P. 1st mtg 8s P. D...	135	145	Marietta & Cin. 1st m...	120	125
do 2d 7 3-10 P. D.....	118	123	Mich. Cent. consol. 7s 1902......	127	130
do 1st 7s $ gold R. D	125	131½	do 1st m. 8s '82 s f	105	110
do 1st 7s £ do	113	113½	do equipment bds.....	......	......
do 1st M. LaC. D.....	120	128	N. Y. Cent. 6s, 1883.............	105	105½
do 1st M. I. & M. D..	122	......	do do 6s, 1887.............	111	112
do 1st M. I. & D......	125	......	do do 6s, real estate......	105	110
do 1st M. C. & M.....	124½	130	do do 6s, subscription...	104	
do consolidated s f..	122	125	do do & Hud 1st m c.....	136¾	138
do 2d mortgage 7s...	108	......	do do do 1st m reg....	136¾	137
Chic. & N. W. sinking fund....	110	113	Hud. Riv. 7s 2d m s f 1885.....	110	......
do do int. bonds.......	107	109	Harlem 1st m 7s coupon......	132	140
do do cons. bonds.....	133	134½	do do reg'd.........	132	135
do do exten. bonds...	......	108	Ohio & Miss cons s f............	122	125
do do 1st mortgage...	109	111	do consolidated 7s....	......	112½
do do coup gd bonds..	126½	128½	do 2d do............	......	122
do do reg'd do	126	127	do 1st Springfield div.	110	112
Iowa Midland 1st m. 8s...... .	128	133	Pacific R R bonds.......		
Galena & Chicago extension.	100⅝	......	Cent Pacific gold bonds......	114	115
Peninsula 1st m. conv........	120	140	do San Joaquin branch....	112	.....
Chicago & Mil. 1st m..........	125	127½	do Cal & Oregon 1st........	......	107¼
Winona & St. P. 1st mort.....	107	......	do State aid bonds	108	......
do do 2d mort.....	124	125	do land grant bonds........	105⅝	107
C. C. C. & Ind's 1s m. 7s s. f.....	125	126	Western Pacific bonds........	111	112½
do consol, M. bonds.	......	125¼	Union Pacific 1st m bds.......	118	118¼
Del., Lack. & W. 7s conv.......	119	......	do land grants. 7s...	117	119½
do do m. 7s 1907....	125	130	do sinking fund.....	128	128½
Morris & Essex 1st mor.......	140	141	Pacific R of Mo. 1st m..........	......	108¼
do 2d do	118	120	do 2d m. 7s...........	112¼	115
do 7s 1900.	120½	......	Pennsylvania R R		
do 7s of 1871.....	121½	126	Pitts, Ft W & C 1st m	139	139
do 1s con. gd....	123	125	do do 2d m.........	131	......
Del. & Hud. Can. 1s 7s. 1884....	106	109	do do 3d m.........	128	......
do do 1891....	119⅝	120	Cleve & Pitts con s f....	128	129
do Coup. 7s 1894...	120¼	121	do 4th do..........	113	114
do Regis'd 7s 1894 ...	121	......	Col. Chic & Ind cent. 1st m..	125	130
Albany & Susq. 1 s 7s..........	116	116	do do 2d m........	......	100
do do 2d do........	109	110	Rome, Water'n & Og con 1.....	93⅛	100
do do 1st c gua'd....	126½	......	St. L. & Iron M 1st m..........	117	119
Rens'r & Sara. 1st 7s. Coup..	138	......	do do 2d m..........	110¼	114
do do 1st reg'd 7s ...	138	......	St. L. Alton & Terre H. 1st 7s..	115	118

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid.	Askd
St. L. Alton & T. H. 2d pref...	115	118
do 2d do inc......	......	109
Bell & S. Ill R. 1st m 8s......	118	120
Wab., St. L. & Pac. gen. m 6s..	101	101¾
do Chic. div. 5s	93¾	99
do Han. " 6s	103	105
do Tol. P. & W. 7s.........	117	118
Wabash R. m. 7s...........	......	108
Tol & Wab 1st m ex...........	108½	111
do 1st M St. L. div.....	110½	112
do 2d m. extdg. 7s	110	111
do equipment bonds..	50	55
do cons conv'ble......	106	113¼
Gt West'n 1st m 7s 1888.......	109½	115
do 2d 7s 1893	112½	113
Quincy & Tol. 1st M......1890	110	......
Illinois & S Iowa 1st m 7s....	100	104
West'n Un bds, 1900, c'pon.....	120½	121½
do do do reg........	......	121½
MISCELLANEOUS LIST.		
Arkansas Levee 7s...	5	10
Atchison & P Pk 6s gold........	108	110
Atchison, Top & S Fe 7s, g.....	124½	125½
California Pac R R 7s gold.....	108	110
do 6s 2d m gold.... ..	106	110
Central Pac 7s gold, conv.......	100	103
Chi & Southwestern R R 7s....	124	126
Chi & Mich Lake Shore 8s.....	106	112
Chi & Can South 1st m'g 7s.. ..	60	68
Cin, Rich & F W 1 m g 7s.......	105	112½
Cleve, Mt V & Del 7s gold......	91	95
Connecticut Valley 7s gold....	65	70
Connecticut Western 1st 7s....	35	37½
Col & Hock Val 1st 7s 30 ys.....	112	118
Denver Pacific 7 gold..........	107	108
Erie & Pittsburg 1st 7s.........	102½	103½
do 7s, cons...................	110	115
Evans & Crawfordsville 7s.....	102½	107½
Evansville, T & H Chic 7s g.. .	90	100
Flint & Pere M 7s land grant...	112	115
do pref stock......	100	102
Grand River Valley 8s..........	107½	110
G'd Rapids & Ind 1 guar 7 g....	118	120
G'd Rapids & Ind 1st 7s g.......	110	115
Ill Grand Trunk 8s......	116¾	117½
Ind. Bl. & W., scrip............	20	30
Indianapolis & Vinc's 1st 7s gr.	110	115
Indianapolis & St. Louis 7s.....	80	90
Io Falls & Sioux City 1st 7s.....	110	112
Jack. Lansing & Sag. 1st m.....	108	110
Jeff'ville, Mad & Ind 1st m 7s...	115	118
Kala'zoo & South H 8s guar....	115	120
Kal, Alleghan & G R 8s gr......	110	115
Kal & White Pigeon 7s..........	110	115
Kansas City & Cameron 10s....	118	122
Michigan Air Line 8s...........	119	121
N. J. Midland 1st 7s gold........	94	96
Omaha & S West'n R R 8s......	115	120
Oregon & Cal 7s gold...........	......	......
Oswego & Rome 7s guar........	110	......
Ott, Oswego & Fox R. V. 8s....	......	....
Pitts, Cin & St Louis 1st 7s.....	120	122
Sand, Mans & Newark 7s.	117½	119
Sioux City & Pacific 6s...	......	......
Southern Central N. Y. 7s......	70	90
Steubenville & Indiana 6s......	102	104
St L & S Eastern 1st 7s gold....	100	......
Union Pacific So br 6s gold ...	110	112
Union & Logansport 7s.........	105	110

SECURITIES.	Bid.	Askd
CINCINNATI.		
COUNTY AND CITY BONDS.		
Cincinnati 4s....................	105	105½
City of Cin. consol 5s...........	114½	x115½
City of Cincinnati 6s............	122½	124
do do 7s...............	129	130
City of Covington, Ky 6s '81...	102	.....
do do 7 3-10, '81....	102	104
RAILROAD BONDS.		
L Miami & I & C con 6s	105	......
do do 1st 6s '83.......	103	......
Cin, Ham & Day 2 m 7s '85.......	107¼	x108
Dayton and Mich, 2 m 7s '84....	106	107
do do 3 m 7s '88....	107	109
Cin, Rich & Chi, 1 m 7s '95......	110	x112½
Cin, Han & Ind 1st m gr 7s.....	x 113	113½
Marietta & Cin 1st m 7s '91.....	87	90
do do 2d m 7s '96.......	30	33
Indianap & Cin 1st m 7s '88.....	109	......
Cin & In guar 1st m 7s '92.....	109	110
do 2d m 7s '77 '82.......	104	106
Indianap C & L 1st m 7s '97.. .	......	110
Day & W 1 m, 1881.	x 101	102
do 2 m, 1905..............	......	100
MISCELLANEOUS STOCKS.		
Columbus & Xenia.......... 50	150 x	160
Cin, Ham & Dayton..........100	88	x 90
Dayton & Mich 3½ guar..... 50	60	x 62
Little Miami............... 50	145½	x146
Marietta & Cin 1st pref...... .50	17	......
do do 2d do........ .50	.....	3
Cin Gas Light & Coke Co....100	170	x170½
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s..................	112	115
do 8s......................	118	120
Augusta, Ga 7s bonds..........	112	115
Charleston stock, 6s............	78	80
Charleston, S. C. 7s F L bonds..	100	......
Columbia, S. C. 6s..............	65	75
Columbia, Ga. 7s bonds........	100	......
Lynchburg 6s....................	106	107
Macon 7s bonds...	100	105
Memphis bonds 6s..	45	......
do new consols..........	50	60
do end, M & C R R......	50	......
Nashville 6s old	100	105
do 6s new	100	105
New Orleans 5s.................	71	73
do consol, 6s........... ...	80	90
do bonds, 7s............	70	......
do to railroads 6s........	65	......
Norfolk 6s	103	104
Petersburg 6s...................	103	106
Richmond 6s...	113	115
Savannah 5s	87	96
RAILROADS.		
Atlantic & Gul, consol.........	110	115
Central Georgia cons, 7s... ...	118	121
do do stock...........	120	124
Charlotte Col & A, 1 m 7s......	110	114
do do stock...	50	......
E Tenn & Georgia 6s...........	102	106
East Tenn, Va & Geo 1st m 7s..	118	122
do do stock..........	17	19
Georgia R R 7s.................	115	......
do stock............	172	175
Macon & Western Stock........	120	130
Macon & Augusta bonds.......	100	......
do do endorsed....	100	.....

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Memphis & Charleston 1st 7s...	110	......
do do 2d 7s.....	102	108
do do stock....	71	73
Mississippi Central 1st m 7s....	102	......
do do 2d m 8s....	112	115
Mississippi & Tenn 1 m.........	130	......
do do cons, 8s....	120	122
Motg'y and West P, 1st 8s.... .	103	......
do do 1st end.......	......	......
N Orleans and Jackson 1st m..	112	116
do do 2d m....	117	125
Nash and Chattanooga 6s......	100	115¾
Norfolk and Petersb 1st m 8s...	104	......
do do 2d do..	102	......
Northeastern, S C, 1st m 7s.....	126	.....
do do 2d do.....	116	......
Orange and Alex 1st 6s.........	107	......
do do 2d 6s.........	111	.....
do do 3d 8s.........	93	......
do do 4th 8s........	55	......
Rich and Peters'b 1st m 7s.....	......	......
do do 2d m 6s.... ..	......	......
do do 3d m 8s.......	102½	......
Rich and Fred'b and Pot 6s...	104	......
do do do con 7s.	118	......
Rich and Danv 1st con 6........	102	103
do Piedmont 8s......	112	114
do 1st 8s.....	......	.....
Southside Va 1st m 8s	104	......
do 2d m guar 6s......	100	127
do 3d m 6s...........	97	......
do 4th m 8s..........	......	.. ...
Southwest R R, Ga 1st m.......	120	......
do do stock	120	130
S. Caro R R, 1st m 7s, new	105	......
S. Caro R R 6s..................	70	76
do 7s 2d	123	125
Virg'nia and Tenn 2d 6s.......	103	.....
do do 3d 8s........	122	125
West Ala, 8s guar..............	119	121
Wilmington and Weldon 7s....	119	. ....
PAST DUE COUPONS.		
Tennessee State coupons......	40	50
Virginia consol coupons.......	91½	93
Memphis city coupons...	30	.....

BOSTON.

SECURITIES.	Bid	Askd
RAILROAD STOCKS AND BONDS.		
A T and Santa Fe, 1st m 7s.....	124	
do do L G........	......	......
do do stock......	140¾	141
Bost and Alb'y stock...........	......	......
Boston and Lowell stock.	......	......
Boston and Maine, stock	......	......
Boston and Providence, stock.	......	......
Chicago, Bur and Quincy... ..	156¼	161
Cin, San, and Cleve, Com. stk.	26	27
Connecticut River, stock	......	......
Eastern stock.......	50	......
Fitchburg, stock	152	153
N. Y. & New England R. R. 7s.	120	123
do do do 6s.	112	112¾
Northern (N. H.) stock...	111	111½
Norwich and Worcester stock.	......	.....
Ogdenburg and L Champ stock	47	......
Old Colony stock...............	......	......
Portl, Saco & Portsmouth st'k.	......	......
Portsmouth, Gt F & Con'y s...	......	......
Rutland pref. stock..........	27½	......
Vermont and Mass...............	135	......
Worcester and Nashua........	65	67
MISCELLANEOUS STOCKS.		
Boston Land Co	8¼	8⅝
Boston Water Power...........	8½	8¾
Pullman Palace Car	......	......

PHILADELPHIA.

SECURITIES.	Bid	Askd
STATE AND CITY BONDS.		
Penn. 5s, new, reg, '92 1902. ...	116	116½
do 6s, 10-15, reg, '77 1882.....	105	......
do 6s, 15-25, reg, '82 1892.....	101	105
Philadelphia 6s, old..	130	......
do 6s, new, over 1895..	129	130
Pittsburg 5s, reg, 1913..........	95	......
do 7s, water loan........	128	......
do 7s, street improv.....	108	......
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96.....	122½	125
Bel & Del R R, 1st m 6s, 1902....	120	......
do 2d do '85.....	108	110
do 3d do '87.....	107	110
Cam & Amboy R R 6s, 1883.....	104	104½
do do do 6s, 1889.....	108	......
do do do m 6s, 1889...	115½	116½
Cam & At. 1st m 7s, gold 1893.	116	......
do do 2d do cur, 1879.	106	108½
Cataw R R new 7s, 1900.........	117	120
Connecting R R 6s. cp. 1900.....	120	121
Del & B B R 1st m. 7s, 1905......	125	......
H. & B. T. 2d m 7s, gld 1895.....	110	110
do 3d do cur. 1895...	92	95
Lehigh Valley, 1st m, 6s, c,'98..	126	......
do do r g '98....	127	137½
do 2d m, 7s, reg 1910......	137	137
do cons. m, 6s reg 1923....	121½	123½
do do 6s, coup. 1923......	.....	122
N Cent. 2d gd. m. 5s, cp'n 1926..	100½	101
North Penn, 1st m 6s, c 1885...	105	108½
do 2d m 7s, c. 1896...	122	125
do gen. m 7s, c. 1906...	121	......
do do reg., 1906..	120	......
Oil Creek 1st m 7s, coup '82.....	102	105
Pittsb'h Titus & Buff 7s, c, 1896.	100	100
P & N Y C. & H. R. 7s, r&c 1896.	....	124½
Penna. 1st mort 6s, c, 1910......	126	127
do do do 6s reg 1910....	128	......
do cons m, 6s reg. 1905....	121	123
Phila & Erie 1st mort 6s c 1881.	......	......
do 2d mort 7s, c 1888.	......	118
Phila & Reading 1st m 6s, 1880..	121	.....
do 2d m 7s, c 1893..	......	125
do cons m 7s c 1911..	126	127
do do m 7s r 1911..	......	127
do do 6s, g r & c 1911..	117	. .. .
Pitts, Cinn. & St. L 7s c 1900....	121	122
Tex & Pac 1st m, 6s, g 1905......	......	110½
do cons m, 6s, g 1905......	100	102½
Un & Titus 1st m, 7s, 1890.......	......	109
War. & F. 1st mort. 7s, c 1896..	......	115
West Jersey 6s, d coup 1883....	100	......
West Jersey 1st mort 6s, c 1896.	119½	121
do do 7s, r & c '99..	123	125
West Penn 6s, coup, 1893.......	110½	112
do 6s. p b c, 1896.......	110	......
Lehigh Nav. m 6s, r 1884........	106¾	107
do M.R. R. r, 1897	......	118
do M conv g. r. 1894	116½	......
do M. gold, r. c, 1897	116	117
do cons m 7s r, 1911	119	120

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Schuyl. Nav. 1st m 6s, reg 1897..	105	......
do 2d do r. 1907..	93	94
do m 6s, coup. 1895..	50	......
do 6s, bt&car r 1913..	60	70
do 7s, bt&car r 1915..	65	......
R. R. AND CANAL STOCKS.		
Catawissa.................... 50	20	21½
do pref..... 50	57	57
do new pref..... 50	56½	58
Lehigh Valley.............. 50	61⅝	61¾
Little Schuylkill........ 50	55	56
Minehill..........	61	......
Northern Pacific...............	38⅝	38¾
do pref.........	78¼	78⅞
North Pennsylvania........ 50	58½	60
Pennsylvania 50	63⅜	63⅝
Philadelphia & Reading..... 50	30¼	30⅜
Pitts. Titus. & Buffalo..........	21⅛	21⅝
St. Paul & Duluth...............	......	40
do pref.........	.....	87½
United Cos. of N. J..........100	192	193
CANAL STOCKS.		
Lehigh Navigation.......... 50	43½	43¾
Schuylkill Navigation..........	6½	......
do do pref.....	13½	15
BALTIMORE.		
Maryland 6s, defence, J. & J...	105½	106
Virginia 10-40s. J. & J..........	52½	53
do deferred, J. & J....	15	18
do consol. do.......	80	80
do do 2ds do.......	40	42
do consol coup, p due......	92½	93
Balt. 6s, J., A., J., O., 1890... ..	118½	119
do 6s, J. A. J. O. 1900........	126	......
do 6s, J. & J., 1902...........	127	129
do 5s, M. & N., ex., 1916......	125	126
Balt. & Ohio, May & N.......100	198	198½
do 1st preferred	123	125
do 2d do	122	125
Northern Central, J. & J.....50	52½	53½
Central Ohio, June & Dec....50	48	49
do preferred....50	50	55
South Side, 1st 8s, J & J........	110	.....
do 2d 6s, do	103	......
do 3d 6s, do	103	......
Cin, & Baltimore 1st 7s...........	115	120
W. M. 1st m 6s gu. 1890, J. & J..	116	120
do 1890. J. & J..	113	116
W. Maryland 2d m (pref).......	108	108½
M. & Cin. 1st m 7s F and A 1891	122	123
do 2d m 7s M. and N....	86¾	87
M. & Cin. 3d m 8s 1900 J. and J..	45¾	46
Rich. & Dan. 1st m. M.and N...	105	105½
Union R. R., End. Cant. Co.....	116	118
Canton Co., 1st 6, gold, J and J.	108	110
Orange, Alex. and Mn's 7s do..	......	......

Securities.	Bid	askd
Orange & Mid. 1st 6s, M. and N.	115	120
do 2d 6s, J. and J.....	111½	112
do 3d 8s, M. and N.. .	95	100
do 4th 8s, M. and S ...	57	60
Virginia & Tenn 6s 2d J. and J.	103	104
do 8s, J. and J..	115	125
W. & W. 7s gold 1900 J. and J..	115	120
W. and Columbia and Aug. 7s.	110	111
ST. LOUIS.		
Corrected by Wernse & Dieckman, Bankers and Brokers, 203 N. Third St., St. Louis.		
BANK STOCK. Par.		
Bank of Commerce...... ...100	340	......
Laclede Bank.. 100	110	115
Biddle Market Sav'gs Bank.100	80	90
Boatmen's Sav'gs Bank.....100	117	......
Bremen Sav'gs B'k..80½pd. 100	80	100
Citizens' Sav'gs Bank.......100	54	......
Commercial Bank....... .. 100	230	......
Fourth National Bank......100	260	......
Franklin Bank 100	115	125
German Sav'gs Institution. 50	56	......
German American Bank...100	100	......
Mechanics' Bank............100	105	107
Merchants National Bank..100	117	120
Mullanphy Sav'gs Bank....100	100	......
Continental Bank...........100	125	......
Provident Sav'gs Bank.....100	104	110
International Bank 100	90	... ..
Lafayette Bank... 100	96	......
St. Louis National Bank....100	105	107
State Sav'gs Association.... 50	112	......
Tenth Ward Sav'gs Bank...100	112	......
Third National Bank.........100	98	101
Union Sav'gs Bank..........100	50	57½
Valley National Bank.......100	100	103
Northwestern Sav'gs Bn'k.100	130	.....
SUNDRY STOCKS & BONDS.		
ST. LOUIS CITY AND COUNTY BONDS.		
City 6s, Bridge Approach	112½	......
do Sterling bds, due 1898..	116	.....
do Water b'nds, due 1887..	109	......
County 6s, gold.................	109	......
City 5s, due 1900...	108	......
do 10-20 years..............	107	......
STOCKS. Par.		
American Cent. Ins. Co..... 25	29	31
Marine Insurance Co........100	110	. ....
Belcher's Sug. Refin'g Co...100	64	.....
Laclede Gas Light Co.......100	114	....
St. Louis Gas Light Co...... 50	270	......
Iron Mountain Co.........1000	900	......
Pilot Knob Iron Co.........100	75	90

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The death of President Garfield, on September 19, caused a shock that was deeply felt in business circles as throughout every other part of society. In fact, the death of hardly any public man in our times has awakened the interest of so many people, comprising every class, regardless of politics, religion or social position. But, aside from the personal feeling, the effect upon the business interests was slight and there was no change worthy of note. There were many conjectures, during several weeks, regarding what course Secretary Windom would take to pay out the money that was pouring rapidly into the Treasury, until, on September 24, he issued an order calling in $20,000,000 of the 6 per cents extended at 3 1-2 for redemption on December 24, besides $2,000,000 per week of the called or uncalled 3 1-2 per cents, until the end of October. The latter were to be paid at par with accrued interest to the time of redemption, and many doubts were expressed of the full amount being offered. But during the first two weeks the offerings were prompt. It is at present doubtful if further large receipts of gold from Europe can be depended upon to supply any scarcity of money that may occur, and the success of the plan is for that reason the more gratifying.

At last the old repudiated debt of Minnesota seems to be in a fair way toward final settlement. The bonds which represent it were issued in 1858, under an amendment to the constitution which was passed almost unanimously. The proceeds from the sale of them went to aid the construction of railroads, and upon the failure of the companies to meet their engagements the State foreclosed its liens and took possession of their property. The State thereupon, in 1860, proceeded to repeal the amendment to the constitution under which the bonds were guaranteed, by another amendment, intended to forever prohibit the payment of the bonds unless the matter were first submitted to the people. The many attempts that have been made by the bondholders, from time to time, to compromise their claims proved futile, until last spring, when a last proposition submitted by Mr. Chamberlain, the principal holder, was acted upon favorably by the Legislature. His offer was to accept fifty per cent. of the principal and interest of the claim in new five per cent. bonds to run from ten to thirty years.

An act was passed creating a special tribunal with peculiar powers. In case it found that the amendment of 1860 was invalid, the debt should be settled on the terms proposed by Mr. Chamberlain, but if the amendment was declared valid, then the matter was to be submitted to a popular vote. A decision of the Supreme Court of the State now not only declares the amendment of 1860 invalid, but it finds the bill creating the special tribunal unconstitutional, inasmuch as it delegates legislative functions. The effect of this decision is to leave the matter in the same condition as if the constitutional amendment of 1860 had never been passed, and therefore to empower the Legislature to provide for the settlement of the debt. Mr. Chamberlain having, with a great display of leniency, offered to adhere to his proposal, despite the fact that the new decision strengthened his position, on condition that the Governor should call a special session of the Legislature, a special session has been called. From the fact that the same Legislature passed the act of last spring alluded to above, it is judged that the matter will be promptly settled on the basis proposed.

The hope is even expressed in some quarters that the people of Minnesota will come nobly forward and pay their debt honestly in full. They incurred it with their eyes open and by general consent. When the companies in whose favor it was incurred defaulted, the State exacted the forfeit in full, by seizing their property and turning it over to other parties, and then meanly took advantage of its power as a sovereign State to discard its obligations and turned its back on every consideration of honor and common honesty. It is certainly a matter for congratulation on the part of every person in the United States that the people of Minnesota have come to see the error of their ways, and are disposed to wipe away the stain of repudiation from their name, but it is a little too much to expect that they will do better than their creditors demand. If the other States that have defaulted would do as well, Americans would be prouder than ever of their country, not to speak of the financial benefit that would accrue from the enhancement of the public credit.

The Senate committee having charge of the framing of a new national bankruptcy bill has made considerable progress toward a decision. It is understood that they have taken the bill prepared by Judge Lowell some time since, and modified by the National Board of Trade, as a basis of the proposed measure, a large proportion of those who have been consulted in the matter having recommended that bill.

JAMES ABRAM GARFIELD.

The President is dead! All that is mortal of that noble and impressive presence has been consigned to its final resting-place. It finds fitting repose amid the scenes which he loved, and which were the theatre of his struggles and his triumphs. We have not time nor space for eulogy, nor for even a brief record of the life, character and services of the noble man whose loss is mourned by fifty millions of people. Nor is this the place in which to characterize the infamous deed by which his life was sacrificed. These will have fitting commemoration and exposition elsewhere.

We may well indulge in pride in our Government and institutions, when we can point to Garfield as their natural product and outcome. He is our ideal of American manhood. For him were no adventitious aids in the development of his natural powers. His achievements were wrought out through labor. The surroundings of his childhood and youth were as hopeless as can well fall to the lot of any child. There was poverty, early half-orphanage, the preoccupation of toil, the obscurity of a wilderness home—everything adverse to ambition, to inspiration and to hope, save one. That was the Christian character of a mother's influence. From surroundings like these, common to thousands of American homes, the late President passed through every phase of experience common to our American life, save those where rests the taint or stain of low or vicious training. Is not here the secret of the profound and all-pervading sorrow by which the hearts of the people are stirred as never before? The humblest toiler in the land knows and feels that the form of his dead chief, bent, in its youth, in service not less common and ignoble than his own; the student is drawn to his memory by stronger ties as he recalls the early struggles of this bright exemplar of student life. In every walk in life are those who must feel that at some time in the career of the illustrious and lamented dead, his experience, his struggles and his hopes must have been upon a plane with and nearly akin to their own. Even Lincoln, child of the people as he was, did not touch so many and so varied experiences in the life of the people as did he whom we mourn to-day.

And the lesson of this life left to us to profit by, is found at every step of his pathway, from childhood to the grave, in the faithful, earnest and intelligent discharge of the duty which fell to him to do. The faithful, earnest driver on the tow-path, the faithful, earnest student, the faithful, earnest teacher, soldier, representative and Chief Magistrate, he sought to impress his own manhood, all that was best in himself, upon the work, humble or exalted, which came in his way. In the like consecration, no one of us is too humble to imitate the noble example of him whose loss we deplore and whose memory we revere.

Behind the cloud, and piercing its rifts, the sun is still and ever shining. The darkness and gloom of this hour is not without the illumination of faith and hope. The sorrow that pervades every household as a personal bereavement, the gloom that embraces a nation in its folds, is in itself a grand and inspiring attestation of the love and loyalty of all our people to the Government of their choice. The deep and sincere sympathy of other nations and peoples, so feelingly and generously expressed, can but serve to perpetuate the era of peace and good-will which now prevails. It would seem impossible, that two nations, like Great Britain and the United States, that have mingled their tears in common over the grave of Garfield, should fail to compose any difference which may arise in the future, without a resort to the terrible arbitrament of war. Within the domain of statesmanship and of diplomacy, there will henceforth be room for the play of man's nobler emotional nature. The heart will work no less than the cold, impassive intellect and brain.

And more than all should our own faith in our Government and institutions be strengthened and energized. Oh, fainting, faithless hearts, who see in the politics of to-day only a fierce struggle between degrading and ignoble forces, behold in this noble type of manhood who so grandly fills your ideal of manly virtue and heroic worth, a product of the ordinary processes of politics in our country! If we are but true to ourselves, we need have little fear that a few hundred or a few thousand politicians will, or can, seriously imperil the country of our love.

The President is dead! The President yet lives. As from one end of our broad land to the other every voice unites in the dirge of sorrow which ascends from the grave of our dead President, so, in honor, in charity, in loyalty and in love, let every voice, out of its sorrow, give cordial greeting to him who in this trying hour takes the honored chair left vacant by this sad tragedy. Let us not forget that we owe confidence and support to the living, no less than we owe reverence and tears to the dead. The wisely-chosen words of President Arthur, "like apples of gold in pictures of silver," spoken upon taking the constitutional oath in the Capitol, justify the highest hopes of his prudence, his sagacity, and of his complete devotion to the interests of the country. Let us feel assured that these will not suffer at his hands.

COMMISSIONER RAUM AND THE BANKS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 24, 1881.

BRADFORD RHODES, Esq., Editor RHODES' JOURNAL, 13 Spruce Street, New York.

Sir:—I have yours of the 19th inst., and fully note contents. It reached my desk too late in the day to send you a statement of the recent decisions upon questions arising with bankers and brokers in New York and other cities. I will forward you such a statement on Tuesday next.

I have been reading your JOURNAL, and find some very interesting articles in it. I think with you that there should be no antagonisms between the bankers and this office, and I feel encouraged to believe that most cordial rélations will be established. I have no wish to go beyond the clear provisions of the law in regard to taxing the banks, nor do I intend to have the law enforced in a harsh or hasty manner.

You are no doubt aware of the fact that the bankers, unlike all the rest of the Internal Revenue taxpayers, have, without official supervision, been left to make up their accounts with the Government for taxation, and to prepare the returns upon which the assessments were made, and until now there has been no general examination of the books of bankers to ascertain whether there was uniformity in the manner of making their returns, or that they were all paying their proper proportion of taxes. Two years ago I was on the eve of having Collector Blake make an examination of the banks in his district, but after a long conversation with him, in which he expressed the opinion that the bankers had made returns for the full amount of taxes due, I concluded not to proceed with the work.

Examinations which have been made have shown considerable amounts to be due the Government from various banks, whose officers have made deductions from their capital and deposits not warranted by law, while other bankers, with apparently greater knowledge and care upon this subject, have made full returns of all taxes due the Government. I think in the great majority of cases the banks, when shown their liability, will make payment without litigation. Some banks and bankers, who from their own statements are liable to further taxation, have declined to allow their books to be examined, although they may be summoned to produce them. I regret to see this, for I think the bankers of the United States, who are understood to insist upon the observance of contracts and the enforcement of the laws, should set an example to other tax-paying citizens, by showing a willingness to pay promptly such taxes as may be imposed upon them by law.

Yours very respectfully,

GREEN B. RAUM, Commissioner.

The above letter was not originally intended for publication, but permission to publish it has been obtained, in order to show the feeling of the Commissioner respecting the matters in dispute between him and many of the banks and private bankers. There is no doubt that much injustice has been done to him in certain quarters by ascribing to him views and purposes which he did not entertain. He has also been blamed to some extent for making decisions which the law was responsible for, and which were not left to his discretion. Upon some of the decisions recently disputed, the United States Treasurer had ruled many years ago, and the national banks have uniformly paid taxes in conformity thereto without demur. It must be acknowledged, even though we may differ with his rulings on some points, that Mr. Raum has acted conscientiously. As he is an officer of the Government it is his duty to protect its interests, and he is bound to obey the law even though it is oppressive and absurd.

In one respect, however, aside from any of the matters involved in the decisions, the Internal Revenue Bureau is certainly blamable. That is, in allowing a large number of banks and bankers to make up their returns from year to year, for a long period, on a wrong basis, and then suddenly pouncing down upon them with a demand for the deficiency found to be due under the new decisions, together with a heavy penalty in some cases. It may be said in defense of the Department that, if the delinquents had paid their taxes honestly and according to law, they would not now be in trouble. But the fact is, that many of the points just decided involve fine questions upon which two different opinions may very easily be held.

For instance, how was the agency of the Bank of Montreal to know that the Department would consider amounts sent to it by the parent institution for investment, as taxable deposits or capital? Or, how were other banks to know what the rulings of the Commissioner would be regarding the question whether checks for clearings should be considered as deposits, or cashiers' checks, or margins on option dealings, or accounts upon which special interest is paid, or money borrowed by a bank on certificates of deposit, or checks deposited drawn upon out-of-town banks, or money borrowed on Government bond or other collateral. It is very certain that among several thousand parties, upon these points as well as the others involved, such as whether overdrafts should be deducted from the amount of deposits, or whether drafts received for collection are deposits, the opinions would vary without end. It was the duty of the Department to have had its rulings on these matters promulgated many years ago, or in the absence of such rulings, it should forego its demand for the back taxes, excepting in cases where dishonesty can be shown on the part of the delinquent.

It may be objected that those banks who have now to pay up for past deficiencies are as well off as if they had been called upon to pay the tax regularly each half-year. But this is not true by any means. The concerns in question have been doing business upon the basis of what they supposed the legal taxation. They have done much business which they would not have done had they known that a tax was to come out of the profits. They have borrowed money where they would not have done so had they known it was taxable as a deposit, and they have allowed many privileges to their customers which they could not afford, and which they would not have afforded had they known what the ruling of the Bureau was to be. Thus many a transaction upon which a profit was reckoned years ago will now prove a source of loss to the bankers, by reason of the previous neglect of the Bureau to fulfil its duty. It is for this reason that we argue that it is not right for the Bureau to claim back taxes in doubtful cases, upon which a decision has now, for the first time, been declared by the Commissioner. To claim a penalty in such cases would be outrageous. It might be legal but it would certainly not be just.

In the meantime it will serve no useful purpose for any bank or banking firm to refuse to show their books to the proper officers. If they are not liable for unpaid taxes it will do no harm to prove the fact, and if they are, it will only prejudice their cases to refuse the examination, which is according to law. If they dispute the claims of the Bureau let it be done in the courts, and with arguments based upon law and equity, and not by taking a course in which they are certain to be beaten and which can only injure them.

It is a source of satisfaction to know that the arguments before the Commissioner, on September 14 and 15, have induced him to modify the terms of Circular No. 237 as regards Clearing-House checks. The new circular, which has not yet been issued,* will, we are informed by telegraph, contain the following: "Where deposits are made of checks or drafts which are immediately carried to the credit of the depositor, and which are subject at once to payment by check or draft, they must be treated as deposits on the day the same are received, and entered to the credit of the depositor. But in adjusting the daily balances of deposits Clearing-House settlements will be recognized, and banks and bankers will rectify the balances appearing on their books at the close of each day's business by deducting the amount of checks received from the Clearing-House each morning, treating such checks as though

* Since writing the above the decision referred to has been published, and will be found in full in another part of this number of the JOURNAL.

they had been received and charged up before the close of business on the previous day."

This ruling refers especially to the city of New York, where the settlements for each day are made at the Clearing-House on the next morning, for the reason that the great volume of the business done would make it very inconvenient to do it on the same day. On this point the Commissioner has been the subject of much unjust criticism. Mr. Blake, the Collector of Internal Revenue for this district, did not understand, nor did we, that the former ruling was calculated to discriminate against the New York banks, or that it was to be construed in a sense essentially different from the above.

Commissioner Raum is doing a good work in this respect: he is making an honest effort to wipe out old scores, to place his Bureau above the plane of intricacies and technicalities, in order that the bankers, like other Internal Revenue taxpayers, may know exactly what to do to fulfil the law's requirements.

An interesting fact in connection with the movement of specie is to be found in a comparison of the net imports of gold into this country, as compared with the net importation of specie. With the fact borne in mind that the United States is a large producer of silver, the following figures may have a double significance. For the fiscal year ended June 30, 1880, the net imports of specie amounted to $75,891,391, while the net imports of gold were $77,119,371, showing a substitution of gold for silver of $1,227,980. For the year ended June 30, 1881, the net imports of specie amounted to $91,168,650, and of gold to $97,452,737, showing a similar substitution of gold for silver to the amount of $6,284,087, or a total for the two years of $7.512.067. In July, 1881, the excess of net imports of gold over those of specie was $815,713, and in August it was $452,439, a total for the two months of $1,268,152, or more than for the entire fiscal year 1879-1880.

During the same two months last year there was an excess of imports of silver over exports, of $325,965, which would make an increase in the substitution of gold for silver during the two months in 1881, as compared with the same months in 1880, of $1,594,117. If there should be a corresponding increase during the current fiscal year, the aggregate amount of gold substituted for silver would be nearly $16,000,000. What is the cause of this movement, by which the United States is enabled to replace its silver with gold from abroad is an interesting question, but for nearly two years this operation has been proceeding, and the amount thus exchanged has been steadily increasing. If this country can market its silver abroad, and obtain in its stead foreign gold, the danger arising from the accumulation of silver in the Treasury may yet be avoided. The movement in that direction, however, has not yet assumed such proportions as to justify anything more than speculation as to what the cause and the result may be.

TREASURY GOLD AND SILVER CERTIFICATES.

Late in February last the Clearing-House in this city "resolved" to ask the Secretary of the Treasury to issue Treasury certificates of deposit in exchange for gold coin, which certificates are authorized by act of Congress of March 3d, 1863. The action of the Clearing-House was submitted to Secretary Sherman, and he very properly said: "I shall leave this office in a few days, and my successor will be the proper Secretary to act on your matter."

The following is an extract of the act of Congress referred to:

SEC. 254.—"The Secretary of the Treasury is authorized to receive deposits of gold coin and bullion with the Treasurer, or any assistant treasurer of the United States, in sums not less than twenty dollars, and to issue certificates therefor in denominations of not less than twenty dollars each."

It will be observed that the act is *permissive*, while the act for the issue of silver certificates against a deposit of silver dollars is *mandatory;* hence, in the scarcity of legal-tender and bank notes, these silver certificates are resorted to for currency, rather than to be burdened with even gold coin.

At the Bankers' Convention recently held at Niagara Falls this question naturally came up, and a resolution was offered, asking the Secretary of the Treasury to issue the gold certificates. A discussion arose which only proved the truth of the old saw, "Many men, many minds," but finally it was resolved to ask for gold certificates, but in denominations not under one hundred dollars, and it is quite probable that Secretary Windom will act as desired by the bankers.

It certainly will be a great convenience with the people to have these certificates in denominations as small as the law permits, and it is not easy to see why the bankers should object to the twenty and fifty dollar denominations. Hundreds, five hundreds and thousands are convenient for banks to remit and to handle, but they are not the denominations for the people at large, and Secretary Windom, who is eminently a people's man, will probably think it as well to accommodate the people as the banks.

It certainly appears desirable to have the gold deposited in the Treasury, and to have the Treasury certificates outstanding in the people's pockets, instead of gold coin, which is not desirable. It is also desirable to have the people hold gold certificates instead of silver certificates, which are now being freely used in the South and Southwest. It seems as though the withholding of the gold certificates is intentional, for the purpose of flooding the country with silver or with silver certificates.

From 1863 to the time of resuming specie payments (fifteen years), the gold certificates were issued. Some of them are still outstanding, and are counted as gold in bank reserves. Here is a copy of one which was shown us at the Chase National Bank:

$100.	It is hereby certified that One Hundred Dollars have been deposited with the Assistant Treasurer of the United States, payable in Gold at his office to the order of George Ashley—New York, Dec. 1, 1877. W. G. WHITE. JOHN ALLISON, Register of the Treasury.

We also give a copy of the silver certificate:

> "This certifies that the bearer has deposited with the Treasurer of the United States at Washington, payable at his office to the bearer on demand Ten Silver Dollars.
> JAS. GILFILLAN, Treasurer."

The issue of gold certificates was discontinued, as a precaution, on resuming specie payments. It was thought advisable to discourage drafts on the Treasury, to encumber those who desired gold with the coin itself, and with all its inconvenience and liability to public criticism. During the fifteen years that these gold certificates were issued gold was scarce and currency plentiful, hence they were used only by the banks. Now currency is scarce and gold plentiful, hence there is a greater demand and better reason for their re-issue, for the people as well as for the banks.

In the first of October exhibit of Treasury "assets" and "liabilities" it is shown that 52 millions of silver certificates are outstanding against 66 millions of standard silver dollars held under lock and key. The exhibit also shows 5 1-4 millions of gold certificates outstanding against $174,000,000 of gold in the Treasury.

[We are indebted to John Thompson, Esq., Vice-President of the Chase National Bank of New York, for the data and other valuable features of this article.—*The Editor.*]

The number of mercantile failures in the United States during the third quarter of the current year (ended September 30), as reported by the Mercantile Agencies was greater than in the corresponding quarter of last year, being 1,024, against 979 then; but the amount of liabilities was considerably less, being $10,112,365 in the last quarter, against $12,121,422 in the third quarter of last year. The amount for the Middle and Western States compares very favorably with that of last year, while the Southern States make a comparatively unfavorable showing. Notwithstanding the decrease in the amount of liabilities in the past three months, as compared with 1880, the total for the last nine months shows an excess of $6,000,000 over the figures of 1880.

THE BANKS AND THE PEOPLE;

OR, BUSINESS COMMON SENSE IN BANK TAXATION.

Is a bank a good thing or a bad thing? Some might answer this question by saying that the banks are a good thing for their proprietors or shareholders. But what is here intended by "a good thing," is something that is beneficial, not to a particular class, but to the country, to the community, to people in general. Even when the question is put in this form: "Is a bank beneficial to the community?" there will be no hesitation on the part of most intelligent people in giving an affirmative reply. But, to those who have given no particular attention to the matter, it may be worthy of a few minutes consideration.

When we come to compare the countries that are the most prosperous, with those that are most backward in wealth and the arts of civilization, it is found that they differ in nothing more than in the matter of banking facilities. In barbarous nations, of course, no banks exist whatever; nor in States so low in the scale of civilization, as Morocco, Africa. In countries somewhat more advanced, such, for instance, as Russia or Mexico, we find a very few banks, and those generally under direct control of the Government. But, in the countries which are most prosperous, where trade flourishes, where agriculture and manufactures are carried on to the best advantage, where people are best fed, best clothed and best educated,—in the United States, Great Britain, France, Germany, banking is at the highest degree of efficiency. There are more banks to the number of people, and banking facilities are availed of continually.

What is the reason of this? Is it because some sharp people set up banks and manage matters so as to compel others to use them? Not at all. There is not the slightest compulsion upon any man in the United States to deposit his money in a bank, instead of keeping it in his safe or his pocket. In fact, there are numbers of people who tie their money up in an old stocking, or hide it away in an old tea-pot, and no one has any right to interfere or complain. But men of business find banks absolutely necessary, in order to carry on transactions of any amount. Therefore, banks are established and used to such an extent in this country.

There is not a man, woman or child in the United States who is not indebted to the banks to some extent. Everyone who makes anything gets more for it, and everyone who buys anything pays less for it than if there were no banks. This is a matter of simple demonstration. The farmer of the West, the planter of the South, has to sell his produce to the merchant of the East. The manufacturer of the East has to sell his wares in the South and West. How could this interchange of commodities, amounting to many millions of dollars worth every day, go on without the medium of banks? Why, if there were no banks, the money would have to be continually carted backward and forward between buyer and seller, across the country, entailing risk of loss, expense of carriage and loss of interest. The fact is, the present amount of business could not be, and never was done in any country without the aid of banks.

The saving by this means, even in making payments between parties in the same place, is immense. In the city of New York, during the week before this was written, the amount of exchanges at the New York Clearing-House was over 625 millions of dollars, a small average. This represents only a portion of the amounts that were paid by checks and drafts during the week. Imagine the condition of affairs, if over a hundred million of dollars daily had to be carried about the streets in making payment for goods purchased, etc.

Some numbers recently compiled by the Hon. John Jay Knox, Comptroller of the Currency, shows to what an extent the people of this country find it convenient to use checks and drafts instead of money in making payments. On June 30, 1881, the total receipts at 1,966 of the national banks were $284,714,016. Out of every $100 of that amount, $95.13 were in checks and drafts, $4.06 were paper currency, 65 cents were gold, and 16 cents silver coin. It is given in tabular form as follows:

	No. of Banks	Receipts.	*Proportions.*			
			Gold Coin.	Silver Coin.	Paper Currency.	Checks, Drafts, etc.
			Per Ct.	Per Ct.	Per Ct.	Per Ct.
N. Y. City......	48	$167,437,759	0.27	0.01	1.02	98.70
Fifteen cities...	187	77,100,.15	0.76	0.15	4.71	94.38
Elsewhere.......	1,731	40,175,542	2.05	0.77	15.47	81.71
United States...	1,960	$284,714,016	0.65	0.16	4.06	95.13

This business has grown to its present volume in comparative recent times, and it has been necessitated by the growth of the country in population, wealth and prosperity. It is well-known that in primitive times all exchange of goods was carried on by means of *barter*, one commodity being exchanged for another, without the use of money. But with the expansion of commerce, the use of currency became necessary, and so *money* came into use. It, in fact, became in time so indispensable, that a lack of money was considered a great misfortune to a country. But as civilized countries advanced in commerce and the industrial arts, *banks* became necessary, just as money or currency was necessary before, and, consequently, checks, and drafts, etc., are now so largely used instead of either coin or paper currency.

It is very plain that banks are useful to business men in the way stated above, but another, and perhaps their chief use, has not been mentioned. In the meantime, it may be pointed out that they incidentally benefit everybody in the country. They reduce *friction* in business, enabling it to be carried on more cheaply. This, assisted by the competition of the merchants and manufacturers, necessarily causes goods to be cheaper to the consumer, without at the same time reducing the price given to the producer. As everyone (including Dr. Tanner and Mollie Fancher) is a consumer to some extent, everyone is benefited by the banks.

The other means by which business is assisted through banking need not be so fully dwelt upon. The use of checks, drafts, etc., which is rendered possible through banks, saves not only great trouble and expense of transportation, etc., but allows a much greater saving in another way, as above shown, viz: in that a very much smaller amount of cash is required (or properly, nine-tenths less), for the transaction of the business of the country than would otherwise be necessary. A like economy in the use of actual capital is effected by means of the loans and discounts made to business men by the banks. The amount of such loans by the national banks on June 30,1881, was $1,140,750,198; their capital was $460,227,198, showing that capital to the amount of 680 million dollars is in use in business through the medium of the national banks alone, which would otherwise for the most part be lying idle. The banks gather up the surplus capital of the country, which is temporarily employed by its owners, and loan it out again, so that it remains always in use to the best advantage. The gain to the country by this means is very large, but it cannot be made the subject of exact calculation. It is estimated, however, from reliable sources, that the amount loaned by all the banks, except savings banks, is not less than 1,650 million dollars; their capital in 1880 was 650 million dollars, showing that the banks gather up 1,000 millions of idle capital, which they distribute to those who can make a good use of it in business. If the borrowers gain five per cent. net upon this, or 50 million dollars, the country is enriched to a large share of that amount yearly, entirely by means of the banks. At ten per cent. the gain would be 100 million dollars. These numbers represent amounts that are for the most part actual gain to the country, that would not have been made at all without the medium of the banks.

But what need is there for this elaborate argument, to show the benefit which the country derives from the banks? No one disputes it. The matter is too plain for argument. But notwithstanding this, strange as it may appear, the Government of the United States treats the banks as if they were something injurious, that ought to be discouraged, if not entirely suppressed. There is no business, no industry whatever that is so hampered and burdened with needless and annoying taxes as the banking business. To specify the United States taxes alone: there is an annual tax of 1 per cent. upon circulation; of 1-2 per cent. upon capital, except what is invested in Government bonds; of 1-2 per cent. upon deposits, and the stamp tax of two cents each upon checks.

In addition to the above, the banks have to pay taxes to the respective States to even a larger amount. Taking the national banks as a criterion, the ratio of Government taxation to capital is 1.5 per cent., and of State taxation 1.7 per cent., making a total of 3.2 per cent. on the average. When we consider the extremely low rates of interest which have prevailed of late years, and it is from interest upon loans that banks derive their profits, it is a source of surprise that the banks have been able to exist. These figures, however, give only the *average* taxation, but in some places it rises far above the average. In New York City it was recently 5 1-2 per cent.; in Chicago, 5.8 per cent.; in Nebraska, 5.2 per cent., and in Colorado, 6.7 per cent. These are a few of the extreme instances.

It may be thought that the banks have made pretty good profits in spite of this onerous taxation. But let us look at the facts. It is impossible to give the figures regarding the banks in general, but those of the national banks, which no one will claim to be in a worse condition than the State and private banks, will give a fair idea of the results of the present law. The number of banks passing dividends in the first dividend period of 1880, was 226, with a total capital of $30,-407,200; in the second period the number was 233, with a capital of $26,334,150; while during the last five years the average number of banks, semi-annually passing dividends on account of losses, has been 279. The average amount of capital upon which no dividends have been paid during that time, is $42,266,244. So that during five consecutive years, about one-seventh of the national banks paid no dividends, and nearly one-tenth of the capital was unremunerative.

The tax upon circulation, of course, applies principally to the national banks. Although, in view of the legal restrictions, and the prevailing low rates of interest, the rate of the tax is large, yet it may be fairly considered as payment for a privilege. But the other taxes press equally upon all banks. While they tend to depress an honorable business, which is of the highest utility to the country, the proceeds are not needed by the Government. Their abolition has been recommended by Secretary Sherman, and Internal Revenue Commissioner Raum, while Comptroller Knox has repeatedly urged such action. In the Comptroller's report of December, 1880, he shows that were the entire tax upon banks and bankers of the country, including the two cents check tax, as well as the tax upon matches and patent medicines, removed, the amount of revenue received by the Government from the tax on spirits, beer and tobacco, and from customs duties, would alone be sufficient to meet its expenses, and reduce the public debt at the rate of at least seventy millions annually. In fact, since the reduction in the rate of interest on the public debt, and with the present income, the Government could pay off 100 millions of the debt annually, if these taxes were abolished.

The Comptroller says: "The enormous State taxes which the banks and bankers of the country have paid for a series of years, and still pay, and which are in a much greater ratio to values than are those imposed on any other species of property, are as much as should be imposed upon this great interest, and particularly at a time when the rates of interest throughout the country are being greatly reduced."

The taxes upon capital and deposits are not only burdensome, but they are imposed unscientifically. The tax on deposits realizes to the Government about 6 1-2 millions, and that on capital less than 1 1-4 millions, making a total of 7 3-4 million dollars, but in all probability they cost the people several times those amounts. The tax on capital makes it more profitable for banks to employ a small capital; but it is for the interest and safety of the people that a large capital should be used. Again, the tax on deposits makes it necessary for a bank, in order to earn a profit, to keep on hand only a small reserve; but the interest of the people demands a large reserve. Therefore, the law is directly opposed to the interests of the people.

These taxes were first imposed in time of war, when it was necessary to the existence of the Government that everything possible should be taxed. Most of the internal taxes have been gradually abolished or reduced, but the taxes on the banking business remain as heavy as at first, a reproach to the intelligence and sense of justice of the American people. They seem as if intended to destroy the business. They are not imposed upon gains, which would be the only fair way to tax. The more conservatively and safely the banker carries on his business, the more the tax presses upon him.

FRENCH COMMERCIAL TREATY NEGOTIATIONS.

The negotiations that were carried on during June between the representatives of the English and French Governments, for the purpose of arriving at an agreement for a new commercial treaty, were broken off by a disagreement between the Commissioners. The hopes of finally coming to any arrangement having been dampened by this failure, the "fair trade" movement in England in favor of a retaliatory tariff was renewed with more vigor than ever. On the part of prominent Englishmen who were determined free traders, the feeling was pretty general that England should refuse to enter into any treaty less favorable to it than the old one.

An invitation was afterward sent by the French Government to renew the negotiations which, as no assurance was given that the old treaty would be renewed after November 8, was not accepted. The London "Times" in commenting upon the matter said: "The greatest trading nation in the world has no need to approach France, cap in hand, and beg her to come to terms."

M. Gambetta, speaking at a banquet at Honfleur on September 7, expressed himself strongly in favor of a new treaty. Mr. John Bright, in a letter published on the 10th, ascribed the prevailing distress to bad harvests and not free trade. He says: "The best authorities calculate that in consequence of bad harvests during the last three years the country has already lost £200,000,000. The way in which we have passed through this time of trial is a strong proof of the wisdom of the free trade policy." On September 13 the Trades Union Congress made a demonstration against the fair trade movement, by enthusiastically cheering a paragraph in the president's speech "condemnatory of any return to the nonsense of protection." On the 14th a meeting of the committee of the Farmers' Alliance in London passed a resolution condemning the reciprocity and fair trade movement, and declaring that if protection is restored the interest of agriculture will be the first to suffer; while on the same day a large meeting at Coventry passed resolutions in accordance with the views of the Fair Trade League. These things indicate what an absorbing interest has generally taken in the question.

At about this time it was announced that negotiations would be begun at Paris on September 19. Upon re-opening the negotiations, M. Tirard, the French Minister of Commerce and Agriculture, said the labors of the negotiators would be lightened by the conciliatory spirit actuating them: "We were unable to grant a prolongation of the treaty until we felt assured of the conclusion of a new one at no distant date. The uncertainty which so long prevailed will shortly be succeeded by a definitive regime drawing closer our political relations —a consolidation which has proved so beneficial to the whole civilized world." Sir Charles Dilke expressed his thanks for these cordial sentiments, and renewed the assurance that Her Majesty's Government was most anxious to conclude a treaty advantageous to the two countries.

Late dispatches indicate that there were some difficulties in the way of an agreement. The London "Times" of September 30, says: "We believe the statement that substantially, as regards all articles except cottons and woolens, the joint commission has either agreed or is likely to agree has some foundation, but, notwithstanding this progress, the disposition of the French negotiators is not altogether reassuring, and the exceptions are so large that, until we hear of their being satisfactorily dealt with, we cannot attach much value to the settlement of other points." On October 1 it was believed that the English commissioners would return home to receive fresh instructions, and that negotiations would be renewed on the 24th.

REGARDING RECENT PROGNOSTICATIONS.

The recovery of business from the depression of years has been so decided, and it has been characterized by changes so momentous and strange, that it is no wonder that the question of the probability of an impending crisis should have come up for discussion. A great deal that has been written upon the subject was so evidently inspired by the prejudices or interests of the writers or their friends, as to be practically worthless. But, even where there has been an honest intent at fair reasoning, a confusion of terms has often appeared, and a misunderstanding of the value of facts, that tend to invalidate the conclusions that have been drawn. An examination of a few of the terms and arguments that are used every day may serve to throw some light, not only upon the subject at hand, but upon other important matters cognate to it.

In the first place, it is evident that there is some confusion among those who have argued for or against the probability of a commercial crisis, as to what it is that is feared. It is often spoken of as something like the crisis of 1873, and again as the long period of depression which followed that year. It is speculated upon, on one hand, as being something depending entirely upon the condition of the money market, or the amount of money in the country, and, on the other, as depending upon the quantity of available capital and the amount that is being absorbed in various ways. Again, the two things, crisis and commercial depression, are sometimes spoken about and argued about in a single article, as if they were one and the same thing.

The fact is, that, although a period of depression may begin with a crisis, it is not necessarily so. There may be a crisis without continued depression, and there may be depression without a crisis.

It is not for the sake of making a merely verbal distinction, but to justify the present use of two terms to denote two different things, that their definition, according to Webster'sDictionary, is given:

CRISIS, The decisive state of things, or the point of time when an affair is arrived at its height, and must soon terminate or suffer a material change.

DEPRESSION, A low state of business or of property.

We have here two different things, and now let us see in what way they are connected and where the important difference arises. September 24th, 1869, commonly known as Black Friday, was a good specimen of what is properly called a crisis. Terrible as that time was to many people in the vicinity of Wall street, it had little effect upon the business of the country generally. It was purely a matter of money as distinguished from capital.

In the fall of 1873, when the great banking concerns began to fail, there was no monetary crisis until people began to fear that if the banks suspended their deposits would not be available. Then there was a scramble for greenbacks, and the banks devised the expedient of doing business with certified checks and loan certificates. In that case the depression of business lasted for years. That depended upon capital. The monetary crisis which depended upon money was an affair of a month or so.

But was not the depression caused by the crisis? It would appear to be a common opinion that it was. But how was it in England? There was no such crisis rising to the point of panic there, and yet there were the same years of depression. We have it on the authority of an excellent judge, practically and theoretically, of financial affairs, Mr. Henry Hucks Gibbs, late Governor of the Bank of England, that the reason why there was no panic there was because the Bank took proper measures in time. In 1866, there was a genuine panic in London, when notes were hoarded by the public as they were in New York in 1873. As Mr. Gibbs shows, the usual means were taken to tide over the crisis, which have been approved by nearly every financial authority, except in one particular. That is (in 1866) loans were freely made by the Bank of England, but the rate of discount was not raised soon enough, and hence the panic. Comparing the two periods in question, the same authority says, that in 1866 the bank "did not err in lending, but in lending without raising the rate, and shortening the period of the loans. There has been as severe a crisis since that time, but it did not reach panic-point, and was never in danger of doing so. The rate was raised in due time, and went on being raised, till the effect was produced; all applauding, and the very victims not complaining."

A crisis being then a matter of money and banking and necessarily of short duration, it is evident that this is not what is feared at present. And yet how often we hear that the shipments of gold from Europe are going to secure the business interests of the country from disaster; or, that the extension of railways and telegraphs, and the increase of banking facilities will have the same effect. The fact is, that the natural effect of these things is to render the country all the more liable to monetary crises and panic, and with the extension of banking all the more caution and reserve is demanded on the part of bankers and those who have charge of the disposition of capital.

It is notorious that Great Britain and the United States, where banks are most used, have long been more liable to monetary crises than France and other continental countries where they are less in favor. The reason of this is not hard to understand. By the use of checks, drafts, etc., instead of money, there is a great saving of capital, because by their means a great deal more business can be done with the same amount of cash. But, at the same time, the element of *confidence* plays a more important part than before. It is this that makes a check or a few figures in a pass-book, with the simple initial of a teller against them, appear to an American as good as only gold appears to a Frenchman. But if, from any cause, this confidence be shaken or destroyed, the consequences are likely to be disastrous. Every one wants to test the foundation of his previous confidence. Doubtful securities are thrown upon the market and money is withdrawn from the weaker banks. The loss of confidence is shown in a hundred ways.

In such a case, if the basis of credit be sound at the bottom and the confidence is found to be justified by the condition of things, there will be a recovery and renewed activity in business. But if, on the other hand, it be found that business has been carried on upon an unsound basis, and too much capital has been squandered or injudiciously invested, a period of depression is almost certain to ensue. But, in the same case, and if there has been a large waste of capital, depression may come without any previous crisis rising to panic. It is evident that it is this depression of business that continues through long years of failure and distress, of "hope deferred" that "maketh the heart sick"—it is this that is most dreaded and that everyone would like to avoid.

One remark, by the way, needs here to be made. The tone which is too often taken in discussing the matter should be earnestly deprecated. It is as if the community were divided into "bulls" and "bears," with interests constantly at variance. On this theory, any one who says that capital is being wasted in foolish projects, is immediately set down as a "bear" who would like to see the country on the brink of ruin for the sake of a trifling gain to himself. Fortunately, the reminders of men, like Comptroller Knox or Mr. John Thompson, cannot be so summarily disposed of.

It is this unreasoning, uncalculating spirit of contempt for the counsel of the wary and experienced that is the most discouraging part of the present outlook. It is even denied in some quarters that the expenditure of capital in railways, that will not pay for many years to come, can do any harm; whereas, it is almost as much a matter of demonstration as any mathematical proposition that the conversion of too great a proportion of floating capital into fixed capital (buildings, railways, bridges, canals, etc.) is one of the principal causes of the periods of depression that characterize modern traffic.

A contemporary views with complacence the estimate of the "Financial Chronicle" that there were spent nearly four hundred million dollars on railways in this country during the first eight months of this year. It had supposed that the amount might be even larger. Parties who feel thus are apt to magnify the effect of an import of one hundred and fifty million dollars of foreign specie in two years, an amount which we can expend in three months upon the single item of railways.

As to the probability of another period of depression, it may be said that it is certain to come sooner or later, as such periods are bound to occur from time to time until full and correct statistics are circulated, and the knowledge to make the best use of them is generally diffused. In the meantime, it is not probable that the savings of the people during the late years of depression will be very soon scattered, or that the valuable lessons derived from the experience of those years will be soon forgotten. Therefore, a general collapse is not anticipated for some time to come. If the people, however, only understood that it depended for the most part upon themselves, the time might be indefinitely deferred. But this large writing about the immense wealth and resources of the country, which are to prevent any catastrophe in the future, can do only harm at a time like the present, when confidence and speculation need no spur. No doubt the country does possess vast wealth and resources, but these things alone will not prevent great fluctuations in business in the future any more than they have in the past.

In commenting upon the determination of the Internal Revenue Department to tax sums of money lent to the agencies of the Bank of Montreal and other Canadian banks by the parent institutions, RHODES' JOURNAL of July, 1881, said: "But cannot Government properly divert some of that interest (earned by the agencies) into its own coffers? If it does so, the consequence must certainly be to drive the capital away. The difference between the earning power of money is scarcely so much in favor of this country as compared with Canada, that a tax of one-half of one per cent. per annum will not serve to exclude it. The freedom which the capitalist enjoys of taking his money to the best paying market prevents the Government from taking part of his profit." Now, the Montreal "Shareholder," in comparing the statements of the condition of the banks of Ontario and Quebec on July 31 and August 31, says: "A noteworthy change is also observed in the items 'due from banks in foreign countries' and 'due from other banks in Great Britain.' In the former there has been a decrease during the month of $6,677,851, and in the latter an increase of $3,087,013. It must not be imagined, however, that this important change is due to a simultaneous movement on the part of all the banks. It is brought about almost altogether by transactions of the Bank of Montreal. Referring to the detailed Government statement, we find that on the 31st of July the balances due the Bank of Montreal from banks in foreign countries, *i. e.*, the United States, amounted to $14,056,769, while on August 31st they amounted to $8,697,052; also that balances due from Great Britain were on July 31st, $142,016 and on August 31st $3,217,477. This shows that the Bank of Montreal has of itself effected the decrease in the amount due from the United States, doing so by transferring something like $3,000,000 of debits from its New York to its London agency, and by the sale of sterling exchange bought in New York."

A FRENCH VIEW OF THE MONETARY STANDARD.

[In another portion of the JOURNAL will be found a *resumé* of European views on the recent remarkable rise in the rate of discount, and the probable effects which may be expected from a continuance of the drainage of gold. In order, however, to form an intelligent conception of this difficulty, it must be borne in mind that the question of the monetary standard comes in to complicate the matter. In the last number of the well-known French periodical, the *Revue des Deux Mondes*, we find a summing up of the situation of the standard problem, one which the writer sees no way out of—surrounded, as he thinks it is, with the gravest economic and social dangers. Although the subject is usually considered a dry one, it is presented in an entertaining way, and with that conciseness and clearness, which seem to be a prerogative of some French writers. The following is a condensed translation.]

Old things are difficult to meddle with. A house or ship may do well enough. but the instant they are to be overhauled there is no end to the repairs which are absolute necessities, until, at last, the owner regrets that he did not allow matters to stand as they were. It is the same with the monetary system. The old system did well for generations, but now a reform is demanded by some as being urgent, while others consider it perilous. Some put forward the *necessity* of a single standard, but then some countries, as England, have gold, others have silver, as India, while others, as France, have a double standard. There are both advantages and dangers in having a double liberating coin. France used gold and silver during three centuries, and during seventy-five years there was no inconvenience experienced from the double standard.

Two problems are before us: we must resign ourselves to a rise in all prices or procure a general lowering of prices with the poverty of the producers. Economists are divided on this question. The true and the false have been brought forward; it has been proved to be clear and to be obscure.

The question is this: Gold is 15 1-2 times more valuable than silver, and has been so for a century. Silver will not be coined for you, but gold will be in Paris, London, Utrecht, Stockholm and Philadelphia. The price for silver bar has declined. Thirty-one kilos of silver, which were formerly worth 2000 grammes of gold are now worth only 1700, and some persons say will shortly not bring more than 1500 grammes. But why this solicitude? Because everybody is interested in the value of silver. The five-franc piece has lost, even in England, and, once depreciated in value, all the French silver pieces, of which so many have been brought into circulation in the East, will be coming back from the Indies and China. The silver bar when coined gains 15 per cent.! Counterfeiters everywhere have nothing to fear; they can use good metal. France had a long experience with the two metals, and great fears were entertained when the Californian and Australian fields began to make the gold production ten times what it was. In 1850 the Dutch began to regard gold with great suspicion, and coined silver only. The limitless coinage of gold means an indefinite demand for the coin. Twenty milliards of gold were thrown on the Paris, London, and New York markets. Still the decline of value was small, but silver disappeared and was sent to Asia. The value of gold has declined, however, and that of silver with it. One writer says, vehemently, "If silver has depreciated it is because Germany had the idea of demonetizing it, and that the French government became alarmed and suddenly stopped coining." But this was not so. France was only taking necessary precautions. France has now more coin per inhabitant than any other nation ou the globe.

Three solutions are proposed: *Bi-metallism*, *mono-metallism gold*, and the maintenance of the present imperfect bi-metallism, which is known as the *halting bi-metallism*. A fourth solution is being spoken of—*mono-metallism-silver*.

The adversaries of bi-metallism say: "It is impossible to regulate by law the price of a merchandise. Gold and silver are merchandise. The pretence to regulate their prices, however it might succeed for a time, is an absurdity." Experience proves this to a certain extent. The relation of gold to silver was 12 to 1 in the sixteenth century, then 15 1-2, and it is now about 17. Suppose Germany adopted bi-metallism instead of the gold standard, but placed the relation as 1 to 16. In that case French gold would flow to Germany, and German thalers would go to Paris. A speculator who should take 1000 kilos of French gold pieces to the Berlin mint could have them coined in 20-mark pieces, then change these for 16,000 kilos of silver thalers, which in Paris, transformed into pieces of five-francs, would net him a profit of 100,000 francs. All the other markets would use the same right—gold would go to Berlin and silver to Paris. It is this point wherein lies the difficulty of bi-metallism—even Turkey might become the hiding-place of the gold of the world.

Now as to *mono-metallism-gold*. Why, if France would demonetize silver, it would have two milliards of five-franc pieces on its hands. If Spain, Italy, Belgium, Switzerland, Germany and Holland did the same, who would buy the silver? France alone would lose a milliard! Then, if gold is adopted, there would be a great decline in prices and losses to producers. The Eastern trade would also be throwh out of gear. J. B. Say states that prices are regulated by the mass of coin, but this is not so. The writer does not see any practical solution, but foresees financial troubles and losses in the future, in any case.

THE BANKS OF ANCIENT TIMES.

II.

We shall only speak here of the ordinary loan on interest, although there were the contract *sungraphe suntheke*, (and later the *cheirographon.*) loans made without writing, and engagements for the fulfilment of which the body of the debtor was liable, but this last was abolished by Solon, in Greece, and by Bocchoris, in Egypt. The rate of interest was free, or it was rather regulated by demand and supply, and varied from 14.4 to 18 per cent., but the limits of the current rate of interest were from 10 to 18 per cent. per annum. The temples alone lent money to the republic for less than 10 per cent. Loans were made by the day, month, or year, or other certain period of time, and per voyage in the case of maritime loans. But this liberty engendered abuses in many cases. The usurers who lent by the day generally exacted an obolus, or an obolus and a half per day, which brought the rate up to 25 per cent. But, however frequent cases of usury were (from 48 to 50 per cent. often being charged), the business was considered as most disreputable. Plutarch made a very good pun on loans on interest, the point of which is untranslatable, as the Greek word *tokos* means interest and *enceinte*, but the gist of which was, that money, being barren, cannot be productive. According to Hesiod and Aristophanes, famine and debt are never far asunder.

Old Strepiade, who was greatly worried by his son's debts, went to inquire from Socrates whether there were any means of frustrating the creditors and not paying the debts, when a luminous idea struck him. If he could only get possession of the moon by the arts of a Thessalian witch, he would shut it up in a casket. "And why?" inquired Socrates. "Because if the moon should not rise again I would have to pay no interest." The moon was the great torment of the debtor class of those days. Interest is compared to a river which slowly undermines a wall (Aristoph. "The Clouds.")

But, if in Greece, debtors were sometimes troubled by usurers, the real usurer in Rome was the patrician. After an unfortunate campaign, the Roman soldier often returned to find his life and liberty at the mercy of a creditor. The Athenian lenders made use of a combination which the usurers of the present times have neither forgotten nor despised. They subtracted a part of the loan as interest. According to Plutarch, they exact an interest for what has no existence. "Their loans are nothing but robberies, for, if a debtor receives less than is marked on his paper, he is defrauded." The conversion of interest into principal was practised in Athens only in cases of special arrangement.

The documents on this subject, although few in number, afford sufficient proofs of the system. An inscription found in the island of Paros is as follows: "Having paid the Chiots, who have drawn up an account, a capital which they lent to the city, and having produced the interest, and the interest of the interest, until the time when it is agreed the money shall be refunded, eleven years and thirty days, * * * to pay 30 talents with the capital, (52 talents, 3530 drachmas). They have received two talents. Remain due 50 talents, 3530 drachmas."

This document shows the same mercantile and speculative spirit of the Chiots, which distinguish them to-day. M. Rangabé has made an unsuccessful attempt to find out the capital in this case. His latest conjecture, which seems to be plausible. is, that the original capital was 22 talents, 3530 drachmas. The amount of interest was thirty talents, the rate of interest 8 per cent., and the capital accumulated 52 talents, 3530 (or 3540) drachmas. The difference of ten drachmas is owing doubtless to the want of the Arabic numerals, which rendered calculations difficult.

When a debtor was unable to pay his creditors, and his liabilities exceeded his assets, he might make a cession of his estate, but this extreme resource was left to traders and trapezites. How the partition of the money was made we do not know, but it is probable that the holders of mortgages had a prior claim. Debtors who took refuge in the temple of Diana at Ephesus were exempted from all pursuit. But a certain penal clause inserted in contracts made loans very onerous. According to a Greek papyrus in the Louvre, the rate of interest by virtue of the penal clause was 50 per cent. This curious document is as follows:

"Loan of Twenty-two Artabes and a half. Creditor, Harsiesis. Creditress, Lenimonthis. Year XVI., Plamenoth 29.

"At Diospolis, the Great, in Thebain, before Dionysius, Agoranome in Peri-Thebain, Harsiesis, son of Horus, one of the Colchytes of Diospolis, lent without interest, to Asclepias, or Lenimonthis, or daughter of Panas, of Persian origin, attended by her guardian, Harpæsis, the Colchyte, one of the levellers of the said Diospolis, twenty-two and a half artabes of wheat. Asclepias will return this loan to Harsiesis on the first pachop of this sixteenth year, in new, healthy and unground wheat, similar to that which she has received, and the repayment will be made in the house of Harsiesis, and at the expense of Asclepias. If Asclepias does not make restitution conformably to this writing, she must pay, beside the twenty-two artabes and a half, a sum equal to the half of each artabe, according to the rate of the market. Harsiesis will have the right of paying himself out of the estate of

Asclepias, and on all which belongs to her, in conforming with the laws. Such is the loan whose existence has been recognized by the parties. It has been made to renew the anterior debt of fourteen artabes, owed by Panas, father of Asclepias, above-named, toward Horus, father of Harsiesis, and Egyptian contract. I, Ptolemy, Secretary of Dionysius, have drawn up this deed."

We now come to the part which the temples took in the banking business. The treasures of Greece for some time were deposited in the temple at Delphi, but were afterward transported to Athens. They had also been kept at Delos, and when transported thence amounted to 1800 talents. Beside the president, who kept the key, ten cashiers were selected to watch over the treasure, and the president was changed every day. The receivers of taxes gave an account of money deposited, and an exact inventory was made every year. Finally, every four years, the cashiers of the preceding four years published and inscribed simultaneously on marble the inventories of the treasure handed over by them to their successors. This system lasted from the eighty-sixth to the ninety-fourth Olympiad. The accountants were two in number—one for the chamber, the other for the administration. The different kinds of revenue had special chests, and in time of war the military chest received the excess of the others. Copyists kept an account of all money deposited. The officers were elected. The treasure in the opisthodome amounted to 700,000 dollars (6000 talents) at the beginning of the Peloponnesian war. Beside this, the annual revenues were about $1,800,000. It was a recognized principle even of the Ancient Greeks never to allow money to lie idle. The Plateans decided to lend their revenues to whoever would give most interest, and guarantees. The temples of Delos, Ephesus, Samos, Delphi, etc., carried on banking business. Alcibiades borrowed from Delphi. Bankers also lent or borrowed money from the public chests and always at a moderate rate of interest. We are told that a great deal of corruption was carried on in this way. Somehow the cashiers did not keep a very correct system of books, and sometimes the cashiers, to cover up the deficiency caused by the bankruptcy of some of their private borrowers, set fire to the opisthodome. Cashiers, too, on many occasions ran off with the State money. Under the successors of Alexander several cities seem to have had public banks. That of Byzantium seems to have carried on the State business. This city had a bank in the ninth century which made loans to solvent ship captains, up to the amount of 2600 dollars. But the most famous bank of antiquity was that of Pasion, which continued under many successive proprietors.

[To be continued.]

RUSSIAN FINANCES.

The financial position of European nations may, in modern times, be considered not only as a criterion of their ability, but also of their willingness to wage war. Before the last Turkish war the financial credit of the Russian Empire stood at a high point, despite the derogations of the English press, the appreciations of which, on such a subject, must always be accepted with "a grain of salt." This condition was mainly owing to the advice of the Governor of the State Bank, an institution which, by the way, exercises an enormous influence on all the commercial and financial relations of Russia. The war found Russia financially unprepared, and, if the country has not had to undergo the exhausting effects of a crisis, whether in the repressed or active form, it must be solely attributed to the sagacious counsels and wise administration of a bank manager. The financial wheels never ceased to run smoothly during the war, owing to the measures adopted, and two loans, of an aggregate of 300,000,000 roubles, were placed without causing any perturbation in the money market. Here, however, we come to an important question, which we think has never yet been sufficiently taken cognizance of. It must be admitted that the Jewish people control the financial markets of Europe, possessing a much greater influence than in this country. The Emperor of Russia found that he could not place a loan in the Continental markets, because Rothschild did not view such a loan as favorable to the interests of England. A few Jewish bankers are therefore really the arbitrators of peace and war in Europe.

Under these circumstances it was decided to issue paper money. The usual unfavorable, but inevitable consequences of such issues of paper money had to be supported by the Russian people. When General Greigh became Minister of Finance he again made endeavors to contract loans on the markets of London, Paris and Berlin, and again he found hard conditions and false economic ideas of the country. He would not accept them, however, but resolved to issue a second interior national loan of 300,000,000 of roubles, thus bringing up the total amount in August, 1878, to 1,200,000,000 roubles in paper. But the whole amount was not placed, and the excess has been sent to the various European markets, thus giving rise to a great deal of stock-jobbing and fluctuations. Whether this policy has been favorable or otherwise will be shown in a concluding article.

THE GOLD DRAIN FROM EUROPE;

SOME OF ITS EFFECTS.

The continued drain of gold from Europe to this country has now begun to attract serious attention in the money markets of the Old World. The rise in the rate of discount at Berlin, London, Paris and Brussels is solely attributable to the demand for gold for export, and the question is asked, what are the gold requirements of the United States? The excess of our exports over our imports has been constantly increasing. In 1879-'80 it amounted to 167 million dollars; 1880-81 it reached 260 million dollars. Making allowance for the payment of American bonds, the sums spent abroad by American tourists, etc., the call for gold for the United States is now not far from one hundred million dollars annually. But the amount of specie brought by 500,000 emigrants is also not inconsiderable, and is increasing.

It is thought by some economists that the very phenomenal increase of the United States will continue to maintain this condition during many years. On the other hand the increased purchases by Americans of European manufactures have failed to take place, and the situation is reduced to very simple conditions. It is also essentially a *new* situation—one which Europe has to meet for the first time, and its consequences therefore can hardly be estimated. More economy in the use of gold, higher rates of discount, and a consequent crippling of speculation, with perhaps, in the near future, another financial crisis of startling severity and duration may be expected. This, too, will come when savings are greater than ever, and when there is an urgent demand for the employment of capital.

That this employment has been seriously curtailed admits now of no dispute. Real estate is no longer very profitable in any part of Europe, and, with increasing agricultural competition from the United States, is not likely to become more so. With the rarefaction of gold will also come an abundance of silver, and desperate efforts will be made by the bi-metallists to introduce the double standard. While the population and trade of France are scarcely fifty per cent. of those of the United States, the former country possesses double the amount of gold of the latter. The check system is not so popularized in France as in this country, and consequently a considerable diminution in the amount of gold would cause great stringency in the money market, and precipitate a crisis.

All the countries included in the Latin Union will suffer, if only in their silver reserves. Thus Belgium sends silver to France, which must there be redeemed in gold. The Bank of France has been somewhat severely taken to task for paying out its gold so liberally, but, doubtless, its conduct was dictated by reasons of necessity. Behind this gold question lies, however, a deep economic reason. The teeming population of Europe can no longer live on its own production of wheat, meat, butter, etc. The population has also improved in style of living. The market for their manufactures has not grown proportionately. Only Hungary, Russia and Spain grow enough wheat to support their own population. England's excess of imports over exports is alarming. The weather in Europe has even been exceptionally adverse to the crops.

There is little doubt that the banking system in France will be regulated, and the rate of discount rendered more equal in some of the countries. These measures are already proposed, but whether they will attain the desired object is very uncertain. With the accumulation of gold in the United States will come, however, a depreciation in the purchasing power of money, and a consequent lessening of our capacity to contend in the markets of the world. Over-speculation may doubtless be encouraged, but its effects will not be felt until the high prosperous era is over. We may be assured, however, that the whole tendency of modern civilization is to equalize markets, level inequalities, and prevent crises at certain points.

The French Transatlantic Steamship Company has now, it may be said, a bank to itself. *La Banque Transatlantique* which has just been constituted, will make advances on merchandise, but doubtless its great aim will be to take as large an amount as possible of the great Franco-American banking and exchange business, in which it can be powerfully aided by the steamship line above-mentioned. The creation of new banks in France with large capital, and which often aim at transacting business outside of the proper sphere of banking is one of the financial signs of the times, but the Banque Transatlantique seems to enter a more legitimate field—one, however, which in this country is already sufficiently filled. The system of warrants has only lately been adopted in France, the clearing-house is not perfected, and in many other respects the banking business is conducted on a less advanced system than in England and this country.

On two points Secretary Windom has been recently at variance with the principal financial authorities of New York. Against their advice he decided to pay the "continued" bonds, instead of buying the 4 or 4 1-2 per cents. Again, he called for two million dollars a week of the "continued" bonds, and they predicted that he would not get them. In both cases he was right. In the first matter he had properly no discretion, but in the other his judgment has proved correct so far.

PUBLIC DEBTS OF THE UNITED STATES.

The following is a condensed report of a paper presented by Mr. Robert P. Porter, of the Census Bureau, at the recent meeting of the Social Science Association at Saratoga, as revised by Mr. Porter for the JOURNAL. It forms a fitting complement to Mr. Porter's article on "Local Indebtedness" in our August number.

By permission of General Francis A. Walker, superintendent of the tenth census, Mr. Porter prefaced his paper by reading the following tables, which were prepared by him for the census, and which show the final official statement of the total State and local indebtedness of the United States:

State debt	$260,377,810
County debt	125,452,160
Township debt	30,190,861
School debt	17,493,110
Debt of cities and towns of 7,500 population and over	710,535,924
Debt of other municipalities	56,310,209
Gross debt	$1,200,359,514
Deduct sinking funds	145,051,121
Total net debt	$1,055,308,393

Since 1870 there has been a decrease of 25 per cent. in State debts, and a decrease of 8 per cent. in county debts. But there has been an increase in municipal debts of 100 per cent. This increase, Mr. Porter considered excessive and dangerous, and he proceeded to discuss methods of limitation.

The only effectual remedy for excessive State and local indebtedness, he said, is constitutional or legislative limitation. Iowa has a constitutional provision limiting its State debt to the sum of $250,000, except to repel invasion. The State debt of Kansas may never in the aggregate exceed $1,000,000, and the State can never be a party in carrying on any works of internal improvements, nor can it be a stockholder in any banking institution. For the purpose of defraying extraordinary expenditure, the State of Minnesota may contract a debt not to exceed $250,000, and it can never contract any debt to aid in internal improvements. In Nebraska the constitutional limit is $100,-000. In Nevada the limit is $300,000, and the purpose or purposes for which the bonds are issued must be distinctly specified. Moreover, the law creating the debt must provide for levying an annual tax sufficient to pay the interest semi-annually and the principal within twenty years, and every contract of indebtedness entered into or assumed by or on behalf of the State, when all its debts and liabilities amount to

$300,000, shall be void and of no effect, except in cases of money borrowed to repel invasion. As a result of these and similar provisions the Western States are to-day, with the exception of Missouri, practically out of debt.

Before the war many of the Southern States had loaned their credit to aid railroads and other internal improvements. Much of this property was destroyed during the war, and though struggling on the verge of bankruptcy, the State legislatures were again called upon to aid them. The result of this mistaken policy is too well-known to the members of this association. The painful experiences of the past can be traced in the new constitutions and their recent amendments. The constitution of Florida, (1868,) as amended in 1875, of North Carolina, (1876,) of Tennessee, (1870,) of Texas, (1876,) of Virginia, (1870,) of West Virginia, (1870,) of Alabama, (1875,) and of Arkansas, (1874), all contain very definite provisions forbidding the State to lend money or credit to corporations. To-day no less than 31 States have provisions of this kind in their constitutions, and this determination to stop these abuses by organic law cannot fail to effectually combat the State debt evil. Constitutional provisions have prevented the newer States from contracting debt; and now, after great injury to credit and suffering to creditors, such provisions have brought about a more satisfactory condition of affairs in the South. If the lessons of 1842 were heeded, may not the lessons of 1868–72 be also valuable, and may we not look forward to the day when $200,000,000 of State debt proper will melt away in the sunlight of wise constitutional legislation.

Mr. Porter then spoke as follows regarding restrictions on municipal debt. Massachusetts and Vermont, he said, are the only two States which place no constitutional limitations on incurring indebtedness, or on the power to become stockholders or to loan, or on aiding private enterprises by the State, or any political division thereof. With these exceptions, all the States, in their later constitutions or amendments, place some restrictions on State debts proper. The constitutions of Rhode Island, Maine, Louisiana, Kentucky and Kansas have no provision authorizing the State to restrict county or municipal debt. In the other States municipal corporations are prohibited by the constitution from loaning their credit, and from subscribing to or becoming stockholders in any corporation, company, or association. These provisions, while aiming at the same thing, differ in form. For example, Alabama, Arkansas, California, Colorado, and Florida absolutely prohibit minor political divisions to loan their credit. In Georgia the legislature may authorize subscriptions to stock by any incorporated city or town if a majority of inhabitants vote for it. Aid may be granted in the same way. In Illinois the law is virtually prohibitory. In Indiana counties cannot become stockholders unless stock is paid for at time of subscription, and they cannot loan their credit nor borrow money to pay for stock. Cities are not prohibited. In Iowa the only restriction is that municipal corporations cannot become stockholders in banks. In Maryland counties cannot become indebted unless authorized by "an act of the General Assembly, which shall be published for two months before the next election for members of the House of Delegates in the newspapers published in such county, and shall also be approved by a majority of all the members elected to each house of the General Assembly at its next session after said election." In Michigan the constitution merely provides that the legislature *shall restrict*. In Minnesota the minor divisions cannot aid to an amount exceeding 10 per cent. of the taxable value of property. In Missouri all minor divisions are forbidden to loan, credit, or become stockholders. Also, in Mississippi and Nebraska, cities, counties, precincts, and other municipalities cannot become stockholders, but under certain conditions they may grant aid. In Nevada the constitution makes a single exception of railroad corporations. For no other purpose can aid be granted; but even as regards them the legislature can restrict. In New Hampshire towns are restricted, as they are in New Jersey, New York and Ohio. In North Carolina no county, city, or municipal corporation can create any debt, pledge its faith, or loan its credit, unless by a vote of a majority of the qualified voters therein. In Oregon no town or city, by vote of its citizens or otherwise, can loan its credit or become a stockholder in any corporation whatever, nor can a county create any debt which shall exceed in the aggregate $5,000, except to suppress invasion, etc. In Pennsylvania the legislature cannot authorize any county, city, borough or township, or incorporated district to become a stockholder in any corporation, or to loan its credit. The debt of minor civil divisions cannot exceed 7 per cent. of the valuation. There are also useful provisions for the levying of taxes and the creation of sinking funds to pay debts, which provisions must be made by the law creating the indebtedness. In South Carolina the State may restrict municipal indebtedness. In Tennessee the voters of the county or city must give consent to giving aid or encouraging indebtedness by a three-fourths majority. In Texas the constitution of 1876 prohibits the loaning of money or credit by minor political divisions. In Virginia the State is simply forbidden to loan its credit to counties or cities. In West Virginia and Wisconsin they have the 5 per cent. restriction. It cannot be denied, in the view of all this organic legislation, that the people of this great Republic are earnestly reaching for a remedy for State and local indebtedness. The success or failure of constitutional legislation to provide this remedy will soon be known beyond a peradventure. That it was successful in curtailing State debts has been shown, but as most of the provisions relating to local indebtedness have been recently enacted the effect is as yet unknown. That over a billion dollars of local debt should hang like a cloud over this fair land, oftentimes most threatening in sections least able to bear it, is a danger that needs prompt and firm action. Few of the provisions he had mentioned were satisfactory to the speaker's mind. The evil is approached with an uncertain hand, and not with the unwavering firmness of a master. There should be in such laws absolutely no loop-hole, and the word "*except*" should be followed only by "to repel invasion." Let this be the uniform provision in every constitution of every State, and in 10 years from now the census will not show an increase of 100 per cent in the total of municipal debts.

Since March 1878 there has been a continued effort on the part of the Treasury to put into circulation the standard silver dollar, but so far with very moderate success. The inconvenience of the coin, perhaps as much as its deficiency in intrinsic value, is the cause of its unpopularity. At any rate, while the mints have gone on turning out over two millions of these coins a month, the people have strenuously resisted all attempts to force them into circulation, so that while about 98 millions have been coined, less than 32 millions are in actual use, the remainder being stored in the Treasury vaults. There has, however, been a gradual increase in the circulation of the certificates issued upon these coins, until nearly the entire amount coined is virtually in use as money, notwithstanding the fact that the silver certificates have no legal-tender power. Against the 66 millions in the Treasury there are now in circulation 52 1-2 millions of certificates, about 6 1-2 millions having been distributed during the past month. There are, therefore, only 13 1-2 millions now in the Treasury, which can be said to be not actually employed. While the objection may be raised that the very convenience of the certificates is of itself an obstacle to the circulation of the coin, still, so long as the coinage is continued, the certificates appear to be the best means of bringing into use a large volume of money that could not otherwise be circulated, excepting by the employment of more aggressive measures.

The reduction in the public debt during the month of September was $17,483,641, and the total decrease for the first three months of the current fiscal year, ending October 1, amounts to about 42 million dollars. This is a larger amount than has hitherto generally been expected. Unless the present policy of the Treasury Department is changed the "continued" bonds promise to be even shorter lived than than was calculated by us. It does not, however, appear that their payment will affect the banks very unfavorably as, on the average, the amount of their bonds retired will not much exceed 24 millions a year. The attempt on the part of many newspapers to persuade the Secretary of the Treasury to buy 4 per cents instead of paying the "continued" bonds was wrong, for although it would have simplified matters very much for the national banks, yet the Secretary could not conscientiously accede to the request.

CONDITION OF THE LONDON STOCK MARKET.

[The following well-considered article from the London "Economist" of September 24, is reproduced here, as likely to give a key to the conditions at present prevailing in this country, as regards the prices of shares and investment securities.]

In May it seemed as though the great Stock Exchange wave which had borne market prices upward with such extraordinary rapidity in the fifteen months ended with December last, was about to cover yet higher ground. Money was so cheap that, in spite of the comparative depression in trade, speculators were enabled to carry their operations to a pitch well-nigh beyond all previous experience. But there proved to be no stability in the rise. It was certainly not warranted, as was the case last year, by increasing profits; and except in bankers' securities—like Consols and railway debenture stocks—the closing quotations of 1880 have at no period been conspicuously bettered in 1881. We here, of course, confine our remarks to those securities which are in the main supported by home investors; for it would not be difficult to point out many instances wherein continental and American markets had favorably affected the prices of "international securities." But dealing with purely home investments or with colonial stocks held here, there has been an unmistakable relapse, which, indeed, was inevitable so soon as speculative buying was checked; and this, coupled with the depression in January and February last, has caused the balance of this year's market fluctuations to be thus far rather distinctly adverse. Even the extraordinary advance in Consols up to 103 has been more than lost; and in the "Official List" it is seen that in addition Colonial Government Debentures and most of the leading home railway ordinary stocks have fallen in market estimation. By contrasting this year's variations with those of 1880, when the advance was universal, it will be seen that in every instance there is still a rise as compared with December, 1879, and often a very considerable rise. * * * * Consols last year rose 1 1-2 per cent., and they have now lost 1-2 per cent. of that advance. In Colonial Debentures the average improvement in 1880 equalled about 6 per cent., from which there has now been a relapse of about 1 per cent. It was estimated at the close of last year that there had been on the average an advance of 15 per cent. in home railway stocks, and though there are instances wherein even a small additional rise has since been recorded, yet taking one stock with another an average fall of quite 3 per cent. must be noted from the level of last December. Railway preferences and debenture stocks were so buoyant in April and May last, as alternative investments with Consols, that though a relapse has since taken place, they are barely down to the closing quotations of 1880; and Indian railway guarantees may be considered to stand now at about the same level as they did then. A contrast of all the leading classes of home investments recorded in the "Official List" has in but one instance disclosed a distinct improvement, and that is observable in banking companies. These shares rose greatly in 1880, but even with that advance scarcely regained their fall after the failure of the City of Glasgow Bank. Besides this, the adoption of limited and reserved liability has rendered them more suitable investments for wealthy shareholders; and in addition, London banks, at any rate, have been earning larger profits in 1881 than they did either in 1879 or in 1880. Indeed, there are few investments at the present day which can be bought to pay upwards of 5 per cent. so desirable as the shares of a high-class London bank, with a defined liability. Home Railways ordinary stocks are as a class paying little more than 4 per cent., and many a good deal less; and with reduced August dividends their prospects are not so encouraging as to warrant a further rise in market values. Nor can it be said that when the usual return upon a high-class railway priority stock is barely 3 1-2 per cent. such securities commend themselves greatly to the public.

The broad facts disclosed by this short summary are that the advance in prices has been arrested, not alone by the recent rise in the value of money, but also because prices had before advanced in such an exceptional degree that they had become distinctly less profitable as purchases at current prices. Secondly, because profits have in many cases diminished in 1881. Thirdly, because the public have to a certain extent become tired of low rates of interest, though attached to a good security, and have embarked more largely in new ventures promising a higher return. In this way, there is now a larger, if not always a better, selection of securities to choose from, and thus the well-nigh undivided attention given to the older investments until the close of last year is no longer observable. It is very possible, more particularly if money does not again rise, that we may have a revival of speculation in the closing quarter of the year; but the influx of new investments, now temporarily arrested, which will probably accompany it, may be expected to check any very material or general expansion in market values.

A New Publication.—We hear that our friend, Mons. A. de Malarce, Perpetual Secretary of the Society of Savings Institutions, at Paris, has in preparation a new edition of his valued work, *Systemes monétaires et métriques des divers Etats du monde*. It contains tables of the various systems of coinage and measures of each country together with the French values of the same, the calculations being carried into the hundred-thousandth. It gives also the denomination, weight, intrinsic value, etc., of each piece of money. The new edition will contain in addition to the above a variety of intelligence respecting the fiduciary money of each country, the guaranties of the circulation, etc.

BANKING AND FINANCIAL NEWS.

Internal Revenue Bureau and the Banks.—As was intimated in the September number of this journal a hearing was had before Commissioner Raum, of the Bureau of Internal Revenue, in Washington, on September 14, upon the cases of banks and bankers of New York, Philadelphia, and other cities who, it was claimed, had not made their returns for taxation for the full amount required by law. Gentlemen were present representing the banks of New York, Boston, Baltimore and Cincinnati.

William Dowd, and C. F. Southmayd, attorney for the Bank of North America, of New York, presented the case on behalf of the banks, and urged that the only equitable basis for determining the bank deposits subject to taxation is the Clearing-House statement each day, showing as it does the exact condition of the deposits of the several banks for the day previous.

Algernon S. Sullivan, representing the bankers of New York and Boston, presented the views of his clients. He explained in detail the transactions involved in stock transfers, and desired the Commissioner to recognize the distinction between transactions and actual deposits in basing the taxation of the business of brokers. He claimed that the intent of all revenue law was to tax property and not transactions. On an active day the stock in question might be transferred ten or twelve times, involving perhaps a million or more upon paper, when not a hundredth part of that amount of capital was in actual use. The brokers, he said, already pay a double tax; a tax upon their capital employed, and again as this capital is deposited in some bank it pays another tax. He believed the same rules should apply to the brokers as to the banks that call loans should not be subject to taxation.

Mr. George P. Bispham, representing the Philadelphia Stock Exchange, made an argument claiming that the brokers should not be assessed as bankers under the definition of the statute.

The Commissioner admitted that the question hinged upon a matter of fact, the character of their business and manner of doing it. Mr. Bispham claimed that in fact the brokers merely acted as middle men in bringing buyer and seller together, and were not bankers in the sense of making discounts, receiving deposits. or receiving bonds and stocks for sale in the intent of the statute.

He was followed by Mr. Fisher, of Baltimore, who argued that call loans should not be taxed as deposits. The questicns raised by these two gentlemen were briefly, whether loans made upon stocks to complete their purchase should be treated as deposits; and whether brokers receiving stocks for sale thereby became liable as bankers. During the debate which ensued the Commissioner intimated an inclination to decide in favor of the brokers on the call loan question, if it could be shown that the law authorized such a decision.

Upon the subject of determining an equitable basis for calculating the taxable balance of deposits the Commissioner referred to his ruling in the International Bank case, in which decision he quoted and approved a rule adopted as a guide for nationa banks in 1864, which excluded "from the balance of any day's deposits such checks on city banks as were deposited on that day for collection with the understanding that the money was not to be drawn from the bank until the next day." He said, so far from abandoning this rule, as had been stated, be proposed still to follow it and to recognize the Clearing-House settlements. The New York bankers claimed that their business was conducted under conditions which would authorize them to exclude from their deposits these Clearing-House checks, which were passed through the Clearing-House with the understanding that they were not to be drawn upon until the following day.

Commissioner Raum stated that in instituting these examinations into the various banking institutions of the country he had not attached importance to this Clearing-House check question as a source of revenue. The fact was that examinations made in Chicago had elicited that certain banks there had underpaid their taxes to the extent of nearly $260,000, and of course the suggestion occurred that if the banks in that city had fallen into error, bankers in other cities might have done so. Examinations already made in Boston, Baltimore and Philadelphia had disclosed large amounts of taxes due. Cincinnati would soon follow, and of course New York would come in for her share. From the examinations already had in that city he was satisfied that about $1,000,000 of taxes had not been returned by bankers, through inadvertance or otherwise.

Minnesota State Railroad Bonds.—On September 10 the Supreme Court of the State of Minnesota rendered a decision in the case that was brought to test the legality of the tribunal established by act of Legislature last winter, the duties of which are explained in the notice issued by Governor Pillsbury and published in RHODES' JOURNAL of March last. Following is an abstract of the decision of the Court:

First—That the constitutional amendment of Nov. 6, 1860, providing that no law levying a tax for making other provisions for the payment of interest or principal of the bonds denominated "Minnesota State Railroad bonds" shall take effect or be in force until such laws shall have been submitted to a vote of the people and adopted by a majority of the electors of the State voting on the same is invalid, for the reason that it impairs the obligations of those bonds.

Second—That the act of March 2, 1881, is unconstitutional and void, because it delegates legislative powers to the tribunal created by it.

Third—That a writ of absolute prohibition should issue and be served by any elector of the State on or before the 18th day of September, 1881.

GILFILAN, Chief-Justice.

The act of March 2 is that by which the Legislature accepted the proposition of the bondholders to take fifty cents on the dollar and appointing a tribunal to decide the legality of this scheme of payment. Application was made to the Supreme Court for an injunction to prevent this tribunal from sitting. The decision is regarded as a victory for the debt-paying party, although it breaks up the per cent. plan of settlement, because it distinctly empowers the Legislature to pay the bonds without submission to the people.

Upon the publication of the decision the attorney of Selah Chamberlain, the largest holder of Minnesota State Railway bonds, telegraphed to ask him whether he would authorize his attorney to renew the proposition for a settlement of the bonds on the basis of the adjustment act of last winter. That proposition is to take half the debt in full settlement of the whole in new thirty-year bonds, at five per cent. interest, on condition that the Governor should immediately call an extra session of the Legislature, and that the necessary legislation was had. Mr. Chamberlain responded that he authorized his attorneys to renew the proposition on the conditions named. Messrs. Cole and Gilman thereupon attached to this telegram a formal offer on behalf of Mr. Chamberlain to renew the proposition of last winter, saying, in substance, that they would not have made such a proposition if the judicial decision, in respect to that amendment of 1860, had been made previous to the last session of the Legislature; that they well understand that, as the effect of that decision, the bonds had greatly appreciated and the prospect of a more favorable settlement had been enhanced thereby, but as the proposition had been made and had been adopted in good faith by the State and nearly all the bonds had been deposited with the State Auditor, they would waive any technical rights they might have to withdraw them to await more favorable adjustment that they had now a right to expect, and renewed the proposition to accept fifty cents on the dollar of the debt, in full settlement, in new bonds of the same tenor as provided in the adjustment act of last winter.

On September 19 Governor Pillsbury issued a proclamation convening the Legislature in extra session on October 11, to take such measure as it shall deem proper to provide for the payment of the old Minnesota Railroad bonds. This action was taken in view of the offer above-mentioned.

A Call for the Renewed Bonds.—The following circular was issued on September 24, by H. F. French, Acting Secretary of the Treasury, for redemption of bonds of the loan of July 17 and August 5, 1861, continued at 3½ per cent. from July 1, 1881. This is the one hundred and fifth call.

By virtue of the authority conferred by law upon the Secretary of the Treasury, notice is hereby given that the principal and accrued interest of the bonds herein below designated will be paid at the Treasury of the United States, in the City of Washington, D. C., on the 24th day of December, 1881, and that the interest on said bonds will cease on that day, viz.:

Registered bonds of the acts of July 17 and August 5, 1861, continued during the pleasure of the Government under the terms of circular No. 142, dated April 11, 1881, to bear interest at the rate of three and one-half per cent. per annum from July 1, 1881, as follows:

$50 No. 1,749 to No. 1,810, both inclusive.
$100 No. 12,431 to No. 12,700, both inclusive.
$500 No. 9,005 to No. 9,220, both inclusive.
$1,000 No. 44,573 to No. 45,720, both inclusive.
$5,000 No. 15,311 to No. 15,530, both inclusive.
$10,000 No. 25,790 to No. 27,860, both inclusive.
Total, $20,000,000.

Many of the bonds originally included in the above numbers have been transferred and cancelled, leaving outstanding the amount above stated. Parties transmitting bonds for redemption should address to the "Secretary of the Treasury, loan division, Washington, D. C.," and all the bonds called by this circular should be assigned to the Secretary of the Treasury for redemption.

Where checks in payment are desired in favor of any one but the payee, the bonds should be assigned to "The Secretary of the Treasury for redemption for account of —— (here insert the name of the person or persons to whose order the check should be made payable.)

The following circular for redemption of United States 3½ per cent. bonds has also been issued:

Notice is hereby given that during the weeks ending October 1st, 8th, 15th, 22d and 29th, 1881, the Department will redeem at the office of the Assistant Treasurer of the United States at New York, paying par and interest accrued to the date of redemption, any of the United States bonds continued to bear interest at 3½ per cent. per annum, called or uncalled, to an amount not exceeding $2,000,000 in each week.

The Gold Movement to the United States from abroad which did not begin unti August 13 has been very small during September. Large shipments were reported afloat in the latter part of August, which were expected to arrive early in September, but it has since been learned that the reports were based upon untrustworthy estimates. Since the European banks raised their rates of discount an effort at secrecy regarding shipments of gold has been resorted to by those best acquainted with the facts, and all calculations as to the amount being moved have proven misleading. Early in the month gold imports fell off to a very small amount, and not until the last week were there any evidences of a renewal. The speculation in breadstuffs, which became very active, caused an advance in prices which retarded shipments abroad and consequently checked the importation of gold. Exchange became stronger and rendered the movement of specie unprofitable. Later there has been a change in the course of speculation stimulating the exports of breadstuffs, and last week a fall in the rates for sterling ensued, which permits imports of gold at a profit. From August

13 to September 30, $14,543,200 gold have been received at New York from abroad, while the cable reports the withdrawal from the Bank of England on September 28 and 30 of $500,000 more. The reports of further damages to the crops in Europe, leaving Russia the only competitor of this country in the foreign grain market, and showing that France is likely to be a large importer of breadstuffs, indicate that the grain exports from America will again be large. In view of this fact, the efforts of the European banks to retain gold appear less promising of success than when there seemed a possibility that American grain would be little needed abroad.

Condition of the Sinking Fund.—At the beginning of the fiscal year 1880-81 there was a balance of very nearly $50,000,000 due the sinking fund. The amount due this fund for the same fiscal year was about $40,000,000, thus making a total of $90,000,000 to be paid before the first of last July in order to meet all matured obligations of the Treasury to the fund. It appears, however, that although the public debt was reduced over $100,000,000 during the fiscal year ended June 30, only about $70,000,000 of redeemed or purchased bonds were placed to the sinking fund account, thus leaving a balance of $20,000,000 due the fund at the beginning of the current fiscal year. This balance added to the $42,000,000 due for the current year makes a total of $62,000,000 to be paid before July 1, 1882, if all the requirements of the fund are to be met at that date.

The New Welland Canal was successfully opened on September 17, the American steamer D. M. Dickinson having been successfully towed through. The average time of lockage was twenty-eight minutes.

Miscellaneous Bank Matters.—The Comptroller of the Currency has called for a report showing the condition of the national banks at the close of business on Saturday, October 1.

Ex-Congressman Charles H. Voorhis, late President of the First National Bank of Hackensack, N. J., was tried on September 30, on a charge of misappropriation of funds, and endorsing a note in his official capacity without the knowledge of the directors. A verdict of acquittal was ordered on the first indictment on the ground that the act charged was committed in 1877, and came within the Act of Limitations. On another indictment he was also acquitted, as the intent to defraud was not proved.

The case of John McGreggor and four of the Directors of the broken First National Bank, of Newark, N. J., for aiding and abetting in altering the books of the bank, was set down for trial for Tuesday, Oct. 18, before Judge McKennan.

Another National Bank has been organized at Saratoga, N. Y., with a capital of $100,000. D. A. Bullard, now President of the Schuylerville National Bank, is President, and J. H. DeRidder, of the Schuylerville Bank, Cashier. The new bank will open for business on November 1.

Mr. A. L. Dewar has been appointed agent in Chicago for the Canadian Bank of Commerce. He has been for some years manager of the Woodstock branch.

The Deposit and Cheque Bank, of New York, filed its certificate of association on August 31. The capital stock is $100,000, with authority to increase to $1,000,000. The shareholders are W. R. Travers, John C. Murray, John I. McCook, James W. Alexander, George C. Clark, Brayton Ives, Henry E. Pellew, Robert B. Minturn, S. B. French, H. Victor Newcomb and John Travers, Jr.

Receiver Hun, of the Central Park Savings Bank, of New York, has paid out to depositors in that institution the greater portion of the 25 per cent. dividend which has been declared on the $40,000 of deposits. Whether there will be another dividend depends upon the result of suits now in progress.

On September 17 it was discovered that the accounts of George W. Hunt, paying-teller of the Importers & Traders' National Bank, New York, were short about $17,000. Mr. Hunt is fifty-two years of age, has held the position for twenty-five years and received a salary of $2,400 a year, and a bonus of 30 per cent. He enjoyed an excellent reputation. He has pleaded not guilty to the indictment and is held for trial.

FOREIGN BANKING AFFAIRS.

[Translated expressly for *Rhodes' Journal of Banking.*]

The rage for new banks, etc., continues in Paris and at all the Continental money centres. Among the more important of the recent creations are the following:

La Compagnie Fonciere of France and Algeria is now constituted, and operations will soon be begun.

The shares of the *Banque Transatlantique* are quoted at 627.50fr.

The "Bank of Loans to Industry" has just concluded a great affair in colonial sugars, which, it is thought, will enable it to declare a good dividend.

The Crédit Central of Paris has been transformed into a joint-stock company, with a capital of four millions.

The *Crédit Foncier et Commercial Suisse* has been declared bankrupt.

The Bank of the Aust-ian Countries (a Parisian creation) has been allowed by the Austrian Minister of Finance to double its capital, instead of fulfilling the statute requiring second half of capital to be paid up before October, 1881.

The Hungarian Bank of Discount and Exchange (another Paris undertaking) has made an agreement with the city of Pesth to conduct the warehouses or magazines of the city.

The Bank of the Hungarian Countries has just founded a great mining company, with a capital of 3,200,000 florins.

Another large financial institution is spoken of in Belgium—the *Crédit Général de Belgique*, with a capital of at least twelve million francs. Its field will be more in making advances to manufacturers.

NOTICES OF NEW BOOKS.

Punctuation, and other Typographical Matters, for the use of Printers, Authors, Teachers and Scholars. By MARSHALL T. BIGELOW, Corrector at the University Press. Lee & Shepard, Boston, and Charles T. Dillingham, New York. 1881.

The author has here in a small volume of 112 pages laid down simple and practical rules which cover everything which it is necessary for printers, authors, and any one who has to write, to know in regard to punctuation. While the custom in this respect is less rigid than some time ago, yet there are very many points upon which people are not at all agreed, and upon which for the sake of correctness and lucidity there should be some rule. It is therefore a useful work which Mr. Bigelow has completed, and one which his experience of nearly fifty years as printer and proof-reader well qualified him to undertake. In addition to the matter addressed to writers for the press, and that respecting punctuation, chapters are devoted to "Rules of Orthography," "Accents, Divisions, etc., in the Classical and Modern Languages," etc., and the book is completed with an index.

BOOKS RECEIVED.

Economic Tracts. No. I.—*What is a Bank? What Service Does a Bank Perform?* A Lecture by EDWARD ATKINSON. No. II.—*Political Economy and Political Science.* A Priced and Classified List of Books recommended for general reading and as an introduction to special study on the following subjects: Political Economy, Finance, Taxation, Relations of Labor and Capital, Wages, Co-operation, Land Tenure, Free Trade and Protection, etc., etc. Compiled by W. G. SUMNER, DAVID A. WELLS, W. E. FOSTER, R. L. DUGDALE and G. H. PUTNAM. New York; The Society for Political Education, 4 Morton street. 1881.

Report by the Secretary of State as Commissioner of Insurance, for the year ending December 31, 1881. State of New Jersey. Part I.—Fire and Fire-Marine Insurance. Part II.—Life and Accident Insurance.

The North American Review, September, 1881. D. Appleton & Company.

TAXATION OF BANKS AND BANKERS.

NEW DECISION OF COMMISSIONER RAUM.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
WASHINGTON, OCTOBER 3, 1881.

Where deposits are made of checks or drafts which are immediately carried to the credit of the depositor, and which are subject at once to payment by check or draft, they must be treated as taxable deposits on the day the same are received and entered to the credit of the depositor, but in adjusting the daily balances of deposits Clearing-house settlements will be recognized and banks and bankers will rectify the balances appearing on their books at the close of each day's business, by deducting the amount of checks received from the Clearing-house each morning, treating such checks as though they had been received and charged up before the close of business on the previous day.

Where a banker borrows money upon the pledge of stocks or bonds, for the purpose of completing payment for the same stocks or bonds, the money so received cannot be treated as a deposit within the meaning of the statute.

Where a banker receives money for immediate investment in bonds or stocks either in part or full payment for the same, and such money is so invested on the day it is received or on the following day, it is not a deposit. But where money is received for future investment in bonds or stocks it would be subject to the order of the customer, and must therefore be treated as a deposit subject to taxation. Where a banker sells bonds or stocks received from or held by him for a customer and remits the proceeds on the day the same are received or the following day, the amount is not a deposit. But where such proceeds are carried to the credit of the customer and held subject to his check or draft, such money is a deposit subject to taxation.

Where money, checks or drafts are received by a bank or banker and carried to the credit of the person who delivers the same, or for whose use the same are delivered, they become and are a deposit in the hands of the bank or banker, and if subject to check or draft, or payment on the return of a certificate of deposit, or other evidence of debt, they are a deposit subject to taxation whether the money be payable on demand or at some future day, with or without interest, and whether the depositor be secured by collaterals or not. But where a bank, which by its charter has authority to borrow money, or a private banker goes into the market and negotiates for and borrows money, to secure the payment of which notes are given, or bonds or stocks pledged, the money so obtained is not a deposit and is not subject to taxation as such.

Deposits made with a bank or banker and mixed with the other funds of the bank, although received for special purposes, such as for instance: To pay dividends or interest coupons, or to provide for other payments, are subject to taxation.

But a special deposit of money held intact, to be returned to the depositor, is not subject to taxation as a deposit.

Banks and bankers when making up their returns for taxation are not entitled to deduct from the balances of deposits shown upon their books, amounts of money in possession and not invested, nor amounts of money redeposited with other banks or bankers. The business of a broker is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities. He takes no possession as broker of the subject matter of the negotiation.

Every person, firm or company having a place of business where stocks, bonds, bullion, bills of exchange or promissory notes are received for discount, or for sale, is regarded, in law, as a bank or as a banker, and the capital and deposits of such bank or banker are subject to taxation as provided in section 3,408 United States Revised Statutes.

Where checks or drafts are received for collection and remittances, and are collected and remitted for the following day, the collections should not be treated as a deposit, but where the money collected is held by the collecting bank and remitted at a subsequent time during the period it is so held it should be treated as a deposit.

GREEN B. RAUM, Commissioner.

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 October 1, 1881, 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	$1,506,180	$317,000	$764,700	$1,081,700	$270,682
New Hampshire	643,165	72,997	55,800	128,797	26,769
Vermont	1,945,460	351,097	1,753,040	2,104,137	775,802
Massachusetts	23,877,740	234,800	9,680,700	9,915,500	1,606,021
Rhode Island	3,138,220	32,350	1,409,885	1,442,235	376,037
Connecticut	4,342,770	65,350	3,731,030	3,796,380	1,486,112
New York	27,752,065	2,616,578	30,520,580	33,137,158	7,377,896
New Jersey	2,615,835	467,603	2,563,137	3,030,740	1,154,669
Pennsylvania	16,105,650	1,311,226	12,135,171	13,446,397	5,357,396
Delaware	277,275	......	......	......	......
Maryland	1,957,310	166,600	1,718,380	1,884,980	77,622
District of Columbia	457,000	432,664	530,060	962,724	100,179
Virginia	1,079,500	919,869	1,036,010	1,955,879	279,781
West Virginia	226,810	731,060	386,685	1,117,745	147,339
North Carolina	1,235,660	128,200	1,147,585	1,275,785	216,414
South Carolina	180,700	......	1,187,380	1,187,380	165,854
Georgia	520,350	330,925	437,675	768,600	102,201
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	170,100	260,100	81,740
Mississippi	......	.....	......	......	236
Louisiana	1,623,110	656,413	2,099,250	2,755,663	64,449
Texas	489,600	61,290	229,340	290,630	43,610
Arkansas	171,000	....	171,000	171,000	10,323
Kentucky	4,558,380	629,867	2,175,833	2,805,700	855,209
Tennessee	812,770	370,401	551,859	922,260	151,162
Missouri	1,471,960	1,043,450	3,862,135	4,905,585	674,350
Ohio	5,475,110	1,704,597	4,651,034	6,355,631	2,038,860
Indiana	3,900,850	1,414,597	7,859,083	9,273,680	2,831,329
Illinois	3,417,125	1,884,334	7,706,046	9,590,380	1,761,933
Michigan	2,427,310	536,800	3,237,475	3,774,275	1,33[illegible],035
Wisconsin	1,208,039	680,860	1,239,589	1,940,449	514,858
Iowa	1,941,400	858,669	1,760,615	2,619,284	486,743
Minnesota	1,138,400	554,495	1,883,445	2,437,940	779,747
Kansas	269,080	781,721	316,550	1,098,271	269,840
Nebraska	266,400	45,000	449,980	494,980	2[illegible]1,648
Nevada	36,000	......	......	......	1,748
Colorado	717,300	147,225	149,400	296,625	18,723
Utah	134,900	161,191	196,800	357,991	13,143
Montana	165,600	111,700	81,000	192,700	62,127
Wyoming	30,600	......	......	......	......
New Mexico	90,000	......	......	......	......
Washington	207,000	......	90,000	90,000	71,360
Dakota	265,500	.....	......	......	......
California	867,600	......	......	......	......
Totals	$119,834,715	$19,910,429	$107,958,352	$127,868,781	$31,836,924
Legal tenders deposited prior to June 20, 1874, and remaining at that date				3,813,675	
Total				$131,682,456	

JOHN JAY KNOX,
Comptroller of the Currency.

The National Debt Statement, October 1, 1881.

AND FOR COMPARISON THE SEPTEMBER STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	Sept. 1, 1881.	Oct. 1, 1881.
Bonds at 6 per cent., continued at 3½	$178,055,150	$178,055,150
" 5 "	421,969,850	*411,699,300
" 4½ "	250,000,000	250,000,000
" 4 "	738,703,900	738,710,850
Refunding certificates	618,900	636,950
Navy pension fund	14,000,000	14,000,000
Principal	$1,608,342,800	$1,593,102,950
Interest	12,044,851	14,075,389

* $400,869,950 continued at 3½ per cent.

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

	Sept. 1, 1881.	Oct. 1, 1881.
Principal	$14,198,665	$10,039,595
Interest	800,948	764,590

DEBT BEARING NO INTEREST.

	Sept. 1, 1881.	Oct. 1, 1881.
Old demand and legal-tender notes	$346,741,076	$346,741,056
Certificates of deposit	9,625,000	8,315,000
Gold and silver certificates	62,979,230	69,398,830
Fractional currency	7,098,559	†7,098,506
Principal	$426,443,865	$431,553,392
Unclaimed Pacific Railroad interest	7,226	7,256

† Total $15,474,440; amount estimated lost or destroyed, $8,375,934.

TOTAL DEBT.

	Sept. 1, 1881.	Oct. 1, 1881.
Principal	$2,043,985,330	$2,034,695,237
Interest	12,853,026	14,847,235
Total	$2,056,838,356	$2,049,542,473
Total cash in the Treasury	240,498,738	250,686,547
Debt, less cash in the Treasury	$1,816,339,567	$1,798,855,925
Decrease of debt during month	14,181,271	17,483,641
Decrease of debt since June 30, 1881	24,259,244	41,742,886

CURRENT LIABILITIES.

	Sept. 1, 1881.	Oct. 1, 1881.
Interest due and unpaid	$2,426,370	$2,143,883
Debt on which interest has ceased	14,198,665	10,039,595
Interest thereon	800,948	764,590
Gold and silver certificates	62,979,230	69,398,830
U. S. notes held for red'n of certificates of deposit.	9,625,000	8,315,000
Cash balance available	156,468,575	160,024,648
Total	$240,498,788	$250,686,547

AVAILABLE ASSETS.

Cash in the Treasury	$240,498,788	....	$250,686,547

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	646,235	....	969.352
Interest paid by United States	51,467,272	....	51,467,272

INTEREST REPAID BY COMPANIES.

By transportation service	$14,441,719	....	$14,486,125
By cash payments, 5 per cent. earnings	655,198	....	655,198
Balance of interest paid by the United States	$36,370,358	....	36,325,947

Treasury Payments during September.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$3,804,284
On account of war	4,090,447
On account of navy	1,183,701
On account of interior (Indians)	663,997
On account of interior (Pensions)	3,550,864
Total	$13,293,295

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 October 1, 1881, 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*	357,770,490
Increase during the last month	857,479
Increase since October 1, 1880	15,190,657

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	31,836,924
Decrease in deposit during the last month	431,321
Increase in deposit since Oct. 1, 1880	11,473,641

*Circulation of National Gold Banks not included in the above....... $930,450

JOHN JAY KNOX,
Comptroller of the Currency.

STATEMENT OF LIABILITIES AND ASSETS OF THE TREASURY OF THE U. S. FROM LATEST RETURNS RECEIVED.

LIABILITIES.

Post-Office-Department Account		$3,582,731 93
Disbursing Officers' Balances		22,278,303 96
Fund for redemption of notes of National Banks "failed," "in liquidation," and "reducing circulation."		31,152,713 60
Undistributed assets of failed National Banks		399,835 68
Five per cent. Fund for Redemption of National Bank Notes		15,768,662 75
Fund for redemption of National Bank Gold Notes		394,847 00
Currency and Minor-Coin Redemption Account		7,358 25
Fractional Silver-Coin Redemption account		87,872 75
Interest Acct., Pacific Railroads and L. & P. Canal Co.		4,930 00
Treasurer U. S., agent for paying interest on D. C. Bonds		253,795 34
Treasurer's Transfer Checks and Drafts outstanding		6,059,700 07
Treasurer's Gen'l Acct...Interest due and unpaid	$9,538,247 43	
Treasurer's Gen'l Acct...Matured Bonds & Interest	3,004,205 94	
Treasurer's Gen'l Acct...Called Bonds and Interest	17,832,841 34	
Treasurer's Gen'l Acct...Old Debt	796,488 28	
Treasurer's Gen'l Acct...Gold Certificates	5,248,920 00	
Treasurer's Gen'l Acct...Silver Certificates	64,149,910 00	
Treasurer's Gen'l Acct...Certificates of Deposit	8,315,000 00	
Treasurer's Gen'l Acct...Balance includi'g Bullion Fund	142,501,208 50	
Total Treasurer's General Account	251,386,821 49	
Less Unavailable Funds	700,274 17	
		250,686,547 32
		330,677,298 65

ASSETS.

Gold Coin	$76,610,269 90
Gold Bullion	97,751,074 62
Standard Silver Dollars	66,092,667 00
Fractional Silver Coin	26,313,118 63
Silver Bullion	2,632,184 67
Gold Certificates	9,600 00
Silver Certificates	11,559,730 00
United States Notes	27,180,132 07
National Bank Notes	4,452,854 59
National Bank Gold Notes	98,545 00
Fractional Currency	22,961 72
Deposits held by National Bank Depositaries	13,412,848 11
Nickel and Minor Coin	556,423 62
New York and San Francisco exchange	1,512,000 00
One and Two-Year Notes, &c	10 50
Redeemed Certificates of Deposit, June 8, 1872	210,000 00
Quarterly Interest-checks and Coin Coupons paid	176,420 27
Registered and Unclaimed Interest paid	
U. S. Bonds and Interest	2,016,876 70
Interest on District of Columbia Bonds	1,770 25
Speaker's Certificates	116,916 00
Pacific Railroad interest paid	900 00
	330,677,298 65

TREASURY OF THE UNITED STATES,
Washington, D. C., October 1, 1881.

JAMES GILFILLAN,
Treasurer U. S.

DAILY RECORD OF FINANCIAL EVENTS.

SEPTEMBER, 1881.

1. **Thursday.**—Reduction in the public debt during August, $14,181,221.

The Philadelphia, Wilmington & Baltimore railroad passed under the contro of the Pennsylvania Railroad Company.

2. **Friday.**—A dispatch from Paris says: "Competent authorities think that the crops of France will fall short of the requirement for home consumption, and that the deficiency will have to be made up by imports from America, thus implying a continuance of the gold drain to America."

3. **Saturday.**—Rate of discount in London for 60 days to 3 months bank bills 3¾ @ 3⅞ per cent., and trade bills 3⅞ @ 4 per cent.

Money on call in New York 5 @ 2½ per cent.; 60 to 90 days indorsed bills receivable 5 per cent.

5. **Monday.**—The census of India, just completed, shows the population to be 252,500,000.

6. **Tuesday.**—Bar silver in London 51⅝d. per ounce. Gold value of the legal-tender silver dollar 87.67 cents.

M. Gambetta spoke in favor of free trade at a meeting at Honfleur, France.

7. **Wednesday.**—The Cincinnati Southern railroad leased for twenty-five years to Fred Wolffe, said to represent the Erlangers.

8. **Thursday.**—A business holiday, being designated in this State as a day of prayer for the recovery of the President.

9. **Friday.**—The Oldham (England) Cotton Buying Company organized in opposition to the Liverpool cotton "ring."

Unfavorable reports received of the condition of the cotton crop in the South.

10. **Saturday.**—Rate of discount in London for 60 days to 3 months bank bills 3¼ @ 3⅜ per cent., and trade bills 3½ @ 4 per cent.

Money on call in New York 6 @ 3 per cent.; 60 to 90 days indorsed bills receivable 5 per cent.

The Canada Mutual Telegraph Company organized in Montreal, to connect with the Mutual Union Company in the United States. Capital, $1,000,000.

12. **Monday.**—Bar silver in London 51 11-16d. per ounce. Gold value of the standard silver dollar 87.79 cents.

13. **Tuesday.**—A meeting of the spinners and manufacturers of Lancashire and Yorkshire pass resolutions in favor of a week's stoppage. The iron masters of Cleveland district take action in favor of reducing the output.

14. **Wednesday.**—Commissioner Raum heard arguments against bank tax decisions.

15. **Thursday.**—A dispatch says that a number of American capitalists have authorized General Frisbie to apply for a charter for a bank in the City of Mexico, with branches throughout the country.

16. **Friday.**—John Calvocaressi, a heavy Greek stock operator, failed in London.

17. SATURDAY.—Rate of discount in London for 60 days to three months bank bills 3⅛ @ 3¼ per cent., and trade bills 3¼ @ 4 per cent.

Money on call in New York 6 @ 3 per cent.; 60 to 90 days indorsed bills receivable 5 per cent.

The first vessel passed through the new Welland canal.

The new cable of the American Telegraph and Cable Company opened for business.

19. MONDAY.—General James A. Garfield, President of the United States, died of the wound received on July 2, 1881.

20. TUESDAY.—The Governor of Minnesota issued a proclamation convening the Legislature on October 11 to take measures for the payment of the old Railroad bonds.

21. WEDNESDAY.—The discount establishments in London reduced the rates for deposits to 2¾ @ 3 per cent., which is considered an indication that the American gold drain is expected to subside for the present.

22. THURSDAY.—The Scottish Chamber of Agriculture has drafted a scheme for a Land bill for Scotland, providing for an adjustment of rents by arbitrators, etc.

23. FRIDAY.—A special session of the United States Senate called for October 10.

24. SATURDAY.—Rate of discount in London for 60 days to 3 months bank bills 3 @ 3⅛ per cent., and trade bills 3¼ @ 3¾ per cent.

Money on call in New York 6 @ 4 @ 6 per cent.; 60 to 90 days indorsed bills receivable 5 per cent.

26. MONDAY.—A general business holiday on account of the funeral of President Garfield.

The National Bank of Luxemburg (France) stopped by Government.

27. TUESDAY.—Bar silver in London 51¾d. per ounce; gold value of the legal-tender silver dollar 87.90 cents.

Yorkshire cotton spinners resolved to work four days weekly for four months.

28. WEDNESDAY.—The East Tennessee, Virginia & Georgia, Norfolk & Western and Shenandoah Valley railroad companies consolidated as the Virginia, Tennessee & Georgia Air Line.

29. THURSDAY.—The Adirondack railroad sold for $350,000 to the trustees.

30. FRIDAY.—Internal revenue receipts in September, $12,866,216; decrease in the public debt $17,483,641.

Agitating Bank Tax Repeal.—A called meeting of the Cincinnati Clearing-House Association was held on September 29 for the purpose of arranging means for persuading Congress to repeal the tax on bank deposits. A representative of the Chicago Clearing-House was present and addressed the association. He spoke of the tax on deposits as having been resorted to in time of war as a war measure. To continue that tax in times of peace was unjust and without excuse. It was taxing the corporation's debts as well as credits. He urged the Cincinnati Association to take such steps as would lead to the repeal of the law. A committee was appointed, consisting of Elliott H. Pendleton, of the Commercial Bank: Briggs Cunningham, of the Citizens', and W. H. Harrison, of the First National, to prepare a plan of action. The Cincinnati Association is prepared to make a vigorous effort to secure the repeal of the law.

A Land Bill for Scotland.—The Scottish Chamber of Agriculture has drafted a scheme for a Land bill for Scotland, providing for an adjustment of rents by arbitrators, a revaluation of farms, and for power in the tenant to sell his holding.

A Financial Curiosity.—The London "Standard" of September 28, says in its financial article: "The revived interest in the Confederate Sterling Loan was a novel feature yesterday. Large amounts were taken for Amsterdam at £2 10s.

New Banks, Bank Changes, Etc.

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

2556—First National Bank, Indianapolis, Indiana. Authorized capital, $400,000. Paid-in capital, $400,000. Augustus D. Lynch, President; John C. McCutcheon, Cashier.

2557—Union National Bank, Racine, Wisconsin. Authorized capital, $100,000. Paid-in capital, $50,000. Henry Mitchell, President; E. B. Kilbourn, Cashier.

2558—First National Bank, Greensburg, Pennsylvania. Authorized capital, $100,000. Paid-in capital, $50,000. Richard Coulter, President; John Zimmerman, Cashier.

2559—Third National Bank, Chattanooga, Tennessee. Authorized capital, $125,000. Paid-in capital, $62,500. William Morrow, President; W. E. Baskette. Cashier.

2560—Farmers' National Bank, Cynthiana, Kentucky. Authorized capital, $100,000. Paid-in capital, $100,000. J. W. Peck, President; Luther Van Hook, Cashier.

2561—Butler National Bank, Butler, Pennsylvania. Authorized capital, $50,000. Paid-in capital, $30,000. C. H. Dutcher, President; Wm. E. Walton, Cashier.

2562—Merchants & Farmers' National Bank, Greensburg, Pennsylvania. Authorized capital, $150,000. Paid-in capital, $150,000. Lewis Trauger, President; D. W. Shryock, Cashier.

2563—National Security Bank of Lynn, Massachusetts. Authorized capital, $100,000. Paid-in capital, $100,000. Benj. F. Spinney, President; David J. Lord, Cashier.

2564—First National Bank, Grand Forks, Dakota. Authorized capital, $50,000. Paid-in capital, $50,000. Horace G. Stone, President; Charles E. Burrell, Cashier.

2565—Commercial National Bank, Appleton, Wisconsin. Authorized capital, $100,000. Paid-in capital, $55,000. Ephraim C. Goff, President; H. G. Freeman, Cashier.

2566—First National Bank, Butte, Montana. Authorized capital, $100,000. Paid-in capital, $100,000. Andrew J. Davis, President; Henry D. Hauser, Cashier.

2567—First National Bank, Crookston, Minnesota. Authorized capital, $50,000. Paid-in capital, $50,000. Robert H. Baker, President; Ansel Bates, Cashier.

2568—Second National Bank, Columbia, Tennessee. Authorized capital, $50,000. Paid-in capital, $36,000. R. A. Ogilvie, President; George Childress, Cashier.

ARIZONA.

PRESCOTT.—Driggs & Co.; formerly of Tom's River, N. J.

CALIFORNIA.

LOS ANGELES.—First National Bank; E. F. Spence, President, in place of J. E. Hollenbeck; William Lacy, Cashier, in place of E. F. Spence.

SAN BERNARDINO.—Farmers' Exchange Bank (incorporated); capital, $19,500. Byron Waters, President; E. H. Morse, Cashier.

SAN FRANCISCO.—Grangers' Bank of California; G. W. Colby, President, deceased.

SAN JOSE.—First National Bank; W. D. Tisdale, President, in place of Jno. W. Hinds; L. G. Nesmith, Cashier, in place of W. D. Tisdale.

SANTA ANA.—C. W. Humphreys; collections.

SIERRA VALLEY.—A. S. Nichols, agent for Wells, Fargo & Co.

COLORADO.

CANON CITY.—Exchange Bank (R. A. Bain); sold to Mulock Bros. & Co.

DURANGO.—Bank of Durango; William Barth, President; Albert P. Camp, Cashier. Incorporated; successors to Daniels, Brown & Co.

GOTHIC.—Sands & Co.; successors to Sands, Holmes & Co.

LEADVILLE.—Bank of Leadville; E. L. Campbell, President, in place of H. A. W. Tabor; Clinton Bennett, Assistant Cashier, in place of W. S. Morse.

PONCHO SPRINGS.—Bank of Poncho Springs; closed.

DAKOTA.

GRAND FORKS.—First National Bank; capital, $50,000. Horace G. Stone, President; Charles E. Burrell, Cashier.

JAMESTOWN.—Bank of Jamestown (Raymond, McGinnis & Wallace); dissolved. Continued by Robert E. Wallace.

DISTRICT OF COLUMBIA.

WASHINGTON.—National Bank of the Republic; Charles S. Bradley, Cashier, in place of Charles Bradley.

Riggs & Co.; continue under same style; T. L. Riggs admitted. Alexander Elliott has an interest.

FLORIDA.

PALATKA.—William J. Winegar & Co.

GEORGIA.

ATHENS.—National Bank of Athens; Asaph K. Childs, President, in place of J. White.

CONYERS.—Thomas D. Stewart & Co.; successors to J. H. Almand, Son & Co.

ILLINOIS.

CHESTERFIELD.—The Chesterfield Bank; Andrew W. Cross, President; Edward Cross, Vice-President; Isaac Harbert, Cashier.

CHICAGO.—Canadian Bank of Commerce; A. L. Dewar, Agent, in place of J. G. Orchard.

METROPOLIS.—McKee, Quante & Co.

NATIONAL STOCKYARDS.—Stockyard Bank (H. L. Newman & Co.); now Newman & Farr.

NEW BOSTON.—Ives, Ballard & Co.; successors to Charles H. Ballard.

George Gore; reopened.

ROCHELLE.—Wm. Stocking & Co. successors to First National Bank.

First National Bank; in liquidation.

TABLE GROVE.—S. W. Durham; appeared in September *Journal*, through error, as at Table Rock.

INDIANA.

INDIANAPOLIS.—First National Bank; in voluntary liquidation. Reorganized under same title and management.

IOWA.

CARROLL CITY.—Carroll County Bank, (W. T. Minchen); sold out. Now A. W. Patterson, President; W. J. Patterson, Vice-President. J. W. Thomas remains as Cashier.

FONDA.—Pocahontas County Bank.

LENOX.—Bank of L. S. Brooks; J. H. Hull, Cashier, in place of F. J. Wilson.

MORNING SUN.—Bank of Morning Sun.

OSKALOOSA.—National State Bank; in liquidation.

RIVERTON.—Fremont County Bank (John Davies); now Davies & Brant.

KANSAS.

CANTON.—Canton Bank (S. Bailey & Co.); closed.

CONCORDIA—Cloud County Bank; I. B. Smith, President, in place of H. C. Harrison.

HILLSBORO.—German Bank; John J. Funk, Cashier.

LYNDON.—Lyndon Savings Bank; J. S. Danford, President; W. A. Madaris, Cashier.

KENTUCKY.

COVINGTON.—Northern Bank of Kentucky (Branch): D. C. Collins, Vice-President; James V. Guthrie, Cashier, in place of D. C. Collins.

CYNTHIANA—Farmers' National Bank; capital, $100,000. Succeeds Farmers' Deposit Bank; same officers.

ELIZABETHTOWN.—Bryan, Polk & Co.; succeed Arnold, Polk & Co.

MAINE.

AUGUSTA.—First National Bank; Daniel A Cony, President; not Daniel A. Corry, as previously reported.

WATERVILLE.—People's National Bank; N. G. H. Pulsifer, President, in place of John Webber.

MARYLAND.

BALTIMORE.—J. Harmanus Fisher & Son; successors to J. Harmanus Fisher.

MASSACHUSETTS.

LYNN.—National Security Bank; capital, $100,000. Benjamin F. Spinney, President; David J. Lord, Cashier.

SPRINGFIELD.—Second National Bank; H. P. Piper, Cashier, in place of L. Warriner.

WESTFIELD.—First National Bank; C. I. Snow, Vice-President; M. B. Whitney, President, in place of George L. Laflin.

MICHIGAN.

EDMORE.—Gardner & Corey.

FLINT.—Citizens' National Bank; H. C. Van Deusen, Cashier, in place of William B. McCreery.

GRAND RAPIDS.—H. H. Dennis; reopened.

HOLLY.—First National Bank; Livingston Axford, President, in place of J. B. Simonson, deceased; W. E. Pier, Vice-President, in place of Livingston Axford.

IONIA.—A. J. Webber & Son; succeed Webber, Just & Co.

LANSING.—Central Michigan Savings Bank; Nelson Bradley, Cashier, in place of D. F. Woodcock.

STANTON.—A. D. F. Gardner & Co.

MINNESOTA.

ADA.—Bank of Ada; capital, $25,000. H. L. Ware, President; W. H. Matthews, Cashier.

CROOKSTON.—First National Bank; capital, $50,000. Robert H. Baker, President; Ansel Bates, Cashier.

GLENCOE.—Bank of Glencoe; L. W. Gilbert, Cashier, in place of E. B. Lincoln.

HOWARD LAKE.—Bank of Howard Lake (Dittman & Roosen).

ST. CLOUD.—Clarke & McClure; successors to T. C. McClure, deceased.

WABASHA.—Bank of Wabasha; capital, $50,000. W. S. Jackson, President; Bruce Florer, Cashier. Successors to Exchange Bank of A. D. Southworth & Co.

MISSISSIPPI.

KOSCIUSKO.—Bank of Kosciusko; suspended.

MISSOURI.

ARROW ROCK.—Nelson & Baker.

Bank of Missouri; removed to Kansas City.

ASHLAND.—Farmers' Bank; capital, $5,000. Eli Penter, President; Edward L. Dimmitt, Cashier.

BUTLER.—Butler National Bank; capital, $80,000. C. H. Dutcher, President; William E. Walton, Cashier. Succeeds Exchange Bank (Walton, Dutcher & Co.)

KANSAS CITY.—Bank of Missouri; removed from Arrow Rock.

Whipple Brothers & Co.; succeed Whipple, Cowherd & Co.

NORBORNE.—Farmers' Bank; capital, $30,000. R. B. Hudson, President; W. C. Palmer, Cashier.

ODESSA.—Bank of Odessa; capital increased to $20,000.

ROCHEPORT.—Rocheport Bank; L. Grossman, President; F. E. Carr, Cashier. Succeeds Wm. S. Woods & Co.

WARSAW.—State Bank; James H. Lay, President; H. A. Tompkins, Cashier.

MONTANA.

BUTTE.—First National Bank; capital, $100,000. Andrew J. Davis, President; Henry D. Hauser, Cashier. Succeeds S. T. Hauser & Co.

NEBRASKA.

CALVERT.—Nemaha County Bank; F. W. Samuelson, President; D. J. Wood, Cashier.

CLAY CENTRE.—Clay County Abstract & Loan Co.; successors to the Clay County Bank.

EDGAR.—Grand Island Banking Co.; succeeded by Fairfield Bank; removed to Fairfield.

GRAFTON.—Bank of Grafton; J. O. Chase, President; R. C. Price, Cashier, succeeds L. R. Grimes.

PLATTSMOUTH.—First National Bank; J. M. Patterson, Vice-President, in place of C. G. Dovey, deceased.

PONCA.—E. E. Halstead.

RED CLOUD.—Webster County Bank (R. V. Shirey, Cashier.)

ULYSSES.—Ulysses State Bank; capital, $5,000. S. D. I. Emerson, President; Arthur Hall, Cashier.

NEW JERSEY.

NEWARK.—William S. Righter.

TOM'S RIVER.—Driggs & Co.; removed to Arizona.

NEW YORK.

ATTICA.—C. B. Benedict & Son; successors to First National Bank.

First National Bank; in liquidation.

HOBART.—First National Bank; in liquidation.

HORNELLSVILLE.—Bank of Hornellsville; W. E. Pittenger, Cashier, in place of F. H. Furman, resigned.

JOHNSTOWN.—Johnstown Bank; John W. Cline, President, in place of D. McIntyre.

NEW YORK CITY.—The Deposit and Cheque Bank; capital, $100,000.

National Bank of Commerce; Henry F. Vail, President, deceased.

Institution for Savings of Merchants' Clerks; Andrew Warner, President, in place of Joseph W. Patterson, deceased.

OHIO.

CRESTON.—W. P. Stebbins & Son.

SEVILLE.—Bank of Seville (Hay & Stebbins); discontinued.

SPRINGFIELD.—Second National Bank; J. G. Bonalleck, Cashier, in place of F. W. Foos.

PENNSYLVANIA.

BUTLER.—Butler National Bank; capital, $30.000. C. H. Dutcher, President; Wm. E. Walton, Cashier.

GREENSBURGH.—First National Bank; capital, $50,000. Richard Coulter, President; John Zimmerman, Cashier.

Bank of Barclay; Wilson Baughman, President; John Barclay Keenan, Cashier.

MONTROSE.—First National Bank; Wm. J. Turrell, President, deceased.

PHILADELPHIA.—Ashton Coates; succeeds Coates & Reading.

PITTSBURGH.—Exchange National Bank; Mark W. Watson, President, in place of John H. Shoenberger.

Fifth Avenue Bank; Charles W. Schwarz, President, in place of D. M. Armor, deceased.

STONEBORO.—Bank of Stoneboro; A. W. Gealy, Cashier.

SOUTH CAROLINA.

DARLINGTON C. H.—E. Keith Dargan; successor to Dargan & Hewitt.

TENNESSEE.

CHATTANOOGA.—Third National Bank; capital, $62,500. William Morrow, President; W. M. Baskette, Cashier.

COLUMBIA.—Second National Bank; capital, $31,000. R. A. Ogilvie, President; Geo. Childress, Cashier.

KNOXVILLE.—Merchants' Bank; John S. Van Gilder, President; H. T. Ault, Cashier.

TEXAS.

BONHAM.—Fannin County Bank; S. B. Allen, President, in place of J. R. Russell, deceased.

WAXAHACHIE.—Patrick McMillan & Co.

UTAH.

SILVER REEF.—R. T. Gillespie.

VERMONT.

BELLOWS FALLS.—National Bank of Bellows Falls; James H. Williams, President, in place of James H. Williams, deceased; Preston H. Hadley, Cashier, in place of James H. Williams.

CASTLETON.—Castleton National Bank; Henry I. Cole, Cashier, in place of Martin D. Cole.

WASHINGTON TERRITORY.

SEATTLE.—Mackintosh & Reeves.

WISCONSIN.

APPLETON.—Commercial National Bank; capital, $55,000. Ephraim C. Goff, President; H. G. Freeman, Cashier.

RACINE.—Union National Bank; capital, $50,000. Henry Mitchell, President; E. B. Kilbourn, Cashier.

ONTARIO.

WOODSTOCK.—Canadian Bank of Commerce; F. O. Cross, Manager, in place of A. L. Dewar.

Office of RHODES' JOURNAL OF BANKING,
13 Spruce Street, New York.

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.

THE GARFIELD MONUMENTAL FUND.

The following extract is from a personal note addressed to Mr. Bradford Rhodes, editor of the JOURNAL, by Mr. J. H. Rhodes, Secretary of the Garfield Monument Committee:

"I suggest that you receive subscriptions, in any amount, through the JOURNAL OF BANKING, for the Monument Fund. Enclosed find the circular, just issued by the Committee, which please publish."

The circular referred to is appended:

To the People of the United States:

The movement to secure funds for the erection of a Monument over the grave of JAMES A. GARFIELD is being responded to from all sections of the country—east, west, south and north. In order to make it popular and successful, it is desirable and will be necessary for the citizens of the different States to immediately organize. The Committee hereby request all National Banks, Private Bankers, Savings Banks, Newspapers and Postmasters to call attention to the movement, by posting notices and otherwise, and to receive contributions and remit the same to the Second National Bank of Cleveland, Ohio, which has been designated Treasurer of the fund; also, to send the names and postoffice address of all contributors. These names will all be recorded in books, that will be preserved in the monument. All contributions will be receipted for by the Second National Bank.

Committee: — { JOSEPH PERKINS, J. H. WADE,
H. B. PAYNE, J. H. RHODES, *Secretary*,
225 Superior St., Cleveland, O.

CLEVELAND, Sept. 27th, 1881.

In accordance with the above, subscriptions will be received at this office. Please make checks payable to the "Garfield Monument Fund," and address letters:

RHODES' JOURNAL OF BANKING,

13 Spruce Street, New York.

RECORD OF DEATHS.

HENRY F. VAIL, President of the National Bank of Commerce, New York, died September 22, 1881, aged sixty-nine years.

Mr. Vail was born in New York of a respectable family, and began his business career in the house of Fish, Grinnell & Co., now Grinnell, Minturn & Co. In 1837 he became a clerk in the United States Bank, where he had for associates Mr. Jacob D. Vermilye and the late James M. Morrison and George W. Duer. In 1841 he was appointed first teller of the Bank of Commerce, resigning in 1851 to assist in organizing the Bank of the Republic, of which he was the first Cashier. Within a year he resigned in order to become Cashier of the Bank of Commerce, which position he held for twenty-seven years, until, in 1878, he was elected its President. In 1879 he organized a syndicate which subscribed for $40,000,000 of four per cent. Government bonds. Mr. Vail was Chairman of the Clearing-House Association, and Vice-President of the Institution for the Savings of Merchants' Clerks, besides filling other positions of trust, and was distinguished for judgment and ability in his business. It is noted as a remarkable fact that during his connection with the Bank of Commerce it never lost a law suit, it never lost a dollar by a broker, by defalcation, or by any clerical irregularity, nor did it ever "pass" a dividend.

GEORGE T. GARDNER, President of the National Hope Bank of Warren, R. I., died June 27, 1881, aged 76 years.

Mr. Gardner was a native of Warren, R. I., where he always resided. He began his business career early in life as a retail grocer, and afterward engaged in the West India trade, achieving marked success in both occupations. In 1859 he was elected President of the Hope Bank, which position he filled until his decease. Mr. Gardner was for a number of years President of the Town Council, and at various times other positions of honor and responsibility were conferred upon him by the town and State. He was noted for sound financial judgment as well as indomitable energy of character, which sustained him in his active business career, notwithstanding a painful physical ailment that would have totally incapacitated an ordinary person from labor. His death was mourned by the community as a public loss.

WILLIAM J. TURRELL, President of the First National Bank of Montrose, Pa., died August 30, 1881, aged sixty-eight years.

Mr. Turrell was the oldest and one of the most distinguished members of the bar in his section of Pennsylvania. He served two terms in the State Senate, and was Speaker of that body during the war. He was also a member of the Constitutional Convention of 1872-'73. He became President of the First National Bank of Montrose upon its organization, and held that office until the time of his death, which was widely regretted.

JAMES B. SIMONSON, President of the First National Bank of Holly, Michigan, died August 27, 1881, aged seventy-six years.

THE BANKER'S GAZETTE.

The Money Market and Financial Situation.

NEW YORK, OCTOBER 1, 1881.

The stringency in money which in August was seriously felt, and which caused a notable increase in the rate on call loans, was but slightly manifested during the past month. Except for short periods there was a fair supply of money, while as a rule borrowers were not compelled to pay more than 5@6 per cent. for loans on call. This apparent ease was hardly due to any accretion of money from outside sources, for neither the Treasury nor the importation of specie gave much relief. The bank reserves have again reached a point lower than is altogether desirable, while the imports of gold fail to reach the volume anticipated, the shipments reported afloat at the beginning of the month having been discovered not to have been made at all. Uncertainty as to the probable course of money has tended to restrict transactions, and thus to prevent a stringency which otherwise might have been serious.

The speculation as to the course which the Treasury would take regarding disbursements was partly disposed of by the Secretary issuing, on September 24, a call for $20,000,000 of the 6 per cent. bonds, which had been extended at 3½ per cent., to be redeemed on December 24. Notice was also given that $2,000,000 of the extended 3½ per cent. bonds, called or uncalled, would be purchased at par and accrued interest to the date of redemption, each week of the five weeks ending October 1st, 8th, 15th, 22d and 29th. During the past week the full amount, $2,000,000, were purchased under this notice, of which only $86,000 were among the bonds called for redemption on December 24. If the Treasury should succeed in purchasing the amount of bonds asked for, outside of those called, the total redeemed during the three months covered by the call would be $30,000,000. There has hitherto been a disinclination on the part of holders of the called bonds to surrender them until the date set for their redemption, and this fact has been taken as a forecast of the possibility of a failure of that part of the Secretary's plan which provides for additional purchases. But the case of the 3½ per cents is exceptional, and the bonds are being freely offered.

The method adopted by the Secretary for relieving the money market has not brought entire satisfaction to all interested parties. On the one hand it is urged that the Treasury should leave the money market to take care of itself, it being no part of the duty of the Government to furnish money to the impecunious. There seems no valid objection to this argument, if it also includes the non-interference of the Treasury in the depletion of the money market. But while large drafts are made by the

Treasury upon the money reserves of the country, it is not too much to ask that its demands be limited by its necessities, and that if it takes out of the market more money than it requires, it should as soon as practicable return the excess. The other objection to the Secretary's plan of settling the difficulty is, that it does not bring instantaneous relief. That this object may be gained it is urged that the Secretary modify his call by offering to redeem at once all the called bonds at par and accrued interest to December 24. There is little doubt that if the Secretary should take this course nearly the entire amount of $20,000,000 would be redeemed speedily and the money get into the market without delay. There is no evidence yet, however, that such a course will be taken, although the pressure upon the Secretary is very strong in that direction.

The decision of the Secretary to redeem the extended 3½ per cents, in preference to purchasing the 4 or 4½ per cent. bonds, is in full accord with the line of policy suggested by this journal. So far as the best interests of the Government are concerned it was manifestly proper to redeem the bonds already due at par, so long as the bonds not yet due can not be purchased except at a very large premium. With the 4 per cents selling at 117⅜ and the 4½ per cents selling at 113⅝, without taking into consideration the probability of a further increase in the premium, the moment that the Treasury came into the market as a purchaser, it is at once evident that the most economic method is the one suggested by this journal and adopted by the Secretary. The redemption of the extended bonds presents one question relative to its effect upon the national banks, but its importance has probably been considerably overestimated. A dispatch from Washington reports the Comptroller as saying that, "in his opinion, the circulation of the national banks will not be likely to be much reduced by the gradual payment of the 6 per cent. extended bonds. The national banks hold $60,000,000 of the 6 per cent. extended bonds, and their payment during the next two and a half years would require the banks to substitute about $24,000,000 of other bonds annually therefor." Apprehension on the part of the banks is therefore unnecessary at present, although the time must come when the payment of the public debt must compel a change in the banking system. Out of the present difficulties, however, there is one plain way, and that lies through a reduction of the excessive taxation which the national banks are compelled to bear.

Among the payments which the Treasury may be expected to make are the following: About $11,000,000 of the 5 per cent. bonds called in August still unredeemed; $20,000,000 of the extended 6 per cents called September 24; $10,000,000 extended bonds to be purchased by October 29; $7,387,089 quarterly interest on the 4 per cents due October 1; $3,505,555 quarterly interest on the extended 5 per cents due November 1, and $2,812,500 quarterly interest on the 4½ per cents due December 1, making a total of about $55,000,000 to be paid during the coming three months. The receipts of the Government during the same period will amount probably to $50,000,000, so that the relief to the money market afforded by the Treasury will not be appreciable.

THE PUBLIC DEBT.—In September the public debt was reduced $17,474,642, making the total reduction since July 1st nearly $42,000,000, the largest decrease in any three months for several years, and $15,000,000 larger than during the corresponding period last year. The decrease in the interest-bearing debt during the month was $10,240,550. Only $10,829,350 of the five per cent. bonds remain outstanding, on which the interest has not been reduced. The interest on these bonds ceases to-day, October 1, leaving outstanding 3½ per cents, $578,925,100; 4 per cents, $739,347,800; 4½ per cents, $250,000,000, and Navy Pension bonds, $14,000,000. The cash in the Treasury increased over $10,000,000 during the month, the suspension of public business for several days on account of the death of President Garfield probably preventing the payment of certain claims against the Government which will be presented this month. One notable circumstance connected with the refunding of the public debt is the fact that there are over $11,000,000 called bonds on which interest has ceased at different times since 1870, still outstanding, which have not been presented for redemption. Of this amount over $2,000,000 of called 5 and 6 per cent. bonds are held in the Treasury to secure National Bank circulation.

United States Bonds.—The transactions in Government bonds have not been either large or important of late, and during the last week of September the market was particularly heavy with declining prices, due partly to the activity of money. The extended 6 per cents declined to nearly par and interest at the end of the month, the possibility of their early redemption aiding the depression in price, although a large portion of them cannot be redeemed for a long time to come. The fluctuations in the 4 per cent coupon bonds were strongly marked, selling at 116 on the 2d and advancing steadily until the 14th, when they reached 117⅝, then down to 117 on the 17th, and up to 117⅝ again on the 28th, remaining at the latter point the rest of the month.

The following table shows the closing bids for the principal issues of Government bonds on each day of the month of September, and the highest and lowest during the month:

Sept.	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.	Sept.	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s 1899.
1	101⅛	101⅝	112⅞	116	134	17	100⅞	101⅛	113⅜	117	134
2	101¼	101	112¾	116	134	19	100⅞	101	113¼	116⅞	134
3	101¼	101	112⅞	116⅛	134	20	100⅞	101⅛	113⅜	117	134
5	101¼	101	113	116¼	134	21	100⅞	101⅛	113⅛	117¼	134
6	101¼	101⅛	113	116⅛	135	22	100⅞	101⅛	113⅛	117¼	134
7	101⅜	101	113	116⅛	134	23	100⅞	101⅛	113⅛	117¼	134
9	101¼	101⅛	113	116⅛	134	24	100⅝	101⅛	113⅛	117⅛	134
10	101¼	101⅛	113	116⅛	134	27	100⅝	101⅛	113⅛	117⅝	134
12	101¼	101⅛	113	116¼	134	28	100⅝	101⅛	113⅜	117⅛	134
13	101¼	101⅛	113⅛	116⅝	134	29	100⅛	101	113⅜	117⅜	134
14	101¼	101¼	113⅜	117⅝	134	30	100⅛	101⅛	113⅜	117⅝	132
15	101	101¼	113⅛	117¼	134	High	101¼	101⅝	113⅛	117⅝	135
16	100⅞	101⅛	113⅜	117⅛	134	Low	100⅝	101	112¾	116	132

Foreign Exchange.—The market for foreign exchange is weak, with a continued downward tendency, making the shipment of coin from abroad profitable. The actual rates for prime bankers sterling bills at 60 days is $4.80, and at sight 4.83½; comcial sterling $4.87½@$4.88½ for 60 days; francs $5.25⅝ and 5.22½ for long and short bills; Reichsmarks, bankers, 60 days, 93⅞@94, and sight, 94½@94⅝; Guilders, bankers, 60 days, 39⅝@39¾, and sight 39⅞@40.

The following shows the posted rates for prime bankers sterling bills on London at 60 days and sight, cable transfers, and prime commercial sterling at 60 days, together with exchange on Paris on Sept. 1, the changes in the rates as they occurred during the month, and the highest and lowest during the months of August and September:

	Bankers 60 days.		Bankers Sight.		Cable Transfers.		Commercial.		Paris 60 days.		Paris Sight.
August—											
Highest.....	4.83	....	4.85	....	4.84¾	....	4.81¾	....	5.23⅛	....	5.19⅜
Lowest......	4.80½	....	4.84	....	4.83⅛	....	4.79⅛	....	5.26⅛	....	5.22¾
Sept. 1........	4.80½	...	4.84	....	4.83⅛	....	4.79¼	....	5.26	....	5.22¾
" 6........	4.81	....	4.84½	....	4.84¼	....	4.79⅛	....	5.25⅝	....	5.21⅞
" 14........	4.81	....	4.84½	....	4.84¼	....	4.79⅝	....	5.25⅝	....	5.21⅞
" 16........	4.81½	....	4.85	....	4.85	....	4.79⅝	....	5.25	....	5.21¼
" 23........	4.81½	....	4.85	....	4.85	....	4.79⅝	....	5.25⅞	....	5.22½
" 27........	4.80½	....	4.84	....	4.84¼	....	4.78⅝	....	5.25⅞	....	5.22½
" 30........	4.80½	....	4.84	...	4.84¼	....	4.78¾	....	5.25⅞	....	5.22½
Highest...	4.81½	....	4.85	....	4.85	....	4.79⅝	....	5.26	....	5.22¾
Lowest......	4.80½	....	4.84	....	4.83⅛	....	4.78⅝	...	5.25	....	5.21¼

NEW YORK CITY BANK MOVEMENTS.—The reserve of the Associated Banks has again fallen below the legal requirement, and the deficiency is somewhat larger than at the close of August. The loans have been reduced from $343,369,600 on August 27, to $330,497,400 on October 1, and are $2,000,000 less than they were at the same time last year. The Treasury payments to be made this month will likely soon bring the reserve within the legal limit.

The statements of the New York Clearing-House banks, the range of call loans and the rate of discount on prime paper for the four weeks of September were as follows:

N.Y.City B'k Statm'ts.	Sept. 3.	Sept. 10.	Sept. 17.	Sept. 24.	Oct. 1.
Loans and discounts..	$337,207,200	$334,091,900	$333,625,800	$332,672,300	$330,497,400
Specie..................	62,343,800	64,601,700	65,079,700	64,984,400	59,643,200
Circulation.............	19,633,200	19,732,200	19,735,800	19,765,200	19,859,100
Net deposits...........	315,927,200	314,828,200	316,749,500	314,317,300	308,518,100
Legal tenders.........	15,617,900	15,076,400	14,561,800	15,057,200	14,730,300
Legal reserve.........	78,981,800	78,707,050	79,187,375	78,579,325	77,129,525
Reserve held.........	77,961,700	79,678,100	79,641,500	80,041,600	74,373,500
Surplus...............	*$1,020,100	$971,050	$454,125	$1,462,275	*$2,756,025
Range of call loans....	5@6†	4@6	4@6	4@6	‡5@6
Rate of prime paper...	5@6	5@6	5½@6	5½@6	6

* Deficiency. † Plus 1-16 of 1 per cent. per day. ‡ Plus 1-32 of 1 per cent. per day.

MONEY AND DOMESTIC EXCHANGE.—Although, as a rule, money was easier than in August, there were periods during September when an apparent stringency occurred, and the rate on call loans was advanced to as high as 6 per cent. with ⅛ of one per cent. commission. In most cases the advance in loaning rates was directly traceable to manipulation, intended to depress prices. Still money has been less easy to obtain than at the same time last year, when the highest rate was not more than 4 per cent., while it was as low as 1½ per cent. The following are the rates of exchange on New York at the cities mentioned to-day: Savannah, buying ⅝ off, selling ¼ to ⅛ off; New Orleans, commercial. $1.75@$2 00 per $1,000 discount; bank $1 per $1,000 premium; St. Louis, $1.10 per $1,000 discount; Chicago, $1 per $1,000 discount; Boston 40@50c. per $1,000 discount.

STOCK EXCHANGE BUSINESS.—The total recorded transactions at the New York Stock Exchange for the past five months, were as follows:

	May.	June.	July.	August.	Sept.
Government bonds............	$4,194,200	$2,392,200	$2,444,000	$1,696,150	$1,673,750
State bonds......................	3,618,500	3,975,900	2,385,000	1,24[illegible],500	2,264,500
Railroad bonds.................	58,436,600	39,971,100	19,064,300	13,412,300	18,143,400
Bank stocks—shares..........	756	503	270	345	581
Railroads, etc., "	12,378,[illegible]30	8,632,511	8,611,522	6,868,750	6,854,688

RAILROAD AND MISCELLANEOUS STOCKS.—There has been a continued fluctuation in prices of stocks during the month, with a general net gain in most of the active list, as compared with the closing prices of August. The difficulties between the trunk lines seem to be increasing rather than decreasing, and new complications are continually threatened. Underneath all the trouble there appear to be causes which are only now coming to the surface, and which indicate that the war is to the death, and is a struggle between giants for existence. While the fight continues, and the loss therefrom increases, the course of the stock market must be an excitable and uncertain one. Added to the trunk line embroglio are new litigations affecting prominent railroads, and "corners" *in esse* or *in futuro* in railroad stocks, the latter seemingly causing the more serious apprehensions.

The following table shows the highest, lowest, and closing prices of the most important railway and miscellaneous stocks at the New York Stock Exchange during the month of September:

Companies.	Highest.	Lowest.	Clos'g	Companies.	Highest.	Lowest.	Clos'g
Canada Southern....	67⅛	63	64	Met. Elevated........	87¾	77⅛	86
Central Pacific......	98	88⅛	95¼	Mich. Central........	99⅝	91⅝	92¼
C., C., C. & Ind	99¾	81⅛	98	Mo., Kan. & Texas..	44	39⅛	41⅛
C., C. & I. C..........	22⅞	20½	21¼	Nash., Chat. & St. L.	91¼	84⅛	85
Chic., Bur. & Q......	166	147⅛	160	N. J. Central........	98⅛	91⅝	95⅛
Chic., R. I. & P......	139⅛	133	137⅛	N. Y. Central........	145⅛	141⅞	142⅛
Chic. & Alton........	132¾	128	131	N. Y. & N. Haven...	—	—	—
Northwestern........	127¾	122¾	125⅝	N. Y. Elevated......	111	97	110¼
Mil. & St. Paul.......	122⅝	111⅛	111⅝	N. Y., L. E. & W....	46⅝	42⅛	44⅛
Del., Lack. & West..	129¼	123	127⅛	Northern Pacific....	41	38¾	39⅛
Denver & R. G......	92⅝	84¾	86⅛	Ohio & Mississippi..	60	30¾	44⅝
Hannibal & St. Jo...	850	94¼	.....	Oregon R. & N......	169	155⅛	....
Illinois Central......	133⅝	126¼	131	Phila. & Reading....	73⅞	59	71¼
Ind., B. & W.........	48⅝	41⅛	46	St. L. & San F........	47¼	44	45⅛
Lake Erie & West..	56⅛	51⅛	48½	Texas & Pacific......	54¾	51⅛	52
Louisville & Nash...	99	92⅛	9[illegible]½	Union Pacific........	125⅝	119	119⅞
Lake Shore..........	12[illegible]⅝	122¼	125	Wabash, St. L. & P..	53⅛	46¾	50¼
Manhattan R........	25	19⅛	20⅝	Western Union Tel..	92⅝	85¾	85⅞
Missouri Pacific.... .	108⅝	101¾	106	Pacific Mail..........	52⅝	48	51

STATE BONDS have shown considerable activity, particularly in the low-priced bonds of Southern States, the transactions in which have been comparatively heavy on speculative account. North Carolina special tax bonds are quoted at 9½@10⅝, Arkansas railroad bonds of different issues at 26⅛ and 27¼, Virginia 6s deferred at 18¼, and South Carolina 6s non-fundable at 12.

RAILROAD BONDS have been moderately active, with prices steady, in some instances a fair advance being secured as compared with a month ago. New York Elevated firsts are now quoted at 116, Metropolitan Elevated firsts 99½, Missouri, Kansas & Texas consolidated assented at 105½ and seconds at 84½, Erie, second consolidated at 102¼@103, Lake Shore coupon seconds at 127½, Chicago & Alton firsts at 127, Union Pacific firsts at 116. The latest quotations will be found in the table of Railroad Bonds and Miscellaneous Securities at the end of this department.

COMPARATIVE STATEMENT ON OR ABOUT OCTOBER 1, 1879, 1880 AND 1881.

The following summary shows the condition of the New York Clearing House banks, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of October in 1879, 1880 and 1881; and, for comparison, the same figures for last month, September, 1881:

	September	October		
NEW YORK CITY BANKS—	**1881.**	**1881.**	**1880.**	**1879.**
Loans and discounts	$343,369,600	$332,672,300	$310,204,900	$260,763,700
Specie	62,151,400	64,984,400	65,147,600	20,017,400
Circulation	19,590,900	19,765,200	18,882,500	21,531,900
Net deposits	323,721,300	314,317,300	294,806,900	229,983,000
Legal tenders	16,210,900	15,057,200	13,197,200	40,047,700
Legal reserve	80,930,425	78,579,425	73,701,725	57,495,750
Reserve held	78,362,300	80,041,600	78,344,800	60,065,100
Surplus	*2,568,025	1,462,275	4,643,075	2,569,350
MONEY, EXCHANGE, SILVER—				
Call loans	†3@6	5@6	2@3	5@7
Prime paper	5@6	5½@6	5@5½	5@6
Silver in London per oz	51¾d	51 13-16d	52¼d	51 9-16d
Prime Sterling bills, 60 days	4 80½	4 80½	4 81½	4 81½@4 82½
UNITED STATES BONDS.				
6s, 1881, coupon	101½	102½	.....	.....
6s, currency, 1898	133	133	124	122½
5s, 1881, coupon	.....	101⅛	.....	.....
4½s, 1891, coupon	113	113⅝	108½	105¼
4s of 1907, coupon	116	117⅜	107⅝	101⅝
RAILROAD STOCKS.				
New York Central & Hudson Riv.	142	142¾	130	119
Erie (N. Y., L. E. & W.)	42⅝	45⅛	39	33
Lake Shore & Michigan Southern	123	124⅞	107¾	95
Michigan Central	93⅛	91¾	95⅞	89¾
Chicago, Rock Island & Pacific	133¾	137¼	118⅝	139
Illinois Central	127½	131	112⅝	91⅞
Chicago & Northwestern, common	124⅝	125⅝	105¼	83⅝
Chicago, Milw. & St. Paul, com	114½	112¼	91¼	67⅞
Delaware, Lackawanna & Western	123⅝	127⅞	89¼	67⅝
Central of New Jersey	93	95¾	72¾	60½
MERCHANDISE.				
Cotton, Middling Uplands, per lb	12¼	11 13-16	11½	10⅝
Wool, American XX, per lb	34@43	34@43	36@45	33@40
Iron, American Pig, No. 1, per ton	21@25½	24½@25½	25¼@27	29@30
Wheat, No. 2 spring, per bush	1 44⅞	1 53@1 53¼	1 08¼@1 08¾	1 29@1 30
Corn, Western mixed, per bush	65@71½	70@76½	51@52	53
Pork, Mess, per bbl	18 75	19 87½@20 50	16 50@17 50	9 50@9 75

* Deficiency. † Plus 1-16 of 1 per cent per day.

RAILROAD BONDS AND MISCELLANEOUS SECURITIES.

QUOTATIONS IN NEW YORK AND OTHER CITIES.

The following tables give the latest procurable bid and asked prices of Railroad Bonds and miscellaneous securities at the New York Stock Exchange, and Southern securities not called at the Stock Exchange, and al o under their appropriate heads, the quotations of securities dealt in at other cities. The quotations represent per cent of par, and not dollars.

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

SECURITIES.	Bid.	Askd	SECURITIES.	Bid	Askd
			Erie 1st. con. f'd. coup. 7s.....	123	127½
RAILROAD BONDS.			do new 2d. con. 6s..........	102	102½
			do 2d. con. f'd. coup. 5s......	95	100
Boston, H. & E. 1st m. 7s, 1900..	67½	68	Han. & St. J. 8s convertible m.	......	109½
B., Cedar Rap. & N. 1s 5s g.....	100⅝	100⅞	Illinois Central, ...		
Chesapeake & Ohio 6s 1st B...	86	87	Dub. & Sioux City 1st m......	104	104
do do cy. int. def.	58½	58¾	do do 2d div....	110	......
Chicago & Alton 1st mortgage.	123	......	Cedar Falls & Minn. 1st m....	115	115½
do income...	104	107	Indp's Bloomn & W'n 1st p....	123	......
Joliet & Chicago 1st mortgage.	......	100	do do 2d ...	78	80
La. & Mo., 1st 7s.	115	120	Lake Shore Bonds		
St. L Jacksonville & Chic 1st...	115	120	M. So & N. I. Sink. fd 7.........	111½	112
Chic. Bur. & Qu. 8 per ct. 1st m	107	107	Cleve. & Tol. sink. fd...........	110½	111
Chic. Bur. & Qu. cons M 7s	131	132	Cleve. & Tol. new bonds........	110	111½
do do 5s Sinking Fund	98	105	Cleve. Painesv & A bonds 7s...	116	120
Chic. R. I. & Pac. 6s 1917, cp....	125	129	Buff. & Erie, new bonds...	127	......
do 6s 1917, registered	125	126	Buff. and State Line 7s.........	126	126
Keokuk & Des Moin. 1st 5s.....	107	110	Kala. & W. Pigeon 1st m........	114	......
Cen. R R. of N. J. 1st 7s. 90..	117⅝	120	Det. Mon & Tol 1st 7s 1906......	121	125
do cons. assent.	115	116	Lake Shore div. bonds..........	126	127
do conv. do...	116	118	do con c'p 1st 7s.......	128	129
L. & W. B'e. con. assented....	109	110¾	do con reg 1st bds.....	128	129
Am' Dock & Imp. bonds as'd	134	136½	do con coup 2d 7s......	125	126
Chic. Mil. & St. Paul R. R			do con re'gd 2d m.....	125	127½
M. & St. P. 1st mtg 8s P. D...	136	140	Marietta & Cin. 1st m..	119	125
do 2d 7 3-10 P. D.....	121	127	Mich. Cent. consol. 7s 1902......	125½	156
do 1st 7s $ gold R. D	123	131½	do 1st m. 8s '82 s f	104	110
do 1st 7s £ do	113	113½	do equipment bds.....	......	......
do 1st M. LaC. D.....	120	124	N. Y. Cent. 6s, 1883............	105½	105½
do 1st M. I. & M. D..	122	......	do do 6s, 1887.............	......	112½
do 1st M. I. & D......	122	......	do do 6s, real estate......	104½	110
do 1st M. C. & M.....	125	130	do do 6s, subscription...	104½	
do consolidated s f..	123	124½	do do & Hud 1st m c.....	136½	137½
do 2d mortgage 7s...	108	110	do do do 1st m reg....	136½	137
Chic. & N. W. sinking fund....	110	113	Hud. Riv. 7s 2d m s f 1885.....	109	......
do do int. bonds.......	108½	109	Harlem 1st m 7s coupon......	135½	136
do do cons. bonds.....	135	......	do do reg'd.........	132	135
do do exten. bonds...	......	108	Ohio & Miss cons s f...........	120	121½
do do 1st mortgage...	108½	112	do consolidated 7s....	120	112½
do do coup gd bonds..	124¾	126	do 2d do...........	120½	122½
do do reg'd do	126	126	do 1st Springfield div.	111	118⅝
Iowa Midland 1st m. 8s..... .	12[illegible]	133	Pacific R R bonds.......		
Galena & Chicago extension.	100	101¼	Cent Pacific gold bonds......	115	116
Peninsula 1st m. conv........	120	140	do San Joaquin branch....	112	......
Chicago & Mil. 1st m.....	125	127	do Cal & Oregon 1st........	......	107½
Winona & St. P. 1st mort.....	106	......	do State aid bonds	108	109
do do 2d mort.....	124	124	do land grant bonds........	105	108¼
C. C. C. & Ind's 1s m. 7s s. f.....	124	127	Western Pacific bonds........	111	113
do consol, M. bonds.	125	127	Union Pacific 1st m bds.......	116	116½
Del., Lack. & W. 7s conv.......	119	......	do land grants. 7s...	117	118¼
do do m. 7s 1907....	......	125½	do sinking fund.....	121	124
Morris & Essex 1st mor.......	135½	140	Pacific R of Mo. 1st m..........	106¼	110
do 2d do	118	120	do 2d m. 7s..........	112½	116½
do 7s 1900.	120½	......	Pennsylvania R R		
do 7s of 1871.....	122½	126	Pitts, Ft W & C 1st m	137	138
do 1s con. gd....	125	125½	do do 2d m.........	131	......
Del. & Hud. Can. 1s 7s. 1884....	106½	109	do do 3d m.........	131	......
do do 1891 ...	115	118	Cleve & Pitts con s f....	128½	129
do Coup. 7s 1894...	121	......	do 4th do..........	112	114
do Regis'd 7s 1894 ...	......	120	Col. Chic & Ind cent. 1st m..	125	130
Albany & Susq. 1 s 7s..........	110	116	do do 2d m.........	......	100
do do 2d do.......	110	110	Rome, Water'n & Og con 1.....	95	97
do do 1st c gua'd....	130	......	St. L. & Iron M 1st m..........	115	118
Rens'r & Sara. 1st 7s, Coup..	138	......	do do 2d m..........	110½	111
do do 1st reg'd 7s ...	138	......	St. L. Alton & Terre H. 1st 7s..	115	118

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid.	Askd
St. L. Alton & T. H. 2d pref...	110	......
do 2d do inc......	106	107
Bell & S. Ill R. 1st m 8s........	119	120
Wab., St. L. & Pac. gen. m 6s..	101	......
do Chic. div. 5s	92½	95
do Han. " 6s	103	104¼
do Tol. P. & W. 7s.........	116½	118
Wabash R. m. 7s...........	111	112
Tol & Wab 1st m ex..........	110½	......
do 1st M St. L. div......	107	109¼
do 2d m. extdg. 7s	110½	......
do equipment bonds..	54⅞	55
do cons conv'ble......	106	112
Gt West'n 1st m 7s 1888........	106	109
do 2d 7s 1893	......	110½
Quincy & Tol. 1st M......1890	100	......
Illinois & S Iowa 1st m 7s....	100	104
West'n Un bds, 1900, c'pon.....	118	120
do do do reg........	118	121½

MISCELLANEOUS LIST.

SECURITIES.	Bid.	Askd
Arkansas Levee 7s...	12½	17½
Atchison & P Pk 6s gold........	105	110
Atchison, Top & S Fe 7s, g.....	122	124
California Pac R R 7s gold.....	106	110
do 6s 2d m gold.... ..	107	109
Central Pac 7s gold, conv.......	100	103
Chi & Southwestern R R 7s....	128	124
Chi & Mich Lake Shore 8s.	106	112½
Chi & Can South 1st m'g 7s.. ..	50	57½
Cin, Rich & F W 1 m g 7s.......	105	112
Cleve, Mt V & Del 7s gold......	88	92
Connecticut Valley 7s gold....	65	70½
Connecticut Western 1st 7s....	35	37
Col & Hock Val 1st 7s 30 ys.....	112	118
Denver Pacific 7 gold...........	105	107
Erie & Pittsburg 1st 7s..........	101½	103½
do 7s, cons.....................	110	115
Evans & Crawfordsville 7s.....	102½	107½
Evansville, T & H Chic 7s g.. .	90	100
Flint & Pere M 7s land grant...	......	......
do pref stock......	101½	102
Grand River Valley 8s..........	107½	110
G'd Rapids & Ind 1 guar 7 g....	118	120
G'd Rapids & Ind 1st 7s g	110	115
Ill Grand Trunk 8s......	116¾	117½
Ind. Bl. & W., scrip.............	20	30
Indianapolis & Vinc's 1st 7s gr.	110	115
Indianapolis & St. Louis 7s.....	80	90
Io Falls & Sioux City 1st 7s.....	110	112
Jack. Lansing & Sag. 1st m.....	108	110
Jeff'ville, Mad & Ind 1st m 7s...	115	118
Kala'zoo & South H 8s guar ...	115	120
Kal, Alleghan & G R 8s gr......	110	115
Kal & White Pigeon 7s..........	110	115
Kansas City & Cameron 10s....	118	122
Michigan Air Line 8s...........	119	121
N. J. Midland 1st 7s gold........	90	95
Omaha & S West'n R R 8s......	115	120
Oregon & Cal 7s gold...........	......	......
Oswego & Rome 7s guar........	110	......
Ott, Oswego & Fox R. V. 8s....	......	......
Pitts, Cin & St Louis 1st 7s.....	120	121
Sand, Mans & Newark 7s.	115	118
Sioux City & Pacific 6s...	......	......
Southern Central N. Y. 7s......	70	90
Steubenville & Indiana 6s.......	102	104
St L & S Eastern 1st 7s gold....	100	......
Union Pacific So br 6s gold ...	110	112
Union & Logansport 7s.........	105	110

CINCINNATI.

COUNTY AND CITY BONDS.

SECURITIES.	Bid.	Askd
Cincinnati 4s......................	105	105½
City of Cin. consol 5s...........	114	x115
City of Cincinnati 6s...........	121	x124
do do 7s	127	x130
City of Covington, Ky 6s '81...	102	......
do do 7 3-10, '81....	102	104

RAILROAD BONDS.

SECURITIES.	Bid.	Askd
L Miami & I & C con 6s	105	......
do do 1st 6s '83.......	103	......
Cin. Ham & Day 2 m 7s '85......	105	x107
Dayton and Mich, 2 m 7s '84....	106	107
do do 3 m 7s '88....	107	109
Cin, Rich & Chi. 1 m 7s '95......	110	x112½
Cin, Ham & Ind 1st m gr 7s.....	x 113	113½
Marietta & Cin 1st m 7s '91....	87	90
do do 2d m 7s '96.......	30	33
Indianap & Cin 1st m 7s '88.....	109	......
Cin & In guar 1st m 7s '92......	109	110
do 2d m 7s '77 '82.......	104	108
Indianap C & L 1st m 7s '97.. .	......	110
Day & W 1 m, 1881.	x 101	102
do 2 m, 1905	......	100

MISCELLANEOUS STOCKS.

SECURITIES.	Bid.	Askd
Columbus & Xenia 50	153	155
Cin, Ham & Dayton.........100	95	x 96
Dayton & Mich 3½ guar..... 50	60	x 62
Little Miami......... .. 50	146	x146½
Marietta & Cin 1st pref..... 50	10	......
do do 2d do....... 50	....	3
Cin Gas Light & Coke Co....100	172½	x173

SOUTHERN SECURITIES.

CITIES.

SECURITIES.	Bid.	Askd
Atlanta, Ga 7s..................	109	112
do 8s.........	112	115
Augusta, Ga 7s bonds..........	109	112
Charleston stock, 6s............	78	80
Charleston, S. C. 7s F L bonds..	100	......
Columbia, S. C. 6s	65	75
Columbia, Ga. 7s bonds........	100	......
Lynchburg 6s...................	106	107
Macon 7s bonds...	100	105
Memphis bonds 6s..	45	......
do new consols..........	50	60
do end, M & C R R	50	......
Nashville 6s old	100	105
do 6s new....	100	105
New Orleans 5s................	70	74
do consol, 6s......... ...	79	85
do bonds, 7s............	65	70
do to railroads 6s........	65	......
Norfolk 6s....	103	104
Petersburg 6s	103	106
Richmond 6s...	113	115
Savannah 5s	85	87

RAILROADS.

SECURITIES.	Bid.	Askd
Atlantic & Gul. consol..........	110	115
Central Georgia cons. 7s	117	120
do do stock............	120	122
Charlotte Col & A, 1 m 7s......	109	112
do do stock...	50	......
E Tenn & Georgia 6s...........	102	106
East Tenn, Va & Geo 1st m 7s..	117	119
do do stock..........	15	16
Georgia R R 7s.................	115	......
do stock	155	164
Macon & Western Stock.......	120	130
Macon & Augusta bonds.......	100	......
do do endorsed...	100	......

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Memphis & Charleston 1st 7s	112	
do do 2d 7s	102	108
do do stock	78	82
Mississippi Central 1st m 7s	102	
do do 2d m 8s	110	112
Mississippi & Tenn 1 m	130	
do do cons, 8s	118	123
Motg'y and West P, 1st 8s	103	
do do 1st end		
N Orleans and Jackson 1st m	110	114
do do 2d m	117	125
Nash and Chattanooga 6s	100	115¾
Norfolk and Petersb 1st m 8s	104	
do do 2d do	102	
Northeastern, S C, 1st m 7s	126	
do do 2d do	116	
Orange and Alex 1st 6s	107	
do do 2d 6s	111	
do do 3d 8s	93	
do do 4th 8s	55	
Rich and Peters'b 1st m 7s		
do do 2d m 6s		
do do 3d m 8s	102½	
Rich and Fred'b and Pot 6s	104	
do do do con 7s	118	
Rich and Danv 1st con 6	102	103
do Piedmont 8s	112	114
do 1st 8s		
Southside Va 1st m 8s	104	
do 2d m guar 6s	100	127
do 3d m 6s	97	
do 4th m 8s		
Southwest R R, Ga 1st m	120	
do do stock	120	130
S. Caro R R, 1st m 7s, new	10[illegible]	
S. Caro R R 6s	70	76
do 7s 2d	123	125
Virginia and Tenn 2d 6s	103	
do do 3d 8s	122	125
West Ala, 8s guar	115	120
Wilmington and Weldon 7s	116	120
PAST DUE COUPONS.		
Tennessee State coupons	35	45
Virginia consol coupons	91	93
Memphis city coupons	30	

BOSTON.

RAILROAD STOCKS AND BONDS.

SECURITIES.	Bid	Askd
A T and Santa Fe, 1st m 7s	122	
do do L G		
do do stock	138⅝	139
Bost and Alb'y stock	171	172½
Boston and Lowell stock		113
Boston and Maine, stock	153	154
Boston and Providence, stock	163	
Chicago, Bur and Quincy	162	162¼
Cin, San. and Cleve, Com. stk.	26	26¼
Connecticut River, stock	170	
Eastern stock	47¾	48¾
Fitchburg, stock		150
N. Y. & New England R. R. 7s.		117½
do do do 6s.	110	
Northern (N. H.) stock	113	
Norwich and Worcester stock.		
Ogdenburg and L Champ stock		
Old Colony stock	129	130
Portl, Saco & Portsmouth st'k		
Portsmouth, Gt F & Con'y s		
Rutland pref. stock	28	28½
Vermont and Mass	132½	
Worcester and Nashua	65	66
MISCELLANEOUS STOCKS.		
Boston Land Co	8⅝	8¾
Boston Water Power	8	8½
Pullman Palace Car		

PHILADELPHIA.

STATE AND CITY BONDS.

SECURITIES.	Bid	Askd
Penn. 5s, new, reg, '92 1902.	118	
do 6s, 10-15, reg, '77 1882	105	
do 6s, 15-25, reg. '82 1892	101¼	102
Philadelphia 6s, old	130	
do 6s, new, over 1895	127	128½
Pittsburg 5s, reg, 1913	9[illegible]	
do 7s, water loan	126½	
do 7s, street improv	109	

RAILROAD BONDS.

SECURITIES.	Bid	Askd
Allegheny V R R 7 3-10, '96	122½	124½
Bel & Del R R, 1st m 6s, 1902	118	
do 2d do '85	108	110
do 3d do '87	106	
Cam & Amboy R R 6s, 1883	104	104½
do do do 6s, 1889	105	
do do do m 6s, 1889	116	116½
Cam & At. 1st m 7s, gold 1893.	116	121
do do 2d do cur, 1879	106	109
Cataw R R new 7s, 1900	118	120
Connecting R R 6s. cp. 1900	120	121
Del & B B R 1st m. 7s, 1905	124	124½
H. & B. T. 2d m 7s, gld 1895	110	110
do 3d do cur. 1895	94	95
Lehigh Valley, 1st m. 6s, c, '98		127
do do r g '98		127
do 2d m. 7s, reg 1910		134
do cons. m, 6s reg 1923		1[illegible]2
do do 6s, coup. 1923	118	123
N Cent. 2d gd. m. 5s, cp'n 1926	100½	101
North Penn, 1st m 6s, c 1885	100½	101
do 2d m 7s, c. 1896	120	125
do gen. m 7s, c. 1906	122½	
do do reg., 1906	122	
Oil Creek 1st m 7s, coup '82	102	105
Pittsb'h Titus & Buff 7s. c, 1896.		99
P & N Y C. & H. R. 7s, r&c 1896.		124½
Penna. 1st mort 6s, c, 1910	122	126½
do do do 6s reg 1910	127	127½
do cons m, 6s reg. 1905	121	123
Phila & Erie 1st mort 6s c 1881.		
do 2d mort 7s, c 1888.	117½	118
Phila & Reading 1st m 6s, 1880	120	
do 2d m 7s, c 1893	1[illegible]3	125
do cons m 7s c 1911	125	126
do do m 7s r 1911	125	126
do do 6s, g r & c 1911	116	
Pitts, Cinn. & St. L 7s c 1900	121	122½
Tex & Pac 1st m, 6s, g 1905		110
do cons m, 6s, g 1905	101⅝	101½
Un & Titus 1st m, 7s, 1890	103	1[illegible]8
War. & F. 1st mort. 7s, c 1896	115	
West Jersey 6s, d coup 1883	101¾	
West Jersey 1st mort 6s, c 1896.	115	121
do do 7s, r & c '99	123	125
West Penn 6s, coup, 1893	113	
do 6s. p b c, 1896	111	
Lehigh Nav. m 6s, r 1884	107	107⅜
do M.R. R. r, 1897		120
do M conv g. r. 1894	116½	
do M gold, r. c, 1897	115½	117
do cons m 7s r, 1911	119	120

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Schuyl. Nav. 1st m 6s, reg 1897..	105	......
do 2d do r. 1907..	93	94¾
do m 6s, coup. 1895..	50	......
do 6s, bt&car r 1913..	60	70
do 7s, bt&car r 1915..	70	......
R. R. AND CANAL STOCKS.		
Catawissa 50	......	21
do pref..... 50	57	57
do new pref..... 50	......	56
Lehigh Valley.............. 50	61¾	62
Little Schuylkill......... 50	55½	57
Minehill....	62	62½
Northern Pacific.........	40¼	40½
do pref.........	80	80¼
North Pennsylvania......... 50	58½	60½
Pennsylvania 50	66	66⅛
Philadelphia & Reading..... 50	35⅝	35¾
Pitts. Titus. & Buffalo..........	22¼	22⅜
St. Paul & Duluth.............	......	40
do pref.........	......	87½
United Cos. of N. J..........100	190	193
CANAL STOCKS.		
Lehigh Navigation.......... 50	46⅝	46¾
Schuylkill Navigation..........	6½	......
do do pref.....	12½	12
BALTIMORE.		
Maryland 6s, defence, J. & J...	105¾	106¼
Virginia 10-40s, J. & J..........	53½	54
do deferred, J. & J....	18	19
do consol. do.......	81½	82¼
do do 2ds do.......	40	41
do consol coup, p due......	92½	93
Balt. 6s, J., A., J., O., 1890... ..	117	118
do 6s, J. A. J. O. 1900.........	126	......
do 6s, J. & J., 1902............	130	......
do 5s, M. & N., ex., 1916......	126	127
Balt. & Ohio, May & N.......100	196	200
do 1st preferred	126	......
do 2d do	121	123
Northern Central, J. & J.....50	52¾	53
Central Ohio, June & Dec....50	47	49
do preferred....50	50	......
South Side, 1st 8s, J & J.........	110	.....
do 2d 6s, do	102	......
do 3d 6s, do	102	......
Cin. & Baltimore 1st 7s..	115	120
W. M. 1st m 6s gu. 1890, J. & J..	118	120
do 1890, J. & J..	112	114
W. Maryland 2d m (pref).......	107	108
M. & Cin. 1st m 7s F and A 1891	122	123
do 2d m 7s M. and N....	90	90½
M. & Cin. 3d m 8s 1890 J. and J..	48½	49
Rich. & Dan. 1st m. M. and N...	104	......
Union R. R., End. Cant. Co.....	115	......
Canton Co., 1st 6, gold, J and J.	107	109
Orange, Alex. and Mn's 7s do..	112	......

Securities.	Bid	Askd
Orange & Mid. 1st 6s, M. and N.	109	110
do 2d 6s, J. and J.....	89	92
do 3d 8s, M. and N.. .	54	55
do 4th 8s, M. and S ...	93	94
Virginia & Tenn 6s 2d J. and J.	102	......
do 8s, J. and J..	110	......
W. & W. 7s gold 1900 J. and J..	115	120
W. and Columbia and Aug. 7s.	110	111

ST. LOUIS.

Corrected by Wernse & Dieckman, Bankers and Brokers, 203 N. Third St., St. Louis.

BANK STOCK.

Par.	Bid	Askd
Bank of Commerce....... ...100	350	......
Laclede Bank.. 100	110	115
Biddle Market Sav'gs Bank.100	80	90
Boatmen's Sav'gs Bank.....100	115	118
Bremen Sav'gs B'k..80½pd.100	80	100
Citizens' Sav'gs Bank.......100	54	......
Commercial Bank......... ...100	250	......
Fourth National Bank......100	260	......
Franklin Bank 100	115	125
German Sav'gs Institution. 50	56	......
German American Bank...100	100	......
Mechanics' Bank............100	105	107
Merchants National Bank..100	117	120
Mullanphy Sav'gs Bank....100	100	......
Continental Bank...........100	125	......
Provident Sav'gs Bank.....100	104	110
International Bank 100	90	... ..
Lafayette Bank.... 100	96	......
St. Louis National Bank....100	105	107
State Sav'gs Association.... 50	112	......
Tenth Ward Sav'gs Bank...100	112	......
Third National Bank........100	100	102
Union Sav'gs Bank..........100	50	57½
Valley National Bank.......100	100	108
Northwestern Sav'gs Bn'k.100	130	......

SUNDRY STOCKS & BONDS.

ST. LOUIS CITY AND COUNTY BONDS.

	Bid	Askd
City 6s, Bridge Approach	112½	......
do Sterling bds, due 1898..	116	......
do Water b'nds, due 1887..	109	......
County 6s, gold.................	109	......
City 5s, due 1900...............	108	......
do 10-20 years..............	108	109½

STOCKS.

Par.	Bid	Askd
American Cent. Ins. Co..... 25	27	28¼
Marine Insurance Co........100	110	......
Belcher's Sug. Refin'g Co...100	64	.....
Laclede Gas Light Co......100	114	.....
St. Louis Gas Light Co...... 50	295	300
Iron Mountain Co.........1000	900	......
Pilot Knob Iron Co.........100	75	90

RHODES' JOURNAL

A RECORD OF AMERICAN BANKING.

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The news of the appointment of Judge Charles J. Folger to the office of Secretary of the Treasury was not received with such a general expression of satisfaction as was that of the nomination of the Hon. Edwin D. Morgan; but this is not by any means because the former gentleman does not enjoy the utmost confidence of the citizens of his own State, in his ability and integrity. Judge Folger has been for a number of years a member, and for some time the head of the Court of Appeals of the State of New York, a tribunal whose decisions have long been considered of at least as much weight as those of any other judicial body in the country. But it is for the reason that he is best known as a lawyer, that there has been some doubt as to whether he might not be inclined to take a too lawyer-like view of the numerous and important questions that have to be decided by a Secretary of the of the Treasury. On the other hand, it has been thought that his experience as a jurist might enable him to make important and necessary recommendations to Congress of changes in the laws regulating the tariff, the currency, etc. In any case, it must be acknowledged that the new occupant, of what has been for many years the most important position in the cabinet, is no mere politician, but a man of long experience in affairs, of irreproachable character and eminent position.

It is not feared that the new Secretary will be the tool of designing speculators, nor that he will be influenced by motives of demagogism. Neither is there any doubt that he is abundantly capable of forming a right judgment upon the questions connected with the management of the public debt, as they may come up. As to other matters with which the Secretary has to deal, and which, although of minor importance, are yet of immense consequence to the parties and trades interested, it may be hoped that the business interests will not be made to suffer any more than they have in the past.

Mr. Folger was born on April 16, 1818, at Nantucket, whence he removed at the age of twelve years to Geneva, N. Y., his home from that time to this. He was graduated from Hobart College at the age of eighteen, with the highest honors, and chose the law as his profession. Being admitted to the bar in 1839, he began practice in Geneva, was appointed Justice of the Peace, and, in 1844, Judge in the Court of Common Pleas of Ontario County. At the expiration of his term of office he became interested in politics, and in 1861 was elected by the Republicans of his district to the State Senate, where he served four terms, or eight years in all.

Mr. Folger was a very prominent member of the State Legislature, being known as an enemy to corruption and jobbery, and a fearless opponent of the powerful and unscrupulous rings, which reigned almost supreme in New York State in those times. He was also active in all measures for the relief of the Union soldiers and their families. He was a member of the Constitutional Convention of 1867, and took a prominent part in its deliberations. In 1869, he was appointed by President Grant as Assistant United States Treasurer, at New York, which responsible position he held until, in 1870, upon the re-organization of the Court of Appeals, he was elected to be an Associate Judge of the Court. When Chief Justice Church died, in May, 1880, Folger was designated by the Governor to act as Chief Justice, and in the fall he was elected to that office for a term of fourteen years.

In a great measure, it has been found impossible of late for the banks of New York to obtain legal tender or national bank notes with which to supply the amounts called for by banks at a distance. The objection to sending gold is that the express charges are about twice as high as upon paper. Under the circumstances, silver certificates are the only paper currency available. As was argued in the paper on "Treasury, Gold and Silver Certificates," in our last number, there appears no good reason why certificates should not be issued against gold as well as against silver. The danger of a gold drain is so remote that it seems as if the present arrangement was intended solely to assist the circulation of silver at any cost.

However, as the silver certificates are sometimes the only paper money available, it is important that their status in the currency of the country should be understood. While they are not technically a legal-tender, they are at all times convertible into standard silver coin, which is a legal-tender. They are issued in denominations not less than ten dollars; are receivable for all dues to the Government, including internal revenue and customs dues; they may be, and generally are, counted by banks among their reserves; are redeemable on demand at the Sub-Treasury. Some, if not most, banks credit them at par. There seems to be no good reason for believing that these certificates will ever be worth less than their face value; that is, the ten dollar certificates are just as good as ten standard silver dollars, and much more convenient for many purposes. Whether the coinage of silver dollars should be continued at the present debased standard is another question, upon which our opinion has been very plainly expressed here many times.

As there is occasional enquiry regarding how the standard silver dollars may be procured, it may be mentioned that they are forwarded by the mint by express, at its own expense, in sums of $500, or any multiple thereof, and by the United States Treasurer by registered mail, free of charge, in sums of $65, or any multiple thereof, at the risk of the party to whom they are sent. Payment must be made in one of the following ways: (1) An original certificate must be procured from an Assistant Treasurer or national bank depositary that a deposit of currency or gold coin has been made to the credit of the Treasurer in general account, which certificate should be sent to the Treasurer. Deposits with the Assistant Treasurer at New York may be made by drafts payable to his order and collectible through the Clearing-House, forwarded directly to him, with instructions to deposit the amounts on account of standard silver dollars, and to forward the certificates thereof to the Treasurer. (2) United States notes, fractional currency, fractional silver coin, or national bank notes may be sent to the Treasurer; or (3) a draft on New York, payable to the order of the Treasurer of the United States, and collectible through the Clearing-House. Standard silver dollars are also sent by express, at the expense of the mint, in sums of $500, or any multiple thereof, directly from the mint in New Orleans, Philadelphia, or San Francisco, for deposits of currency or gold coin with the Assistant Treasurer in the same city.

It is announced from Washington, since writing the above, that the Treasury Department, owing to the relatively small stock of silver dollars now on hand, has found it necessary to suspend the exchange of silver certificates for gold coin or bullion. There are now outstanding, of silver certificates, the amount of $66,327,670. Against this the Treasury holds of silver, $66,576,378, leaving only 24,800 silver dollars in the Treasury, which are not represented by outstanding certificates, and for this reason the Treasury has seen fit to rescind the order under which this issuance of silver certificates against gold coin was authorized. These $66,000,000 of silver certificates, however, do not represent the entire amount of silver dollars outstanding. The mint has coined something like 100,000,000 of silver dollars. There is in the Treasury of silver certificates, not represented by the $66,000,000 above named, $7,488,900. The total amount of standard silver dollars actually in circulation is about $40,000,000. The mint, for more than a year, has been coining the *minimum* amount authorized by the silver dollar law, 2,000,000 per month. The maximum being four millions per month, so now, in the absence of greenbacks and national bank notes, it becomes necessary to issue gold coin for currency, and to fill orders with bags of gold.

There are two ways to obviate this inconvenience and extra expense : 1st. The Treasury can issue gold certificates against the deposit of gold coin and gold bullion.

2d. The law permits the coinage of four millions per month of standard silver dollars. Both of these remedies are within the legal powers of the Treasury. Either one acted upon promptly would meet the demand for desirable and convenient currency.

However much certain persons may complain of the social conditions and the power of monopoly, there is no fact more evident than that the progress in wealth in the United States, and almost of all countries, has been immense during the last ten years, and that this increase of riches has, everything considered, been widely distributed. The increase in the earnings of Christian nations within the last decade, is estimated at 19.84 per cent., while that of the population is only 9.76 per cent. But the increase in some forms of wealth is much greater —in the transport trade, 53.22 per cent; in mining, 47.06; commerce, 28.20; manufactures, 18.60; savings, 19.84; public wealth, 10.57 per cent.

This great increase in wealth is the cause of the revival of speculation, and of the foundation of so many institutions of credit. The progress of the United States is doubtless far greater than the above, but the field for the profitable employment of capital has fully kept pace with this increase, the contrary of what has taken place in several of the European countries.

Some interesting particulars as to the payment of the French indemnity are contained in late German papers. The first large payment was made by the City of Paris, and amounted to 200,000,000 francs. The Prussian Treasury at Versailles began to count the rolls, but it was soon ascertained that more than a year would be requisite if counting the indemnity was to be proceeded with in the same manner. It was, therefore, decided to take some of the bags at Lazard, and weigh them. The Bank of France issued the rouleaux of gold and silver, and no complaint was ever received as to defective bags. At one time bags ran short, and notice was given to the Prussian authorities that unless the empty bags were regularly returned payments could not be made, and that the bank was legally entitled to 75 centimes for each bag.

The Prussian Treasury declared itself ready not only to pay the 75 centimes, but to furnish the linen; and it paid for the bags a total of 3,750 francs, for the indemnity of the City of Paris. Some of these bags are yet in circulation, an evident proof of the good material used. Of all the bills of exchange on London and Vienna, only one was returned and this owing to a singular fact. It was a certificate of Rente, and in one of the corners where are cited the penalties against counterfeiting, were some insults directed against Bismarck and the German Princes. The work was so cleverly done that the bill was at once bought as a curiosity.

THE RECENT NATIONAL BANK FAILURE.

Occasionally the attention of the daily press of the country is called to the provisions of the National Banking Law by the announcement of the failure of some national banking association, and immediately it teems with comments, and with recommendations as to amendments which should be made to render the law effective. These recommendations and comments usually show the most lamentable ignorance, both as to the actual existing provisions of the law and its practical working, and as regards banking matters generally. In the case of the failure of the Mechanics' National Bank of Newark, the advice which has been given in the columns of the daily press seems of itself to be sufficient, if it had been given sooner, to have prevented the disaster. The directors have been blamed. The Comptroller of the Currency has been blamed, and the bank examiners, especially, have been held responsible for the disaster. Some have even gone so far as to suggest that a provision be added to the national banking laws punishing examiners who do not detect irregularities in the banks which they examine.

The provisions of the National Bank Act as they now stand are as perfect, theoretically, as they can be drawn, to protect both the depositors and the stockholders. The law provides for the publication of sworn reports, from time to time, of the condition of each national bank. These reports must be sworn to by the President, or Cashier, and their correctness must be attested by the signatures of at least three directors. These reports are required five times a year and it is impossible to see how, if the directors do their duty fully and honestly, any delinquency on the part of the officers of the bank can fail to be detected by them. Under the law, the stockholders elect the directors, at least five in number. The officers of the bank are elected or appointed by the directors and are subject to them. Thus far the protection the Act provides is based upon what, so far as financial matters are concerned, is one of the great controlling influences of human nature, *viz.:* self-interest. The stockholders, in order to protect themselves, are expected to elect directors who will look out for the interests of all.

The reports made to the Comptroller of the Currency are published. The stockholders can inspect them at any time as they appear, and can note any changes which occur in them from time to time. The stockholders are also at perfect liberty to make any inquiries that they may deem fit, in any direction which their intelligence may suggest to them.

In addition to the protection which the law gives to the stockholders, and also to the depositors, by requiring publication of the reports of the condition of the national banks, bank examiners are provided in the law. These bank examiners are appointed by the Comptroller of the Currency, and make their examinations at any time that he may deem fit.

The framers of the National Bank Act, while they did all that they could to protect the depositors and stockholders of national banks, as has been seen, were still not perfectly sure but that failures might sometimes occur. This feeling doubtless arose from a knowledge on their part of the weakness of human nature, and of the imperfections of systems of Government. That they felt in this way, is indicated by the fact that they have provided, also, a method of protecting, as far as possible, the depositors of national banks that *do* fail. They have provided for the appointment of receivers and for a distribution, under Government control, of such assets as can be collected from the wrecks of the failed banks. The stockholders of such banks are subjected to the penalty of being compelled to contribute, if the deficiency in the assets requires it, an amount not exceeding the par value of the shares of stock held by them in addition to the amount already invested in such shares, to the fund necessary to pay depositors.

Each director is required, when appointed or elected, to take an oath that he will *diligently* and honestly administer the affairs of the association of which he is director. Each director, as well as officer who embezzles, abstracts or misapplies any funds of the bank, is subject, on conviction, to imprisonment for not less than five years nor more than ten.

The consequences of neglect of duty on the part of directors cannot be defined in advance, they may be more or less serious. For knowingly violating the law, or permitting it to be violated by their officers, the franchises of the association may be forfeited, and if they are so forfeited, the stockholders are permitted to recover damages growing out of such forfeiture from the directors. That no penalty is provided for violation of their oath by the directors, consisting in simple carelessness and neglect of duty, is because no special statute is required. Any stockholder or depositor, without any special statute, has the right to bring suit in equity against them for losses which may have been incurred through such carelessness or neglect of duty.

The failure of The Mechanics' National Bank of Newark was caused by the embezzlement of its funds by the Cashier. He was enabled to steal the money of the bank without detection, by the falsification of the account with its corresponding bank in New York city. This falsification deceived both the directors of the bank and the examiners. It would have been detected if the New York account had been verified. It has been stated in some of the papers that the Comptroller of the Currency failed to instruct the bank examiners to verify the accounts of correspondents. The following, taken from a Washington despatch, shows that this statement is entirely incorrect:

The Comptroller says that the report of Bank Examiner Shelley of August 16, 1880, contained the following paragraph: "I verified the account with the Mechanics' National Bank of New York by obtaining its own balance and reconciling it."

The Comptroller says that if the examiner had not been deceived by a forged letter of Baldwin, which was handed to the examiner in place of the genuine letter of the Cashier of a bank in New York, the enormous losses of the bank would have been exposed fourteen months ago, at the date of the examination.

He also says that the bank examiners have always been instructed to verify the accounts of correspondents, and that immediately after the failure of the First National Bank of Newark, in June, 1880, the following special letter of instructions was sent to every examiner:

"Sir. I desire to call your attention to the importance of proving the correctness of the accounts of the banks you examine with their corresponding banks, and to this end you are instructed to call for, examine critically, and as far as possible, reconcile accounts current in all cases. If it be found impossible to reconcile the accounts, as it probably often will be, you will satisfy yourself that the balances claimed, both debit and credit, are substantially correct, the means of doing which must be left to your own judgment. When balances claimed are exceptionally large, or if you see any reason to doubt that they are correct, you will verify them by corresponding with the debtor or creditor banks, as the case may require. Very Respectfully,

"JOHN JAY KNOX, Comptroller."

In accordance with these instructions, the examiner wrote to the Cashier of the Mechanics' National Bank of New York City, and asked for a statement of the amount due to the Mechanics' National of Newark. The letter reached New York in course of mail the next morning. Baldwin, carrying the load of his crime, had evidently been forecasting to prevent discovery by this means. He was at the Mechanics' National Bank in New York on the morning when the letter of the examiner reached there. He said to Mr. Cox, the Cashier, that his, Baldwin's, bank had been examined yesterday; that the examiner had asked many impertinent questions about matters which were none of his business. Mr. Cox remarked that he had received a letter from the examiner, asking for the amount due the Mechanics' National Bank of Newark. "Well, give it to him," said Baldwin. "By-the-by, I am going back immediately, and I will take your letter to the examiner." So Baldwin took the letter Cox had written. He then went to a room in New York where he had headed letter-paper of the Mechanics' National Bank of New York City, opened the letter, forged another, changing the account. He did not, however, forge Mr. Cox's signature, which is too well known, but that of the Assistant Cashier. This forged letter he mailed to the examiner. The latter received it in due course of mail, unconscious of the nefarious scheme attendant on its origin. Ninety-nine out of a hundred men would have been deceived. The very elect would have been convinced. The bank examiner was thus deceived by an additional crime on the part of the Cashier, who blinded his eyes by a forged letter which purported to come from the Cashier of the corresponding bank in New York City. Under the circumstances it seems a little hard that the public should cry for the punishment of the bank examiner for not detecting what the stockholders and directors of the bank had ample opportunity to discover.

The embezzling Cashier was constantly pursuing his operations directly under the noses of the directors, and they were attesting reports made to the Comptroller of the Currency, showing that the New York balance constantly amounted to sums varying from one million to two millions of dollars. They were within ten miles of New York city, and could at any time without the least difficulty, have verified the truth of the account. Some of the directors had deposits to a large amount in the bank, and they were *all* stockholders to a greater or less extent. If their self-interest, and the opportunities they had, failed to discover what their Cashier was doing, it was not surprising that the bank examiners should also have been deceived. Undoubtedly the examinations made by the Government examiners tended to increase, to some extent, the sense of security felt by the directors; but, on the other hand the great confidence which was felt in the Cashier by the directors had its effect in lulling the suspicions of the bank examiners. The bank examiners are appointed to enable the Government to protect the interests both of the stockholders and of the depositors, but they are not the only security provided in the law, and it is ridiculous to assert that the directors, stockholders and depositors should throw aside or neglect to use all the other means which the law provides to enable them to protect themselves, and rely entirely upon the Government examinations, which in the nature of things must depend for success on the sagacity of one individual.

Judging from the tone of some of the newspapers, including several respectable financial papers, a strong pressure is being brought to bear upon Secretary Folger to persuade him to change the policy of the Department as regards the redemption of Government bonds. All the old arguments that were addressed to Secretary Windom, urging him to buy four per cents instead of paying the 3 1-2 per cent. continued bonds at par, are being repeated for the benefit of the new Secretary. It is acknowledged that the monetary advantage is considerably on the side of paying the continued bonds. The attempt is evidently made with a mistaken view as to the interests of the national banks. The course advised would be wrong as well as very unpopular. For the Secretary to follow it would be probably the worst thing possible to the banks, as it would sharpen the existing vulgar prejudice against them. The time seems favorable, and the banks should seek relief from present burdens directly by a reduction of taxation. The other movement is an ill-advised one, and it is doubtful if it has received the support of respectable bankers.

CONDITION OF THE BANKS.

The Comptroller of the Currency is reported to have said that the report of the national banks of the City of New York for October 1, while it was favorable in some respects, was the weakest in point of reserve ever made to the Department. The lawful money reserve of the Associate Banks of New York, comprising those National and State banks which are members of the Clearing-House Association, is frequently below the amount which the law requires for the National Banks in the principal cities of the country. But it appears that only on one previous occasion was the reserve of the national banks less than the legal requirement, at the time of their quarterly reports to the Comptroller. It is not to be supposed, however, that they have not been less at certain other times.

The legal money reserve on October 1, was $62,552,547, whereas, the legal reserve, 25 per cent. of the net deposits, was $67,192,343, show-a deficiency of $4,649,796. The reserve held was 23.27 of the deposits.

This condition of things, while it was different from what was expected during the summer, calls for no special comment. A large part of the gold imported, which it was expected would flood the market, was absorbed throughout the country, and when the usual autumn demand for money for the west came, aggravated by immense speculation in breadstuffs, there was a stringency in the New York market which the payments from the Treasury could not relieve. It was authoritatively stated the stringency was partly the result of manipulation by "bear" stock operations, but, the fact is that during the week ending October 1, as high a rate as 6 per cent. per annum, plus 1-8 per cent. per day, was paid for call loans in New York.

It appears plainly that the banks acted with all necessary caution under the circumstances, from the fact that their loans and discounts had been reduced steadily for many weeks. The average loans of the Associated Banks in the week ended August 13, were 351 million dollars, and during each succeeding week there was a reduction, until, on October 1, the amount was 330 millions. The contraction has been continued, until, on October 22, they were only 311 millions, being smaller than at any time since the beginning of May last, and more than five million dollars less than at the same time last year.

In connection with this matter, it may be remarked that the 25 per cent. rule should not be regarded too superstitiously by the business community. Of course, business men have to keep a watchful eye on the proportion of reserve to deposits, as a reduction below the legal ratio indicates a certain contraction in the loans granted by the banks. But as regards the safety of the banks, no hard and fast rule prescribing the proportion of reserve will act as an indicator. It is unscientific and misleading. On some kinds of business, where the reserve is not liable to be seriously drawn upon from any cause, 25 per cent. of the deposits is sufficient, but where a bank's customers are engaged in heavy speculative ventures, a larger reserve is required. In Great Britain it is the custom of many of the banks to hold a large part of their reserve in first class securities, upon which money can be borrowed at a moment's notice, and this has been considered safe banking by very conservative judges. Again, it makes an immense difference, as regards safety, whether the loans are made upon good security, and sound concerns, or to adventurers, and upon inflated or doubtful securities. As respects the amount of reserve required, no rule of thumb will answer. What is sufficient for one bank may be quite insufficient for another.

It is doubtless a wise provision of the law that forbids a bank to carry on business permanently with a reserve less than 25 per cent. of the deposits, but nevertheless it should cause no alarm if in case of unusual stress the proportion should temporarily fall considerably below that figure. Toward the beginning of October the proportion of reserve to liabilities in the Bank of England was reduced in a single week over 11 per cent., and yet there was no great excitement. The rate of discount was raised to 5 per cent., and the difficulty provided for. If there had been a continued reduction in the reserve, the rate would have been raised still higher, until the drain was stopped. It should not be forgotten that the bank reserve is something for use and not for show, and when it is used judiciously, it is an indication that the banks are coming to the relief of business, and not that they are swamping themselves.

Unfortunately, our antiquated and absurd State usury laws prevent the raising of the rate of discount above a fixed point, and thus a most effective preventive of panic cannot be availed of. On the same account there is a constant temptation to the banks to overdo business so as to reap a profit. Prudence, foresight and unselfish regard for the interest of the public on the part of bank officers are for this reason all the more urgently demanded.

On November 1 the national banks had on deposit to secure circulation bonds as follows : 4 per cents, $92,005,800; 4 1-2 per cents, $31.981,650; 5 per cents, upon which interest has ceased, $758,900; 5 per cents, extended, at 3 1-2, $187,634,550; 6 per cents, extended, $53,-741,600, and Pacific Railway bonds, $3,486,000, making a total of $369,608,500. The average interest paid on these bonds is 3.7 per cent.. but reckoned at their market value the interest is less than 3 1-2 per cent.

PUBLIC DEBT REDUCTION,

PAST AND PROSPECTIVE.

The rapidity with which the public debt of the United States is being reduced is strikingly shown in the recent statement prepared by the Treasury Department, covering the period of Secretary Windom's administration, from March 4th to October 18th, 1881. Although less than eight months' operations are embraced in the statement, results are shown which rival in magnitude those covering previous years. During the period mentioned, there were $105,636,750 bonds redeemed, or which have ceased to bear interest, of which $24,211,400 were 6 per cent. bonds, $67,817,350 were 5 per cent., and $13,608,000 were bonds continued at 3 1-2 per cent. Of the latter, about $6,000,000 are embraced in the 105th call, maturing December 24th, but the money for their redemption is available and the bonds will be paid whenever presented. The annual interest charge was reduced during the eight months $15,793,759, of which $10,473,927 were by the redemption of bonds, and $5,319,831 were from continuing bonds at a lower rate of interest.

A comparison with the operations under previous administrations, shows how the redemption of the debt and the reduction of the annual interest charge, have been accelerated during the present year. From March 1, 1869, to March 1, 1873, the interest charge was reduced from $126,389,550 to $101,569,527, a decrease of $24,820,023, or an average monthly reduction of $517,084. From March 1, 1873, to March 1, 1877, the interest charge was reduced to $94,402,645, a decrease of $7,166,882, an average monthly reduction of $149,310. From March 1, 1877, to March 1, 1881, the interest charge was reduced to $76,854,937, a decrease of $17,556,708, or an average monthly reduction of $365,764. The average monthly reduction from March 1, 1881, to October 18, 1881, was $1,974,219, or nearly four times the average from 1869 to 1873; thirteen times that from 1873 to 1877, and over five times that from 1877 to 1881. The aggregate reduction in the eight months was over 60 per cent. of that of the first named period, or within $9,000,000 as much; it was $8,600,000 larger than for the second period, and within $1,760,000 of the reduction for the four years ended March 1st, 1881. The total reduction in the debt in the eight months, $105,636,750, was more than one-half of the aggregate reduction in the four years immediately preceding, when the decrease amounted to $208,824,730.

The magnitude of these figures would seem to suggest that the present rate of reducing the interest and principal of the debt is abnormal, and cannot reasonably be expected to last a very long time. While, of course, an important feature of the interest reduction will fail to be present hereafter—the refunding of bonds at lower rates of interest—still, the constant extinction of the principal, and consequently a reduction of the interest charge may be fairly expected, as what has been done can be done again, all things being equal. The enormous reduction in the interest charge has put it in the power of the country to pay very large sums on account of the principal, without actually adding to the burden which debt paying naturally involves. For the purpose of measuring the ability of the country to pay in the future, by the results which were accomplished in the past, a statement of the amounts paid for principal and interest each year since the reduction of the debt began, is of considerable interest.

On August 31, 1865, the debt reached its highest point, being, less cash in the Treasury, $2,756,431,571. From that date until July 1, 1869, the debt was reduced $267,429,091, leaving it on the latter date, $2,489,002,780. The following table shows the payments on account of principal and interest, in each year since 1869 down to July 1, 1881, the amount stated as paid for interest in the last year being the annual charge stated on July 1, 1880. The actual amount paid in that year has not been officially stated, but was somewhat larger than is mentioned in the table :

PAYMENTS ON ACCOUNT OF PRINCIPAL AND INTEREST.

	Principal.	Interest.	Total.
1870	$102,643,881	$129,235,498	$231,879,379
1871	94,327,765	125,576,566	219,904,331
1872	100,644,491	117,357,840	217,902,331
1873	43,667,630	104,750,688	148,418,318
1874	4,730,472	107,119,815	111,850,287
1875	14,399,515	103,093,544	117,493,059
1876	29,249,381	100,243,271	129,492,652
1877	39,281,122	97,124,511	136,405,633
1878	24,271,391	102,500,875	126,872,266
1879	8,579,576	105,327,949	113.907,525
1880	85,034,962	95,757,575	180,792,537
1881	101,573,483	79,633,981	181,207,464
Total	$648,403,669	$1,267,722,113	$1,916,125,782

The foregoing table shows that the aggregate payments on account of the principal of the debt for twelve years ended July 1, 1881, amounted to $648,403,669, and for interest to $1,267,722,113, a total of $1,916,125,782. This would make an average of $54,000,000 principal, and of $105,600,000 interest, or a total of $159,600,000 per annum. In addition there were $41,267,930 paid as premium on redeemed bonds during the period, or an average of $3,400,000 per annum, making the total disbursements on account of the public debt $163,000,000 per year. That the present position of the United States regarding its debt may be clearly understood the following statement is presented, showing the amount of debt and the annual interest charge on August 31st, 1865, when both were at the highest point, and on November 1st, 1881:

DEBT AND INTEREST CHARGE.

	Principal.	Interest Charge.
1865, Aug. 31	$2,756,431,571	$150,977,697
1881, Nov. 1	1,785,534,467	60,962,245
Reduction	$970,897,104	$90,015,452

While the debt has been reduced about 35 per cent., the interest charge has been decreased nearly 60 per cent. In estimating the rate at which the debt will be paid off the reduction in interest must be taken into account. If the surplus revenues of the Government for the coming twelve years permit as large disbursements on account of the debt as were made in the past twelve years the payments on account of principal would be much larger, while those on account of interest would be very much less. If the average amount per annum paid between 1869 and 1881, on account of principal and interest, which, without including the premium paid, was $159,600,000, be paid yearly until the debt is entirely extinguished, that event would happen by January 1st, 1896, or in a little more than fourteen years.

The following table shows the payments that would be made on account of principal and interest each year, until the entire debt would be extinguished, calculating that the average amount paid each year, from 1869 to 1881, or $159,600,000, would be paid yearly from November 1, 1881 :

	For Principal.	For Interest.	Total.
1882	$98,637,755	$60,962,245	$159,600,000
1883	102,090,077	57,509,923	"
1884	105,603,229	53,996,771	"
1885	109,359,342	50,240,658	"
1886	113,186,919	46,213,081	"
1887	117,148,465	42,451,535	"
1888	122,075,111	37,524,889	"
1889	127,668,491	31,931,509	"
1890	132,901,630	26,698,370	"
1891	138,217,695	21,382,305	"
1892	143,746,403	15,853,597	"
1893	149,496,259	10,103,741	"
1894	155,476,110	4,123,890	"
1895	159,600,000	....	"
1895, Dec. 1	10,326,980	....	10,326,980
Total	*$1,785,534,466	$459,192,514	$2,244,726,980

* Amount of debt, less cash in the Treasury, on November 1, 1881.

The foregoing estimate is based upon the payment of the continued 3 1-2 per cent bonds, amounting to $563,380,950 first, then $250,000,000 4 1-2 per cent., then $738,249,750 4 per cents., then the refunding certificates and the Navy Pension fund, and lastly, the non-interest bearing debt, amounting to $218,805,716.

When it is observed that in 1880 and 1881 over $181,000,000 per annum have been paid out, and that in the first four months of the fiscal year to end July 1st, 1882, at least $75,000,000 for principal and interest have been paid, or at the rate of $225,000,000 per annum, the probability of extinguishing the debt within the time mentioned becomes even greater. The calculation does not include any estimate of the premiums which would have to be paid for bonds redeemed before maturity. If the premiums thus paid should be limited to the exact savings of interest which would result from the anticipation of the redemption of the debt, they would not amount to more than $400,000,000 at the most, and in less than three years this sum might be paid, postponing the final extinction of the debt to 1899, or eight years prior to the maturity of the 4 per cent. bonds. That the Government may redeem its unmatured debt at a much lower premium is not improbable, but it would not be justified, from an economic point of view, in paying any larger sum.

Whether it will be the policy of the country to maintain the present volume of its revenue, so as to permit the continued extinction of the debt in the same ratio as in the past, is a question yet to be determined. One fact, however, is well to be borne in mind, that if the policy is pursued of reducing taxes within a certain limit instead of abolishing them, the natural result in many cases is to increase the revenue, by reason of the general increase in consumption. Of the present ability of the people to make the large payments on account of the debt that are now being made, while it is questioned by some, it may be said that the burden seems lighter now than it was a few years ago, and even in 1876, when the country was suffering the most serious depression, resulting from the panic of 1873, more than $129,000,000 were paid out for principal and interest. The general prosperity that is now recognized as existing has only begun to make itself apparent in our foreign trade, and the imports just beginning to increase, promise to become larger, resulting necessarily in an increased revenue from customs. What shall be the policy regarding the payment of the debt is a question which will soon force itself forward for settlement. The desire of the people as to the time when it should be paid, and the manner in which it shall be paid, as well as their ability to bear the burden of taxation necessary to secure its extinction must be considered. There is, however, the one prominent fact not to be overlooked, that every dollar paid on account of the debt reduces the burden in the shape of interest, and that, whereas a payment of nearly $2,000,000,000 has extinguished less than $700,000,000 debt in twelve years, now very little more than the former amount would pay off more than $1,700,000,000 in little more than the same number of years.

CONDUCT OF THE BANK OF FRANCE.

Frequent reference has been made to the extravagant extent to which stock speculation has been carried on in France for some time past. A comparison of the prices of some of the shares principally dealt in at the Paris Bourse, at the beginning of October, 1881, and October, 1880, will illustrate this very fairly. The 3 per cent. rentes sold at about the same price. Bank of France shares rose from *139 to 268; Bank of Paris from 43 3-4 to 84; Credit Foncier from 52 1-4 to 68 3-4; Paris Gas from 54 to 67 3-4; Suez Canal from 49 to 86 3-4; Lyons and Mediterranean Railway from 56 1-2 to 73 1-2; Northern Railway from 65 to 83 3-4; Southern Railway from 41 to 52 1-4, and South Austrian Railway from 7 to 14 3-4. These large advances in prices are in some cases the result of increased business and profits, as, for instance, higher dividends than heretofore are expected upon Bank of France shares, and there is a steady increase in the business of the Suez Canal and the Paris Gas Company. But the advance in the prices is out of proportion to the improved outlook, even in these cases, while in others, including some of the railroads, it has occurred in spite of actually less favorable conditions than before.

An instance of the extent to which financial manipulation has been practiced is found in the case of the Union Générale, of which mention was made in the August number of this JOURNAL. That Company makes a business of establishing banks, retaining a controlling interest in their stocks; among those thus promoted being the Austrian Laender Bank at Vienna, and the Hungarian Bank at Pesth. Mention was then made of the fact that the shares issued at 500 francs, of which only 125 francs were paid up, were selling at 1,300 francs. By October 5 the price had reached 2,130 francs. It was stated that the company, together with the banks that it controlled, would shortly command a capital of $100,000,000, and that a powerful coalition had been formed against it, the result being one of the greatest financial contests waged in European stock markets for a long time. From the latest accounts received, it would appear that the side of the Union Générale had carried the day, for, on October 20, a report came to the effect that the "bears" had been obliged to pay some 3 1-2 million dollars by the closing of some large accounts in the shares, the difference in the case of a single house being 1 1-4 million dollars. By October 27, it would seem that there was a great pressure still existing, strenuous efforts being made in

* These are the Paris prices reckoned in sterling.

preparation for the next settlement at the Bourse. The authorities of the *Coulisse* had ordered the houses under its control to pay in $20,000 each as security, the whole amounting to $1,600,000.

The Bank of France has been subjected to a good deal of criticism on account of the part which it is said to have taken in aiding this inflation of prices by largely expanding its loans, and a comparison of the bank's statements at different times shows that the criticism is just. It is not contended that the business of the Bank has not been both safe and profitable to itself, and its immense usefulness, too, in aiding the Government during the war with Germany, as well as in developing the commerce of the country, is universally acknowledged, but these things do not place its management above censure when censure is due. From October 14, 1880, to October 13, 1881, while the cash reserve decreased 9 1-2 million dollars, the discounts of commercial paper rose from about 160 million dollars to 237 millions, an increase of 77 millions; and the loans on stocks rose from about 25 millions to 60 million dollars. The note circulation was expanded from 70 million dollars to 536 millions. In the meantime the Government deposits were increased 33 millions, and the private deposits 13 1-2 millions.

It has been surmised that the bank authorities proper may not be responsible for the policy which is indicated by the above figures, but that it may have been dictated by the Government, which is represented in the management. It is none the less a misfortune to France that her principal financial institution, and the one most closely identified with the country's interests, small and great, should be conducted of late in a manner that is opposed to the welfare of the people.

We shall begin in our next issue a translation of the most recent work on French banking—L'Histoire des Banques en France, by Courtors. The establishment of banking in France dates only from the beginning of the reign of Louis XV., and the wild speculations of Law were almost of a nature to destroy public faith in all such institutions. This period is one full of interest to all persons engaged in finance, while the incidents and manners of the time, which are treated sufficiently, contribute to lend an historical charm to the relation. There is also much of this early history of French finance which is connected more or less with our own Colonial times.

The excess of exports of merchandise from, over the imports to this country during the month of September, was $6,769,250, against $17,997,246 in September, 1880. The excess during August last was $5,768,085, against $10,927,593 in August, 1880. The difference is $16,387,504 in favor of the two months of 1880, as compared with the two months of 1881.

THE TREASURY AND THE BANKS.

[The following very full synopsis of an article by H. W. Richardson, of Portland, Maine, which originally appeared in the October number of the "International Review," presents very completely and cogently the argument against the greenback currency which, among others, has been urged previously by this JOURNAL, viz: that the amount of the issue does not vary according to the demands of trade, but *vice versa*. It is evident that much labor and study have been given to its preparation.]

Secretary Sherman affirms, in his last annual report, that "United States notes are now, in form, security and convenience the best circulating medium known." On the other hand, Mr. Garfield* said two years ago in the House of Representatives: "The experience we are having in this House from day to day makes me fear there will never be any permanent safety to business so long as there is a greenback in circulation." These two expressions distinctly raise the question, whether the paper money of the United States shall be issued through the agency of commercial banks, or directly from the treasury. Mr. Sherman, it is true, does not propose to adopt either method exclusively; the present system, he says, is the best ever devised. But if United States notes are in fact the best circulating medium known, they should certainly be substituted for the bank notes; and half-a-dozen bills have been offered with this purpose by Western members of Congress. On the contrary, if there be no permanent safety to business while the United States notes remain in circulation, they should be retired and cancelled.

The serious discussion of this subject is not ended, when the bank tax and the rate of interest on the public debt have been compared, or when the relative solvency of bank notes and treasury notes is settled. It is a question, besides, whether the source may not determine the quantity of the supply in different seasons and in different circumstances, so far as to make the notes much more or much less available when wanted for commercial uses. This is a question of fact, to be answered satisfactorily only by a careful analysis of the statistics exhibiting the relations of the treasury and of the banks to the business of the country.

Fortunately we have abundant and exact information of this kind. The quarterly accounts of the Treasurer of the United States register the income and outlay of the Government with strict precision. The banking statistics, since 1863, are unrivalled for completeness, in this

* Congressional Record, Feb. 23, 1879.

country or any other. It is now possible to measure approximately the varying demand for money, from season to season, as shown somewhat obscurely by the volume of loans from the bank to the public, but more clearly by the changing sum of deposits; and to compare accurately the working of the banks and of the treasury with reference to this demand.

For seventeen years the Comptroller of the Currency has been compiling—at first quarterly, and afterwards five times a year—consolidated statements of the condition of all the banks enrolled under the national law. The Comptroller may call for returns at any time; the banks are consequently unable to make special arrangements for them, and the combined figures disclose the true operation of the money market under its national laws. The national banks in 1880 had an aggregate capital of 624 millions, including their surplus and undivided profits. The capital employed by State banks and private banks was 194 millions.* More than three-fourths of all the banking capital in the country is accordingly represented in the Comptroller's tables, and nearly one-half of the paper circulation—the rest being furnished by Government.

The transformation from the State to the national banking system may be said to have been completed in 1868, when the capital invested under the act of 1863–64 had reached the sum of 535 millions. If now we reduce the statistics for the ten fiscal years from July 1, 1868, to July 1, 1878,† to their mean values at four seasons corresponding as nearly as may be to March, June, October and December, the average resources and liabilities of the national banks at these four seasons will show quite accurately the annual course of the money market in the United States. By this method, employed in the study of all natural phenomena, the irregular fluctuations which obscure the law in any single series of observations will be eliminated, and the normal operations of the forces called demand and supply will be revealed.

The demand for money is as purely natural in its origin as the invisible force which raises the slender column of mercury in the thermometer. The summer heat which expands the mercury also ripens the grain on the Western prairies; and the ripened harvest, seeking a market, creates the pressure which begins in October, and is prolonged in November by the movement of the cotton crop in the Southern States. The test of the efficiency of our banking machinery is its capacity to meet these changing requirements adequately and easily; and its action must be automatic, since no calculation can include all the elements which go to make up the demand on a given day, or in a given year. The advancing rate of interest, which marks an increasing demand, must act directly upon the natural desires of men for gain, in

* Finance Report, 1880, pp. 115, 135.

† Comptroller's Report, 1880, pp. 141-151.

order to draw into the market a supply of money previously idle or less profitably invested.

The action and reaction of these two forces might be illustrated by an analysis of the banking statistics for any year; but the general law of the market can be deduced only from a considerable number of observations. The times for observing the condition of the banks have usually, but not always, been appointed by the Comptroller of the Currency in the four months named.* In some instances these limits have been anticipated or overpassed by a few days; but it is strictly accurate to say that the figures below represent the mean values, in millions, of the items returned to the Comptroller during the ten fiscal years, 1868–78, in the spring, in midsummer, in the harvest season and at the close of the year:

RESOURCES.	Spring.	Summer.	Fall.	Winter.
Loans and Discounts	$846.5	$856.2	$847.2	$835.0
Stocks and bonds	425.2	427.5	425.4	423.8
Due from other banks	134.8	139.5	129.8	128.5
Unavailable assets	49.1	49.0	47.0	48.3
Cash	271.4	284.8	271.8	273.8
Total	$1727.0	$1757.0	$1721.2	$1709.4

LIABILITIES.	Spring.	Summer.	Fall.	Winter.
Capital	$629.5	$634.6	$627.3	$631.8
Circulating notes	312.5	311.1	311.9	313.1
Deposits	610.2	631.9	617.5	600.8
Due to other banks	170.1	174.4	159.9	158.7
Bills payable	4.7	5.0	4.6	5.0
Total	$1727.0	$1757.0	$1721.2	$1709.4

For convenience, all stocks and bonds, whether pledged to secure circulation on deposits, or held simply as investments, are here summed up together; real estate, current expenses, and premiums paid are

* In the ten-year period, 1868–78, there is a complete series of reports for June, and another for October, except in 1873, when the returns were made for Sept. 12. Returns for March are missing in four years, when the calls were for Feb. 27, 28, and April 14, 17; and in three years the calls were postponed from December to Jan. 4, 6, 22.

classed as unavailable assets; the original capital, surplus, and undivided profits, including unpaid dividends, are reckoned as capital, since they all belong to the shareholders; public and private deposits make but one item; and notes rediscounted are properly included in the amount due to other banks.

*   *   *   *   *   *

We have here an equation between the demand for money at different seasons in this country and the supply, so far as it is furnished by the national banks. The demand is evidently indicated by the sum of loans to the public, of stocks and bonds representing loans to the Government or to corporations, and of loans to other banks. The supply is composed of the capital, the circulating notes, the deposits, and sums borrowed from other banks, or on bills payable. Some of these terms appear to be constant; others vary widely; but the statement requires some further reduction before it can be discussed intelligently.

The unavailable assets, for example—representing mainly fixed capital—should be eliminated, leaving only what may be called active capital.

The transactions of the banks among themselves, if only national banks were concerned, would be offset in this general account. If then the amount due from other banks be subtracted from the amount due to other banks, the remainder will be the mean loans from savings banks and other State banks to the national banks.

The volume of circulating notes appears to be remarkably constant; but to determine the volume in circulation, it is necessary to know the amount on hand, and this can be ascertained only by an analysis of the cash account as follows:

CASH.	Spring.	Summer.	Fall.	Winter.
Checks, clearing-house exchanges, &c.	$100.8	$100.9	$106.8	$101.1
Bank-notes	16.2	18.9	15.0	17.9
Specie	27.7	23.9	17.1	28.5
Fractional currency	2.1	1.6	2.0	2.1
Legal tenders	124.6	139.2	130.9	124.2
Total	$271.4	$284.8	$271.8	$273.8

The bank notes on hand, varying in amount from 15 to 19 millions, are for the time retired, and should neither be reckoned as cash nor as circulating notes.

After the reductions indicated, the equation stands thus:

DEMAND.	Spring.	Summer.	Fall.	Winter.
Loans and discounts	$846.5	$856.2	$847.2	$835.0
Stocks and bonds	425.2	427.5	425.4	423.8
Cash reserves	255.2	265.9	256.8	255.9
Total	$1526.9	$1549.6	$1529.4	$1514.7

SUPPLY.	Spring.	Summer	Fall.	Winter.
Active capital	$580.4	$585.6	$580.3	$583.5
Notes in circulation	296.3	292.2	296.9	295.2
Deposits	610.2	631.9	617.5	600.8
Loans from State banks	35.3	34.9	30.1	30.2
Bills payable	4.7	5.0	4.6	5.0
Total	$1526.9	$1549.6	$1529.4	$1514.7

The capital appears nearly constant, as it should—the accumulation in June and December being undivided profits. The volume of notes in circulation reaches a minimum in midsummer. In the fall and at the close of the year the State banks contract their loans. The principal movement appears in the line of deposits. The difference between the maximum in June and the minimum in December is 31 millions. Looking at the other side of the equation, it will be seen that of these 31 millions of deposits 21 millions go to swell the sum of loans and discounts in June, and 10 millions appear as cash on hand. It is a little surprising to find the volume of loans greater in midsummer than at any other season; but these, of course, are call-loans at a nominal rate of interest. The usual rate in New York, in June, is 6 per cent. for commercial paper and 3 per cent. on call; and the quotations for call-loans secured by United States bonds have often been as low as 1 per cent. per annum.

The aggregate loan fund of the national banks appears to be 1549 millions in June, 1529 millions in October, 1515 millions in December, and 1527 millions in March. From midsummer until the close of the year the supply of money ebbs away, returning during the next half year.

The quarterly accounts of the Treasurer of the United States show an entirely different law regulating the supply of money from the treasury.* The mean quarterly receipts and expenditures of the United States, in millions, for the fiscal years 1868–78, were:

QUARTERS.	First.	Second.	Third.	Fourth.
Receipts	$164.4	$175.0	$175.2	$189.3
Expenditures	172.0	152.1	188.2	179.0
Difference	−7.6	+22.9	−13.0	+10.3

During the first and third quarters the expenditures, swollen by the semi-annual interest payments, exceed the revenue.

We can now compare the money currents to and from the treasury and the banks, from year's end to year's end. In the following table the average outflow for the ten years named. still in millions, is denoted by the sign *minus*, and the return by the sign *plus*:

QUARTERS.	First.	Second.	Third.	Fourth.
National banks	+12.2	+22.7	−20.2	−14.7
U. S. Treasury	−7.6	+22.9	−13.0	+10 3

It is the special duty of the banks to provide money for the purpose of forwarding goods from producers to consumers. The treasury has no such relations with the business of the country; and it is here demonstrated, as was to be expected, that the operations of the treasury do not conform to the requirements of trade. In January, when money is flowing into the bank vaults, the treasury pays out 7 or 8 millions. and adds to the severity of the pressure in October and November by withdrawing 10 millions from circulation.

If it be true, as Ricardo says,† that not the least of the advantages of a paper circulation is "the facility with which it may be altered in quantity as the wants of commerce and temporary circumstances may require," then evidently this elastic margin, being chiefly desirable for its adaptability to the exigencies of trade, will be appropriate to the dealings of the banks, which are themselves a part of the machinery of

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* Statement, by Quarters and Years, from the Books of the Treasurer of the United States, showing the Revenue Collected and the Expenditures of the Government during each fiscal year from 1860 to 1877, inclusive, and the Amount of Cash in the Treasury belonging to the United States at the close of each quarter, from July 1, 1859, to June 30, 1877.—Washington, 1878. The accounts for the fiscal year 1878 were obtained in manuscript from the Treasurer's office.

† Proposals for an Economical and Secure Currency. Quoted by F. A. Walker, in "Money," p. 415 *n*.

commerce, but not to the purposes of the treasury, which is governed by its own necessities.

The variation of the note circulation to meet the autumnal demand for money may easily be determined by an examination of the changes in the condition of the banks, from June to October.

The principle difference is in the deposits, of which 14 millions are drawn out. At the same time the shareholders receive 6 millions of dividends, and the State banks recall 5 millions of their loans. The supply of money is thus diminished by 25 millions; but the volume of circulating notes increases nearly 5 millions, so that the actual drain is only 20 millions. Of this sum, 9 millions have been paid out of the cash reserves. The amount of bonds on hand is two millions less. Finally, the loans and discounts are curtailed to the extent of 9 millions. Of course there is a much larger reduction of the amounts of loans on call, and an increase of loans on business paper; but the net contraction is only 9 millions.

The detailed cash account shows that the amount of specie and legal-tenders is 15 millions less in October than in June: but this deficiency is partially made good by the multiplication of checks and Clearing-House exchanges. The items increase by the surprising sum of 6 millions, and the net loss of cash is accordingly 9 millions.

It appears, then, that one-fifth of the annual pressure upon the banks is met by a temporary expansion of the note circulation, and as much more by the natural accumulation of exchange; so that the cash reserves easily bear one-half of the remaining requirement, and only a fractional part of the demand falls finally upon the loans. An examination of the changes from October to December will show that the bank notes are returning, and that the usual amount of exchange has disappeared at the close of the busy season. The paper circulation, in its place as a part of the mechanism of banking, may really, it seems, "be altered in quantity as the wants of commerce and temporary circumstances require," with the effect which Ricardo points out in the same sentence, of "keeping money at a uniform value" * by averting the force of demand, in part, from the loan market, and so limiting its effect upon the rate of interest.

The same phenomena appear on a larger scale in the statistics for a series of years. The bank circulation follows the commercial demand for money with a wider sweep, and the operations of the treasury show a greater eccentricity. The cash balances in the treasury from year to year, and the annual statements of the circulation of the banks, mark the stages of these greater fluctuations. * * *

In March, 1869, Congress had solemnly pledged the faith of the United

* This evidently means market value, or price. J. S. Mill notes, in his "Elements of Political Economy," Am. ed. vol. 1, p. 538, that "the words value and price were used as synonymous by the early political economists, and are not always discriminated even by Ricardo."

States to make provision at the "earliest practicable period" for the redemption of the legal-tender notes in coin.* That pledge foreshadowed a general decline of prices; business was accordingly restricted to necessary and legitimate transactions; and the banks, finding no use for a portion of their circulation, surrendered it. A year later it began to appear, that, in the estimation of Congress, the earliest practicable period for a resumption of specie payments was still far away. The speculative movement began, which ended in the panic of 1873. To meet the demand for money the banks increased their circulation to 340 millions. Then came four years of depression; and the volume of bank notes ran down to 290 millions, rising again to 300 millions when business began to revive in 1878.

The bank issues rise or fall with the tide of business. The notes are called out by the demands of commerce, and returned when the exigency is past. The credit of the banks thus serves to enlarge the loan fund for the uses of trade. The treasury balance is not a loan fund, but a deposit subject to the order of Congress. It is increased by borrowing, or by taxation, and diminished by payments, under the authority of the Senate and House of Representatives. This authority is arbitrary—an accidental majority may turn the scale in favor of economy or extravagance; and the sums thus locked up, or suddenly thrown into circulation, have sometimes been large enough to occasion serious financial disturbances.

In 1870 the expenditures of the Government began to exceed the receipts. During the next three years the treasury paid out 49 millions of dollars, which went into circulation. Prices went steadily upward.† Money was plenty, though the rates of interest were high. Great sums were borrowed for the construction of railroads, from which returns could not be expected for many years. The market was flooded with city, town and county bonds for public improvements, from which no pecuniary return could possibly come. Credit, public and private, was strained to the bursting point; when, in 1873, without warning, 25 millions was drawn in. A ruinous collapse followed, and the distress was prolonged and aggravated by an additional contraction of 20 millions in 1874. Then came another period of expansion. In 1875 and 1876 29 millions poured out of the treasury. Congress had given notice in 1875 that specie payments would be resumed within four years; but this inflation raised the price of gold from 110 to 115. The markets were unsettled and irregular. Railroad earnings increased during the first six months of 1876, but soon declined again. The delusive gleam of prosperity was quickly extinguished. At the close of the year, the number of mercantile failures was found to be larger than in 1875, though the liabilities were somewhat less. In 1877 the treasury drew in 65 millions, and 72

* Act to strengthen the public credit, approved March 18, 1869.

† Finance Report, 1873, p. 502. Prices of staple articles, from 1864 to 1874.

millions more in 1878, to provide for the redemption of the United States notes in 1879. This severe contraction was alleviated by increasing the deposits with the national banks on account of the United States. These deposits, usually about 9 millions, amounted in June, 1878, to 22 millions, and in October to 41 millions. In this way, a portion of the money belonging to the treasury was kept in circulation.

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If we go back to 1868, we shall find that between July 1, 1867, and July 1, 1868, the treasury paid out nearly 40 millions. And if we come down to 1880, we find between July 1, 1878, and July 1, 1880, an expansion of 55 millions.* This is evidently a political period. It has happened just before the Presidential elections of 1868, 1872, 1876 and 1880, that the amount of money in circulation has been regularly increased by from 30 to 55 millions paid out of the treasury of the United States. Of course these payments have all been made upon lawful appropriations by Congress; but for some reason Congress appears to be subject to quadrennial fits of extravagance. It does not follow that there has been a deliberate purpose to inflate the currency for effect upon the elections. On the contrary, the inflation has usually occurred in the third year of the Presidential term, and has been followed by a contraction in the latter part of the fourth year, occasioned by a show of economy in the appropriations at the last session before the election. A quadrennial period, however, is clearly indicated; and an expansion of the currency may be expected before every Presidential election, and contraction afterward, so long as the treasury balances are large enough to affect appreciably the sum of money in circulation.

It has been shown that the outflow from the treasury before the election of 1872 and 1876, was followed by the usual symptoms of an inflation of the currency. These indications were very marked in 1871–72, and hardly less in 1879–80, when the 55 millions poured into the channels of trade from the treasury, mostly in 1879, were followed by 64 millions of gold and silver coin in 1880.† The Director of the Mint shows in his last annual report that the average prices of exported commodities for the fiscal year 1880 were 8 1-2 per cent. higher than the prices of 1879.‡ The heavy crops of 1879 should have cheapened the cost of living, but the deluge of 120 millions of dollars swept irresistibly through all the markets. Flour advanced $2 per barrel; pork, $5 a

* There is an apparent expansion of 100 millions in 1879 and an apparent contraction of 155 millions in 1880; but the treasury balance, July 1, 1879, consisted largely of temporary deposits with the banks, during the process of refunding a portion of the public debt. These deposits amounted June 14, 1879, to 248 millions, standing to the credit of the Government, but not withdrawn from circulation. All such temporary accounts were closed in September, 1879.

† The Director of the Mint estimates the amount of gold and silver coin *in circulation* in the United States at 223 millions Nov. 1, 1879, and 2[illegible] millions Nov. 1, 1880.

‡ Finance Report, 1880, p. 229.

barrel; coffee and sugar, a cent a pound; cotton, 3 cents a pound. The price of pig-iron nearly doubled; steel rails went up from $43 to $70 a ton; and in the face of this increased cost, the number of miles of new railroad built in the United States leaped from 4,570 in 1879 to 7,150 in 1880—nearly reaching the hitherto unapproached figures of 1871 and 1872.* The stock market was buoyant. Illinois Central shares rose steadily from 79 to 127; Union Pacific, from 66 to 113; New York Central, from 114 to 155. Money, which was quoted at 4 to 6 per cent. on call, in January, 1879, was worth 6 or 7 per cent. in January, 1880, and 5 to 6 per cent. at the close of the year. Finally the impulse touched real estate. At the meeting of the National Board of Trade in December, 1880, Mr. Philo Parsons noted the fact and pointed out the cause. "Real estate within six months has advanced 25 per cent. in Detroit," said Mr. Parsons, "simply because we have an enormous surplus of money."†

This arbitrary change in the valuation of every man's property and labor was not wrought by the banks. During the two years from June, 1878, to June, 1880, their circulation slowly expanded with the expanding volume of traffic. The increase was about 18 millions; and this, with the importation of specie, would have been enough to keep all the wheels of industry in motion. But into this full current the treasury of the United States poured 55 millions more, and the stream became a flood.

How happens the treasury to hold such enormous balances, that 55 millions are scarcely missed from its store? Why is such a supply of ready money left to the disposition of a political body, governed by impulses and exigencies utterly foreign to the laws of trade? There is but one reason. The treasury is compelled to keep funds, not only for the current expenses of the Government, but for the payment of 346 millions of dollars on call.‡ So long as the treasury absorbs a considerable proportion of the money of the United States for this purpose, the amount in circulation will be determined in part by the levies and appropriations of Congress—not deliberately and of set purpose, which would be bad enough; put without design or expectation, in the course of ordinary legislation. A change in the tariff may cause a sudden contraction of the currency; or a bill for the improvement of rivers and harbors may result in inflation.

The accumulation of great hoards in the treasury is in every way hazardous. The moneys collected by the Government should be paid

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* Railroad Gazette, Jan. 28, 1881, p. 53. Poor's Manual reports 5,878 miles of new road in 1872. The Railroad Gazette, which is later if not better authority, reports 7,340 miles built in that year.

† Proceedings of the National Board of Trade, 1880, p. 71.

‡ The sum available for resumption Nov. 1, 1879, was 151 millions of dollars, which was exactly the amount of bullion held by the Bank of England at the same time. Finance Report, 1879, p. 129.

out and kept in circulation; for whether obtained by selling bonds, or by taxation, they are always borrowed from the American people, who lose the interest upon them so long as they remain in the treasury. This loss on the reserve offsets a large part of the saving of interest on the notes; and since the reserve cannot safely be abolished until the notes are retired, they should be paid and cancelled.

The fluctuations of the treasury balance act directly upon the circulation, and so upon prices. The variations of the bank note currency, on the contrary, affect primarily the loan market and the rate of interest. That they do not influence prices, was proved by Thomas Tooke fifty years ago. "In point of fact and historically, so far as my researches have gone," said Mr. Tooke,* "in every single instance of a rise or fall of prices the rise or fall preceded, and could not be the effect of an enlargement or contraction of the bank circulation." This was an induction from the history of prices in England for thirty years; and Mr. Tooke afterwards pursued his inquiry through nearly thirty years more, with the same result. The American statistics confirm his conclusion. When prices rise, more money is needed; when they fall the notes return to the banks. The use of their credit in this form enables the banks to bear the annual drain upon their deposits without raising the rate of interest so as to restrict mercantile operations. They have been enabled also to lend their whole capital to the Government without detriment to their customers; and they pay a tax on their circulation equal to the entire profit which the United States could hope to secure by issuing treasury notes.

Professor Jevons says † that "the issue of notes is more analogous to the royal function of coinage than to the ordinary commercial operation of drawing bills;" and so it is. The duty of the Government towards the paper currency is precisely like its duty towards the metallic currency. It is not the province of the Government to provide either paper or coin, but to see that both are what they profess to be; to test the weight and fineness of the coin, and to ensure the soundness and convertibility of the paper. The citizens who have gold and silver to be coined, or credit to be loaned in the form of circulating notes, may be trusted to supply both as they are needed. It is no more a political function to furnish dollars for the people than to furnish any other tools of trade.

* Before the committee of the House of Commons on the Bank Charter, in 1832. Quoted by J. S. Mill, 'Elements of Political Economy," vol. ii., p. 217.

† Money and the Mechanism of Exchange, Am. ed., p. 317.

The English Bank of Spain is to have a capital of $10,000,000. Among the directors are: Castelar, Martos, and Senor Lopez Roberts, formerly Minister at Washington. It will have branches in several of the larger Spanish cities.

THE BANKS OF ANCIENT TIMES.

(Concluded.)

The great bank of Ancient Greece was known as that of Pasion, who was a slave in the banking house of which he afterwards became owner. The story of Pasion and Sopoeos, as told by Isocrates, is full of intrigue, and gives a striking picture of the ways and language of the financial people of those times. Whatever might have been the moral character of Pasion, his house became the most important in Greece. His total fortune was estimated at $66,000.

Most of the Greek bankers, as already mentioned, were slaves or foreigners, and thus their wives were not subject to the same exclusion as those of Greek citizens. It would appear that they were informed of the business of the bank, and the banker on dying generally *legated* his wife to his successor—always the faithful cashier and former slave. This was done in order to protect the interests of the children.

Many of the speeches of Demosthenes for Phormion, the successor of Pasion, against Apollodors, his son, turn on matters relating to the above bank. Apollodors also began suits against all debtors of the bank.

Sending money on vessels at the extreme (?) risk was very common. If the vessels arrived safely the borrower paid, if the vessels were lost he was free from all liability. The lender received in the former case a large interest in the cargo. The best precaution it was found was for the lender to send an agent on board. A great deal of the business of the banks was in lending to small shippers, but the institution was rapidly developing, and was only retarded by the Roman conquest and the degeneration of the Greeks, which ensued.

M. E. Lamansky, formerly director of the Imperial Russian Bank, gave some details of the banking business in Russia to the French Society of Economists. There are in Russia: 1. The State Bank, with 63 branches. 2. Fifty private banks, having a total capital of $52,000,000. 3. 92 Mutual Credit Societies, with $11,000,000. 4. Upwards of 200 municipal banks, with the same amount of capital, and 850 savings banks, etc. The State bank transacts an annual business of some 16 milliards of dollars.

The capital of the Deutsche Bank, Berlin, is to be raised from 45 to 60 million marks.

FRENCH SPECULATION.

The speculative fever which has been raging so long in Paris shows signs of weakening its hold on the mass of the public, although the great leaders are more busily engaged than ever in founding new companies, enlarging old and "absorbing" new ones. France, impelled financially as well as politically, by what Bismarck characterized as a "want of expansion," has begun to assume the *role* of England. She is establishing banks in Austria and Egypt, forming new insurance companies in Belgium, and has lately transferred her operations to Canada.

There can hardly be a doubt that should the superabundance of capital continue in Europe, we shall be found with French capital in our banking business. While there is no country in the world where capital is more welcome, because more needed for remunerative enterprises, yet our banks of large standing have fully proved their ability to give all the facilities which can be legitimately expected. The French credit institutions have long names—longer than their existence might seem to warrant, and the capital they possess would promise success to most enterprises. Unfortunately, however, the methods of organization and of transacting business of many of them, and the character of the parties at their head, are not of such a nature as to engender confidence. It has lately been stated in insurance circles that there is a marked and unjustifiable predilection on the part of our people to favor foreign companies. There can be no mere foreign glamor attaching to such companies, and their capital is equalled by many of our native companies, and surpassed by some. Is it a better method of transacting business? The general public are no judges in such matters.

The French banks, which exhibit such propagandist views, are mostly constituted with gigantic capital. We hear of one institution increasing its capital of $20,000,000 to $40,000,000 (200,000,000 francs)! Big figures have great attractive powers, and now that French insurance companies, etc., are looking across the water, and as we may expect a visit from French banks also. it will be worth while to note a few of the speculative features of financiering of the past time in Paris.

The Credit Franco-Canadien and the Credit Mobilier Franco-Canadien have been founded lately by two French institutions: the Credit Foncier and the Credit Général. The former is to have large phosphate of lime works and beet root sugar mills.

The Banque d'Escompte (Soubeyran's institution) is to swallow up three Paris banks—the "French and Italian Bank," the "Bank for Deposits and Sinking Fund," and the Société Financieré.

The Banque Centrale has just been established with a capital of 3,500,000 francs.

The banking house of Charles Paghés (Paris) has been transformed into a joint stock company with a capital of 25 million francs. The "Bank of Paris and the Netherlands" is said to have been engaged in this negotiation.

The Banque Catholique is again on the horizon, with a proposed capital of 37,500,000 francs, and branches at Rome and Vienna. Prince Metternich and other personages are among the originators.

The "Credit Provincial" is to have its capital raised to 12,500,000 francs.

The "Banque Transatlantique" is to have as its manager M. d'Antreville, inspector of the Bank of France. Numerous agencies are to be opened abroad, especially in South America. This bank, as was stated, is an offshoot of the steamship line "Compagnie Transatlantique," but we do not hear of any special New York office.

The Banque Européenne has turned over all its effects to the Comptoir Industriel de France et des Colonies. This latter institution had originally only 2,000,000 francs capital. By the "absorption" its capital will be 25 million francs.

The first meeting of the new "Banque Maritime" was held lately. The capital is 60 million francs.

The "Union Générale" is to raise its capital by 50 million francs.

The Credit de France is getting out a new "affair."

The Austrian Government has refused permission to the "Banque de Lyon et de la Loire" to establish a maritime bank in Austria.

A Syndicate of French capitalists are endeavoring to obtain permission from the Hugarian Government to establish a Hungarian Real Estate Bank.

Some of those "Credits" and "Unions" have collapsed entirely, when they had not the fortune to be absorbed, and the shares of most of the above institutions had been put up to ridiculous figures. This is greatly owing to the want of reliable information in the Paris papers. The fourth pages—those for financial news—are sold to speculators and banks. Even the "Temps"—one of the oldest and most reliable of the Paris journals, recently ceded this page—"the best floor," to the Credit Lyonnaise.

There is nothing in the conduct of the French banks of the present time which we can copy with advantage. Most of the above must, however, not be confounded with old and conservative institutions, which continue to hold the even tenor of their way.

What banks were in France some hundred years ago will be described in the "History of French Banks," which we shall begin in our next issue.

CANADIAN LOAN COMPANIES.

(By the Montreal Correspondent of RHODES' JOURNAL.)

As is shown by the reports of the Loan Companies and Building societies of the Dominion of Canada to the Goverment, which have just been published, these associations, as regards their number and the amount of their transactions, form a far more prominent feature of the business system than in the United States.

There are in all 98 companies, distributed throughout the Provinces as follows: Ontario, 67; Quebec, 26; Manitoba, 2; New Brunswick, 2; Nova Scotia, 1. In this distribution there is a marked contrast to the number of banks, of which the whole number is 36—in Ontario, 9; Quebec, 15; Nova Scotia, 9; New Brunswick, 3. Out of the 98 companies, 17 have furnished no reports—some because they act under Imperial and Provincial charters, the rest for no assigned reason.

Of the 67 companies in Ontario, 59 have reported their dates of establishment as follows:

1851	2	1872	2
1855	2	1873	5
1858	1	1874	4
1859	1	1875	6
1863	2	1876	6
1864	1	1877	8
1865	3	1878	3
1869	1	1879	4
1870	5	1880	1
1871	2	Total	59

It will thus be seen that 13 companies were organized prior to 1870, and 45 since that date, thus showing the formation of three and a half times as many companies during the last ten years as were formed during the previous twenty, an increase that would have been still further augmented had the returns been complete, for most of the companies that have not reported were formed between 1870 and 1880.

It would be exceedingly interesting here to notice also the increase of loanable capital of these companies, but the statements do not show this. It is safe to say, however, that the increase of this capital has been very rapid during the last ten years. and especially during the last five or six. This has resulted from the following sources: The increase of stock and deposits obtained from parties residing in this country; by the issue of debentures in Britain; and by the formation of new companies in the latter country with agencies in this. Of these, the North of Scotland Canadian Mortgage Company, formed in 1876, has now invested nearly three million dollars, and the North British, formed in 1875, has upwards of two and a quarter millions.

The total amount of debentures outstanding in Britain against the Ontario companies is $22,857,440. This is more than double the amount of deposits, which stand at $10,747,739. The former amount was attracted hither by the high rate of interest prevailing—from eight to nine per cent.—six or seven years ago; but unless rates advance beyond their present figures, we may expect that sum to decline. The debentures issued during the year amounted to $3,610,355, and those paid off amounted to $1,795,979, an excess of about $1,800,000. As the interest on the $22,857,440 outstanding would amount to about $1,000,000, the excessive issue of debentures would more than pay the interest, so that the imports the last year caused by this business would still exceed the exports.

The total liabilities of the Ontario companies amount to $62,038,678, of which $27,174,464 is due to the shareholders, and $34,864,214 to depositors and bondholders. The most of the Canadian companies are limited in their borrowing powers to about double their paid-up stock, but the British have larger borrowing powers. Hence it is found that while the liabilities of the Canada Permanent to the public, $3,701,526, are but little in excess of the liabilities to the shareholders, $3,151,740, and the corresponding number of the Western Canada are $2,022,424, and $1,470,211, the former number—liabilities to shareholders—being but one an a half times the liabilities to the public. These ratios are among the largest of any of the companies that act under the general Dominion Statutes.

Amongst the companies that have larger borrowing powers the following are those in which the ratio of liabilities to the public compared with the liabilities to shareholders are the largest:

	Liabilities to Public.		Liabilities to Shareholders.		
English and Scottish Investment Co...........	787,597	....	108,065	....	7 times.
London and Canadian L. and A. C.....	8,221,322	....	793,604	....	4 "
North British Canadian Investment Co.......	1,743,635	....	525,762	....	3 "
North of Scotland Canadian Mortgage Co.....	2,279,425	...	700,591	....	3 "
British and W. England C. L. M. and I. Co....	900,853	....	124,919	....	7½ "

Other things being equal, the company that has the greatest ratio of borrowed capital should pay the highest dividends, and this explains why some of the above companies have been able to make better returns than other companies of more limited borrowing powers.

The total number of mortgages on which compulsory proceedings were taken is set down for Ontario, 1,060; Quebec, 95. These numbers are indefinite, for different companies interpret the phrase "compulsory proceedings" in different ways, some including all cases in which writs have been issued and notices served, others enumerating only those which have really been offered for sale. Could we read the inner history of these 1,060 cases, it would represent often the *finale* of a noble struggle for independence, the attempts of the companies to realize their investments where they have been imposed on by excessive valuations, or properties that have depreciated in value and the company have had to take possession.

The total assets of the Ontario companies amount to $63,484,090, and these consist of loans, $54,886,634, and property owned, $3,597,456. Of the latter amount, $1,768,249, is set down as real estate; but the interpretation given to this term by different companies is not the same; for some of them, under this heading, give only the value of their office premises; while others include all the properties that have fallen into their hands by default of the borrowers. It is to be regretted that the questions asked by the Government are so indefinite that such misunderstandings can thus arise. A number of items are scattered over several kinds of securities, a knowledge of which is important, but arranged in such a way as to make an analysis somewhat difficult. The assets on real estate securities are not immediately available, while those consisting of Dominion, Provincial, county and other debentures are immediately available. Now, in the case of companies that take deposits it is important that they should have some assets always readily available. In the Loan Companies' returns these two classes of assets should be distinguished as they are in the bank returns. They are at present given under numerous sub-divisions, that are of little, if any, interest to anyone; while the immediate or non-immediate availability of the assets is somewhat difficult to ascertain. The amount of cash in banks, $4,250,176, is inordinately large, and indicates the difficulty with which loans could be made. Whether this resulted from a large increase of loanable capital, or from an unwillingness to borrow because of decreased profits in business, it is impossible to say; probably both causes were operating together.

Of the Ontario companies, four report no dividends during the year —two in Toronto and two in Ottawa. These companies confined their business principally to city securities, and hence, were affected much more by local causes than companies that extended their operations more generally to loans on farms.

MONTREAL, October 25, 1881. D.

THE CHINESE MONETARY SYSTEM.

The Chinese seem about to adopt European methods and ways of doing business so far as may be allowable to the conservative character of the people. Their monetary system partakes of the same extraordinary non-progressive character of all their institutions, but it must soon be replaced by one more commodious and modern. It is said that the Chinese possessed a very complete monetary system in early ages, making use of gold, silver and bronze, while Marco Polo states that bank bills were largely used in the 14th century. At present, however, there are only bronze coin, possessing a conventional value only, and notes issued by private banks, which circulate only in northern China, and oftentimes not beyond the city where they are issued. Gold has long ceased to be used. Before the promulgation of the French decree, fixing the proportion of 15 1-2 to 1, gold, it would seem, was only worth ten times its weight in China, and for this reason considerble quantities of the metal were taken away by Europeans.

The sapek, which is the only coin, cannot be used for the payment of large amounts, owing to their small value. Bad coin is so mixed up with good that the sapek has often a different value in different places, and this value is fixed by the quantity of bad money in circulation in the district.

Silver, though demonetized, continues to be used for paying accounts, but it has to be weighed, and the bars are of every degree of purity or the reverse. The Chinese Government fixed a silver standard, represented by the weight of a tael of pure silver, but this weight has never been accurately obtained, aud this fact has given rise to great irregularities on the part of the tax collectors and treasurers. This standard is known as the customs' tael. This tael has then to be converted into the current money. In the open ports Mexican dollars are taken as a common measure. The tael varies as follows in the submentioned ports:

Canton, $1 50.50; Amoy, $1 55; Foo Chow, $1 53.84; Ningpo, $1 31.50; Shanghai, $1 39.20; Tchefou, $1 42.97; Tientsin, $1 50; Ni Tchuang, $1 40.25.

But even these figures are only the average values, the customs collector being empowered to change them. The consequence of such a system is that merchants can never calculate the cost of their goods, and the European Powers have made repeated representations to the Pekin Court on the subject. In this matter it was essential to keep the quarrels of our mono-metallists and bi-metallists out of the question. The European representatives doubtless desired a silver coinage, and the regularization of the bronze, but as such a demand could never be acceded to in the present political and social condition of China, it was at once refused.

Bronze sapeks are of such small intrinsic value that they offer no temptation to the rapacity of the Mandarins, and the skillfulness of counterfeiters. There is besides a profound and well-deserved mistrust on the part of the Chinese people toward their rulers, so that the government mark would only provoke suspicion instead of preventing it. The second proposition of the foreign governments is to have the weight and fineness of the tael fixed, and the local differences done away with. Here again, however, the Chinese government is opposed to an innovation, which would deprive so many of its employees of the great means by which they earn a living.

BANKING AND FINANCIAL NEWS.

Heavy Default and Bank Failure.—The National Mechanics' Bank, hitherto regarded as the strongest in the State of New Jersey, closed on October 31, and the cashier, Oscar L. Baldwin, was arrested by the United States Marshal on the affidavit of a director, who charged him with confessing to the Board that he had fraudulently misused over two million dollars of its funds. The cashier had hitherto possessed the unlimited confidence of the president and directors, who are among the most prominent capitalists of Newark, and the chief management was left to him. The president, Joseph A. Halsey, a retired capitalist, has been confined to his house for a long time past through the infirmities of age, and unable to visit the bank. The capital stock was half a million dollars; surplus fund, according to the October statement, four hundred thousand dollars; other undivided profits, $65,295; national bank notes outstanding, $455,100, secured by half a million dollars in United States bonds. The loans and discounts were $1,606,150; due from reserve agents, $1,429,487; deposits, $2,417,216.

The defaulting cashier was confined to his residence on the day of the suspension, but was waited upon by the United States District Attorney and United States Commissioner, and was admitted to bail in $25,000 to appear at court on November 7. Mr. Baldwin then stated that about the year 1873, he began to make loans to C. Nugent & Co., morrocco manufacturers, without security or the sanction of the directors. Having begun, he was in the power of Nugent & Co., and continued the accommodations, sometimes loaning them $50,000 in one month, till the total was increased until it reached over $2,000,000. The manner in which the business was transacted was as follows: Nugent would give drafts on friends in New York, which would be credited to him as cash, and Baldwin would use the bank's money to take up the drafts when due. The books were so falsified as to show the accounts to be correct. Finally, however, the losses were placed in the account of the Mechanics' Bank in New York, the agent of the Newark bank, so that while it appeared that the Newark bank had claims for about $1,500,000 against the New York bank, in truth, the Newark bank owed the New York bank a large amount. Christopher Nugent was also arrested and held in $25,000 bail. His counsel denies that he owes the bank or received the large amounts stated by Baldwin. A number of suits have already been brought against the broken bank. Government Bank Examiner Shelley, whose presence caused the exposure of the frauds, is at the time of writing busy examining the bank's accounts. When the examinations are completed, this JOURNAL will give the true reasons of the bank's failure, with all necessary detail.

The National Bankruptcy Bill.—It is stated that Senators Ingalls and Garland, of the Sub-Committee on Bankruptcy of the Judiciary Committee, have been busily occupied in preparing a bill, founded on the bill drawn up by Judge Lowell. It is a noteworthy fact that out of many hundreds of responses from judges and business men to the circular issued by the sub-committee inviting suggestions, the only objection to the enactment of a national bankrupt law comes from certain national banks in the southwest, from the Board of Trade of Louisville, and from one or two New York merchants. President Arthur is to be asked to mention the subject in his annual message.

Bonds to Secure Bank Circulation.—The Comptroller of the Currency furnishes the following information in regard to the bonds held as security for circulating notes of national banks:

During the last year there has been much change in the character of the United States bonds which the national banks have on deposit to secure their circulation, owing to the redemption and continuation of the 5 and 6 per cent. bonds of 1881. The classes and amounts of the bonds held by the Treasurer on the first day of November, 1881, are exhibited in the following table:

Class of bonds and Authorizing act.	Rate of interest Per cent.	Amount.
Funded loan of 1907—July 14, 1870, and Jan. 20, 1871......	4	$92,005,800
Funded loan of 1891—July 14, 1870, and Jan. 20, 1871......	4½	31,981,650
Five per cent. bonds—March 3, 1864, July 14, 1970, and January 20, 1871....................................	Int. ceased.	758,900
Five per cent. bonds extended—July 14, 1870, and January 20, 1871....	3½	187,634,550
Six per cent bonds extended—July 17, and August 5, 1861, and March 3, 1863.....	3½	53,741,600
Pacific Railway bonds—July 1, 1862, and July 2, 1864......	6	3,486,000
Total...........		$369,608,500

The total amount of bonds held for the purpose of securing circulation on October 1, 1865, was $276,260,550, of which $199,397,950 was in 6 per cent., and $76,862,600 in 5 per cent. bonds. On November 1, 1880, the banks held $56,605,150 of 6 per cents., and $147,079,750 of 5 per cents. On November 1, 1881, all of these bonds held by the banks had been called, and with the exception of $758,900, had been redeemed or extended at the rate of 3½ per cent. The banks now hold $31,981,650 of 4½ per cents., and $92,005,800 of 4 per cent. bonds. They hold also $3,486,400 of Pacific Railroad bonds, and $758,900 called bonds, on which interest has ceased. The remainder, $245,601,050, consists of bonds bearing interest at the rate of 3½ per cent. The average rate of interest now paid by the United States upon the bonds deposited as security for circulating notes, is about 3.7 per cent. upon the par value. If the interest were computed upon the bonds at their current market value, the rate of interest would be less than 3½ per cent.

Tariff Discussion.—It has been determined that a "National Convention of Representatives of the Agricultural, Manufacturing and Commercial Interests of the Country" shall be held at the Cooper Institute, in New York, beginning at 10 o'clock A. M. on Tuesday, November 29, and to continue in session two days. The subject of the tariff is then to be discussed in all its bearings. The number of delegates is limited to 600, New York city being allotted 100.

Newark, N. J.—Despite the untoward influences which have recently affected the minds of Newark's citizens, the banking interests there appear to be going along smoothly. The terrible shock of the Mechanics' Bank failure has passed. It was feared that the savings bank depositors would become uneasy and reduce their deposits largely, but there has been no perceptible movement in this direction. The old Newark Savings Institution, at the corner of Broad and Mechanic streets, has now over five million dollars on its new account, and is gaining every month. It is carefully managed.

Wisconsin's Financial Condition.—At the close of the fiscal year of Wisconsin, on September 30, the total balance in the treasury was $836,300, which is greater by $250,000 than any other year in the history of the State. The balance to the credit of the general fund was $287,953, and, with the exception of 1879, when the receipts were heavy and the disbursements somewhat lighter than usual, is more than double the balance of any previous year. The sales of lands have been very heavy the past few years, but the revenue derived is paid out for the support of the public and normal schools and the university. It cannot be applied to the running expenses of the Government, and, consequently, the only way to accumulate a balance in the general fund is to be economical and saving. When the State receives about $500,000 from the general Government in money and lands, for which there is a good claim now pending, the time will be at hand when there will be no necessity to levy a State tax. The license taxes of corporations will pay every expense of the State Government.

Post Office Business.—A statement has been prepared at the Post Office Department, showing the expenditures and receipts for the fiscal year ending June 30, 1881.

The aggregate expenditures for 1881 were $39,251,736, and the receipts $36,785,397, leaving a deficiency of $2,466,338. The deficiency for the previous year was $2,786,340, showing a reduction in the deficiency for the year of $320,002.

The sale of postage stamps, stamped envelopes, and wrappers and postal cards for the year amounted to $34,835,745, an increase of $3,341,624 over the previous year. The other receipts were in proportion.

From the report of the First Assistant Postmaster-General it appears that there were on the 30th of June last 44,512 post-offices in the United States. The increase during the year was 1,500. The number established was 2,915, and the number discontinued 1,415. The number of Presidential post-offices on June 30 was 1,863, an increase of 103. The State of Pennsylvania, according to the report, had the largest number of post-offices, namely, 3,505. Arkansas heads the list of newly established offices with 155. Texas had the largest number discontinued, 127, and Tennessee the largest actual increase in post offices, 119. Nevada was the only State in which there was a decrease, and it only amounts to three offices. New York has 192 Presidential offices, a larger number than any other State. Pennsylvania had the largest increase in Presidential offices, 11. The total number of money order offices on June 30 was 5,109, Illinois heading the list with 480.

The Clearing-House Association of New York at its annual meeting on October 4, elected the following officers for the ensuing year:

Chairman—Frederick S. Tappen.

Secretary—H. H. Nazro.

Manager—William A. Camp.

Clearing-House Committee—William Dowd, E. H. Perkins, Jr., Benj. B. Sherman, Thos. Monahan, Geo. F. Baker.

Conference Committee—Philo C. Calhoun, Geo. G. Williams, George S. Coe, Percy R. Pyne, Henry W. Ford.

Nominating Committee—John D. Fish, Oliver F. Berry, Alex. Gilbert, G. G. Brinkerhoff, Zenas E. Newell.

Arbitration Committee—William L. Jenkins, E. D. Randolph, J. L. Everitt, Jas. T. Woodward, John Parker.

Committee on Admissions—N. F. Palmer, W. A. Nash, W. A. Hall, Geo. I. McGourkey, George H. Wyckoff.

Manager Camp's annual report showed that the total transactions for the year amounted to $50,341,836,373.89, it being $11,643,269,121.43 greater than any previous year, an average of $165,057,201.22 per day. The balances for the year (paid in cash) were $1,776,018,161.58, of which $372,419,000 were paid in actual gold coin, weighing 686½ tons. The total transactions of the Clearing-House since its organization (twenty-eight years) amount to $625,191,555,476.81.

Resolutions recording an expression of profound and sincere respect for the memory of and a deep sense of the loss sustained by the deaths of Amos H. Trowbridge, late President of the Second National Bank, and Henry F. Vail, late President of the National Bank of Commerce and Chairman of the Association, were unanimously passed, after appropriate and feeling remarks by Messrs. Vermilye, Tappen and others.

Cereal Crops of the United States.—The returns of the cereal crops of the United States for the year 1879, as they will appear in the census of 1880 have just been tabulated. Although they may not be exact, yet they are more reliable than the estimates of the Bureau of Agriculture, which are generally depended upon for this information. The following shows the aggregate number of acres under cultivation and the total yield of each product during the year named:

	Acres.	Bushels.
Wheat	35,430,052	459,479,505
Indian corn	62,368,869	1,754,861,535
Oats	16,144,593	406,858,999
Rye	1,842,303	19,831,595
Barley	1,997,717	44,113,495
Buckwheat	848,389	11,817,327

In both wheat and Indian corn Illinois heads the list.

Miscellaneous Bank Matters.—The Patchogue and Suffolk County Bank, the first ever established in the village of Patchogue, Long Island, commenced business on October 10.

There was a small run on the German Savings Bank of San Francisco on October 12.

Members of four generations of one family, Farwell by name, are officially connected with the Claremont (N. H.) National Bank.

Mr. Louis McLane having resigned the Presidency of the Nevada Bank, J. C. Flood has been elected President, O. B. North, Vice-President, and J. S. Angus, Secretary.

The business men of Keyport, N. J., are organizing a national bank, with a cash capital of $50,000. It is said most of the necessary capital stock has been subscribed

The Comptroller of the Currency declared a dividend of 10 per cent. in favor of the German National Bank of Chicago, payable on October 16, making in all dividends of 80 per cent.

Mr. A. C. Henry has retired from the office of President of the Union Nationa Bank of Oakland, Cal., being succeeded by Mr. H. A. Palmer. Mr. Henry remains in the Board of Directors.

Mr. John H. Platt, 40 Wall Street, New York, receiver of the Market Savings Bank, which failed several years ago, expects to pay a small final dividend to depositors about the middle of November.

Mr. C. B. France, who was for fifteen years Cashier of the State Savings Bank of St. Joseph, Mo., has been elected President, and E. Lindsey, who was for ten years Chief Teller, has been appointed Cashier.

The Brussells Chambers have voted a bill authorizing the payment in full of the notes of the Luxemburg National Bank, which recently failed. The liquidator of the Bank has issued a call for fifty per cent. of the unpaid outstanding amounts.

Gen. Halderman, United States Consul at Bangkok, Siam, states that Mr. Isaac S. Smith, late President of the Metropolitan Savings Bank, of this city, has been appointed Siamese Consul at New York. It is reported that the appointment was made at the request of the American missionaries in Siam.

At a meeting of the Directors of the Ontario Bank, held at Toronto on October 15, a statement of its affairs was submitted by Mr. Holland, the new manager. The statement shows losses amounting to about $1,450,000. The directors decided to recommend that $1,500,000 of the capital be written off, so that the capital of the bank will now be $1,500,000, instead of $3,000,000.

It was reported on October 27 that the bank of Reuben D. Baldwin, of Lake Mahopac, N.Y., had stopped payment. His son-in-law, Felix Biveno, who has hitherto managed the bank, has been given a power-of-attorney, and expects to pay all the depositors soon. Mr. Baldwin is over seventy years of age and has been in business over forty years. It is thought that his assets will largely exceed the liabilities.

Justice Westbrook has granted an order of reference to George Becker, of New York, to examine and state the accounts of George W. Ellis, receiver of the Trade Savings Bank of this city. The petition of Mr. Ellis shows that he had paid out, including a dividend of 15 per cent., $15,371.36; and that he now holds in his hands $1,052, and uncollected judgments aggregating $48.852.65. He also adds that nothing more can be collected from the assets of the bank.

We hear that the Colonial Bank of London, which Messrs. Maitland, Phelps & Co. have for so many years represented in this country, is, in addition to its many branches throughout the West Indies, about to establish an agency at Panama. The agency, which is intended to do a general banking and exchange business, will be under the charge of Mr. Gyllich, who has for a number of years been the manager of the St. Thomas branch of the bank. Mr. Gyllich is already in Panama making arrangements for the early opening of the agency.

The suit that was begun about September 8 by the Third National Bank of Buffalo to recover $45,000 which its late President, Abraham Altman, had lost in speculating on his own account, was discontinued on October 4, and the order of arrest upon which he was required to give bail was vacated. This action was due to the fact that Mr. Altman had settled with the bank by executing in its favor 10 promissory notes of $5,000 each. He is to pay one note in each year until all are satisfied, or the entire amount at an earlier period if he desires to do so. A mortgage for $50,000 has been made by Mrs. Altman upon her property, as security for her husband's indebtedness, she being wealthy.

A meeting of the creditors of the Grocers' Bank, of New York, which suspended nearly three years ago, was held on October 19. Since the suspension the depositors have received dividends to the amount of 80 per cent on their deposits, but the creditors claim that for about a year past they have not received anything more. A committee was appointed to call on Receiver S. V. White and ask him what had been done with the balance of the money due to the creditors, and when he intended paying out this final dividend. At an adjourned meeting on October 26, the chairman of the committee said that Mr. White reported that he held a judgment against the city of Rahway, N. J., of $40,000, and bonds of the city to the amount of $50,000, as collateral security. The bonds are probably worth $15,000. He also held a judgment against Richard Murphy for $40,600, which was now before the Court of Appeals for adjudication, upon which probably $15,000 would be realized. There is also due from the Iron Mill at Pittsburg $15,000, which is good, and $4,000 from the Morrisania Steamboat Company, which is also good. A claim of $15,000 is also held against real estate in Jersey City, which is now in the hands of Receiver Corbin. Receiver White reports that he has now $20,000 cash on hand, and will probably pay a final dividend of 10 per cent. to the depositors within six months. Mr. White thought that the stockholders were not responsible to the depositors, inasmuch as the bank did not issue bills, but Judge Gilbert, who appointed White receiver, held that they were responsible. The receiver said that if it was the wish of the depositors he would enter suit against one of the stockholders as a test case, but on motion it was resolved to take no action until the next meeting of the depositors.

TREASURY OPERATIONS.

The annual report of United States Treasurer Gilfillan, showing the financial operations of the United States Treasury for the fiscal year ended June 30, 1881, was submitted to the Secretary of the Treasury on November 3. Following are some of the principal facts contained in it:

The receipts of the Government show an increase over those for 1880, from every source. The increase in the receipts from customs is $11,637,611.42; from internal revenue, $11,255,011.59; from sales of public lands, $1,185,356.51, and from miscellaneous sources, $3,177,702.01. The total increase is $27,255,681.59, which, added to a net reduction of $6,930,070.19 in expenditures, makes an increase in the surplus revenues of $34,185,751.78. The net revenues were $360,782,292.57, and the net expenditures $260,712,887.59. The excess of receipts over payments was $100,069,404.98, of which $90,872,261.05 was expended in the redemption of the public debt. The balance in the Treasury increased $48,667,603.93 from $203,791,321.88 at the beginning, to $252,458,925.81 at the end of the fiscal year. The amount expended on account of interest and premium on the public debt ran down from $98,552,895.53 in the fiscal year 1880 to $83,569,989.96, a reduction of $14,982,905.57. The balance standing to the credit of disbursing officers and agents of the United States, with the various officers of the Treasury, June 30, 1881, was $24,936,307.88.

The receipts for the fiscal year on account of the Post Office Department, were $39,757,664.72, and the expenditures, $38,514,935.11, of which amount $24,702,703.44 was received and expended directly by postmasters.

The unavailable funds of the Treasury stand at $29,521,632.72, having been increased $9,425.87 since the last report, by reason of taking up on this account certain items previously carried in the cash. The unavailable funds of the Post Office Department account remain unchanged at $40,078.06.

THE NATIONAL BANKS.

During the year fifty-four National banks were organized and twenty went into voluntary liquidation, leaving 2,136 doing business at the close of the year. No National bank failed during the year. The semi-annual duty accruing from National banks during the year was $8,493,552.55, all of which has been collected and paid into the Treasury, making the total amount collected by the Treasurer, since the establishment of the National banking system, in 1863, $108,855,021.90. At the close of the year there was held by the Treasurer in United States bonds, $360,505,900 as security for the circulation of National banks, and $15,295,500 as security for public deposits in National bank depositories. During the year $276,899,700 in bonds was deposited for these purposes, and $277,527,350 withdrawn, exceeding by far the transactions of any former year. These changes were chiefly due to the continuance of the five and six per cent. bonds at 3½ per cent., but was caused in considerable part by the substitution of the continued bonds for 4 and 4½ per cents.

The United States currency outstanding at the close of the year was $362,539,437.65. There was redeemed during the year $71,069,974.95, making the total redemptions since the first issue of currency $2,300,141,073.36.

United States bonds amounting to $85,304,050 were retired during the year. The aggregate amount of bonds retired by purchase, redemption, conversion and exchange from March 11, 1869, to the close of the fiscal year, is $1,983,344,800. Coupons from United States bonds of the value of $22,797,667.52 were paid during the year, and quarterly interest on registered stock of the funded loans, amounting to $44,455,790.17, was paid by means of 305,101 checks, drawn payable to the order of the respective stockholders and sent to them by mail.

The amount of National bank notes received for redemption during the year was $58,650,259. The aggregate redemptions under the act of June 20, 1874, have been $199,634,772.

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ıeir condition at the close of business on October 1, 1881. The

RESOURCES.

'ther s,b'nds and 'tgages	Premium on stocks.	Real estate.	Due from banks.	Cash items and bank notes.	Specie.	Legal tenders.	Over-drafts.
$21,000	......	$250,000	$822,000	$170,700	$2,133,100	$175,300	$200
9,000	......	206,000	459,000	147,000	975,800	779,900	7,500
6,000	......	182,800	795,000	158,500	1,342,600	376,200	200
631,600	......	104,500	91,000	16,100	256,700	555,700	....
92,800	$6,000	294,700	256,800	63,200	629,300	16,600	200
......	......	203,000	578,800	83,700	1,099,800	115,100	1,509
581,100	......	379,600	409,200	53,300	281,300	60,400	....
......	......	45,000	125,400	24,800	175,209	166,900	....
259,700	......	150,000	1,900,500	305,700	3,336,400	318,000	1,800
3,000	..	243,700	482,500	42,700	499,800	540,000	15,700
847,000	......	99,500	81,600	500	575,300	55,300	....
13,400	......	83,900	73,600	29,900	323,800	38,300	300
84,300	8,000	73,800	23,800	14,000	172,700	58,700	1,100
825,000	30,000	200,000	107,000	38,900	416,300	107,300	100
223,200	......	50,000	41,300	36,000	168,900	77,100	....
13,600	......	258,100	52,900	11,100	447,200	68,300	....
34,800	......	348,800	1,865,900	571,700	2,499,100	427,000	14,700
354,600	......	530,000	756,900	582,300	2,981,700	894,700	....
3,000	......	268,100	544,000	170,500	681,000	168,700	500
23,500	26,400	218,600	240,800	58,600	1,033,100	349,200	7,800
120,000	......	313,500	839,800	37,509	261,800	157,000	....
......	......	39,400	463,000	64,700	594,700	135,100	2,300
7,800	11,200	5,400	427,900	17,500	950,400	903,500	....
3,500	33,000	115,000	415,600	26,900	461,200	201,800	1,000
119,900	......	771,800	2,250,400	139,000	3,346,500	213,700	6,500
28,700	17,000	250,000	213,800	77,400	262,600	210,100	100
10,000	......	40,000	201,500	82,700	486,800	96,600	8,500
57,600	......	216,800	122,400	144,700	314,400	55,400	....
155,300	25,200	120,900	301,300	141,100	345,700	83,900	800
226,400	47,300	585,000	817,600	19,700	1,089,100	95,800	200
31,700	......	206,700	282,400	90,000	718,500	109,500	19,400
4,500	......	200,000	896,900	138,700	4,575,600	421,400	....
892,200	6,600	880,800	1,923,300	74,200	3,572,100	486,700	8,900
......	......	6,700	42,500	2,300	83,700	23,300	....
1,800	......	70,500	44,900	25,600	148,200	52,200	600
100,200	21,100	657,400	1,352,300	114,300	3,575,300	489,100	1,300
787,600	103,400	703,800	642,800	52,200	529,300	1,213,000	500
172,500	.....	......	105,000	159,300	575,900	200,800	300
142,000	......	354,500	851,600	8,500	1,389,300	216,300	700
166,500	638,000	701,200	920,200	48,600	3,654,200	364,800	12,800
10,600	......	71,300	483,100	5,600	1,633,000	282,800	600
68,900	......	60,000	228,000	36,400	72,100	91,600	....
34,100	.....	14,200	68,700	39,600	211,600	175,900	100
299,700	......	40,000	143,500	39,800	......	419,000	....
191,800	1,500	4,000	221,700	35,600	1,367,400	49,800	900
390,000	92,100	1,900	124,100	19,100	904,300	29,400	7,600
129,100	......	100,000	66,600	38,300	111,900	131,400	300
544,600	......	40,000	46,000	18,600	43,100	314,300	500
2[illegible]3,600	$1,061,800	$10,760,900	$23,804,900	$4,077,100	$51,305,800	$12,573,800	$125,500
257,600	1,217,100	10,729,600	17,819,800	4,837,300	67,393,400	$15,891,600	76,000
[illegible]rease.	Decrease.	Increase.	Increase.	Decrease.	Decrease.	Decrease.	Incr'se
876,000	$155,300	$31,300	$5,985,100	$760,200	$16,087,600	$3,317,800	$49,500
420,6[illegible]3	$750,762	$10,048,430	$17,202,231	$3,979,213	$59,783,555	$9,726,3[illegible]3	$66,824

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 November 1, 1881, 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	$1,506,180	$317,000	$764,700	$1,081,700	$263,624
New Hampshire	643,165	72,997	55,800	128,797	25,686
Vermont	2,000,360	351,097	1,753,040	2,104,137	746,936
Massachusetts	24,510,990	234,800	9,680,700	9,915,500	1,506,080
Rhode Island	3,396,600	32,350	1,409,885	1,442,235	354,908
Connecticut	4,412,970	65,350	3,731,030	3,796,380	1,420,476
New York	28,141,215	2,651,693	30,520,580	33,172,273	7,170,820
New Jersey	2,899,335	467,603	2,563,137	3,030,740	1,097,827
Pennsylvania	16,383,230	1,311,226	12,145,871	13,457,097	5,108,018
Delaware	277,275	......	......	......	......
Maryland	2,002,310	166,600	1,718,380	1,884,980	75,174
District of Columbia	457,000	432,664	530,060	962,724	97,366
Virginia	1,101,800	919,369	1,036,010	1,955,379	265,166
West Virginia	226,810	731,060	386,685	1,117,745	140,455
North Carolina	1,235,660	128,200	1,147,585	1,275,785	209,991
South Carolina	180,700	......	1,187,380	1,187,380	161,443
Georgia	542,830	330,925	437,675	768,600	98,032
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	179,100	269,100	86,829
Mississippi	......	.....	......	......	221
Louisiana	1,623,110	656,413	2,099,250	2,755,663	59,796
Texas	489,600	61,290	229,340	290,630	42,240
Arkansas	171,000	....	171,000	171,000	8,998
Kentucky	4,621,380	629,867	2,175,833	2,805,700	832,637
Tennessee	848,770	370,401	551,859	922,260	146,057
Missouri	1,618,600	1,043,450	3,862,135	4,905,585	647,353
Ohio	5,683,560	1,704,597	4,651,034	6,355,631	1,979,636
Indiana	3,900,850	1,414,597	7,859,033	9,273,630	2,757,933
Illinois	3,460,925	1,884,334	7,706,046	9,590,380	1,711,005
Michigan	2,454,310	536,800	3,237,475	3,774,275	1,297,792
Wisconsin	1,253,030	680,860	1,259,589	1,940,449	527,790
Iowa	1,980,700	858,669	1,760,615	2,619,284	468,543
Minnesota	1,165,400	554,495	1,883,445	2,437,940	762,740
Kansas	269,080	781,721	316,550	1,098,271	257,496
Nebraska	266,400	45,000	449,930	494,980	216,506
Nevada	38,000	......	......	......	1,718
Colorado	721,800	147,225	149,400	296,625	16,916
Utah	134,900	161,191	196,800	357,991	12,603
Montana	255,600	111,700	81,000	192,700	56,145
Wyoming	30,600	......	......	......	......
New Mexico	90,000	......	......	......	......
Washington	225,000	......	90,000	90,000	69,635
Dakota	292,500	.....	......	......	......
California	912,600	......	......	......	......
Totals	$122,727,905	$19,945,544	$107,978,052	$127,923,596	$30,702,596
Legal tenders deposited prior to June 20, 1874, and remaining at that date				3,813,675	
Total				$131,737,271	

JOHN JAY KNOX,
Comptroller of the Currency.

The National Debt Statement, November 1, 1881.

AND FOR COMPARISON THE OCTOBER STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	Oct. 1, 1881.	Nov. 1, 1881.
Bonds at 6 per cent., continued at 3½	$178,055,150	$161,876,050
" 5 "	*411,699,300	401,504,900
" 4½ "	250,000,000	250,000,000
" 4 "	738,703,900	738,749,750
Refunding certificates	636,950	598,050
Navy pension fund	14,000,000	14,000,000
Principal	$1,593.102,250	$1,566,728,750
Interest	14,975,380	11,499,372

* $400,869,950 continued at 3½ per cent.

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

Principal	$10,039,595	$13,746,805
Interest	764,590	833,955

DEBT BEARING NO INTEREST.

Old demand and legal-tender notes	$346,741,076	$346,741,056
Certificates of deposit	8,315,000	8,810,000
Gold and silver certificates	69,398,830	71,535,590
Fractional currency	7,098,559	†7,093,151
Principal	$431,553,392	$433,679,797
Unclaimed Pacific Railroad interest	7,256	7,256

† Total $15,469,085; amount estimated lost or destroyed, $8,375,934.

TOTAL DEBT.

Principal	$2,034,695,237	$2,014,154,853
Interest	14,847,235	12,310,584
Total	$2,049,542,473	$2,026,495,438
Total cash in the Treasury	250,686,547	240,960,971
Debt, less cash in the Treasury	$1,798,855,925	$1,785,531,466
Decrease of debt during month	17,483,641	13,321,458
Decrease of debt since June 30, 1881	41,742,886	55,064,355

CURRENT LIABILITIES.

Interest due and unpaid	$2,143,883	$2,041,671
Debt on which interest has ceased	16.039,595	13,746.305
Interest thereon	764,590	833,955
Gold and silver certificates	69,398,830	71,535,590
U. S. notes held for red'n of certificates of deposit.	8,315,000	8,310,000
Cash balance available	160,024,648	144,493,448
Total	$250,686,547	$240,960,971

AVAILABLE ASSETS.

Cash in the Treasury	$250,686,547	....	$240,960,971

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	969,352	....	1,292,470
Interest paid by United States	51,467,272	....	51,467,272

INTEREST REPAID BY COMPANIES.

By transportation service	$14,486,125	....	$14,662,941
By cash payments, 5 per cent. earnings	655,198	....	655,198
Balance of interest paid by the United States	$36,325,947	....	36,149,132

Treasury Payments during October.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$5,343,951
On account of war	4,749,379
On account of navy	1,565,036
On account of interior (Indians)	601,173
On account of interior (Pensions)	3,924,020
Total	$16,183,562

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 November 1, 1881, 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*	359,422,738
Increase during the last month	1,652,248
Increase since November 1, 1880	16,904,576

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	30,702,596
Decrease in deposit during the last month	1,134,328
Increase in deposit since Nov. 1, 1880	10,142,584

*Circulation of National Gold Banks not included in the above.......$921,512

JOHN JAY KNOX,
Comptroller of the Currency.

STATEMENT OF LIABILITIES AND ASSETS OF THE TREASURY OF THE U. S. FROM LATEST RETURNS RECEIVED.

LIABILITIES.

Post-Office-Department Account		$5,201,494 35
Disbursing Officers' Balances		23,023,874 05
Fund for redemption of notes of National Banks "failed," "in liquidation," and "reducing circulation."		30,311,222 60
Undistributed assets of failed National Banks		399,886 38
Five per cent. Fund for Redemption of National Bank Notes		15,366,915 35
Fund for redemption of National Bank Gold Notes		461,532 00
Currency and Minor-Coin Redemption Account		4,527 72
Fractional Silver-Coin Redemption account		88,899 60
Interest Acct., Pacific Railroads and L. & P. Canal Co.		4,840 00
Treasurer U. S., agent for paying interest on D. C. Bonds		253,698 69
Treasurer's Transfer Checks and Drafts outstanding		6,595,720 99
Treasurer's Gen'l Acct...Interest due and unpaid	$5,138,582 43	
Treasurer's Gen'l Acct...Matured Bonds & Interest	2,544,255 00	
Treasurer's Gen'l Acct...Called Bonds and Interest	11,241,826 69	
Treasurer's Gen'l Acct...Old Debt	794,179 50	
Treasurer's Gen'l Acct...Gold Certificates	5,207,920 00	
Treasurer's Gen'l Acct...Silver Certificates	66,327,670 00	
Treasurer's Gen'l Acct...Certificates of Deposit	8,310,000 00	
Treasurer's Gen'l Acct...Balance includi'g Bullion Fund	142,096,811 77	
Total Treasurer's General Account	241,661,245 39	
Less Unavailable Funds	700,274 17	
		240,960,971 22
		322,673,582 95

ASSETS.

Gold Coin	$76,036,377 10
Gold Bullion	96,953,452 07
Standard Silver Dollars	66,576,378 00
Fractional Silver Coin	25,984,687 76
Silver Bullion	3,424,575 15
Gold Certificates	3,700 00
Silver Certificates	7,488,900 00
United States Notes	26,281,768 66
National Bank Notes	4,685,167 02
National Bank Gold Notes	54,380 00
Fractional Currency	28,514 64
Deposits held by National Bank Depositaries	13,209,524 18
Nickel and Minor Coin	487,768 32
New York and San Francisco exchange	928,000 00
One and Two-Year Notes, &c	45 50
Redeemed Certificates of Deposit, June 8, 1872	35,000 00
Quarterly Interest-checks and Coin Coupons paid	371,877 32
Registered and Unclaimed Interest paid	....
U. S. Bonds and Interest	....
Interest on District of Columbia Bonds	1,012 98
Speaker's Certificates	122,394 25
Pacific Railroad interest paid	60 00
	322,673,582 95

TREASURY OF THE UNITED STATES,
Washington, D. C., November 1, 1881.

JAMES GILFILLAN,
Treasurer U. S.

DAILY RECORD OF FINANCIAL EVENTS.

OCTOBER, 1881.

1. SATURDAY.—Discount on prime commercial paper in New York, 6 per cent.; call loans 6 per cent. plus 1-32 per day @ 6 per cent.

Discount on bank bills in London, 60 days to 3 months, 3½ per cent., and trade bills 3½ @ 4 per cent.

Work begun on the Giant's Causeway and Port Rush (Ireland) Railroad, to be run by electricity.

3. MONDAY.—Of extended 6 per cent. Government bonds $4,760,000 were offered for redemption; $2,000,000 accepted.

Bar silver in London 51 13-16d. per ounce.

4. TUESDAY.—Annual meeting and election of the New York Clearing-House Association.

It is reported that Swedish crops have failed and a famine is impending.

Internal Revenue Commissioner Raum issued a new decision regarding bank taxation.

5. WEDNESDAY.—The Brussels Chambers authorized the payment in full of the notes of the failed Luxemburg National Bank.

The Imperial Bank of Germany raised its rate of discount to 5½ per cent. and its interest on advances to 6½ per cent.

6. THURSDAY.—The Bank of England minimum rate of discount raised to 5 per cent. on account of the drain of gold from there.

7. FRIDAY.—A dispatch from Egypt says the financial situation there is almost desperate.

8. SATURDAY.—Discount on prime commercial paper in New York 6 per cent.; call loans 6 per cent. plus 1-64 per day @ 2 per cent.

Discount on bank bills in London, 60 days to 3 months, 4⅝ per cent., and trade bills 4¾ @ 5 per cent.

South Boston Iron Co. suspended, with $300,000 unsecured liabilities.

10. MONDAY.—Bar silver in London 52d. per ounce.

For the first time in many years there is no deficit in the Prussian revenue for the financial year.

The United States Senate met in extra session.

11. TUESDAY.—Herr Krupp has contracted to deliver 15,000 tons of steel rails in America, being the second large order.

It is officially announced that a new issue of 100,000,000 roubles of Russian bank notes has been subscribed for.

12. WEDNESDAY.—The Cincinnati Southern railroad transferred to the Cincinnati, New Orleans and Texas Pacific Railway Co., according to the lease to Frederick Wolfe.

The Bank of the Netherlands raised its rate of discount to 4 per cent.

13. THURSDAY.—New York city tax levy adopted. Total assessed valuation for 1881, $1,185,948,099; tax levied, $31,071,840; rate, 2.62 per cent.

Charles S. Parnell, the Irish Land League agitator, arrested in Dublin.

David Davis chosen President *pro tempore* of the Senate, in place of Thomas F. Bayard.

14. FRIDAY.—The most destructive storm in Great Britain known in many years.

15. SATURDAY.—Discount on prime commercial paper in New York, 6 per cent.; call loans, 6 @ 4 per cent.

Discount on bank bills in London, 60 days to 3 months, 4⅛ per cent.; and trade bills 4¾ @ 5 per cent.

17. MONDAY.—Bar silver in London, 51⅞d. per ounce.

Of 6 per cent. continued bonds $5,608,000 were redeemed at the Treasury.

18. TUESDAY.—General Pendergast appointed Governor-General of Cuba, in place of General Blanco.

United States bonds redeemed since March 4, $105,636,750; reduction in annual interest charge, $15,793,760.

19. WEDNESDAY.—The failure is announced of a group of St. Petersburg grain operators, with large liabilities.

The London "Times" says: "The charge for continuing open accounts on the Bourse in Paris is at the rate of from 15 to 20 per cent. per annum. The pressure is described as unexampled in recent times. Some of the most solid brokers are becoming awakened to the danger and are appealing to their clients to close their accounts."

20. THURSDAY.—The Bank of France raised its rate of discount to 5 per cent.

21. FRIDAY.—Extensive floods cause much loss and damage in Illinois and Missouri.

22. SATURDAY.—Discount on prime commercial paper in New York, 6 per cent.; call loans 4 @ 3 per cent.

Discount on bank bills in London, 60 days to 3 months, 4¼ per cent.; and trade bill 4¼ @ 4¾ per cent.

23. SUNDAY.—A dispatch from Madrid says: The financial and commercial condition of the country is decidedly more promising than for many years.

24. MONDAY.—Hon. Edwin D. Morgan, of New York, nominated and confirmed as Secretary of the Treasury, in place of Hon. William Windom, resigned.

25. TUESDAY.—The Pennsylvania, and Baltimore & Ohio Railroad companies raised their passenger and freight rates. The competing lines are expected to do likewise.

26. WEDNESDAY.—Mr. Morgan declined the office of Secretary of the Treasury. Assistant-Secretary French temporarily appointed Acting-Secretary.

27. THURSDAY.—Judge Charles J. Folger, of New York, appointed Secretary of the Treasury.

28. FRIDAY.—J. M. Adams elected President of the New York, Pennsylvania & Ohio Railroad Co., in place of General Devereaux.

29. SATURDAY.—Discount on prime commercial paper in New York 6 per cent.; call loans 4 @ 2½ per cent.

Discount on bank bills in London, 60 days to 3 months, 4⅛ per cent., and trade bills 4¼ @ 4¾ per cent.

31. MONDAY.—The Mechanics' National Bank of Newark, N. J., suspended, owing to the embezzlement by the cashier of over $2,000,000.

New Banks, Bank Changes, Etc.

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

2569—First National Bank, Moorhead, Minnesota. Authorized capital, $50,000. Paid-in capital, $30,000. Charles B. Benedict, President; Jacob H. Karcher, Cashier.

2570—Citizens' National Bank, Grand Forks, Dakota. Authorized capital, $50,000. Paid-in capital, $30,000. Jacob S. Eshelman, President; Seymour S. Titus, Cashier.

2571—First National Bank, Glencoe, Minnesota. Authorized capital, $50,000. Paid-in capital, $30,000. Axel H. Reed, President; E. B. Lincoln, Cashier.

2572—Farmers' National Bank, Cambridge, Illinois. Authorized capital, $50,000. Paid-in capital, $30,500. Richard Mascall, President; E. D. Richardson, Cashier.

2573—First National Bank, Hampton, Iowa. Authorized capital, $50,000. Paid-in capital, $32,500. J. F. Latimer, President; D. D. Inglis, Cashier.

2574—First National Bank, Mason City, Iowa. Authorized capital, $50,000. Paid-in capital, $50,000. H. I. Smith, President; J. V. W. Montague, Cashier.

2575—Citizens' National Bank, Xenia, Ohio. Authorized capital, $100,000. Paid-in capital, $60,000. Joseph W. King, President; W. R. McGerry, Cashier.

2576—First National Bank, Owensboro', Kentucky. Authorized capital, $137,900. Paid-in capital, $137,900. Richard H. Taylor, President; Philip T. Watkins, Cashier.

2577—Citizens' National Bank, Mansfield, Ohio. Authorized capital, $100,000. Paid-in capital, $50,000. George F. Carpenter, President; S. A. Jennings, Cashier.

2578—First National Bank, Jamestown, Dakota. Capital, $50,000. Robert E. Wallace, President; Ada Irvin, Cashier.

2579—Charles City National Bank, Charles City, Iowa. Capital, $50,000. J. P. Taylor, President; S. F. Farnham, Cashier.

2580—James River National Bank, Jamestown, Dakota. Capital, $65,000. Edward P. Wells, President; Walter W. Dudley, Cashier.

2581—People's National Bank, Norristown, Pennsylvania. Capital, $100,000. A. A. Yeakle, President; Lewis Styer, Cashier.

ARIZONA.

TUCSON.—Lord & Williams; failed.

VULTURE.—Wells, Fargo & Co.; E. E. Kirkland, Agent.

CALIFORNIA.

OAKLAND.—Union National Bank; H. A. Palmer, formerly Cashier, President, in place of A. C. Henry, resigned.

SAN FRANCISCO.—Nevada Bank of San Francisco; James C. Flood, President, in place of Louis McLane, resigned.

Thompson & Co.; dissolved.

COLORADO.

BRECKENRIDGE.—Miners & Merchants' Bank; closed.

CANON CITY.—Exchange Bank (R. A. Bain); succeeded by Ira Mulock, President; A. R. Guymaer, Cashier.

LEADVILLE.—Miners' Exchange Bank; business transferred to Bank of Leadville.

RICO.—Bank of Rico; Richard Pohl, Cashier, in place of E. B. Cushing.

DAKOTA.

DELL RAPIDS.—Bank of Dell Rapids (McKinney & Scougal.)

EDEN.—Dakota Loan & Trust Co. (Branch of Canton).

GRAND FORKS.—Citizens' National Bank; capital, $30,000. Jacob S. Eshelman, President; Seymour S. Titus, Cashier.

HILLSBORO'.—Bank of Hillsboro' (A. L. Hanson); now Hanson & Plummer.

JAMESTOWN.—First National Bank; capital, $50,000. Robert E. Wallace, President; Ada Irvin, Cashier.

James River National Bank; capital, $65,000. Edward P. Wells, President; Walter W. Dudley, Cashier.

LENNOX.—Dakota Loan & Trust Co. (Branch of Canton); J. V. Conklin, Manager.

MARION.—Marion Loan & Savings Bank; A. Bertelsen, Cashier, in place of George L. McKay.

RAPID CITY.—Lake & Halley; successors to Lake, Halley & Patterson.

MITCHELL.—Bank of Mitchell; F. H. Winser, President, in place of O. T. Letcher.

FLORIDA.

JACKSONVILLE.—Ambler, Marvin & Stockton; succeed Ambler's Bank.

GEORGIA.

ALBANY.—N. & A. F. Tift.

AUGUSTA.—Branch's Son & Co.

SAVANNAH.—Savannah Bank & Trust Co.; D. G. Purse, President, in place of Charles Green, deceased.

ILLINOIS.

ARENZVILLE.—Farmers & Traders' Bank; capital, $10,000. A. J. Saylor, President; C. H. Condit, Cashier.

ASHLAND.—Skiles, Rearick & Co.

CAMBRIDGE.—Farmers' National Bank; capital, $30,500. Richard Mascall, President; E. D. Richardson, Cashier.

CHATHAM.—Bank of Chatham; J. T. Lewis, Cashier, in place of E. V. Lewis.

FREEPORT.—Second National Bank; Michael Lawver, President, in place of Alfred H. Wise, resigned.

GALESBURG.—First National Bank; M. S. Smalley, Cashier, resigned.

KANKAKEE.—Warren R. Hickox; C. Fred. Whitmore, Cashier.

PALMYRA.—Bank of Palmyra; H. C. Hamilton, President; C. T. Hanshaw, Cashier, succeeds Dempsey N. Solomon.

QUINCY.—German Insurance and Savings Institution.

INDIANA.

FRANKFORT.—Farmers' Bank; D. A. Coulter, Cashier, in place of Jackson Douglas.

PAOLI.—Bank of Paoli (John C. Albert).

POSEYVILLE.—V. P. Bozeman.

IOWA.

ADEL.—Adel Bank; capital, $50,000. B. L. Harding, President.

CHARLES CITY.—Charles City National Bank; capital, $50,000. J. P. Taylor, President; S. F. Farnham, Cashier. Succeeds Charles City Bank.

DYSART.—Citizens' Bank; T. A. Pierce, Cashier, in place of G. M. Taggart.

GRINNELL.—Grinnell Savings Bank; J. B. Grinnell, President, in place of Erastus Snow.

GRUNDY CENTRE.—E. H. Beckman, deceased; succeeded by C. Beckman, with J. J. Alpin as Cashier.

HAMPTON.—First National Bank; capital, $32,500. J. F. Latimer, President; D. D. Inglis, Cashier.

MASON CITY.—First National Bank; capital, $50,000. H. I. Smith, President; J. V. W. Montague, Cashier.

NEOLA.—Bank of Neola; capital, $10,000. J. H. Henry, President; Leander Lodge, Cashier.

PETERSON.—Hughes & Hughes.

SIOUX RAPIDS.—Hoskins & Toy; successors to James M. Hoskins.

KANSAS.

ALMA.—J. F. & G. W. Limerick & Co. (Branch of Wamego).

CANTON.—M. P. Fletcher (Canton Bank); successor to S. Bailey & Co.

EMPORIA.—First National Bank; Charles S. Cross, Cashier.

NEWTON.—Farmers & Merchants' Bank; capital, $12,000. O. H. Woodard, President; Charles R. Munger, Cashier.

OBERLIN.—Campbell, Marks & Co. (Bank of Oberlin); succeed R. A. Marks & Co.

SCANDIA.—C. S. Morey (Farmers & Merchants' Bank); succeeds McClun Brothers.

WETMORE.—Wetmore State Bank; capital, $25,000. Willis Brown, President; W. T. McVay, Secretary. Cashier to be elected.

WILLIAMSBURG.—Goodin's Exchange Office (Branch of Ottawa); L. C. Stine, Manager.

KENTUCKY.

LEBANON.—National Bank of Lebanon; R. E. Kirk, Cashier.

LEXINGTON.—Lexington City National Bank; William Harting, President, in place of R. B. Hamilton.

OWENSBORO'.—First National Bank; capital, $137,900. Richard H. Taylor, President; Philip T. Watkins, Cashier.

MAINE.

AUGUSTA.—Granite National Bank; Treby Johnson, Cashier, in place of William T. Johnson.

MARYLAND.

CENTREVILLE.—Centreville National Bank of Maryland; J. J. Hall, Cashier, in place of R. E. Feddeman.

MASSACHUSETTS.

BOSTON.—Homestead Co-operation Bank.

J. Jeffries & Son.

S. S. Fisk; removed to 7 Exchange Place.

HAVERHILL.—Haverhill Co-operative Saving Fund & Loan Association; A. W. Downing, President; W. H. Page, Secretary.

SOMERVILLE.—Somerville Co-operative Saving Fund & Loan Association.

MICHIGAN.

BIG RAPIDS.—Fairman & Newton; successors to F. Fairman.

DUNDEE.—Gilmore's Exchange Bank (Arthur D. Gilmore); succeeds Gilmore & White.

MASON.—Lowe, Smead & Co.; closed.

UNION CITY.—Union City National Bank; Ezra Bostwick, Vice-President, acts as President until a new election takes place.

MINNESOTA.

BRAINERD.—First National Bank; capital, $50,000. William Ferris, President; G. W. Holland, Cashier. Succeeds Bank of Brainerd.

GLENCOE.—First National Bank; capital, $30,000. Axel H. Reed, President; E. B. Lincoln, Cashier.

MANKATO.—Lewis & Shaubut; successors to Lewis, Shaubut & Hamilton.

MOORHEAD.—First National Bank; capital, $30,000. Charles B. Benedict, President; Jacob H. Karcher, Cashier.

PERHAM.—Bank of Perham (E. E. Luce); W. S. Hurst, Cashier.

MISSISSIPPI.

MERIDIAN.—Merchants' Bank and People's Bank consolidated under style of latter.

MISSOURI.

BOONVILLE.—Central National Bank; J. M. Nelson, President, in place of Joseph L. Stephens, deceased.

EAST LYNNE.—Bank of East Lynne; F. H. Clark, President; J. M. Farmer, Cashier.

KANSAS CITY.—Jarvis Conklin & Co.

Union Avenue Banking Co. (Cooley & Merriam); assigned. Liabilities, $4,200; nominal assets, $6,700, $5,000 of which is in personal notes of Cooley & Merriam.

Clearing-House Association; W. K. Harding, Manager, in place of W. H. Seeger.

NEBRASKA.

FALLS CITY.—Richardson County Bank; E. E. Metts, Assistant-Cashier, in place of C. P. Hall.

NEVADA.

CHERRY CREEK.—Grey & Collins.

NEW HAMPSHIRE.

CLAREMONT.—Claremont National Bank; Geo. N. Farwell, 2d, Cashier, in place of Jno. L. Farwell, elected Vice-President.

PLYMOUTH.—Pemigewasset National Bank.

NEW JERSEY.

NEWARK.—Mechanics' National Bank; closed. O. L. Baldwin, Cashier, confesses defalcation of $2,000,000.

SALEM.—Salem National Banking Co.; Henry M. Rumsey, Cashier, in place of Benj. Acton.

NEW MEXICO.

RATON.—The Raton Bank of Sewell T. Collins & Co.; H. H. Officer, Cashier. Branch of Bank of Southern Colorado, Trinidad, Colorado.

NEW YORK.

AURORA.—First National Bank; Edwin B. Morgan, President, deceased.

LAKE MAHOPAC.—Reuben D. Baldwin; stopped payment.

MORRISVILLE.—First National Bank; B. Tompkins, Cashier, in place of L. D. Dana.

NEW YORK CITY.—Broadway Savings Institution; Francis P. Schoals, President, deceased.

A. D. Cordova & Co.; Howell Osborn retires.

Gould & Taylor, 7 Wall Street; successors to Oliver Fiske & Co., dissolved.

Loomis L. White & Co., 53 New Street, admit J. O. Bartholomew.

PATCHOGUE.—Patchogue and Suffolk County Bank.

OHIO.

MANSFIELD.—Citizens' National Bank; capital, $50,000 George F. Carpenter, President; S. A. Jennings, Cashier.

XENIA.—Citizens' National Bank; capital, $60,000. Joseph W. King, President; W. R. McGerry, Cashier.

PENNSYLVANIA.

MEADVILLE.—Merchants' National Bank; Alexander Power, President, in place of John McFarland, deceased.

NORRISTOWN.—People's National Bank; capital, $100,000. A. A. Yeakle, President; Lewis Styer, Cashier.

NORTH EAST.—First National Bank; C. A. Ensign, Cashier, in place of J. T. McCord.

PHILADELPHIA.—Savings Fund Society of Germantown; George A. Warder, Treasurer, deceased.

PITTSBURGH.—American Bank; John Floyd, President, deceased.

POTTSVILLE.—Safe Deposit Bank; C. H. Hazzard, Sec. and Tr., in place of Franklin B. Kaercher, deceased.

YORK.—Farmers' National Bank; D. H. Gardner, Cashier, in place of J. V. Giesey.

TENNESSEE.

CHATTANOOGA.—Third National Bank; J. H. Warner, President, in place of William Morrow.

TEXAS.

BRACKETTVILLE.—W. E. Friedlander & Co.

BRECKENRIDGE.—C. A. Park; closed.

VIRGINIA.

BIG LICK.—Name of post-office changed to Roanoke.

HAMPTON.—Hampton Bank; C. H. Whiting, President; G. M. Peck, Cashier.

WASHINGTON TERRITORY.

NEW TACOMA.—Wells, Fargo & Co.; J. S. Walker, Agent.

WEST VIRGINIA.

MOUNDSVILLE.—Marshall County Bank; capital, $25,000. V. L. Cockayne, President; L. B. Doty, Cashier.

WISCONSIN.

GREEN BAY.—Kellogg National Bank; H. B. Baker, Cashier, in place of H. G. Freeman.

ONTARIO.

ACTON.—Acton Banking Co. (Storey, Christie & Co.)

LONDON.—Bank of British North America; George Moir, Acting Manager, in place of D. Cumberland.

QUEBEC.

FARNHAM CENTRE.—Eastern Townships Bank; W. H. Robinson, Manager.

QUEBEC.—La Banque Nationale; P. Lafrance, Assistant-Cashier; formerly Manager of Branch at Sherbrooke.

NOTICES OF NEW BOOKS.

The Law of National Banks, containing the National Bank Act, as amended, with Forms of Procedure, and Notes Referring to all Decisions reported to November 1, 1880. By FABLIN Q. BALL, of the Chicago Bar. Chicago: Callaghan and Company, 1881.

This work would be indispensible to officers of national banks and lawyers, if for no other reason than because it is the only existing treatise upon the law as applied to the national banks. But it is further recommended by the fact that it is the result of the labor of a lawyer of standing during five years of active practice for receivers of those institutions. The plan of the work is substantially as follows: It begins with a short account of the growth of the system, giving some of the principal facts relating to the banks up to the present time. This is followed by a clear summary of "The National Bank Act," divided into chapters, under each section being placed the authorities relating thereto, the intention being to enable the reader to see at a glance what the courts have said upon each topic. While care appears to have been taken to state accurately what the intent of the decisions was, the author has, very properly, abstained from the attempt to reconcile them. The labor expended may be judged from the fact that the table of cases occupies 39 pages. Of course the book contains a complete index. The absence of legal technical terms is noticeable to a layman.

Export Tables, between the United States, England, Holland, Germany, France, etc., etc. By BERNHARD WEBER, member of the New York Produce Exchange. New York, 1881.

This is a new and enlarged edition of Mr. Weber's tables, which are mainly intended to expedite the computation of the value of American commodities into the currencies of the various countries in the world. Following a *pro forma* calculation of the cost of a stated amount of each separate article (wheat and other cereals, bacon, lard, petroleum, coffee, wool, etc.), at a stated price here into the currencies of other countries, including shipping charges and commissions, are full tables, showing at a glance the cost of the article, at any required price here, in any foreign country, stated in its currency and according to its system of weight and measurement, and *vice versa*. Tables showing the equivalents of various freight rates in other currencies are included, a feature of the present edition being through freight rates from the west to Europe. The book contains besides, a number of other valuable tables, showing specific gravities of various substances, standard weights and measures, sterling percentage, etc. The whole forms a book of 222 pages. It is adapted for the use of bankers who deal in shippers' documentary drafts, as well as for merchants. The work has a good reputation for correctness, which the position of the author, in a respectable banking house of this city, goes to confirm.

Commercial Precedents, selected from the Replies and Decisions of the New York "Journal of Commerce." By CHARLES PUTZEL, of the New York Bar, and H. A. BAHR. Hartford: American Publishing Company, 1881.

Every reader of the "Journal of Commerce" knows and appreciates the value of the column of "Replies and Decisions." It need only be said that the latter is in answer to questions addressed to the editor, Mr. David M. Stone, and cover almost every conceivable subject that may come up for decision in business. The present work is a compilation by other hands, as Mr. Stone could not himself devote the necessary time to the labor. The decisions have appeared during a period of thirty-two years, and yet it is claimed that only in a single instance has a ruling of the courts differed from them. The whole is now alphabetically arranged, and the indexing seems to be thoroughly done. It should be a valuable book in every business office.

Economic Tracts, No. III. *Subjects and Questions Pertaining to Political Economy, Constitutional Law, etc., etc.* The Society for Political Education. New York, 4 Morton street, 1881.

This, third of the publications or tracts of the Society for Political Education (series of 1880–81), is intended to facilitate the efforts of students desirous of acquiring a knowledge of political and social science, and to supply an educational want which there has heretofore been no attempt to satisfy. The tract comprises three departments. In the first there has been grouped together, under appropriate heads, names or terms in familiar use—such, for example, as "franchise," "capital," "wages," "money," "currency," "tax," "tariff," "excise," "interest," "bonds," "exchange," etc., etc.—which the student must rightly understand before he can read or reason profitably, and which he is invited to analyse and clearly define to himself, as preliminary to further work in the way of study and investigation. In the second department, a collection of topics of the same general character are presented, under a proper classification, which are suitable as subjects for essay writing or compositions; while the third department comprises a collection of questions pertaining to economic and social science, which lie at the foundations of modern civilization, and cover the operations of government, production, exchange, distribution, banking, etc., etc., stated in such terms as to admit of being debated controversially by two or more persons.

Tract No. II of the Society, issued some weeks since, pointed out to the student the sources from whence he could most readily and economically obtain the information he required, *i. e.*, in the nature of books, magazine articles, court decisions on points of constitutional law, etc. Tract No. III now supplements No. II, by pointing out the best methods of investigating. The objects of the Society are excellent; it contains some of the best men and best economists in the United States, and the littl works which it is circulating are of the highest value in their way.

RECORD OF DEATHS.

FRANCIS P. SCHOALS, President of the Broadway Savings Institution, New York, died October 11, 1881, aged eighty-one years.

Mr. Schoals, who was for the last quarter of a century President of the Broadway Savings Institution, was born in Lancaster, Pa., of Scotch-Irish parentage, in the year 1801. His parents were in comfortable circumstance, but not rich, and he was apprenticed to the trade of book-binding. He came to this city 60 years ago, on attaining his majority, and went into business in an humble way. He continued at this business, enlarging year by year as his capital permitted, until his establishment was one of the most prosperous in the city, and then, after 30 years of active work, Mr. Schoals retired. A connoisseur in art and music, public spirited, active in benevolent projects, he found ample scope to employ his time. When the Broadway Savings Institution was founded, Mr. Schoals accepted a position on the Board of Trustees, and later succeeded William T. Brady in the office of President, declining, however, to receive any salary or compensation for his services. He was a member of the Board of Directors of the Broadway Bank, was connected officially with several insurance companies, and was a Trustee of the Union Theological Seminary, and concerned in many benevolent enterprises.

THOMAS MESSENGER, late President of the Brooklyn Bank, died October 20, 1881, aged seventy years.

Fifty years ago Mr. Messenger, together with his brother, established a wholesale tobacco business in New York, which laid the foundation for a competency for both brothers. Mr. Messenger only recently resigned the Presidency of the Brooklyn Bank, a position which he had held for twenty-five years. He was a Director of the Home Life Insurance Company and the Brooklyn Savings Bank, and the principal owner of the Flushing and North Side Railroad.

JOHN FLOYD, President of the American Bank of Pittsburgh, Pa., died October 22 1881, aged about eighty-seven years.

The deceased was born in 1794, in Ramelton, Ireland, and came to this country in the year 1829, first settling in Venango County, Pa. Three years afterward he removed to Pittsburgh, where he engaged in the wholesale grocery trade, which was carried on successfully until 1866. Since that time Mr. Floyd devoted his attention to the banking and insurance business. Upon the organization of the American Bank, in 1869, he became its President, and continued to hold the position up to the time of his death.

JOHN MCFARLAND, President of the Merchants' National Bank, of Meadville, Pa., died September 28, 1881, aged eighty-one years.

Mr. McFarland was born in Erie County, Pennsylvania, on February 13, 1800. He was educated at Erie, and at the age of fourteen went to Meadville and began his business career as a clerk. He was engaged also, at different times, in Franklin, Pa., and Mayville, N. Y., until 1827, when he established himself in the grocery business. By strict industry and unwavering honesty he built up a large and important trade, and he became an influential man. Soon after the organization of the Merchants' National Bank, under the National Banking Law of 1865, he became its President. He was also one of the projectors and directors of the Crawford County Mutual Fire Insurance Company. For more than thirty years he was Treasurer of Allegheny College. He was also Treasurer of the School Board, and until within a few months Treasurer of Christ Church. He was a man of extraordinary vigor of body and mind; was generous and charitable, and leaves a reputation without blemish.

FRANKLIN B. KAERCHER, Secretary and Treasurer of the Safe Deposit Bank, of Pottsville, Pa., died August 28, aged about sixty years.

Colonel Kaercher was born at Friedensburg, Pa., in 1821, but was a resident of Pottsville from childhood. When 25 years of age he accepted the second-lieutenancy in Company B, First Pennsylvania Regiment, to serve in the war with Mexico. He was present at the siege of Vera Cruz and the battle of Cerro Gordo, serving with credit until the close of the war. He early learned the art of printing, and was successively engaged in the publication of the "Anthracite Gazette" and as a hotel keeper. He served a term as County Treasurer, and was afterward largely influential in promoting the construction of the Mahanoy and Broad Mountain Railroad, being at that time agent of the Girard estate. He was for years a member of the Town Council, and served as its President. In 1870, when the Safe Deposit Bank was incorporated, he was Secretary and Treasurer, and filled his position most acceptbly to the bank and to the public until the close of a useful life. During Governor Packer's term of office, Colonel Kaercher served upon his staff with the rank of Colonel. He was one of the oldest as well as the most prominent citizens of Pottsville, as he was one of its most enterprising and public-spirited men.

GEORGE A. WARDER, Treasurer of the Savings Fund Society, of Germantown, Pa., died September 30, 1881, aged sixty-five years.

The ancestors of the deceased were identified with the early commercial interests of Philadelphia. He was born on Nicetown Lane, August 9, 1816, and his early years were passed at the family homestead, Woodside, near Chamounix, Pa. He engaged in business in Philadelphia in 1846, and afterward in Baltimore. At the close of the war he returned again to Philadelphia, and became a member of the Board of Brokers, uniting with Mr. Bacon of Germantown, under the style of Bacon & Warder, and was thus engaged when elected to the position of Treasurer of the Savings Fund Society, of Germantown, on January 1, 1869. This position he filled with great satisfaction and success. He was highly esteemed for the qualities of head and heart that he possessed. His former partner, Mr. William H. Bacon, writes: "We knew each other from boyhood, and I never heard him use a vulgar expression, nor ever utter an angry word."

WILLIAM GOODERHAM, SR., President of the Bank of Toronto, died recently, aged ninety years.

Mr. Gooderham, who was largely identified with the interests of Toronto since it was a small town, was born at Scole, England, in 1790. In youth he was occupied in the office of an uncle who was a London merchant, and afterward served in the West Indies during the war against Napoleon. In 1832, he emigrated to Toronto with fifty-four of his relations, bringing a capital of $3,000, with which he entered business with his brother-in-law, James Worts. From that time he carried on a highly successful business as mill-owner, distiller, etc. His firm, Gooderham & Worts, are chief owners of the Toronto and Nipissing Railway, and are largely interested in other enterprises. The Bank of Toronto is closely connected with the firm, Mr. Gooderham having been its President for fifteen years, and his partner its Vice-President. In disposition, the deceased was genial and generous; and, both in social and business intercourse, his relations were pleasant, and characterized by strict rectitude.

BARON JAMES DE ROTHSCHILD, head of the Paris branch of Messrs. de Rothschild, the eminent bankers, died October 25, 1881.

HON. WILLIAM T. JOHNSON, Cashier of the Granite National Bank, of Augusta, Me., died October 11, aged sixty-six years.

The United States National Bank, New York.—In another part of this number will be found a list of the correspondents of the United States National Bank. In addition to its value for reference, the list furnishes abundant evidence of the success of this new institution. The cashier and general executive officer of the bank is Logan C. Murray, Esq., formerly president of the Kentucky National Bank, Louisville. Gen. U. S. Grant, H. Victor Newcomb, Esq., and other well-known gentlemen compose the board of directors.

THE BANKER'S GAZETTE.

The Money Market and Financial Situation.

NEW YORK, November 1, 1881.

During the greater portion of the past month the prevailing topic of discussion in financial circles was the action of the Secretary of the Treasury regarding the disbursement of the money that was going into the coffers of the Government from internal revenue and customs duties. The uncertain status of the cabinet at Washington probably served to complicate matters. As was mentioned in our report of a month ago, on September 24, Secretary Windom issued a call for $20,000,000 of 6 per cent. bonds, extended at 3½ per cent., for payment on December 24, with the proviso that $2,000,000 per week of the called or uncalled bonds would be paid upon presentation. It was predicted by most of the newspapers that the latter amount would not be presented, and that the immediate relief required by the money market would not be afforded. This expectation was not verified by the event, for promptly on each succeeding Monday morning a much larger amount of the bonds was offered than was called for. Complaints of the scarcity of money was nevertheless continued, and the Secretary was urged by some to extend further relief to the market, while others contended that the available balance in the Treasury was not unusually large, and the Secretary ought not to heed the appeals of speculators. The latter view seemed to be the one taken by the Department, as appears from the following press despatches, dated from Washington on October 8:

"An impression appears to have become quite general in unofficial quarters, that there are several million of dollars above the usual reserve fund locked up in the Treasury Department. Inquiry at the Department, to-day, elicited information to the effect that there has been no unusual locking up of money. On the 1st of September there were $325,000,000 held by the Treasurer, of which there was a net available balance belonging to the Treasury of $148,000,000. On October 1, the total amount of money held for all purposes, in round numbers, aggregated $330,677,000, of which amount the net available balance for the Treasury Department was about $142,500,000. From the latter amount should be deducted $2,000,000 of bonds purchased, which were included in the cash, leaving $140,500,000 of available cash. The payment of the called bonds, falling due October 1, reduced the amount of money held at that time considerably below the amount held on September 1. The amount determined upon as a reserve fund, for the purposes of redemption, was 40 per cent. of the outstanding legal-tender notes; in other words, a little more than $139,000,000. In addition to that amount, the Treasurer has been accustomed to carry $5,000,000 to $12,000,000 with which to transact the ordinary business of the department. No such excess, however, is now held, and the money, instead of being locked up in the Treasury, is shown to be less than the amount which has usually been held. On August 1 last, the so-called reserve fund amounted to more than $150,000,000; on June 1, to more than $152,000,000; April 1, to more than $151,000,000, and on March 1, to more than $158,000,000. There has been but few months during the last two years in which the available cash of the Treasury has fallen so low as it is at present."

Notwithstanding this showing, two days afterwards (on October 10), notice was given by the Secretary that $5,000,000 of the 3½ per cent. bonds, in addition to the amount already called for, would be redeemed, as follows: "Notice is hereby given that on and after Monday the 17th inst., United States bonds embraced in the one hundred and fifth call will be redeemed at the Treasury Department in Washington to the amount of $5,000,000, with interest to the date of payment. The weekly purchases at the Sub-Treasury in New York will continue as heretofore authorized."

On October 20, an additional notice was issued, as follows:

TREASURY DEPARTMENT,
WASHINGTON, October 20, 1881.

Until further notice the Department will pay the bonds embraced in the one hundred and fifth call upon their presentation to this Department, with interest accrued to date of presentation.

Parties transmitting bonds for redemption should address them to the "Secretary of the Treasury, Loan Division, Washington D. C.," and all the bonds presented under this circular should be assigned to the "Secretary of the Treasury for redemption." Where checks in payment are desired in favor of anyone but the payee, the bonds should be assigned to the "Secretary of the Treasury for redemption for account of —— (here insert the name of the person or persons to whose order the check should be made payable)." WILLIAM WINDOM, Secretary.

The condition of things during the time included between the different Treasury circulars alluded to, forms a most favorable commentary on the present system of managing the finance. When any stringency occurs in the money market, the Secretary of the Treasury is pestered with appeals to relieve it, and with counter-appeals to let matters take their course. So long as the Treasury remains an important factor in the money market, the Secretary cannot ignore these appeals, and in any case, the power at present exercised by him is too great and dangerous to be intrusted to any man. But, aside from this, the system, whereby money is locked up for a time and then disbursed in lumps, is vicious. It is wasteful of capital and pernicious to business generally. We believe that no other civilized country sustains a similar system, and the proverbial uncertainty of the New York market is largely attributable to it. The only permanent reform would be some arrangement by which the available balance of the Treasury should be deposited where it would not be diverted from the channels of trade at any time, just as the moneys of every institution in the country, small and great, are deposited.

THE PUBLIC DEBT was reduced during the past month to the amount of $13,321,459, making the total decrease since the beginning of the fiscal year (July 1), $55,064,845. This is a larger reduction than there has been in the corresponding period of any year in a long time, if it was ever exceeded. It exceeds the reduction in the same period last year by $22,000,000, and if it continues at only the same ratio as then for the remainder of the fiscal year, the total reduction will be $123,000,000. But unless there is a decided check to business, or a reduction in taxation, no good reason appears why the reduction in the debt should not continue to exceed last year's. The interest on the debt has been reduced 16 million dollars, no falling off is expected in internal revenue, and the increase in imports should make the receipts from customs larger. Altogether, the time appears favorable for a reduction of taxation, as a moderate reduction would still allow of the rapid extinction of the public debt.

In the debt statement for October, the 5 and 6 per cent. bonds have been transferred from the column of Interest-Bearing Debt. The amount of debt upon which interest has ceased since maturity, now amounts to over 14½ million dollars, inclusive of interest. Of the $20,000,000 of 3½ per cent. bonds, included in the one hundred and fifth call, only $8,281,500 have been thus far presented for redemption. The available cash balance on hand is $144,493,449, a decrease of $15,500,00 compared with October 1. In the October balance, however, which was reported at $160,000,000, there was included nearly $11,000,000 of called 5 per cent. bonds, which were a current liability on that date. The $15,000,000 of non-interest bearing current liabilities, shown in the October statement, are not included in the available balance now reported.

SILVER CERTIFICATES, etc.—The Treasurer's statement of assets and liabilities shows a decrease of about $2,000,000 in gold coin and gold bullion compared with October 1. The continued demand for money to move the crops enabled the Treasurer to pay out nearly as many silver dollars during the month as were manufactured at the mints, the increase of these silver pieces on hand being less than $500,000. The number of silver dollars coined during the month was 2,350,000. The amount of silver dollars now on hand is $66,576,378, and the amount of silver certificates issued against them is $66,327,670. The law authorizes silver certificates to be issued in exchange for silver dollars deposited in the Treasury, and it will be noted that the amount of certificates issued is almost equal to the number of silver dollars now in the Treasury vaults. The Treasurer has been issuing silver certificates in exchange for gold when so requested by creditors, and to accomodate merchants in transferring money from one point to another, but a circular was issued to-day giving notice that in future silver certificates will not be issued, except for silver dollars. The advocates of the silver dollar will doubtless claim that nearly all of these coins thus far manufactured are practically in circulation. About $7,500,000 of silver certificates are included in the available cash.

FOREIGN TRADE AND GOLD MOVEMENT.—The excess of the exports of merchandise over the imports during September, was only $6,729,250, against $17,997,246 in September, 1880. In August last, the excess was only $5,804,124, against $10,927,593 in August, 1880. During the nine months ended September 30, 1880, the excess was $121,-193,289, against $73,798,920 in the corresponding time last year. These numbers denote the sharp change that has recently come about in the foreign trade. The average excess of exports during the first seven months of the current year was about 15½ million dollars a month, but during August and September it was reduced to something over 6 millions. The latest returns of the foreign commerce of New York show, if anything, a even more decided movement in the direction indicated. While there has been a considerable increase in the imports of merchandise to this country, the exports in September were nearly 9 million dollars less than in September, 1880. These conditions have been so often predicted here, and the causes that were to bring them about have been stated so many times, that extended comment is unnecessary at this moment. The imports of gold have almost ceased, and they are no longer profitable at the present rates of exchange. The total imports since August 1, was $21,833,588, against $44,-571,065 for the same period last year, a decrease of $22,737,487. The great banks of Europe have all raised their rates of discount, for the purpose of stopping the drain of gold, the last of them being the Bank of France, on October 20, to 5 per cent.

UNITED STATES BONDS.—There has been a large demand for this class of securities of late, especially for the 5 per cent. continued bonds, to replace the 6 per cents. that have been paid off. As the question has been raised in some quarters whether it would not be fairer for the Secretary to call 6 per cents. and fives in turn, it is desirable that some official expression of his policy in the matter should be made by Secretary Folger, so that no one may be taken unawares. Many parties are now purchasing the 5 per cents. at a premium of about 2 per cent., on the supposition that the bonds will have an existence of some years, and it is only fair that they should be notified in time of any change in the course to be pursued by the Department in the matter.

The following table shows the closing bids for the principal issues of Government bonds on each day of the month of October, and the highest and lowest during the month:

Oct.	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.	Oct.	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.
1	100⅛	100⅝	113⅝	116¼	134	18	100⅛	100¼	113	115⅞	133
3	100⅛	100⅜	113⅝	116⅛	133	19	100⅛	100⅝	113	115¾	132
4	100⅛	100¼	113¼	116	131	20	100⅝	100¾	113	115⅞	133
5	100¼	99¾	112¾	115⅝	133½	21	100¾	101	112⅞	115⅞	133
6	100⅝	99⅞	112⅞	115⅝	134	22	100¾	101	112⅞	115⅞	132
7	100⅝	99⅞	112⅞	115⅞	134	24	100⅞	101⅜	112⅞	116	134
8	100⅝	99⅞	113	115⅞	134	25	100⅞	101⅝	113	116	133
10	100⅝	99⅞	112¾	115⅞	130	26	100⅞	101⅛	112⅞	116	134
11	100⅝	99¾	112¾	115¾	131	27	100⅞	101⅝	112⅞	116	133
12	100¼	99⅝	112¾	115⅝	132½	28	100⅞	101⅞	113	116⅛	133
13	100⅛	99¾	112⅞	115¾	133	29	101	102⅛	113	116¼	134
14	100⅝	99⅞	113	115⅞	132	31	101	102	113	116⅛	132
15	100⅛	100	113	115⅞	132	High	101	102⅛	113⅝	116¼	134
17	100⅝	100	113	115⅞	134	Low	100¼	99⅝	112¾	115⅝	130

Foreign Exchange.—During the former part of the month, the rates of foreign exchange were so low that it was profitable to ship gold here, but about October 20, the scarcity of bills caused an upward movement, which has been well sustained. The actual rates to-day for bankers' sterling, 60 days, is \$4.80½@\$4.81; and sight, \$4.84½@\$4.85. Documentary sterling, 60 days, is quoted, \$4.78½@\$4.79½; Antwerp commercial, 60 days, \$5.31¼@\$5.30; Swiss, bankers', 60 days, \$5.25⅝@\$5.25, sight, \$5.20⅝@5.20; Reichsmarks (4), bankers', 60 days, .93⅞@.94, sight, .94⅞@.95; Guilders, bankers', 60 days, .39⅝@.39¾, sight, .40@.40⅛. Paris despatches quote exchange on London 25f. 21c.

The following shows the posted rates for prime bankers sterling bills on London at 60 days and sight, cable transfers, and prime commercial sterling at 60 days, together with exchange on Paris on Oct. 1, the changes in the rates as they occurred during the month, and the highest and lowest during the months of September and October:

	Bankers 60 days.	Bankers Sight.	Cable Transfers.	Commercial.	Paris 60 days.	Paris Sight.
Sept.—						
Highest	4.81½	4.85	4.85	4.79⅝	5.26¼	5.22¾
Lowest	4.80½	4.84	4.83½	4.78⅜	5.25	5.21¼
Oct. 1	4.80½	4.84	4.84¼	4.78¾	5.25⅞	5.22½
" 3	4.80	4.83½	4.83¾	4.78¼	5.26¼	5.23⅛
" 4	4.80	4.83½	4.83¾	4.78¼	5.27½	5.24
" 5	4.80	4.83½	4.83¾	4.78⅛	5.27⅛	5.24
" 6	4.79½	4.83½	4.83	4.77¾	5.27⅛	5.24
" 14	4.80	4.84	4.84¼	4.78⅛	5.28⅛	5.24
" 17	4.80	4.84	4.84¼	4.78¼	5.28⅛	5.24
" 18	4.81	4.85	4.85	4.79	5.28⅛	5.24
" 20	4.80½	4.84½	4.84½	4.79	5.28⅛	5.23⅛
" 24	4.81	4.85	4.85	4.79¼	5.28⅛	5.23⅛
" 25	4.81½	4.85½	4.85½	4.79¾	5.26⅞	5.21⅞
" 28	4.81½	4.85½	4.85½	4.80	5.25¼	5.20¼
Highest	4.81½	4.85½	4.85½	4.80	5.28⅛	5.24
Lowest	4.79½	4.83½	4.83	4.77¾	5.25¼	5.20¼

New York City Bank Movements.—As is mentioned more in detail in another part of the present number, the loans of the Associated Banks were steadily reduced from 331 million dollars on August 13, until, on October 20, they amounted to 311 million; but, notwithstanding this contraction, there was a deficiency in the reserve below the legal requirement in each one of the three weeks, which ended October 15. This was a result of the sharp demand for money, arising from various causes. Since the date last-mentioned, the reserve has increased, and the loans diminished until, on October 29, the surplus reserve was \$4,710,800.

The statements of the New York Clearing-House banks, the range of call loans and the rate of discount on prime paper for the four weeks of October were as follows:

N.Y.City B'k Statm'ts.	Oct 1.	Oct. 8.	Oct. 15.	Oct. 22.	Oct. 29.
Loans and discounts	\$330,497,400	\$326,123,900	\$318,348,900	\$311,310,500	\$309,254,500
Specie	59,643,200	56,534,400	54,807,200	58,359,400	61,068,100
Circulation	19,859,100	19,867,100	19,896,100	19,919,000	19,948,000
Net deposits	308,518,100	298,897,900	290,018,300	286,643,300	288,038,800
Legal tenders	14,730,300	14,856,800	15,174,500	15,208,700	15,652,400
Legal reserve	77,129,525	74,724,475	72,504,575	71,660,825	72,009,700
Reserve held	74,373,500	71,391,200	69,981,700	73,568,100	76,720,500
Surplus	*\$2,756,025	*\$3,333,275	*\$2,522,875	\$1,907,275	\$4,710,800
Range of call loans	†6@6	‡6@2	6@4	4@3	4@2½
Rate of prime paper	6	6	6	6	6

* Deficiency. † Plus 1-32 of 1 per cent. per day. ‡ Plus 1-64 of 1 per cent. per day.

MONEY AND DOMESTIC EXCHANGE.—While there is considerable more ease in the demand for money than a few weeks ago, owing to the cessation of the demand at the west, yet the market cannot be called easy. Occasionally, within a few days, a commission above the legal rate has been paid for call loans. The rate for prime commercial paper has not been lower than 6 per cent. for some time past, and there is no demand for any but the best. Following are the present rates of exchange on New York, at the places mentioned: Savannah, buying, ⅛ discount, selling, par@⅛; discount; Charleston, buying, ¼@⅜ discount, selling, par@1-5 discount: New Orleans commercial, 25@75c. per $1,000 discount; bank, $1 per $1,000 premium; St. Louis, par; Chicago, par; Boston, par.

STOCK EXCHANGE BUSINESS.—The total recorded transactions at the New York Stock Exchange for the past five months, were as follows:

	June.	July.	August.	Sept.	Oct.
Government bonds............	$2,392,200	$2,444,000	$1.696,150	$1,673,750	$2,967,600
State bonds.....................	3,675,900	2,385.000	1,24[illegible],500	2,264,500	3,060,500
Railroad bonds..................	39,971,100	19,064,300	13,412,300	13,143,400	21,507,600
Bank stocks—shares..........	503	270	345	531	673
Railroads, etc., "	8,632,511	8,611,522	6,868,750	6,854,688	9,606,997

RAILROAD STOCKS.—The fluctuations in the prices of railroad stocks generally have not been very wide during the month. The transactions were larger than for some months back. There was considerable falling off in the prices from the beginning of the month, owing to the tightness of money and the continuance of the sharp competition between the trunk lines. On October 25, the Pennsylvania and Baltimore and Ohio companies raised their rates, and the other lines have followed their example. This caused a strengthening of prices, which are now well maintained; but still they are lower than they were a month ago. There is little immediate prospect of a renewal of the trunk line compact, which was broken several months since, as Mr. Vanderbilt holds out for better terms on New York business than were allowed under the old agreement, and the competing lines show no signs of acceding to his claim. The railroads are reported as doing a good business, so that the temptation to reduce rates ruinously is for the time being removed.

The following table shows the highest, lowest, and closing prices of the most important railway and miscellaneous stocks at the New York Stock Exchange during the month of October:

Companies.	Highest.	Lowest.	Clos'g	Companies.	Highest.	Lowest.	Clos'g
Canada Southern....	65⅝	55¾	63⅝	Met. Elevated........	99¾	83⅛	96¾
Central Pacific......	96¾	90⅛	95	Mich. Central........	96	86	93¼
C., C., C. & Ind	98¼	89¼	91½	Mo., Kan. & Texas..	42¼	36⅞	40¾
C., C. & I. C..........	22¼	19	21⅛	Nash., Chat. & St. L.	85¼	79	85
Chic., Bur. & Q......	160	136	137½	N. J. Central........	97⅛	89¾	95⅜
Chic., R. I. & P......	135¾	131¾	135¼	N. Y. Central........	142⅛	135⅜	139⅝
Chic. & Alton........	130⅛	127	130	N. Y. & N. Haven...	170	170	170
Northwestern........	126¼	120⅞	124½	N. Y. Elevated......	119	107	110¼
Mil. & St. Paul.......	112¼	106	108	N. Y., L. E. & W....	45⅝	41⅞	44¼
Del., Lack. & West..	128⅛	120⅝	126¾	Northern Pacific....	39¾	36⅛	38¾
Denver & R. G......	86¼	78⅝	82⅞	Ohio & Mississippi...	46⅛	39	41
Hannibal & St. Jo...	100	95	96⅝	Oregon R. & N......	167	153¼	163
Illinois Central......	131⅝	128¼	131	Phila. & Reading....	74¾	62	67¾
Ind., B. & W.........	44⅛	41	44	St. L. & San F........	45¾	40	44¾
Lake Erie & West..	48⅛	41½	46⅝	Texas & Pacific......	54	45¾	53⅛
Louisville & Nash...	96½	90¼	94½	Union Pacific........	122	116⅞	120¼
Lake Shore..........	125⅝	117	121	Wabash, St. L. & P..	50⅞	46⅛	48¼
Manhattan R........	55	17⅜	53	Western Union Tel..	88¼	82¾	86¾
Missouri Pacific....	106¾	102	105⅛	Pacific Mail..........	51⅛	47⅝	49

STATE BONDS have been comparatively active and strong in price recently. We notice late sales of Virginia 6s deferred at 23@21⅛; Louisiana consols at 69; North Carolina 6s, special tax, at 10¼@10; 6s issued to Chatham Railroad at 8; South Carolina 6s, non-fundable, at 12¾; Georgia 7s, gold, at 120; Arkansas 7s, issued to the Central Railroad, at 20⅛, and 7s, issued to the Little Rock and Fort Smith Railroad, at 32.

COINS AND BULLION.—The following are New York quotations (November 1) in gold for the various foreign and domestic coins and bullion:

Sovereigns	$4 83 @$4 86	Silver ¼s and ½s	99¾@ par
Napoleons	3 83 @ 3 86	Five francs	93 @ 95
X X Reichmarks	4 74 @ 4 78	Mexican dollars	87¾@ 88½
X Guilders	3 96 @ 4 00	do uncommercial	86½@ 87½
Spanish Doubloons	15 55 @15 65	English silver	4 72 @ 4 82
Mex. Doubloons	15 55 @15 65	Prussian silver Thalers	68 @ 70
Fine silver bars	1 12¼@ 1 13	U. S. Trade dollars	99⅜@ 99⅝
Fine gold bars, oz	par @ ¼ prem.	U. S. silver dollars	99¾@par.
Dimes and ½ Dimes	99½@ par.		

SPECULATION IN CONFEDERATE BONDS.—Mention was made last month of the revived interest in the Confederate Sterling Loan in European markets. The speculation appears to be even more active since. It was reported from London on October 3 that the dealing was caused by a committee asking holders to register the bonds, which step was supposed to be preliminary to some appeal to the Legislatures in the South. The Louisville "Courier-Journal" says: "The money to the credit of the Confederate Government in the Bank of England at the close of the war amounted to $800,000 or $900,000, and it is there yet, together with the interest which has accumulated thereon, and the whole sum belongs by right to the United States Government, which has never yet made any decided effort to get hold of it. That money comes under the head of captured and abandoned property, and there can be no owner save the Federal Government. In 1867 the British Government informed the American Minister, Reverdy Johnson, that the money would be paid over to his Government if the latter would become responsible for the Confederate liabilities."

The London "World" says: "The money resulting from the Confederate cotton loan was not advanced because the people who took the bonds had sympathy with the Southern States, but because we needed the cotton; and before making the advance pains were taken to ascertain from the highest authorities that it was a perfectly legitimate transaction, and that there was nothing to prevent any of our merchants agreeing to it. The cotton on which the loan was secured was taken by the United States, who therefore remain subject to all the agreements made in respect of it by the Confederates. There is not much chance of this view being admitted by the United States, but as it is vouched for by so high a legal authority as Lord Hatherley, it may be worth mention."

It was estimated that the aggregate value of the bonds that changed hands in London, during the three days ended October 28 was £10,000,000, the last price being 1⅛. Accounts come from the South of large transactions in the bonds. It is said that the banking house of Thomas Branch & Co., of Richmond, have alone purchased $5,000,000 coupon bonds at from $3 to $5 per thousand, and a Charleston broker is reported to have secured as large an amount. The Charleston "News" says: "The sale of the bonds has put $40,000 or $50,000 of good money in circulation in this city. The cotton bonds are the only securities that are regarded by the brokers as of any intrinsic value. Col. R. J. Moses, a prominent lawyer of Columbus, Ga., is acting for the American holders of the Confederate bonds, who intend to get the Confederate deposits which are now lying in the Bank of England, either by litigation or by compromise. Col. Moses is a relative of Mr. Judah P. Benjamin, one of the old Confederate Cabinet, who has been retained in this suit. It was rumored in the streets yesterday that an enterprising New England firm, as soon as the demand for the bonds sprang up, started a factory for the purpose of manufacturing them in order to supply our English cousins with all the article that they want. The rumor could be traced to no authoritative source, but it is remembered that during the late war, out of which the Confederate bonds sprang, our brethren at the North supplied

us with even a better article in the shape of Confederate currency than we were able to manufacture at home, and so there may be something in the rumor after all."

RAILROAD BONDS.—The dealings were larger in amount than for several months past, but do not compare in activity with those of the same season last year. During the week ended Saturday, October 29, there were transactions in Erie new seconds at 104@102½@104; Wabash, general 6s, at 97⅝; Texas and Pacific, firsts, Rio Grande Division, 89⅞, and Income bonds at 73; Denver and Rio Grande consols at 108¼107@108¾; Metropolitan Elevated, firsts, at 102, seconds, 95; New York Elevated, firsts, at 118; Boston, Hartford and Erie, firsts, at 69; Canada Southern, firsts, at 98¾@99¾@99½; Nashville, Chattanooga and St. Louis, firsts, at 117¼@116¾@116⅞; Louisville and Nashville, general 6s, at 106½; East Tennessee, Virginia and Georgia, incomes, at 55¾@53¾@54⅞.

COMPARATIVE STATEMENT ON OR ABOUT NOVEMBER 1, 1879, 1880 AND 1881.

The following summary shows the condition of the New York Clearing House banks, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of November in 1879, 1880 and 1881; and, for comparison, the same figures for last month, October, 1881:

	October	November		
NEW YORK CITY BANKS—	**1881.**	**1881.**	**1880.**	**1879.**
Loans and discounts	$312,672,300	$309,254,500	$317,880,200	$271,238,600
Specie	64,984,400	61,068,100	66,372,400	29,675,300
Circulation	19,765,200	19,948,000	18,646,500	22,600,500
Net deposits	314,317,300	288,038,800	302,582,800	234,412,000
Legal tenders	15,057,200	15,652,400	13,016,700	28,615,900
Legal reserve	78,579,425	72,009,700	75,645,525	58,603,000
Reserve held	80,041,600	76,720,500	79,389,100	59,291,200
Surplus	1,462,275	4,710,800	3,743,575	Def. 311,800
MONEY, EXCHANGE, SILVER—				
Call loans	5@6	3@6 1-64	2½@5	7@7
Prime paper	5½@6	6@6½	4@4½	5½@6
Silver in London per oz	51 13-16d	52d	51¾d	53½d
Prime Sterling bills, 60 days	4 80½	4 81½	4 82@4 82½	4 80½@4 81½
UNITED STATES BONDS.				
6s, 1881, coupon	100½	101@101½	.. ..	.....
6s, currency, 1898	133	131	130	123
5s, 1881, coupon	101⅛	101⅞@102	.....	.....
4½s, 1891, coupon	113⅜	113@113¼	110½	105¾
s of 1907, coupon	117⅜	116⅛@116¼	109½	102¼
RAILROAD STOCKS.				
New York Central & Hudson Riv	142¾	139½	137⅛	130½
Erie (N. Y., L. E. & W.)	45⅛	44¾	44¾	40¾
Lake Shore & Michigan Southern	124⅞	121⅛	116⅜	101¼
Michigan Central	91¾	93⅜	109¼	94½
Chicago, Rock Island & Pacific	137¼	135	122	148
Illinois Central	131	130⅛	118	98
Chicago & Northwestern, common	122⅝	124½	115¾	90
Chicago, Milw. & St. Paul, com	112¼	108	105⅝	74¾
Delaware, Lackawanna & Western	127⅞	126⅞	99½	89
Central of New Jersey	95¾	95¼	78¾	78¼
MERCHANDISE.				
Cotton, Middling Uplands, per lb	11 13-16	11⅝	11 1-16	11 5-16
Wool, American XX, per lb	34@43	36@45	38@47	38@45
Iron, American Pig, No. 1, per ton	24½@25½	25@26	24 50@26	28@29
Wheat, No. 2 spring, per bush	1 53@1 53¼	1 42@1 44½	1 16½@1 17	1 41@1 42
Corn, Western mixed, per bush	70@76½	65@70½	55¾@56¼	58@60
Pork, Mess, per bbl	19 87½@20 50	17 75@18	15 00	10 50

STATE BANKS OF NEW YORK.—Following is a statement showing the aggregate of resources and liabilities of the State Banks of the city of New York, on the morning of September 24, 1881, as exhibited by their reports to the Superintendent of the Bank Department, together with the totals on June 18 and March 12, 1881, for comparison:

LIABILITIES.

	Sept. 24.	June 18.	March 12.
Capital	$11,387,700	$11,387,700	$11,598,900
Surplus fund	3,341,461	3,315,502	5,256,800
Undivided profits	2,403,066	2,629,563	
Circulation	17,611	17,611	17,800
Due depositors	48,627,455	55,517,367	34,680,700
Due to banks	5,300,654	7,321,261	5,108,200
Due other parties	143,637	72,194	....
Due State Treasurer	50,713	64,126	....
Other liabilities	251,704	178,639	162,900
Total	$71,524,001	$80,198,963	$56,820,300

RESOURCES.

	Sept. 24.	June 18.	March 12.
Loans and discounts	$47,658,729	$48,230,405	$43,507,800
Overdrafts	46,508	39,448	41,100
Due from banks	3,031,266	3,976,717	2,625,200
Real estate	1,235,514	1,233,285	1,422,900
Bonds and mortgages	94,068	56,068	1,055,600
Stocks and bonds	1,055,856	1,061,078	
Specie	4,985,820	5,000,498	4,976,700
Legal tenders	3,444,409	4,115,663	2,991,000
Cash items	9,718,855	16,402,967	200,000
Loss and expense	168,133	260,395	....
Other assets	80,818	62,474	....
Total	$71,524,001	$80,498,963	$56,820,300

KIND WORDS FOR THE JOURNAL.

(From J. W. Manier, Cashier of the Susquehanna Valley Bank, Binghamton, N.Y.)

"—— Will you please send me a copy of the JOURNAL for April, 1881. I have it bound in half-yearly volumes, and my April number is missing. In due time will send subscription for next year, as I intend to take the JOURNAL as long as it fills the place it now does in the reference library of a bank."

(From the Buffalo Times.)

"We have just received a copy of RHODES' JOURNAL OF BANKING, published by Bradford Rhodes & Co., of New York.

It is full of interesting matter pertaining to banks, finance, etc., and is well worthy the patronage of all interested in the great subject of finance."

(From Farmers' Bank, Carlisle, Pa.)

"You are making RHODES' JOURNAL actually necessary to intelligent banking."

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"We have been subscribers to your valuable JOURNAL some years, and are pleased to notice its continued improvement, and consider it a work of much practical value to bank men."

RAILROAD BONDS AND MISCELLANEOUS SECURITIES.

QUOTATIONS IN NEW YORK AND OTHER CITIES.

The following tables give the latest procurable bid and asked prices of Railroad Bonds and miscellaneous securities at the New York Stock Exchange, and Southern securities not called at the Stock Exchange, and also under their appropriate heads, the quotations of securities dealt in at other cities. The quotations represent per cent. of par, and not dollars.

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

SECURITIES.	Bid.	Askd	SECURITIES.	Bid	Askd
			Erie 1st. con. f'd. coup. 7s.	123	127½
RAILROAD BONDS.			do new 2d. con. 6s..........	102	102½
			do 2d. con. f'd. coup. 5s	95	100
Boston, H. & E. 1st m. 7s, 1900..	66	68	Han. & St. J. 8s convertible m.	107	108
B., Cedar Rap. & N. 1s 5s g.....	100½	101	Illinois Central, ...		
Chesapeake & Ohio 6s 1st B ...	85	86	Dub. & Sioux City 1st m......	104	104
do do cy. int. def.	56	56½	do do 2d div....	110	......
Chicago & Alton 1st mortgage.	120½	125	Cedar Falls & Minn. 1st m....	110	115½
do income ...	102	104	Indp's Bloomn & W'n 1st p....	123	......
Joliet & Chicago 1st mortgage.	......	100	do do 2d ...	76½	80
La. & Mo., 1st 7s.	115	117	Lake Shore Bonds		
St. L Jacksonville & Chic 1st...	114	120	M. So & N. I. Sink. fd 7.........	111½	112
Chic. Bur. & Qu. 8 per ct. 1st m	106½	107	Cleve. & Tol. sink. fd	107½	110½
Chic. Bur. & Qu. cons M 7s	131	......	Cleve. & Tol. new bonds........	107	111½
do do 5s Sinking Fund	98	105	Cleve. Painesv & A bonds 7s...	116	120
Chic. R. I. & Pac 6s 1917, cp....	125	127	Buff. & Erie, new bonds...	125	......
do 6s 1917, registered	125	126	Buff. and State Line 7s.........	126	126
Keokuk & Des Moin. 1st 5s.....	103½	106	Kala. & W. Pigeon 1st m.......	105½	......
Cen. R R. of N. J. 1st 7s. 90..	117½	120	Det. Mon & Tol 1st 7s 1906......	115	125
do cons. assent.	114½	114½	Lake Shore div. bonds..........	120	123
do conv. do....	116	118	do con c'p 1st 7s.......	130	140
L. & W. B'e. con. assented....	107½	109	do con reg 1st bds.....	128½	129
Am' Dock & Imp. bonds as'd	134	136	do con coup 2d 7s......	126	126½
Chic. Mil. & St. Paul R. R			do con re'gd 2d m.....	126	126½
M. & St. P. 1st mtg 8s P. D...	132	134	Marietta & Cin. 1st m..	119	125
do 2d 7 3-10 P. D.....	118	121	Mich. Cent. consol. 7s 1902......	124½	125
do 1st 7s $ gold R. D	121	121	do 1st m. 8s '82 s f	102½	104
do 1st 7s £ do	113	113½	do equipment bds.....	......	......
do 1st M. LaC. D.....	118	121	N. Y. Cent. 6s, 1883.............	105	......
do 1st M. I. & M. D..	118	......	do do 6s, 1887............	......	110
do 1st M. I. & D......	118	128	do do 6s, real estate......	105	105½
do 1st M. C. & M.....	120	121	do do 6s, subscription...	105	105½
do consolidated s f..	121	123½	do do & Hud 1st m c.....	137	137
do 2d mortgage 7s...	102	106½	do do do 1st m reg....	136½	137
Chic. & N. W. sinking fund....	108	113	Hud. Riv. 7s 2d m s f 1885.....	110	......
do do int. bonds.	108½	109	Harlem 1st m 7s coupon......	130	136
do do cons. bonds.....	130	135	do do reg'd.........	134	135
do do exten. bonds...	......	108	Ohio & Miss cons s f...........	118	120
do do 1st mortgage...	108½	110	do consolidated 7s....	118	119
do do coup gd bonds..	123½	125	do 2d do...........	122½	126
do do reg'd do	124	124	do 1st Springfield div.	120¼	125
Iowa Midland 1st m. 8s......	12[illegible]	133	Pacific R R bonds..............		
Galena & Chicago extension.	101¼	102	Cent Pacific gold bonds......	115	115½
Peninsula 1st m. conv........	120	140	do San Joaquin branch....	......	107
Chicago & Mil. 1st m..........	125	125	do Cal & Oregon 1st.........	......	107½
Winona & St. P. 1st mort.....	108	......	do State aid bonds	108	109
do do 2d mort.....	......	124	do land grant bonds........	104½	106
C. C. C. & Ind's 1s m. 7s s. f.....	125	125	Western Pacific bonds........	111	112
do consol, M. bonds.	120	124¾	Union Pacific 1st m bds.......	116½	116⅝
Del., Lack. & W. 7s conv.......	110	......	do land grants. 7s...	113⅞	115
do do m. 7s 1907....	124	126	do sinking fund.....	122	123
Morris & Essex 1st mor.......	136	140	Pacific R of Mo. 1st m..........	106	106¼
do 2d do	117	120	do 2d m. 7s...........	113½	116½
do 7s 1900.	120½	......	Pennsylvania R R		
do 7s of 1871.....	117	122	Pitts, Ft W & C 1st m	138	140
do 1s con. gd....	124¼	125¾	do do 2d m.........	131	......
Del. & Hud. Can. 1s 7s. 1884....	107¾	107¾	do do 3d m.........	127½	131
do do 1891 ...	115	119	Cleve & Pitts con s f..........	129	130
do Coup. 7s 1894...	116½	120	do 4th do..........	112	114
do Regis'd 7s 1894 ...	116	119	Col. Chic & Ind cent. 1st m..	125	130
Albany & Susq. 1 s 7s..........	115	116	do do 2d m..........	......	100
do do 2d do........	......	107	Rome, Water'n & Og con 1....	93	94
do do 1st c gua'd....	126	......	St. L. & Iron M 1st m...........	115¾	118
Rens'r & Sara. 1st 7s. Coup..	138	......	do do 2d m...........	112½	......
do do 1st reg'd 7s ...	138	......	St. L. Alton & Terre H. 1st 7s .	110	116

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid.	Askd
St. L. Alton & T. H. 2d pref...	108	111
do 2d do inc......	106	109
Bell & S. Ill R. 1st m 8s........	116	120
Wab., St. L. & Pac. gen. m 6s..	99	99
do Chic. div. 5s	90	92¾
do Han. " 6s	......	102
do Tol. P. & W. 7s........	.....	116
Wabash R. m. 7s...........	......	109
Tol & Wab 1st m ex...........	110	111
do 1st M St. L. div.....	106	107
do 2d m. extdg. 7s	112	114
do equipment bonds..	60	......
do cons conv'ble......	109	110¼
Gt West'n 1st m 7s 1888.......	108	111
do 2d 7s 1893	112	113
Quincy & Tol. 1st M......1890	100	112
Illinois & S Iowa 1st m 7s....	100	104
West'n Un bds, 1900, c'pon.....	120	121
do do do reg........	116x	117½

MISCELLANEOUS LIST.

SECURITIES.	Bid.	Askd
Arkansas Levee 7s...	10	15
Atchison & P Pk 6s gold........	100	106
Atchison, Top & S Fe 7s, g.....	120	123
California Pac R R 7s gold.....	106	110
do 6s 2d m gold.... ..	107	109
Central Pac 7s gold, conv.......	100	103
Chi & Southwestern R R 7s....	123	124
Chi & Mich Lake Shore 8s..	106	112½
Chi & Can South 1st m'g 7s.. ..	45	50
Cin, Rich & F W 1 m g 7s.......	104	108
Cleve, Mt V & Del 7s gold......	88	92
Connecticut Valley 7s gold....	65	70½
Connecticut Western 1st 7s....	35	37
Col & Hock Val 1st 7s 30 ys.....	112	118
Denver Pacific 7 gold..........	107½	108½
Erie & Pittsburg 1st 7s.........	......	......
do 7s, cons.................	110	115
Evans & Crawfordsville 7s.....	102½	107½
Evansville, T & H Chic 7s g.. .	90	100
Flint & Pere M 7s land grant...	......	......
do pref stock......	97	97½
Grand River Valley 8s..........	107½	110
G'd Rapids & Ind 1 guar 7 g....	118	120
G'd Rapids & Ind 1st 7s g	110	112
Ill Grand Trunk 8s......	116¾	117½
Ind. Bl. & W., scrip............	17½	22½
Indianapolis & Vinc's 1st 7s gr.	110	115
Indianapolis & St. Louis 7s.....	80	90
Io Falls & Sioux City 1st 7s.....	110	112
Jack. Lansing & Sag. 1st m.....	108	110
Jeff'ville, Mad & Ind 1st m 7s...	115	118
Kala'zoo & South H 8s guar ...	115	120
Kal, Alleghan & G R 8s gr. ...	110	115
Kal & White Pigeon 7s.........	110	115
Kansas City & Cameron 10s....	118	122
Michigan Air Line 8s...........	119	121
N. J. Midland 1st 7s gold........	90	91½
Omaha & S West'n R R 8s......	115	120
Oregon & Cal 7s gold...........	......	......
Oswego & Rome 7s guar........	110	......
Ott, Oswego & Fox R. V. 8s....	......	....
Pitts, Cin & St Louis 1st 7s.....	119	120
Sand, Mans & Newark 7s........	112	118
Sioux City & Pacific 6s...	......	......
Southern Central N. Y. 7s......	70	90
Steubenville & Indiana 6s......	102	104
St L & S Eastern 1st 7s gold....	100	......
Union Pacific So br 6s gold ...	105	110
Union & Logansport 7s.........	105	110

CINCINNATI.

SECURITIES.	Bid.	Askd
COUNTY AND CITY BONDS.		
Cincinnati 4s....................	105	105½
City of Cin. consol 5s...........	114	x115
City of Cincinnati 6s............	121	x124
do do 7s...........	127	x130
City of Covington, Ky 6s '81...	102	......
do do 7 3-10, '81....	103	104
RAILROAD BONDS.		
L Miami & I & C con 6s	105	......
do do 1st 6s '83........	103	......
Cin, Ham & Day 2 m 7s '85......	105	x107
Dayton and Mich, 2 m 7s '84....	106	107
do do 3 m 7s '88....	107	109
Cin, Rich & Chi, 1 m 7s '95......	110	x112½
Cin, Han & Ind 1st m gr 7s.....	x 113	118½
Marietta & Cin 1st m 7s '91....	87	90
do do 2d m 7s '96.....	30	33
Indianap & Cin 1st m 7s '88.....	109	......
Cin & In guar 1st m 7s '92.....	109	110
do 2d m 7s '77 '82.......	104	106
Indianap C & L 1st m 7s '97.. .	......	110
Day & W 1 m, 1881.	x 101	102
do 2 m, 1905............	......	100
MISCELLANEOUS STOCKS.		
Columbus & Xenia.......... 50	153	155
Cin, Ham & Dayton.........100	97	x 97
Dayton & Mich 3½ guar..... 50	60	x 62
Little Miami................ 50	146	x146½
Marietta & Cin 1st pref..... 50	10	......
do do 2d do....... 50	....	3
Cin Gas Light & Coke Co....100	170	x171

SOUTHERN SECURITIES.

SECURITIES.	Bid.	Askd
CITIES.		
Atlanta, Ga 7s.................	107	112
do 8s.....................	110	115
Augusta, Ga 7s bonds........	109	112
Charleston stock, 6s...........	78	80
Charleston, S. C. 7s F L bonds..	100	......
Columbia, S. C. 6s............	65	75
Columbia, Ga. 7s bonds........	100	......
Lynchburg 6s..................	106	107
Macon 7s bonds..........	100	105
Memphis bonds 6s..	45	......
do new consols..........	50	60
do end, M & C R R......	50	......
Nashville 6s old	100	105
do 6s new....	100	105
New Orleans 5s..............	72	74
do consol, 6s......... ...	79	85
do bonds, 7s............	65	70
do to railroads 6s.........	65	......
Norfolk 6s....	103	104
Petersburg 6s.................	103	106
Richmond 6s...	113	115
Savannah 5s	83	87
RAILROADS.		
Atlantic & Gul, consol..........	108	112
Central Georgia cons, 7s... ...	116	120
do do stock...........	118	122
Charlotte Col & A, 1 m 7s......	107	110
do do stock...	50	......
E Tenn & Georgia 6s............	102	106
East Tenn, Va & Geo 1st m 7s..	117	119
do do stock..........	14	15
Georgia R R 7s................	115	......
do stock	155	164
Macon & Western Stock.......	120	130
Macon & Augusta bonds.......	100	......
do do endorsed....	100	.....

STOCK AND BOND QUOTATIONS.

Securities.	Bid	Askd
Memphis & Charleston 1st 7s...	110	115
do do 2d 7s.....	102	108
do do stock....	72	74
Mississippi Central 1st m 7s....	102	......
do do 2d m 8s....	110	112
Mississippi & Tenn 1 m.........	130	......
do do cons, 8s....	118	122
Motg'y and West P, 1st 8s.... .	103	......
do do 1st end.......	......	......
N Orleans and Jackson 1st m..	110	114
do do 2d m....	114	117
Nash and Chattanooga 6s......	100	115¾
Norfolk and Petersb 1st m 8s...	104	......
do do 2d do..	102	......
Northeastern, S C, 1st m 7s.....	126	.....
do do 2d do.....	116	......
Orange and Alex 1st 6s.........	107	......
do do 2d 6s	111	.....
do do 3d 8s	93	......
do do 4th 8s	55	......
Rich and Peters'b 1st m 7s.....	......	......
do do 2d m 6s.... ..	......	......
do do 3d m 8s.......	102½	......
Rich and Fred'b and Pot 6s...	104	......
do do do con 7s.	118	......
Rich and Danv 1st con 6.......	100	101
do Piedmont 8s......	112	114
do 1st 8s..............	......	......
Southside Va 1st m 8s	104	......
do 2d m guar 6s......	100	127
do 3d m 6s...........	97	......
do 4th m 8s..........	......	......
Southwest R R, Ga 1st m.......	120	......
do do stock........	120	130
S. Caro R R, 1st m 7s, new	105	......
S. Caro R R 6s	70	76
do 7s 2d	123	125
Virginia and Tenn 2d 6s.......	100	102
do do 3d 8s.......	119	125
West Ala, 8s guar.............	115	120
Wilmington and Weldon 7s....	116	120
PAST DUE COUPONS.		
Tennessee State coupons......	35	45
Virginia consol coupons.......	91	93
Memphis city coupons...	30	.....

BOSTON.

RAILROAD STOCKS AND BONDS.		
A T and Santa Fe, 1st m 7s.....	122	123
do do L G.........	......	......
do do stock......	146	146⅛
Bost and Alb'y stock............	......	166
Boston and Lowell stock.	......	113
Boston and Maine, stock	153	154¼
Boston and Providence, stock.	163	......
Chicago, Bur and Quincy... ..	154	162¼
Cin, San, and Cleve, Com. stk.	23¼	23¾
Connecticut River, stock	170	172⅛
Eastern stock.......	45	48¾
Fitchburg, stock	......	150
N. Y. & New England R. R. 7s.	116¾	117
do do do 6s.	108½	......
Northern (N. H.) stock...	114	116
Norwich and Worcester stock.	......	......
Ogdenburg and L Champ stock	40	......
Old Colony stock........... ..	129	130
Portl, Saco & Portsmouth st'k.	116	117
Portsmouth, Gt F & Con'y s...	......	......
Rutland pref. stock............	27	28
Vermont and Mass..............	131	132

Securities.	Bid	Askd
Worcester and Nashua.........	65	66
MISCELLANEOUS STOCKS.		
Boston Land Co	8	8⅛
Boston Water Power..........	7⅝	7¾
Pullman Palace Car	......	128⅛

PHILADELPHIA.

STATE AND CITY BONDS.		
Penn. 5s, new, reg, '92 1902. ...	117	......
do 6s, 10-15, reg, '77 1882.....	105	......
do 6s, 15-25, reg, '82 1892.....	101⅛	102
Philadelphia 6s, old..	130	......
do 6s, new, over 1895..	127	128⅛
Pittsburg 5s, reg, 1913...........	95	100⅛
do 7s, water loan.......	126	126⅛
do 7s, street improv.....	110	......
RAILROAD BONDS.		
Allegheny V R R 7 3-10, '96.....	......	124
Bel & Del R R, 1st m 6s, 1902....	118	......
do 2d do '85.....	106	......
do 3d do '87.....	106	......
Cam & Amboy R R 6s, 1883.....	106	108
do do do 6s, 1889.....	103	104
do do do m 6s, 1889...	116	116⅛
Cam & At. 1st m 7s, gold 1893.	116	121
do do 2d do cur, 1879.	106	109
Cataw R R new 7s, 1900.........	118	121
Connecting R R 6s. cp. 1900.....	118	120
Del & B B R 1st m. 7s, 1905.........	......	124⅛
H. & B. T. 2d m 7s, gld 1895.....	110	110
do 3d do cur. 1895...	94	112⅛
Lehigh Valley, 1st m, 6s, c,'98..	......	127
do do r g '98....	121	125
do 2d m, 7s, reg 1910.....	......	132
do cons. m, 6s reg 1923....	118	120
do do 6s, coup. 1923.....	118	122
N Cent. 2d gd. m. 5s, cp'n 1926..	99	100
North Penn, 1st m 6s, c 1885...	......	100
do 2d m 7s, c. 1896...	105	......
do gen. m 7s, c. 1906...	......	122
do do reg., 1906..	122	......
Oil Creek 1st m 7s, coup '82.....	102	108
Pittsb'h Titus & Buff 7s, c, 1896.	96	98
P & N Y C. & H. R. 7s, r&c 1896.	....	124⅛
Penna. 1st mort 6s, c, 1910......	122	122⅛
do do do 6s reg 1910....	120	125
do cons m, 6s reg. 1905....	121	123
Phila & Erie 1st mort 6s c 1881.	......	......
do 2d mort 7s, c 1888.	......	118
Phila & Reading 1st m 6s, 1880..	120	......
do 2d m 7s, c 1893..	123	125
do cons m 7s c 1911..	120	......
do do m 7s r 1911..	124	125
do do 6s, g r & c 1911..	114	......
Pitts, Cinn. & St. L 7s c 1900....	121	122⅛
Tex & Pac 1st m, 6s, g 1905......	.. ..	108
do cons m, 6s, g 1905......	101	101¼
Un & Titus 1st m, 7s, 1890.......	102	108
War. & F. 1st mort. 7s, c 1896..	113	115
West Jersey 6s, d coup 1883....	100	......
West Jersey 1st mort 6s, c 1896.	120	121
do do 7s, r & c '99..	123	125
West Penn 6s, coup, 1893.......	111	......
do 6s. p b c, 1896.......	113	114
Lehigh Nav. m 6s, r 1884........	106	107⅛
do M.R. R. r, 1897	117	120
do M conv g. r. 1894	......	118
do M. gold, r. c, 1897	110⅛	115
do cons m 7s r, 1911	117⅛	118⅛

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STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Schuyl. Nav. 1st m 6s, reg 1897..	109	......
do 2d do r. 1907..	91	92½
do m 6s, coup. 1895..	50	......
do 6s, bt&car r 1913..	60	70
do 7s, bt&car r 1915..	70	......
R. R. AND CANAL STOCKS.		
Catawissa.................... 50	17	18
do pref..... 50	......	55
do new pref..... 50	53	56½
Lehigh Valley.............. 50	60¼	60⅝
Liltle Schuylkill........ 50	56	57
Minehill....	......	62
Northern Pacific..........	37¾	37⅞
do pref.........	78¼	78⅜
North Pennsylvania........ 50	58½	60
Pennsylvania 50	65⅜	65½
Philadelphia & Reading..... 50	33½	33¾
Pitts. Titus. & Buffalo........	21⅛	21¼
St. Paul & Duluth...	......	40
do pref.........	.....	88
United Cos. of N. J..........100	184½	185
CANAL STOCKS.		
Lehigh Navigation.......... 50	46¾	46⅞
Schuylkill Navigation..........	6½	......
do do pref.....	13	13¼
BALTIMORE.		
Maryland 6s, defence, J. & J...	106	106½
Virginia 10-40s, J. & J..........	51½	52
do deferred, J. & J....	15	17
do consol. do.......	80½	80¾
do do 2ds do.......	40	42
do consol coup, p due......	93¼	93½
Balt. 6s, J., A., J., O., 1890... ..	116	116½
do 6s, J. A. J. O. 1900........	128	......
do 6s, J. & J., 1902............	130	......
do 5s, M. & N., ex., 1916......	120	123
Balt. & Ohio, May & N.......100	190	195
do 1st preferred	124	126
do 2d do	120	.....
Northern Central, J. & J.....50	50½	52
Central Ohio, June & Dec....50	46	48
do preferred....50	50	......
South Side, 1st 8s, J & J.........	105	.....
do 2d 6s, do	102	......
do 3d 6s, do	102	......
Cin. & Baltimore 1st 7s..	110	115
W. M. 1st m 6s gu. 1890, J. & J..	116	......
do 1890, J. & J..	110	112
W. Maryland 2d m (pref).......	106	108
M. & Cin. 1st m 7s F and A 1891	124	126
do 2d m 7s M. and N....	94¼	94½
M. & Cin. 3d m 8s 1890 J. and J..	49	49½
Rich. & Dan. 1st m. M.and N...	104	......
Union R. R., End. Cant. Co.....	115	117
Canton Co., 1st 6, gold, J and J.	105	108
Orange, Alex. and Mn's 7s do..	112	114

SECURITIES.	Bid	Askd
Orange & Mid. 1st 6s, M. and N.	108	109
do 2d 6s, J. and J.....	88	92
do 3d 8s, M. and N.. .	50	54
do 4th 8s, M. and S ...	93	94
Virginia & Tenn 6s 2d J. and J.	101	103
do 8s, J. and J..	110	......
W. & W. 7s gold 1900 J. and J..	115	......
W. and Columbia and Aug. 7s.	106	109
ST. LOUIS.		
Corrected by Wernse & Dieckman, Bankers and Brokers, 203 N. Third St., St. Louis.		
BANK STOCK.		
Par.		
Bank of Commerce....... ...100	350	......
Laclede Bank.. 100	112	115
Biddle Market Sav'gs Bank.100	85	95
Boatmen's Sav'gs Bank.....100	115	118
Bremen Sav'gs B'k..........100	80	100
Citizens' Sav'gs Bank.......100	56	......
Commercial Bank........ ..100	240	......
Fourth National Bank......100	300	......
Franklin Bank... 100	122	125
German Sav'gs Institution. 50	56	......
German American Bank...100	100	......
Mechanics' Bank............100	104	106
Merchants National Bank..100	117	120
Mullanphy Sav'gs Bank....100	100	......
Continental Bank...........100	125	......
Provident Sav'gs Bank.....100	104	110
International Bank 100	90	... ..
Lafayette Bank... 100	96	......
St. Louis National Bank....100	105	107
State Sav'gs Association.... 50	112	......
Tenth Ward Sav'gs Bank...100	112	......
Third National Bank.........100	98	100
Union Sav'gs Bank...........100	50	53
Valley National Bank.......100	100	103
Northwestern Sav'gs Bn'k.100	130	.....
SUNDRY STOCKS & BONDS.		
ST. LOUIS CITY AND COUNTY BONDS.		
City 6s, Bridge Approach	111	......
do Sterling bds, due 1898..	116	.....
do Water b'nds, due 1887..	107	......
County 6s, gold................	109	......
City 5s, due 1900...	108	......
do 10-20 years...............	104	106
STOCKS.		
Par.		
American Cent. Ins. Co..... 25	27	28½
Marine Insurance Co........100	110	. ...
Belcher's Sug. Refin'g Co...100	64	.....
Laclede Gas Light Co.......100	110	112
St. Louis Gas Light Co...... 50	295	300
Iron Mountain Co..........1000	900	......
Pilot Knob Iron Co.........100	75	90

LIST OF CORRESPONDENTS

—OF THE—

United States National Bank, New York.

—— OCTOBER, 1881. ——

Albany (N. Y.) City National Bank.
Amsden & Co., J., Versailles, Ky.
Atlanta, Ga., Gate City National Bank.
Ambler D. G., Jacksonville, Fla.
Apollo (Pa.) Savings Bank.
Augusta, Georgia R. R. & Banking Co.

Brazil (Ind.) Bank.
Berry & Fleming, Cisco, Texas.
Boyden & Dewey, Sheffield, Ill.
Bradford, Pa., First National.
Boston, Mass., Maverick National.
" " Continental National.
" " Hide & Leather National.
Byers & Co., A. L.
Bloomfield (N. J.) Savings Institution.
Brownsville (Tenn.) Savings Bank.
Batavia, N. Y., Nat'l Bank of Genesee.
Bedford (Ind.) Bank.
Branch's Son & Co., Augusta, Ga.
Blairsville, Pa., First National.
Branch & Co., Thomas, Richmond, Va.
Brunswick, Mo., Chariton Co. Ex. Bank.
Buffalo, N. Y., Third National.
Bloomington, Ill., National State Bank.
Breckinridge, Col., Bank of
Bowling Green, Ky., Warren Dep't Bank.

Carbondale (Kan.) Bank.
Charleston, S. C., People's National.
Cloverport, Ky., Breckenridge Bank.
Covington, Ky., German Bank.
Cincinnati, O., Commercial Bank.
" " Metropolitan National.
Connellsville, Pa., Youghiogeny Bank.
Chicago, Ills., National Bank of Illinois.
" " Hide & Leather National.
Council Grove, Kan., Morris Co. State B'k.
Culbertson, W. A., St. Paul, Minn.
Canastota (N. Y.) National.
Canton, Pa., First National.
Cleveland, O., Second National.
Canton, D. T., Dakota Loan & Trust Co.

Louisville, Ky., Western Fin'l Corp'ation.
" " German National.
" " Merchants' National.
" " Falls City Tobacco Bank.
" " First National.
" " Masonic Savings Bank.
" " Second National.
Lima, N. Y., Bank of
Lebanon, Ky., Marion National.
Lexington, Ky., Fayette National.
Lancaster, Ky., National Bank of

Meyer & Carter, Ossian, Iowa.
Madison, Wis., First National.
McDaniels, Thomas, Bennington, Vt.
Mayfield & Co., M., Metropolis, Ill.
Mt. Sterling, Ky., Farmers' National.
Mobile, Ala., Bank of
Medway, Ky., Deposit Bank.
McFerren & Bro., J. S., Hoopeston, Ill.
Morristown, Tenn., Lookout Bank.
McKinney, Texas, Collin Co. Bank.
Maysville, Ky., First National.
Miller, James M., Beallsville, Pa.
Marietta, Pa., Exchange Bank.

New Albany, Ind., First National.
" (") Banking Co.
" (") National.
" " Second National.
" " Merchants' National.
Newport (Ky.) First National.
New Orleans (La.) National.
Nashville, Tenn., Third National.
" " Fourth National.
" " First National.
Narr & Gerlach, Philadelphia, Pa.
Newark (N. J.) City National.
Noland, Wilmon & Co., Nicholasville, Ky.
Norfolk, Va., Citizens' Bank.
Nelson, N. P., Conway, Iowa.
New Bethlehem (Pa.) Savings Bank.

Conway (Mass.) National.
Columbia, Tenn., Second National.

Dubuque, Iowa) German Bank.
Danville, Ky., Farmers' National.
" " Central National.
" " First National.
Detroit, Mich., Merch. & Manuf'rs' Nat'l.
Davenport, Iowa, First National.
Durry & Co., F. R., Canandaigua, N. Y.

Eminence, Ky., Deposit Bank.
Erie, Pa., German Savings Institution.
Ephrata (Pa.) National.

Flemington (N. J.) National.
Franklin, Tenn., National Bank of
Frankfort, Ky., Farmers' Bank of Ky.
Fry, E. J., Marshall, Texas.
Failing, N., Macon, Ill.
Flemingsburg, Ky., Fleming Co. National.

Glasgow, Ky., Deposit Bank.
Georgetown, Ky., Farmers' Bank of Ky.
Greenwich, N. Y., First National.
Garitty & Huey, Corsicana, Texas.
Glover & Co., San Marcos, Texas.
George, S., Wellsburg, W. Va.

Hunt & Co., A. D., Louisville, Ky.
Henderson (Ky.) National.
Hillsborough, O., Citizens' National.
Harrodsburg, Ky., Mercer National.
Hopkinsville, Ky., City Bank.
Holden, Mo., Bank of
Huntington, Ind., First National.
Hartford, Conn., United States Trust Co.
Hornellsville, N. Y., Citizens' National.

Indianapolis (Ind.) Bank of Commerce.
" " First National.

Jenkintown (Pa.) National Bank.
Jackson, Tenn., First National.
Jacksonville, Fla., Bank of
Jeffersonville, Ind., Citizens' National.
Jessup, I. M., Dardanelle, Ark.
Johnstown, N. Y., First National.

Kansas City, Mo., Bank of
Keenan's Bank, J., LeRoy, Ill.

Little Falls (N. Y.) National Bank.
Leesburgh (O.) Bank.
Latrobe, Pa., Citizens' Banking Co.
Louisville, Ky., Kentucky National.

Oxford, Mich., Bank of
Owensboro, Ky., Deposit Bank.
" " Farmers & Traders' Bk.
" (") Savings Bank.
Osage City (Kan.) Savings Bank.
Oregon, Ill., First National.

Paducah, Ky., American-German Nat'l.
Pittsburgh (Pa.) Nat'l Bank of Commerce.
" " First National.
Philadelphia, Pa., First National.
Pekin, Ill., Farmers' National.
Potter & Co., P. J., Bowling Green, Ky.
Paxton, Ill., Ford Co. Bank.

Richburgh (N. Y.) First National.
Richmond, Ky., Farmers' National.
" " First National.
" " Madison National.
Rogers, Wilson & Co., Solomon City, Kan.
Russellville Ky., Bank of
" " Logan Co. National.
Richmond, Va., Merchants' National.
Reading, Pa., First National.

Stockton, Mo., Cedar Co. Bank.
Schwartz & Co., Theo., Louisville, Ky.
Syracuse, N. Y., First National.
Salina, Kan., First National.
Smith's Grove, Ky., Deposit Bank.
St. Paul, Minn., Merchants' National.
Scranton (Pa.) Savings Bank.
Springfield, Ky., First National.
Smith Centre (Kan.) People's Bank.
Salem, Ind., Bank of
Saint Paris, Ohio, First National.

Thornton & Lockwood, San Antonio, Tex.
Tarentum, Pa., First National.
Troy, N. Y., First National.
Trigg & Co., Glasgow, Ky.
Teft & Co., N. & B. F., Albany, Ga.
Tama City, Iowa, First National.

Versailles, Ky., Bank of Woodford.
Vicksburg (Miss.) Bank.

Wilkesbarre, Pa., Wyoming National.
Worcester, N. Y., Bank of
Wilson & Muir, Bardstown, Ky.
Worcester, Mass., Citizens' National.
Washington (Ind.) National.
Weatherford, Texas, First National.
Winchester, Ky., Citizens' National.
Wharton, O., Rockland Deposit Bank.
Willson & Co., D., Flemingsburg, Ky.
Washington, D. C., I. H. Squier & Co.

An Improved Upright Pianoforte Action.

A STEP IN ADVANCE MADE BY MESSRS. CHICKERING & SONS—THEIR FORMER UPRIGHT ACTION GREATLY IMPROVED—CAPABLE OF STANDING ANY CHANGES OF CLIMATE OR TEMPERATURE—A FULL DESCRIPTION OF THE ACTION.

From the **MUSIC TRADE JOURNAL, New York, April 20th, 1880.**

The upright pianofortes manufactured by Messrs. Chickering & Sons, of Boston, are justly celebrated all over the world, and fully bear up the splendid reputation which this firm has for so many years maintained. It makes little difference whether the Chickering uprights are enclosed in plain cases of polished rosewood, or whether they are adorned in the most luxurious style of the cabinet-maker's art, like some of the latest styles of this make, which show to such advantage at the Chickering warerooms on Fifth avenue; in either case the quality of tone is the same. And this quality, which combines depth of feeling, sweetness and power, is due for the most part to the excellence of the Chickering scale, and the perfect working of the Chickering action.

DIFFICULTIES OF THE UPRIGHT ACTION.

The great difficulty to be contended with in the manufacture of upright pianos is the action. Owing to the peculiar shape of the instrument the action is necessarily complicated, and is thereby rendered more liable to get out of order than the actions of square or grand pianos. Every year, of course, brings great improvements in the actions of upright pianos, so that the action of to-day compared with that of some fifteen or twenty years ago, is as superior as the fine works of a modern chronometer are superior to those of the clumsy time-pieces which our great-grandfathers carried. The number of centres, for instance, in the Chickering upright action has been reduced from fourteen to nine. By centres are meant the pivotal points where one distinct part of the action works upon another distinct part of the action and not upon the frame.

HOW CHANGES OF CLIMATE AFFECT UPRIGHT ACTIONS.

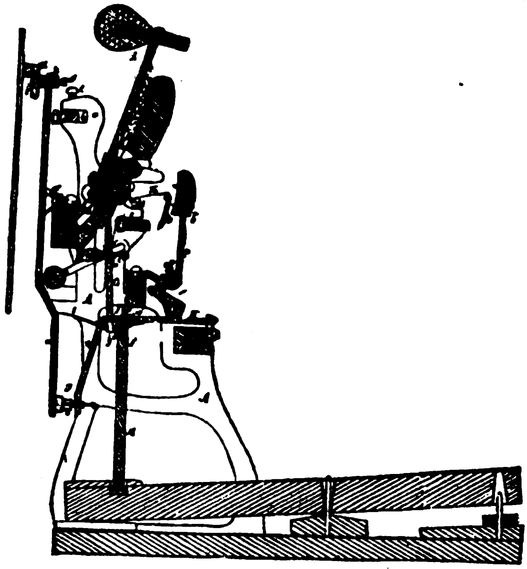
Heretofore nearly every part of upright piano actions have been made of wood, and, notwithstanding the care taken, as in the factory of Messrs. Chickering & Sons, to use only the best and most thoroughly seasoned woods, and to have them perfectly cut and seasoned by the best machinery, run only by skilled workmen, it has been impossible to prevent them from playing all sorts of mad pranks after having been adjusted in a piano, and subjected to extreme changes of climate or temperature. Besides this, the fact of the number of joints and centres render the conventional upright action liable to get easily out of order, even under ordinary circumstances. People who have had upright pianos in very hot or cold, damp or dry climates, or who have kept them in furnace-heated houses, will readily understand how easily the best upright action may get out of order.

CHICKERING & SONS' LATEST IMPROVEMENT.

For years this firm has been endeavoring to improve upon their already superior upright action, so that it will give equal satisfaction in every part of the world. Lately they hit upon the happy idea of substituting metal for wood in those parts of the action liable to get out of order. To this end the action is so arranged that, wherever two parts come together at a common centre, these parts are made of metal, so that at such centres there can be no unequal expansion or contraction, as is the case when such parts are made of wood.

DESCRIPTION OF THE IMPROVED CHICKERING UPRIGHT ACTION.

This improved action, which has been fully patented, may be described as follows:



In the above cut, A denotes the metallic frame for supporting the different wooden rails B, C, D and E of the action. The upper of such rails, which is the damper-check rail, is sustained by notched standards *a a*, extending up from the remainder of the frame. These standards are recessed, as represented at *b*, to receive the said rail, which is held in place by clamp screws *c c*, arranged in the standards so as to screw down upon the rail.

The fly-check rail D is similarly applied to the frame—viz., in recesses *e e* made therein, as represented, and is held in place by set-screws *d d*. Either of the rails D or E, cushioned on its front edge, can be moved forward or backward to adjust it to its proper position.

The hammer-rest shown at F is applied or pivoted in the usual manner to the frame so as to be capable of being swung forward toward the strings. The standards *a a*, by their arrangement, serve not only as supports for the check-rail E, but as stops to arrest the hammer-rest F in its forward movement, such movement being imparted to such rest by means usually employed for the purpose.

The operative fly G of the hammer is made of metal. At its lower part it is furcated to straddle the fly-lever H, and to be connected therewith by a joint-pin, *f*, which goes through the said lever and the prongs *g h* of the fly. One of the said prongs is extended below the joint-pin, so as to convert the fly into a lever having a short arm, *g*, extending below the pin. To such arm and the lever H a helical spring, *i*, is applied, it being arranged alongside of the said lever and adapted to pull the extension of prong *g* backward, so as to keep the fly up to the tail-block *k* of the hammer I.

From the tail-block a metallic arm, K, bent in manner as shown, is extended. This arm with its lacing forms the hammer-bumper, as it operates with the back catch, L, of the hammer, to stop the hammer after each blow of it on the string. The head *m* of the back catch, L, is of wood, and cushioned, as shown at *n*. The bearing-part of the arm K is perforated ts receive a lacing, *o*, of twine or cord, which extends up and down the outer surface of the said bearing-part. The lacing is to operate with the cushion of the back catch to prevent the arm from slipping on the cushion, which would be liable to take place without the lacing or an equivalent therefor applied to the arm.

The stem of the back catch, L, is shown at *p*, as composed of a piece of wire bent at an acute angle, as shown, and pivoted or hinged to the rail C. The back catch bearer q rests on the top of the fly-lever, which in this case is a metallic rod bent in manner as represented, and pivoted at or near its rear end to rail B.

From the bearer a projection, r, extends upward and has a hole through it to receive the stem p, upon whose lower part of the projection slides freely and is provided with a set screw, r', to screw it into and against the stem. From the above it will be seen that the bearer, while resting on the fly-lever, is adjustable on the stem p of the catch, whereby the proper adjustment of the catch to the arm K can be effected.

The fly-regulating button, shown at s, has its screw stem t going through the fly, but instead of its being screwed into the fly itself, as is usually the case in piano-actions wherein the fly is made of wood, it is screwed into a cushioning bushing or tube, u, of cloth inserted in the fly. In this case the stem becomes not only cushioned in the fly, but is held to excellent advantage from accidental unscrewing.

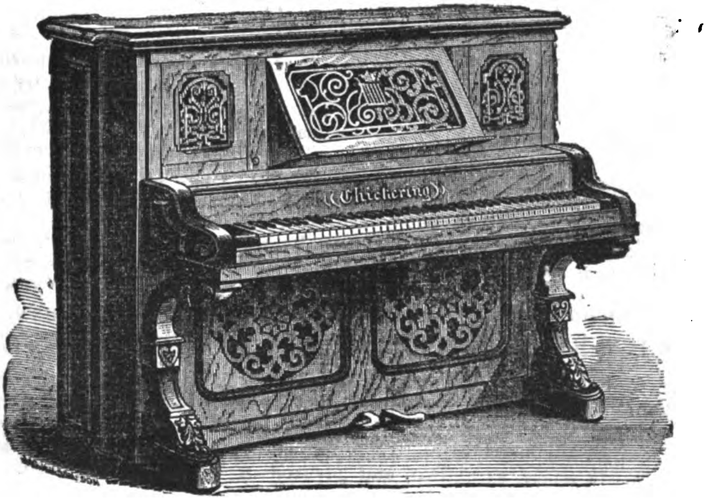
As the fly-lever is a single metallic rod, bent in manner as represented, it becomes necessary to apply the raiser or push-rod M to it in a different manner from that usually practiced. This push-rod extends up from the key N, upon which it is stepped. At its upper end the push-rod has a cushion, v, fixed on it, such cushion being held up to the fly-lever by a bridle, w, which is a cord that straddles the lever and push-rod and cushion, and at its end is fixed to the push-rod. The bridle thus suspends the push-rod from the lever and enables the push-rod, in order for the key to be applied to or removed from it, to be swung in any required direction.

Besides the bridle and cushion, there is to support the raiser in position with the fly-lever a pin, e', which inserted through and fixed in said lever, extends into a hole, f', made in the raiser, such hole having a diameter sufficiently larger than that of the pin to allow the necessary swinging movements of the raiser.

The regulating button x of the fly-lever has its screw-stem applied to such lever by a tubular cushioning bushing, y, of cloth going through and fixed in the lever, the stem being screwed into and through the bushing.

The damper-lever z is made as in a single piece of metallic wire pivoted to an arm, a', extending from the hammer-support rail Q. The damper shown at R is not movable relatively to its support piece or shank b', but is connected therewith by a screw, c', which goes through the damper and screws into the support-piece, the damper being capable of being turned on the screw, so as and in order to adjust the damper to the inclination of the string which cannot be effected when the damper and its shank are in one piece or in separate pieces glued to each other.

The damper-shank has a hole through it to receive the lever z, and is provided with a set-screw, d', arranged to screw against the lever and into the shank, such being for further aiding in adjusting the damper to the string.



Tables of Interest and Discount.

BY O. M. BEACH.

Actuary and Accountant,, with many years' experience as a Bank Officer, and as Treasurer and Director in Railroad and Insurance Companies.

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A RECORD OF AMERICAN BANKING.

NEW SERIES. VOLUME VIII. } DECEMBER, 1881. No. 12.

[In view of the facts noted below, we respectfully direct the attention of all our friends and readers to the JOURNAL'S Prospectus for 1882, to be found in this number. Our plans for the year are now perfected, and will be found worthy of careful consideration.]

At the present session of Congress financial and kindred subjects are likely to receive more attention than at any other session in recent years. Among these are the measures necessitated by the large surplus revenue, such as revision of the tariff and reduction of the internal taxes. Besides these important matters, the stoppage of the silver dollar coinage, the refunding of the 3 1-2 per cent. continued bonds, and a uniform bankruptcy law will probably be discussed, if not acted upon. It is not unlikely also, in view of the recent bank troubles, that an attempt may be made to amend the national bank laws as regards the duties of the Comptroller of the Currency and of bank examiners. A spirit of demagogism cropped out here and there last year in matters pertaining to bank legislation, and owing to the growing interest in financial affairs, and the peculiar construction of this Congress, the banks will doubtless be made the object of sharp attacks and specious discussion during the session which has just opened.

Every time that a scarcity of money occurs in the New York market, and the condition of the banks, consequently, becomes a matter of uncommon interest and inquiry, occasion is taken by many financial writers to criticise the method by which their published statements are made up. It is well known that at present a statement is issued every Saturday afternoon showing the amount of loans, specie, legal-tenders, deposits, etc., of each of the Clearing-House banks, and the total of each item for all of them. The figures given, however, do not show the actual condition of the banks at any particular time, but only the average amount of each item in the week ending on Saturday morning, at the opening of business. The objection made to the present method is that the statements do not show the actual condition of affairs at the time they are issued. There may be a "rising average" or a "falling average," that is, money may be growing easier or tighter, the banks' resources may be augmented or straitened, toward the end of the week, but the statement will not show it. It is, therefore, very generally urged by the newspapers that the bank statements should show the condition of the banks at some stated time.

The matter has been argued so often from the standpoint indicated, that probably most business men who are interested have come to believe that the present system of issuing statements is antiquated and insufficient, and is only continued on account of conservatism and dislike to change on the part of the members of the Clearing-House Association. It is urged that the banks owe it to the business public to make known their condition, and it is very important to many kinds of business, that the real condition should be shown, so that the movement of the money market can be judged. The banks acknowledge this obligation to the public to some extent by making their present statements, but why should they not go a step further and give it something satisfactory?

For the sake of obtaining a complete and authoritative reply to the objections made to the present system, they were recently presented in brief to Mr. William A. Camp, the efficient manager of the New York Clearing-House. His views are given as follows, no attempt being made to reproduce the exact language used:

For about twenty-five years the newspapers have, from time to time, been hammering away about this matter. They have had no success so far, nor are they likely to succeed any better in the future, for the banks are determined not to accede to their demand for a statement of their actual condition on any particular day of the week. This stand is taken as much in the interest of the customers of the banks, and of the public, as that of the banks themselves. Let us suppose the statements were made showing the condition on each Saturday morning. It will happen from time to time in the very best regulated bank that it may have to meet sudden, and perhaps unexpected, demands that will momentarily make the showing of its condition very unfavorable. Its actual condition may be quite as good as before, and it may need a very few hours to again make its showing as good. Suppose this to be the case at the time when the statement is made up. Under the proposed rule there would be no chance whatever to explain all that would be necessary at the proper time, and the naked statement of each item would be issued just according as the books of the bank showed at the moment. The results would be disastrous. The banks would be liable to mistrust and runs on the part of their customers, without just cause, but, just the same, hurtful to all business. The conditions of the banking business, even when carried on most honestly and carefully, do not admit of the statements proposed.

But where is the necessity for them? In any case there would be a week's interval between one statement and another. The present statements form the fairest possible view of the money market, so far as a bank statement can show it. If it is necessary for any one to know the condition of the market at any moment, he can easily ascertain the rate for money on Wall street. The information is published as extensively as is that of the condition of the banks. The rate paid for loans is the natural and perfect indication of the scarcity or ease of money. The feverish impatience that sometimes obtains to know how the banks stand is a result of wild speculation, which the banks are by no means bound to encourage. It is sometimes carried to extravagant lengths. If the issue of the statement happens to be delayed half an hour, telegrams will sometimes be received from places a thousand miles away enquiring what the matter is. Under such circumstances a change in mode of preparing the statements is deemed unwise, even if the banks were inclined to make it—and they are not.

Perhaps it should be added that this matter of bank statements does not involve the question of the solvency or insolvency of the banks. The national banks are bound to make sworn statements to the Comptroller of the Currency five times a year, and at any time they are demanded, while the State banks have to make sworn returns to the Bank Department, all of which are regularly published. These reports, in addition to the present weekly statements, are deemed quite sufficient to give the people an opportunity to satisfy themselves as to the solvency of the banks, in so far as any reports can do so.

Postmaster-General James "follows in the footsteps of his predecessor" in recommending the establishment of postal savings depositories, or, practically, post-office savings banks. We can but think that herein Mr. James has allowed his zeal to outrun his discretion. Argument in favor of such a system, based upon the success of the experiment in England, we regard as wholly fallacious. The conditions under which the system must operate, if introduced here, are so wholly unlike those which surround the system in Great Britain—conditions which there have certainly contributed to, and, as we believe, have been indispensable to its success, that nothing can be predicated upon that success to justify the Government of the United States in entering upon such a scheme. In Great Britain the population is compact and dense; the expense attending the taking of money at one extremity of the kingdom and delivering it to the depositor at the other, if he shall call for it there, is comparatively trifling. We are by no means certain, however, that with a rate of interest (2 1-2 per cent.) so near the current Government rate, the Government does not lose financially by the operation. We know that under the old system, in which the Government received the money deposited with savings banks, and allowed interest slightly above the current rate, the loss down to 1872 had been over £4,000,000, or $20,000,000. Out of the difference between the rate paid to depositors and that received by the savings banks from the

Government, the expenses of maintaining the system were paid. But the expense of maintaining so much larger a number of depositories, and of engaging to repay the deposit in any part of the kingdom, must be much greater than that of the old system, so that we cannot see how the postal savings banks can be maintained, except at a very considerable expense to the Government of Great Britain. It may be that in the moral advantages derived ample compensation is found. Upon that feature of the subject we do not propose to enter.

But the United States would enter upon such a system under great disadvantages. It could hardly succeed in the more populous portions of the Eastern and middle States, because there the existing system has the public confidence, and the rate of interest, though low, is so much higher than the Government could afford to pay, as to be a permanent attraction. The bulk of the moneys deposited in postal savings banks in the Eastern and middle States, would be by persons going to some remote part of the country, to whom this would afford a convenient mode of transferring their funds without risk, and without expense.

The Postmaster-General himself does not appear to entertain any hope of superseding the established system in the older and more densely populated portions of the country. He urges the adoption of the postal system as a "boon" to the people in those portions of the country where the present system has not been, and is not likely to be, introduced. We do not propose to join issue with Mr. James upon the theory of government which such a proposition unfolds. We can leave that for the people themselves to settle in their own way. But we do maintain that the scheme as applied to the remote and sparsely settled regions of our country could result in nothing but failure. The only chance for it to succeed is in the more densely populated portions of the East, where it is not needed. The reason why savings banks have not been established in the sections where it is now proposed to establish postal banks is, that there is no money there to deposit. Whoever then can get a few dollars ahead can find better use for it in legitimate business, than to deposit it with the Government at two and a half per cent. interest. Even four and five per cent. would not attract any considerable sum as against business enterprises, from the humblest to the greatest, *promising* ten, twenty, fifty, one hundred! The scheme seems to us visionary and impracticable, and we hope for Mr. James' own sake that Congress will not adopt his plan, for we should dislike to see the name of one whom we admire and esteem as we do Mr. James, connected with so dismal a failure as we believe that would be. If it were to be tried at all, it should be right here in the city of New York, where the conditions are most favorable to its development.

COMPTROLLER KNOX'S ANNUAL REPORT.

Among the State papers submitted for the consideration of Congress, the Report of the Comptroller of the Currency has come to be one of the first in importance. This may be attributed, primarily, to the present status of the national banking system, but the Comptroller has earned such a high reputation for producing logical facts and succinct tabulated records concerning banking affairs, that his reports are read, commented on, and copied, not only all over this country, but in the banking centres of Europe, and other foreign countries.

The present report of Comptroller Knox is especially interesting. It is the nineteenth annual report of the Comptroller of the Currency, and is dated December 3, 1881.

In addition to the usual statistics regarding the changes in the national banks during the year, a number of important matters are discussed. Tables are given showing how soon the charters of many of the banks will expire, with an argument in favor of a law to extend these charters, and in favor of the continuance of the national banking system. A chapter is given to the thorough consideration of the duties of directors and bank examiners, of special interest in view of recent bank difficulties. The matter of the retirement of national bank notes and withdrawal of bonds, and the bill called "The Funding Act of 1881," with the Carlisle amendment, are also treated at length, together with the action taken by the banks last spring while that act was under discussion. Following are very full excerpts from the report, the most important parts being verbatim:

Eighty-six national banks were organized during the year ending November 1 last, with an aggregate authorized capital of $9,651,050, to which $5,233,580 in circulating notes have been issued. This is the largest number of banks organized in any year since 1872.

Twenty-six banks with an aggregate capital of $2,020,000, and circulation of $1,245,530, have voluntarily discontinued business during the year.

National banks are located in every State of the Union except Mississippi, and in every Territory except Arizona, the total number in operation on October 1 last being 2,132. This is the greatest number of banks that has ever been in operation at any one time.

The total number of national banks organized from the establishment of the national banking system, February 25, 1863, to November 1 of the present year, is 2,581.

The following table exhibits, in the order of their capital, the sixteen States having an amount of capital in excess of $5,000,000, together with the amount of circulation, loans and discounts, and individual deposits of each, on October 1, 1881:

States.	Capital.	Circulation.	Loans and discounts.	Individual deposits.
Massachusetts	$96,177,500	$71,267,089	$205,?48,480	$125,198,824
New York	85,780,160	47,946,726	330,257,556	372,853,780
Pennsylvania	56,518,340	42,429,247	138,869,386	138,046,152
Ohio	29,889,000	21,468,480	66,518,608	60,960,674
Connecticut	25,539,630	17,966,832	43,475 812	25,761,231
Rhode Island	20,065,000	14,718,956	28,496,882	11,317,338
Illinois	15,199,600	8,165,189	61,555,705	72,972,402
Maryland	13,603,030	8,605,433	30,205,683	26,117,350
Indiana	13,093,500	8,767,700	24,899,023	23,206,436
New Jersey	12,960,000	10,386,784	29,233,480	28,250,618
Kentucky	10,435,100	8,885,111	17,774,891	9,145,789
Maine	10,385,000	8,211,247	17,305,908	9,325,063
Michigan	9,435,600	5,614,979	24,829,000	23,127,184
Vermont	8,151,000	6,442,899	10,889,272	5,191,362
Iowa	5,950,000	4,414,103	13,456,065	15,770,134
New Hampshire	5,830,000	5,158,159	7,518,017	4,292,687

From the establishment of the system to Nov. 1, last, 340 have gone into voluntary liquidation by the vote of shareholders owning two-thirds of their respective capitals, and 86 have been placed in the hands of receivers for the purpose of closing up their affairs. The total amount of claims proven by the creditors of these insolvent banks is $25,966,602, and the amount of dividends paid to creditors is $18,561,698.

The estimated losses to creditors from the failures of national banks, during the eighteen years since the passage of the act, is $6,240,000, and the average annual loss has therefore been about $346,000, in the business of corporations having an average capital of about $450,000,000, and deposits averaging about $800,000,000. Twenty-one of these insolvent banks have paid their creditors in full, and forty of them have paid more than 75 per cent. each.

The individual liabilities of shareholders of insolvent banks has been enforced in fifty-three instances, and about $2,700 000 has been collected from this source. During the past year dividends have been declared in favor of the creditors of insolvent national banks, amounting to $929,059, and the affairs of twelve such banks have been finally closed, nine of which have paid their creditors in full.

There were no failures of national banks during the period from June 19, 1880, to November 1 of the present year. Since that date the Mechanics' National Bank of Newark, and the Pacific National Bank of Boston, to which reference will be made hereafter, have been placed in the hands of receivers.

EXPIRATION OF THE CORPORATE EXISTENCE OF NATIONAL BANKS.

Section 11 of the National Bank Act of February 25, 1863, provided that—

Every association formed pursuant to the provisions of this act may make and use a common seal, and shall have succession by the name designated in its articles of association and for the period limited therein, not, however, exceeding twenty years from the passage of this act.

Section 8 of the act of June 3, 1864, provides that each association—

Shall have power to adopt a corporate seal, and shall have succession by the name designated in its organization certificate, for the period of twenty years from its organization, unless sooner dissolved according to the provisions of its articles of association, or by the act of its shareholders owning two-thirds of its stock, or unless the franchise shall be forfeited by a violation of this act.

The act last named, as well as that which preceded it, contains the following provision:

Copies of such [organization] certificate, duly certified by the Comptroller, and authenticated by his seal of office, shall be legal and sufficient evidence in all courts and places within the United States, or the jurisdiction of the Government thereof, of the existence of such association, and of every other matter or thing which could be proved by the production of the original certificate.

Section 5136 of the Revised Statutes of the United States provides that—

Upon duly making and filing articles of association and an organization certificate the association shall become, as from the date of the execution of its organization certificate, a body corporate, and as such and in the name designated in the organization certificate, it shall have power, first, to adopt and use a corporate seal; second, to have succession for the period of twenty years from its organization, unless it is sooner dissolved according to the provisions of its articles of association, or by the act of its shareholders owning two-thirds of its stock, or unless its franchise becomes forfeited by some violation of law.

From these sections it appears that the period of existence of an association, as a body corporate, commences from the date of its organization certificate, and not from that of the certificate of the Comptroller, authorizing the association to commence business, as provided for in section 5169 of the Revised Statutes. The corporate existence of the national bank first organized will, under this limitation of law, expire on January 1, 1882, and that of the second bank on April 11 following. From the date last named to February 25, 1883, the number of banks whose corporate existence will terminate is 393, having a capital of nearly 92 millions, and circulation of nearly 68 millions.

Date.	No. of banks.	Capital.	Circulation.
1882.			
In May	11	$3,900,000	$1,781,500
In June	16	4,205,000	3,452,500
In July	24	4,385,000	3,591,500
In August	10	1,205,000	863,000
In September	11	3,532,500	1,577,500
In October	5	550,000	494,100
In November	5	850,000	770,000
In December	5	570,000	505,000
1883.			
In January	9	1,250,000	1,080,000
On February 25	297	71,538,450	53,740,810
Totals	393	$91,985,950	$67,855,910

The number of national banks organized under the act of June 3, 1864, the term of whose corporate existence will cease during each year prior to 1891, is 1,080, with capital and circulation as follows:

Years.	No. of banks.	Capital.	Circulation.
1884	248	$80,034,390	$62,740,950
1885	728	186,161,775	119,268,745
1886	19	2,560,300	1,780,000
1887	6	1,100,000	976,500
1888	10	950,000	692,100
1889	4	650,000	567,000
1890	65	9,415,500	6,557,790
Totals	1,080	$280,871,965	$192,581,085

Bills will undoubtedly be brought before Congress during its present session for the extension of the charters of those banks whose corporate existence is soon to expire.

The principal reason urged by those who favor a discontinuance of the national banking system is, that money can be saved by authorizing the Government to furnish circulation to the country; in other words, that the profit to the banks upon their circulation is excessive. Sixteen years ago the banks had on deposit, as security for circulation, 276 millions of dollars in United States bonds, of which amount nearly 200 millions was in six per cents and 76 millions in five per cents. The banks now hold 32 millions of four and a half per cents; 92 millions of four per cents; 241 millions of three and a half per cents, converted into five and six per cents; and also 3 1-2 millions of Pacific railroad sixes. The remaining five per cent. bonds held by them, amounting in all to $758,900 have ceased to bear interest. The average premium borne by the four per cent. bonds during the last six months has been about sixteen per cent., and at this price they net to the hólders less than three and a half per cent. interest. During the same period the three and a half per cents also have, for a considerable portion of the time, been worth a premium in the market of from one to two per cent., so that the banks do not at the present time, and it is probable that they will not for a long time to come, receive an annual average rate of interest as great as three and a half per cent. upon the United States bonds held by them as security for their circulating notes. Until the year 1877 the banks continued to receive interest upon the par value of their bonds at the rate of either five or six per cent., while the net interest now received, as already stated, does not exceed three and one-half per cent. On ten per cent. of the amount of bonds thus deposited by the banks, amounting to 39 millions, they receive no circulation; and from this portion of their bond deposit they derive no benefit or advantage not possessed by any other class of bondholders. They pay a tax of one per cent. upon the amount of their circulating notes outstanding; keep on deposit with the Treasurer an amount of lawful money equal to five per cent. of their issues as a permanent redemption fund; and also reimburse to the United States the expense of redeeming their notes at the Treasury. The actual net profit upon circulation, based upon different classes of bonds and with rates of interest on bank loans varying from five to ten per cent., is given in the following table:

Class of bonds deposited.	5 per cent.	6 per cent.	7 per cent.	8 per cent.	9 per cent.	10 per cent.
	Per ct.	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
4 per ct. bonds, at 16 per ct. prem...	1.74	1.59	1.43	1.28	1.12	.96
3½ per ct. bonds, at 1 per ct. prem..	1.49	1.19	.88	.58	.27	—.03

The profit upon circulation is seen to be greatest where the rate of interest for the loan of money is least; and this arises from the fact, already stated, that the bank receives in circulating notes ten per cent. less in amount than it deposits in bonds. Thus, if the bonds deposited are three and one-half per cents, and the commercial rate of interest is ten per cent., there is a loss to the bank of six and one-half per cent. upon the ten per cent. margin of bonds deposited. If the commercial value is six per cent. only, then the loss upon the margin mentioned is two and one-half per cent., instead of six and one-half per cent., as in the previous case. The profit on circulation varies, therefore, from one and one-eighth per cent., where the interest on loans is nine per cent., to one and one-half per cent, where the rate of interest is six per cent.

The proportion of taxation, National and State, imposed upon the banks has been shown to be much greater than that upon any other moneyed capital, being in the aggregate equal to an average rate of four per cent. upon the amount of their issues. The amount of interest received by the banks upon the United States bonds held by them has in late years gradually decreased, and the profit upon circulation has thereby been reduced almost to the minimum. Such profit cannot now, at least, be said to be excessive.

But if the National Bank Act has conferred upon the associations organized thereunder the right to issue circulating notes, it has placed them all under the operation of a uniform system, and has also surrounded them with numerous restrictions, among which are the following:

The capital stock must be fully paid in, and a portion of this capital, not less in any case than $50,000, must be invested in United States bonds and deposited with the Treasurer. If the capital stock of an association becomes impaired at any time, it must be promptly restored. Their circulating notes must be redeemed at par, not only at the place of issue, but at the Treasury of the United States.

The banks must lend on personal security only, and not upon that of real estate, and only ten per cent. of their capital may be loaned upon accommodation notes other than actual business paper, to any one person, company, firm, or corporation. They cannot lend money on their own circulating notes, or upon shares of their own stock, and must take the notes of every other national bank in payment of debts due to them. The rate of interest charged must not be greater than the rate provided by the laws of the several States in which they are located. They must pay taxes or duties to the Government upon their capital stock, deposits and circulation, and to the States they must pay such taxes as are imposed on other moneyed capital. They are required to keep on hand as a reserve, in coin or other lawful money, a certain proportion of their deposits. There must be no preference of creditors in cases of insolvency.

Shareholders are held individually responsible for all contracts, debts, and engagements of the association, to the extent of the par value of their stock, in addition to the amount invested in such shares.

The banks are required, before the declaration of any dividend, semi-annually to increase their surplus fund by an amount equal to one-tenth of their net earnings for the preceding six months, until it shall equal twenty per cent. of their capital. Losses and bad debts must be charged to profit and loss account before dividends are paid. In other words, dividends must be earned before they are declared.

Full statements, accompanied by schedules, of their resources and liabilities must be made to the Comptroller several times in each year, and also must be published at the expense of the association making the same. Other statements, showing their semi-annual profits, losses, and dividends, must also be returned, and statements in reference to the business of any association making the same may be required at any time, a penalty of $100 per day being prescribed for each day's delay to comply with the call therefor.

The banks are subject to personal examinations, and if a bank becomes insolvent a receiver may be at once appointed.

If the directors knowingly violate, or permit to be violated, any of the provisions of the act, all the rights and privileges of the bank are thereby forfeited; and the directors are held personally and individually responsible for all damage sustained by any person in consequence of such violation.

It is recommended that an act be passed during the present session, authorizing any national bank, with the approval of the Comptroller, at any time within two years prior to the date of the expiration of its corporate existence, to extend its period of succession for twenty years, by amending its articles of association. The bill may provide that such amendments must be authorized by the votes of shareholders owning not less than two-thirds of the capital of the association, the amendment to be certified to the Comptroller of the Currency, by the president or cashier, verified by the seal of the association, and not to be valid until the Comptroller's approval thereof shall have been obtained, and he shall have given to the association a certificate authorizing it to continue its business under such extension. Responsibility for the extension of the corporate existence of the banks will thus, in a measure, rest with the Comptroller; and he can require such an examination of its affairs to be made, prior to granting the extension, as may seem to him proper, in order to ascertain if the capital stock is intact, and all the assets of the bank in a satisfactory condition.

It is unquestionably true that many national banks would greatly prefer the abolishment of the national system, if it were accompanied by a repeal of the provision of law imposing a tax of ten per cent. upon State bank circulation; and there is little reason to doubt that such repeal would speedily follow the abrogation of the National Bank Act. The laws in many of the States authorize the issue of State bank notes, based upon the deposit of State bonds as security therefor. The repeal of the tax law referred to would result in re-establishing the State bank system in many parts of the county, the issues of which would be far more profitable to the banks themselves than is that now issued under the national system; while in other sections circulating notes, put forth without any security whatever, would prevail as formerly. The notes of these various systems would be redeemable, not at any common centre, as at present, but at the chief city of each State or section of country issuing the same; and the price of exchange would thereby be enhanced to rates certainly not less than the cost of transporting gold from the places of redemption to the commercial centre of the country. In many parts of the country these rates would necessarily be oppressive, resulting in great loss to the people, which loss would steadily increase with the growth of business.

As another consequence of the abolition of the present system, the large surplus which the national banks have now accumulated, amounting to $128,140,618, and which adds greatly to their strength and safety, would doubtless be divided among their shareholders; while many of the safeguards and restrictions of the present law, which experience has shown to be valuable, will either be abolished or so changed by the varying legislation of the several States, as to be practically of little value in comparison with the present homogeneous system.

If, on the other hand, the corporate existence of the national banks shall be extended, all the advantages of the existing system will be preserved, subject to such amendments as may be hereafter found necessary; while the circulation of the banks, which is the principal objection urged against the system, will, under existing laws, diminish in volume as the public debt shall be reduced.

The whole number of national banks in operation on October 1 last was 2,148. Of this number 393 were associations having a capital of $50,000 each; 164 had a capital of over $50,000 and less than $100,000, and the capital of 829 banks ranged from $100,000 to $150,000 each. The minimum amount of bonds required to be deposited by banks of the capital named is one-third of their capital, but not less in any case than $30,000. The minimum amount required by all other banks is $50,000, and the least amount of bonds which, under existing laws, may be deposited by the 2,148 banks now in operation, is about $82,400,000. It is probable that from 100 to 150 millions of United States bonds would be sufficient to supply the minimum amount necessary to be deposited with the Treasurer by all the banks which may be established during the next twenty years. It is therefore evident that the national banking system may be continued without change in this respect for many years, even if the bonded debt of the United States shall, during that time, continue to be reduced as rapidly as it has in the past year. The discussion of the question as to the kind of circulating notes which will be substituted for the national bank notes, if the latter are retired, is postponed for the present, as it is impossible to forsee the events which may occur to affect that question within the next few years.

If, for any reason, the legislation herein proposed shall not be favorably considered by Congress, the banks can still, under the present law, renew their existence if they so desire; and in the absence of prohibitory legislation many of them undoubtedly will, on the expiration of their present charters, organize new associations, with nearly the same stockholders as before, and will then apply for and obtain from the Comptroller certificates authorizing them to continue business for twenty years from the respective dates of their new organization certificates. Such a course of procedure will be perfectly legal, and, indeed, under the existing laws, the Comptroller has no discretionary power in the matter, but must necessarily sanction the organization, or reorganization, of such associations as shall have conformed in all respects to the legal requirements.

The passage, however, of a general act directly authorizing an extension of the corporate existence of associations whose charters are about to expire would, in many instances, relieve the banks from embarrassment. As the law now stands, if the shareholders of an association are all agreed, the process of reorganization is simple; but if any of the shareholders object to such reorganization, they are entitled to a complete liquidation of the bank's affairs, and to a *pro rata* distribution of all its assets, including its surplus fund. In many instances executors and administrators of estates hold national bank stock in trust; and while they might prefer to retain their interests in the associations which issued the stock, they would perhaps have no authority to subscribe for stock in the new organizations. While, therefore, the legislation asked for is not absolutely essential, yet its passage at an early day would be a great convenience to many of the national banks, and especially so to the class last referred to.

DUTIES OF DIRECTORS AND EXAMINERS.

The recent failure of the Mechanics' National Bank of Newark has called the attention of the public directly to the duties of bank directors and of examiners of national banks.

Section 5147 of the Revised Statutes provides that each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will not knowingly violate or permit to be violated any of the provisions of this act. Section 5136 also provides that the association shall have power to prescribe, by its board of directors, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected or appointed, its officers appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

In accordance with the provisions of this last named section, by-laws are generally adopted by national banks soon after their organization, which usually contain, among other provisions, sections similar to the following:

There shall be a standing committee, to be known as the "Exchange Committee," appointed by the board, every six months, to continue to act until succeeded, who shall have power to discount and purchase notes and bills and other evidence of debts, and to buy and sell bills of exchange, and who shall, at each regular meeting, make a report of the notes and bills discounted and purchased by them since their last previous report.

There shall be appointed by the board every three months a committee, whose duty it shall be to examine into the affairs of the bank, to count its cash, and to compare its assets and liabilities with the balances on the general ledger, for the purpose of ascertaining that the books are correctly kept and the condition of the bank corresponds therewith, and that the bank is in a sound and solvent condition; the result of which examination shall be reported to the board at its next regular meeting.

The object of these by-laws is, first, to keep the board of directors continuously informed what notes and bills are discounted, and to furnish them with a detailed account thereof; and secondly to establish a check by the directors upon the cashier, teller, and bookkeeper of the bank, to whose immediate custody and control the assets and accounts of the bank are committed. A method is thus provided by which the diligent and continuous administration of the directors, which is required by their oaths, shall be performed.

It is thus seen that both the laws of the United States and the bylaws adopted by the directors themselves, under the law, in clear terms define their duties. The men employed by them in the banks are under their supervision, the law providing—

That the bank shall have power to elect or appoint directors, and by this board of directors to appoint a president, vice-president, cashier, and other officers, define their duties, require bonds of them and fix the penalty thereof, dismiss such officers or any of them at pleasure, and appoint others to fill their places.

The duties of the board of directors are plainly defined, and however innocent they may be of any intention of wrong, they are responsible for the safety of funds committed to their care. If it can be shown that any of them had notice of illegal transactions, it is a serious question whether they are not legally bound to make good the loss which may occur simply from their neglect. If this is not the just and proper construction of the present law, then it becomes a question for the consideration of Congress, whether additional legislation upon this subject is not required. The National Bank Act is full of restrictions, to which reference has already been made in another portion of this report, such as those requiring an adequate reserve; the enforced accumulation of the surplus; the method of increasing and reducing the capital stock, and its prompt restoration if impaired; the prohibition against making loans on real estate and on the security of their own shares of stock, or of accommodation or other loans than business paper in excess of one-tenth of the capital of the bank; the prohibition against the declaration of dividends unless earned; against certifying checks without the necessary deposit; and many other similar provisions. These restrictions are intended to protect these institutions, by imposing upon them general rules, which experience has shown may be properly done by the Government without its thereby becoming the guardian of the bank, or in any way responsible for the management of its funds. It is the duty of the examiner to ascertain whether the officers of the bank and its directors are complying with these requirements of the law, and whether they are in any way violating any of its provisions, to the end that in such case they may be enforced by the proper authority.

The stockholders elect the directors, who are usually men not only of high character and well known in the community where the bank is located, but are generally also large stockholders in the bank, and having therefore each a personal interest in its prosperity and good management. The depositors confide in the bank because they believe the directors will manage its affairs honestly and diligently, and will employ honest and faithful servants for that purpose. They know that the bank is organized under laws which contain wholesome restrictions, and that it is the duty of the Comptroller, so far as he can through his corps of examiners, to inform himself of the condition of the bank, and to require that its business shall be conducted in conformity with law.

The examiner can have but a limited knowledge of the habits and character of those employed in the bank. If the teller is making false entries, and daily abstracting the funds of the bank; if the bookkeeper is keeping false accounts and rendering untrue statements; if the cashier is placing forged paper among the bills receivable and upon the register book, and transmitting such paper to distant places where it is purported to be payable, it is not possible for any examiner, in a day or two, to unravel this evil work, which may have continued for months, and obtain a correct balance sheet. A full and complete examination of the bank necessitates not only counting the cash, proving the bills receivable and stock ledger, comparing the individual deposit accounts with the general ledger, and ascertaining if the business of the bank is conducted in accordance with law; but, also, the thorough examination of all accounts, the verifying of accounts current, and ascertaining by telegraph or letter the correctness of such verification, the calling in of every depositor's book, and correspondence with every bank or banker doing business with the bank. The inspection by an examiner of a small bank is usually completed in a day; of larger banks, through the aid of an assistant, in two or three days. But a thorough analyzing and scrutiny of everything would require one or two weeks, and if fraud were suspected it might continue for months without entirely satisfactory results. Examinations should be periodically made by a competent committee, selected from the board. They have the whole resources of the bank at their command, and if they have any reason to suspect dishonesty or fraud, it is their business to investigate thoroughly, and they should employ experts to assist them in so doing.

The small compensation provided by Congress does not contemplate a yearly auditing of all the accounts of a bank by the examiner, as the pay is entirely inadequate for such a work—the amount allowed for the examination of banks of like capital being the same, without reference to the difference in the volume of their business.

The reports of the bank, as made to the Comptroller five times in each year, are each published in a newspaper where the bank is located, and every stockholder has, therefore, an opportunity to scrutinize these statements, and to make inquiry of the directors in reference to the affairs of the bank.

The detection of embezzlement may occur as an incident, but it is not the principal object of the system of bank examinations. It is peculiarly the business of the directors, who are daily or weekly in session, to keep themselves informed of the habits and characters of their employés, to see that their time is given to the service of the bank, and that they are not engaged in speculations, and thus, by continuous watchfulness, to prevent defalcations on the part of their servants; while it is the business of the examiner to detect frauds so far as in his power, and in his occasional visits to see that the directors are loaning the funds, and, with the other officers, managing the affairs of the bank strictly according to the provisions of the law. The examiner's visits are usually made about once a year, while the directors are at hand at all times. Faithful performance of the duties of each gives assurance of almost absolute safety. Lax performance of duty on the part of either invites disaster. The directory must continuously look after its own servants. The examiner looks after the acts of the directors.

The report of the examiner is confidential. It is for the use of the Comptroller's office only, and is in no sense a certificate of the good condition of the bank. In many instances the capital stock of a bank has thus been found to be impaired, and the deficiency has been made good without the knowledge of the general public.

In other instances banks have been obliged to pass their usual dividends, using their earnings to liquidate all bad and doubtful debts. The number of banks passing such dividends during the present year being 175; in 1880, 230: in 1879, 304, and in 1878, 343.

Hundreds of instances have occurred annually, and many are occurring daily, wherein the banks, under the reports of the examiner, are notified of violations of the act and are brought under the discipline of the law. The betterment of the condition of the banks, and the enforcement of the requirements of the law, are part of the continual and ordinary supervision exercised by this office. It is a supervision and labor not seen or known of by the general public, whose attention is only arrested when some sudden or unexpected failure occurs; and this simply illustrates the fact that, with the best endeavors, and the most careful supervision by this office, such disasters may happen in the many contingencies of administering difficult and extensive duties, if directors neglect to exercise that continuous vigilance for which they were elected, and which they have sworn to perform.

The Mechanics' National Bank of Newark was placed in the hands of the receiver on November 21 last. It had a capital of $500,000, a surplus of $400,000, and deposits of over $2,500,000. The capital and surplus are lost, through the criminal conduct of the cashier, and the stockholders are personally liable for an amount equal to the capital stock. The depositors will, it is estimated, receive at the outcome from 60 to 80 per cent. of their claims, depending upon the amount collected from the stockholders and that received from the estate for whose benefit the funds of the bank are alleged to have been abstracted, which estate is also now in the hands of a receiver appointed by the court. This bank was many times examined by skilled accountants of great experience, but it cannot be denied that some of them were misled by the criminal cashier, who, through his apparently high character and standing, so long deceived not only the directors, but every one with whom he had business relations. The examination of August 14, 1879, was conducted by two experienced experts, but was rendered useless by a forged telegram, as I am informed, purporting to be from the correspondent of the bank in New York. The examiner, on August 16, 1880, verified the accounts of correspondents, as he was specially instructed to do by a letter from the Comptroller in June previous, but he also was deceived by a forged letter skillfully planned for this purpose. Either of these examinations would have disclosed the robbery of the cashier, if the examiners had not been deceived by forgeries which would have been likely to mislead the most thorough experts.

It is, however, far from correct to represent that similar defalcations in national banks have not been previously discovered. The greatest defalcation in the history of the Government, of eleven hundred thousand dollars, in the office of the assistant treasurer of New Orleans, which had certainly existed, in whole or in part, for more than a year, was discovered nearly fifteen years ago by an officer of this bureau, which discovery also resulted in the disclosure of a large deficiency in the First National Bank of New Orleans, and the placing of that bank in the hands of a receiver. Since that time many of the other banks which have failed have been placed in the hands of receivers through the vigilance of bank examiners; and in many other instances officers of solvent and insolvent banks have, through the same means, been indicted and convicted for criminal acts. The bank examiners in New York City and Boston are nominated by the clearing-houses of those cities, and many other examiners now employed are men of the highest character, who have for years rendered excellent service. It is of the greatest importance that all men employed in this branch of the public service shall be well-trained and fitted for their work. It is not claimed that every examiner employed is a first-class expert—the compensation authorized is not sufficient for that purpose in many small districts. If State lines can be disregarded in the appointment of examiners, and men selected for these positions upon merit alone, and kept well employed, a corps of skilled examiners would soon be engaged in this work, who would reflect the highest credit upon this branch of the public service. The records of this office show, however, that only one among all the examiners ever appointed has been found guilty of wrong-doing, while in no branch of the Government service have men performed more faithful duty than those who have been engaged in the examination of the national banks.

Such disasters do not exhibit the weakness of the banking system, but rather the weakness and wickedness of human nature. The system is strong, and carefully and elaborately guarded. Private companies and individuals are continuously suffering from embezzlements and forgeries. Even newspaper establishments have been robbed by their most trusted employés. It is scarcely to be expected, if a robber or a forger is placed in control of all of its assets, that a national bank can be saved from disaster by the occasional visits of an examiner. Some additional legislation will be required, but there is not so much necessity for additional restrictions as there is for increased care upon the part of examiners, and increased diligence and sagacity on the part of directors and others who are in charge of great trusts.

The Pacific National Bank of Boston suspended on November 18 ultimo. The last report of the examination of this bank gave what seemed to be a thorough exhibit of its affairs. A long communication was addressed by the Comptroller to the directors of the bank on February 19 last, informing them of such irregularities as then existed in the conduct of its business. They were specially informed that the irregular and illegal practice of loaning the credit of the bank by the issue of certificates must be discontinued. In reply to this communication a letter from the president of the association was received on February 28, explaining the irregularities referred to. In regard to the issuing of the certificates he said that "never in a single instance has any stipulation been made by us in regard to any certificate issued to any party. They are issued in regular form, and are payable at any moment upon presentation." To this it was replied by the Comptroller on March 3 that—

> The examiner distinctly stated in his recent report that "loans are sometimes made by the issuing of demand certificates, and parties obtaining loans in this way indorse the certificates and pledge them as collateral, or stipulating the time of payment for them, have them regularly discounted, and thus raise money indirectly from other parties and banks." If this statement be correct, the bank is lending its credit, which it is not authorized by law to do, and the practice must, as stated in my letter of the 19th ultimo, be discontinued.

That this information was brought to the attention of the directors is evident from a letter received since the date of suspension, on the 25th instant, from the person who made the examination, which says:

> Had your letter, which you wrote after my last examination, which was read by

Mr. Benyon, the president, to the board, as you requested, been heeded, the present condition of things would have been avoided.

The examiner also informs me that during the examination, and subsequent thereto, he called special attention of the directors to the hazardous manner of doing business, and urged them to closely follow the president and examine loans made by him, and the way in which his business was conducted, and was promised by more than one director that close attention would be given to the whole matter.

The directors thus had full information in reference to the irregular and illegal methods of the bank which have since caused its ruin. Such a letter, in any properly conducted bank, addressed by the Comptroller to a board of directors composed, as was the case in this instance, of prominent merchants and business men, should have been sufficient to correct the abuse and save the bank from the disaster which has occurred. The law should certainly be so amended as to make it a criminal offense for an officer of a bank clandestinely to make loans, either by the use of certificates, as in this case, or otherwise.

RETIREMENT OF NATIONAL BANK NOTES AND WITHDRAWAL OF BONDS HELD AS SECURITY THEREFOR.

The only legislation in reference to the national banks during the last session of Congress was contained in section 5 of "the funding act of 1881," which was as follows:

[Here follows section 5 of the act.]

This act was vetoed by the President.

The number of national banks, which deposited legal-tender notes for the purpose of obtaining possession of their bonds, in anticipation of the passage of this bill, was 141. These banks are located in twenty-four States, and the amount of legal-tender notes deposited by them was $18,764,434, as follows:

States and cities.	No. of banks.	Amount.	States and cities.	No. of banks.	Amount.
Philadelphia......	6	$2,590,800	New York City...	9	$2,843,849
Pennsylvania.....	14	2,083,300	New York........	23	1,934,600
Boston............	4	1,034,100	New Jersey.......	5	837,000
Massachusetts.....	2	81,000	Indiana...........	10	1,080,000
Connecticut.	10	1,675,400	Missouri..........	3	164,745
Montana	1	36,000	Virginia..........	1	45,000
Dist. of Columbia.	1	72,000	Ohio..............	19	1,402.630
Rhode Island......	2	385,200	Minnesota........	3	135,000
Nebraska..........	2	171,900	Kentucky	1	310,900
Kansas............	2	81,000	Michigan........	1	27,000
Illinois...........	10	845,900	Iowa.............	4	100,460
Maine...	2	135,000	Vermont.........	3	463,500
North Carolina....	1	135,000	Wisconsin........	2	21,150
Maryland..........	1	72,000	Total........ .		$18,764,434

Only about one-third of the bonds which were thus released were subsequently re-deposited, and for some months thereafter the total amount of bonds re-deposited by the 141 banks which reduced their circulation, was less than 7 millions. The Third National Bank of New York, which withdrew $840,000 of bonds, soon thereafter disposed of the same to the Government, and has not since made any deposit whatever. The same statement may be made in reference to eight other large banks, which withdrew bonds amounting to over two millions of dollars, and also to many other smaller banks—thus showing that they withdrew their bonds because they desired control of them, and not for the purpose of arbitrarily reducing circulation. The Comptroller has been unable to obtain any evidence that there was a combination on the part of the banks, to deposit legal-tender notes and withdraw bonds, for the purpose of deranging the money market.

Since the adjournment of Congress, only $2,394,545 of legal-tender notes have been deposited under the act of June 20, 1874, for the purpurpose of retiring circulation, and these notes have been redeemed without any expense whatever to the Government of the United States —the cost thereof having been paid from the five per cent. redemption fund. The bonds now held are chiefly 3 1-2 and 4 per cents, there being 241 millions of the former and 92 millions of the latter. The amount of interest received from an investment in either class of these bonds is nearly the same, and there is but little disposition to deposit legal tender notes for the purpose of withdrawing them. Some banks take occasion to withdraw their four per cents, for the purpose of realizing the large premium of 16 per cent, which they now bear, as this premium can be used for the purpose of liquidating any losses which may occur in their business. The 3 1-2 per cent. bonds are being frequently called by the Secretary, and the banks may therefore have occasion to withdraw them after interest has ceased, and it is important that they continue to have this privilege, upon a deposit of lawful money as now provided by law.

The amount of loans of the national banks in New York City on October 1, 1881, was 246 millions, and 97 millions of this amount was payable on demand; and the total amount of loans of all the banks was 1,169 millions, of which 196 millions was demand loans. It is probable that the proportion of demand loans held by the State banks is fully as great. Any proceeding which should tend to bring on a panic, or derange the money market in New York, would, first of all, affect the value of the stocks and bonds held by the banks as securities for these loans. It would be directly against the interest of the bank to pursue such a course, and it is a new principle in banking to assume that banking institutions will so conduct their business as to depress the value of securities which they themselves hold. If the banks, however, either national or State, or private bankers, should at any time desire to derange the market, they can do so, independently of any legislation by Congress, by calling in their demand loans. Such a course would be much more simple and easy of accomplishment than the depositing of legal-tender notes in the Treasury, and it would be much more effective.

If, however, Congress shall consider it advisable to prevent the banks from depositing in the Treasury for this purpose, large amounts of coin or other lawful money, then section 4 of the act of June 20, 1874, may be so amended as to require those desiring to withdraw bonds to give, say, 30 days' notice of their intention to do so before completing the transaction.

When bonds deposited to secure the circulation of the national banks are called for payment by the Government, it is necessary that the banks should withdraw them for redemption. This they can do, either by substituting other bonds or by depositing, under section 4 of the act of June 20, 1874, lawful money, to retire the circulation secured by the bonds which they desire to withdraw. The most convenient method for the banks is to avail themselves of the provision of section 4 referred to, as in many cases they desired permanently to withdraw bonds, without substitution. Prior to May 23 last, the Treasurer of the United States, and his predecessors in office, had, as a matter of convenience both to the banks and the Government, permitted the redemption of called bonds by the following method: The banks sent a power of attorney, authorizing the Comptroller to withdraw the bonds, and the Treasurer of the United States to assign them to the Secretary of the Treasury for redemption, on account of the bank, as much of the proceeds as might be necessary being used to retire the circulation secured by the bonds. The bonds were never out of the hands of the officers of the Treasury Department. The banks were thus relieved from the necessity of first sending in the money to retire their circulation, and the Government was enabled to get in its called bonds with more promptitude. On May 23, however, the Treasurer declined longer to allow this method of withdrawal and redemption, alleging that the proceeds of these bonds were coin, and not legal-tender notes, and that section 4 of the act of June 20 requires deposits for the retirement of circulation to be made in legal-tender notes only.

On June 1 the Comptroller addressed a letter to the Secretary of the Treasury, in which he stated the position taken by the Treasurer, and "that he declined to receive gold coin, which is a legal tender in payment of all debts, and insisted upon a deposit of United States notes, which are but promises to pay coin on demand." The Comptroller dissented from this ruling of the Treasurer, and held that the act, properly construed, authorized the receipt of "lawful money," which includes gold and silver coin as well as United States notes, and requested that the question be referred to the Attorney-General for his construction of section 4 of the act of June 20, 1874.

On the 6th of June the Secretary referred the matter to the Attorney-General, and on the 14th of the same month the latter officer decided that "the banks may withdraw their bonds upon the deposit of the requisite amount of any kind of lawful money." He said, further, that—

> The language of Section 4 is almost too unambiguous for construction, as it expressly confers upon national banking associations the right to deposit sums of not less than $9,000 in lawful money, and to take up the bonds deposited for security of circulating notes; and that these words, as here used, possess their ordinary signification is apparent from the phraseology of concomitant and other provisions of law, and from considerations touching the general subject.

He also quoted a decision of his predecessor on a similar point, in confirmation thereof. On the same date that this decision was rendered by the Attorney-General, the Secretary of the Treasury addressed another letter to him, in which two additional questions in reference to this matter were asked. First, whether, under section 3 of the act approved June 20, 1874, chapter 343, a national banking association may deposit any lawful money, other than United States notes, for redemption of its circulating notes; and, second, whether the holders of the notes of any solvent national banking association may demand of the Treasurer, under the provision of sections 3 and 4 of that act, redemption of such notes in United States notes?

On June 30, 1881, the Attorney-General replied, and, as to the first question, decided that a bank may deposit coin for the purpose mentioned in the 3d section as above quoted. In answer to the second question, he said:

> I think the Treasurer, while having the privilege, under sections 3 and 4 of said act, to redeem bank circulation in United States notes, has the right to pay them in coin. The Government notes are promises to pay dollars, and for such promises the thing promised may properly be substituted by the promiser, and that the act of June 20, 1874, chapter 343, was not intended to repeal or affect the general provisions of the law (Revised Statutes, section 3585, *et seq.*) making the coin of the United States legal tenders in *all* payments.

This decision removed all the distinctions which had been previously insisted upon by the Treasurer of the United States, as to the kind of lawful money that might be received or paid in these transactions.

(An article on the Treasurer's recent report appears on another page, and will, doubtless, in this connection, be read with considerable interest.)

The Comptroller's report contains some interesting tables and data concerning private bankers, which will be taken up in the January number of the JOURNAL.

THE UNITED STATES TREASURER'S ANNUAL REPORT.

Official reports are always instructive, but it is seldom that they are amusing. The report of the Treasurer of the United States to the Secretary of the Treasury is one of the exceptions. When he gives statements of the facts shown by his books he is instructive, but when he naively recites his blundering deductions therefrom he becomes amusing.

On page 1, speaking of the changes in the bonds held by the national banks to secure their circulation, he says, "these changes were chiefly due to the extension of the 5 and 6 per cent. bonds, but were caused in considerable part by the substitution of such continued bonds for 4 and 4 1-2 per cent. bonds." This gives the impression that the withdrawal of 4s and 4 1-2s was much greater than the reality. During the year the total withdrawals were $277,527,350, while the reduction in 4s and 4 1-2s was about $32,000,000 only, a proportion of about one-ninth of the whole, and as 3 1-2s were put in their places, refunding operations were aided.

Referring on page 9 to the increase in gold in the Treasury, he says it was largely due to the sale of exchange on the West and South, payable in silver certificates. This, he says, has the effect of converting the silver dollars into gold, and transfers the ownership of these dollars from the Treasury to the public. After this pleasant reflection on this easy way of getting rid of the silver dollars, he says, on page 16, that during the past year there has been a considerable falling off in the demand for silver dollars. On page 19 he says the Treasury pays them out in order to utilize in some way the enormous stock of silver it is carrying, and that the certificates are taken by the people because they are a convenient form of paper money. He continues: "The volume of United States notes is limited by law, the national banks do not find sufficient profit in circulation to induce them to supply the demand for additional paper currency, and the issue of silver certificates, by supplying this demand, has abated what might have proved a serious public inconvenience." This is a startling deduction. During the year ending Nov. 1, 1881, the amount of national bank circulation, as shown by monthly published statements, has increased $16,510,143, and the amount of gold coin and bullion in the country has increased over 108 millions. The amount of legitimate business, in view of the falling off in crops, cannot be much greater than it was the previous year, and yet the Treasurer believes that if it had not been for the issue of silver certificates the country would have suffered for the want of paper money.

This shows the Treasurer's bias in favor of paper money. He belongs to an old regime. He cannot believe in gold and silver even after the resumption of specie payments.

The true reason why these certificates went into circulation is shown in another part of his report, on the page previous to the one last mentioned. He says this increase (in the circulation of silver certificates) is due in part to a demand for paper, but chiefly to the operation of the circular of September 18, 1880. This circular provided that upon the deposit of gold coin with the Assistant Treasurer in New York, exchange on the South and West, payable in silver certificates, could be furnished to the depositors. This does not show any great demand for silver dollars, silver certificates, or any other particular form of currency. It simply shows a demand for exchange, and it was judged to be to the advantage of the Treasury to avail itself of this demand to foist the ownership of its silver dollars on the public. It said if you will take silver certificates, exchange will be furnished you free of cost. If the Treasury had not done this, would not the public have transported its own currency? If there had been a mountain of national bank and legal-tender notes available, who would have paid to transport them when the Treasury offered to transport silver certificates free of charge. The Treasury made a fine stroke in getting rid of its silver dollars by offering as a premium the price of transportation. Who gained this premium? The brokers in New York. Who eventually became the owners of the silver dollars? Why, the people who were obliged to take the certificates, when if it had not been for the Treasury's action they would have received legal-tender notes, national bank notes, or gold. But the Treasurer is in favor of the good old-fashioned greenback. He says lachrymosely, in substance, the amount of the United States note is limited, the national bank note is inadequate, and the demand for paper has been so great, that we have been obliged to issue the silver certificate.

On page 24, he more minutely describes the operations under the circular of Sept. 18, 1880. He says that under it $23,560,000 in gold coin was deposited with the Assistant Treasurer in New York, for which telegraphic orders, payable in silver certificates, were drawn on Assistant Treasurers in New Orleans, St. Louis, Cincinnati, and Chicago. The orders for silver dollars under the same circular, he says, amounted to $50,000 only, for the reason that the circular only permitted these dollars to be paid out at the counters of the sub-treasury. On page 18 he says the silver certificates in circulation have increased during the year ending June 30, 1881, about $38,800,000. This increase, he says, was caused in part by a demand for notes. What part, pray? Of all the silver dollars coined on Sept. 30, 1881, $66,148,679 were in the Treasury. Of these, $64,149,910 represented silver certificates outstanding, and of the certificates called outstanding, $11,209,000 were held by the Treasury, making about 13 millions of silver dollars only, of the total of

$98,300,000 coined which were not in some form in circulation among the people. On Nov. 1, the silver dollars actually owned by the Treasury were about 7 millions only. About 53 millions thus in the hands of the public were in the form of certificates. By the offer of the Treasury to transport silver dollars or certificates, the former to any point where they might be called for, and the latter to the sub-treasuries, at Government expense, a premium was offered to those who would take either. The more advantageous premium, however, was to those who would take the silver dollars themselves. Those who took silver certificates seldom sent them for redemption, while those who took silver dollars did, by degrees, send them for redemption in certificates. There was no demand for the certificates outside of the $23,000,000 which were issued as exchange, except from those who had taken silver dollars for the same reason. The Treasurer, with his usual sagacity, looks upon the results of Treasury manipulations as showing an actual business demand.

We will now cite a few more instances of similar sagacity in other matters of greater and less importance, in order to show an imperfection of financial insight, which is to be deplored in an officer whose position and supposed experience give his opinions much weight. Color blindness is sufficient cause for discharging a railroad employee.

On page 10, speaking of the transactions of the Treasury with the New York Clearing House, he complains that silver dollars are not received under the Clearing House rules, although silver certificates, to some extent, are taken in large denominations for use in payment of customs dues. The Treasurer remarks, with an air of mystery which shows him to be more of a politician than a financier, that, "aside from any personal views as to the expediency of reviving the silver dollar, it would seem unwise for any department of the Government to encourage an arrangement by which a coin which the law has made a full legal-tender is discredited." This, by innuendo, recommends that as the New York Clearing House will not take silver dollars it is unwise to countenance its regulations by the Treasury's continuing a member of it. Yet, on page 16, he says: "The Treasury membership of the Clearing House has been of great advantage both to the Clearing House and the banks in saving the useless handling of money and in enabling the Treasury to conform to commercial usage by accepting and collecting, without risk, drafts of banks and bankers tendered in payment of public dues and for other purposes." Notwithstanding these acknowledged advantages the Treasurer seeks to excite prejudice against the banks on account of their action in respect to the silver dollar, although, as has been seen, another way of foisting these dollars on the public has been invented and successfully put in operation.

On page 20 the Treasurer, speaking of certificates of deposit for legal-tender notes, says the falling off in their use since the resumption of specie payments is due to the extensive conversion of bank reserves into specie and to the increased demand for notes. Still harping on my daughter. The first reason given is sufficient to account, not only for decrease in the use of these certificates, but also for what the Treasurer construes to be a demand for notes. If the banks turn their reserves into specie they cannot keep them in legal-tender notes. They can't eat their cake and have it. And the legal-tender notes naturally go to the public if the banks prefer the specie. As a matter of fact, both notes and specie in the hands of the people have increased. This reason is evidently thrown in for what it is worth, as an indirect argument for the greenback.

On page 21 the Treasurer deprecates the necessity of the coinage of the one-cent bronze pieces, under existing regulations, in preference to five-cent nickels, for the reason that the metal and the labor of coinage put the Government to considerable expense. It may be that it is desirable to change the regulations and coin five-cent nickels, in order to stop the demand for one-cent pieces, but certainly the Government does not coin and issue the latter at a loss, and yet this is the impression given in the Treasurer's report.

On page 24 it appears that the depository banks (national banks) received $131,820,002 of the public moneys during the fiscal year ending June 30, 1881, and that since 1864 the receipts of the public moneys by these depository banks have been $3,669,461,046, or more than twice the present amonnt of the national debt. This money they have safely kept and remitted as required. The Treasurer ought to have given the amount lost by the Government through these banks, which would be hardly perceptible compared with the total service rendered.

On page 12 it appears that the fund for the redemption of notes of failed, liquidating, and reducing national banks was $31,547,560. Of this sum the Treasurer thinks it unnécessary to keep a reserve of more than about 40 per cent., or about 13 million of dollars, leaving 18 millions derived from the banks, of which the Treasury and the Government has the constant use.

On page 14 he says that the amount of legal tender notes of the denominations of one and two dollars has increased $8,587,250 within the last two years. This increase he ascribes in part to the discontinuance of the issue of notes of these denominations by the national banks since the resumption of specie payments, though the chief cause, he says, is the revival of business. The same denominations of national bank notes have probably decreased nearly enough to account for the increase, but if not, the reason is very patent—the public preferred legal-tender notes to silver dollars, and the choice lay between the two forms of money. There is nothing to warrant any conclusion that the silver dollars would not have answered the purpose if these one and two dollar legal-tender notes had not been issued. In fact, if the 44 millions in legal-tender notes of these denominations now outstanding were once withdrawn, the silver dollars would take their place, and this plan would have relieved the Treasury of the necessity of paying a premium to get rid of the silver. There is nothing which would more quickly have acquainted the people with the nature of the silver dollar, and its disadvantages, than such a course. There would then be some chance of the repeal of the law authorizing their coinage. The Treasurer talks of the action of the Clearing House banks discrediting the silver dollar. The action of the Treasury in paying a premium to circulate them was a decided step in the same direction. This is comparatively nothing, however, for, as will be seen, the Treasurer tried to discredit the gold coin of the country, which, at least equally with the silver dollar, is a legal-tender by the law of the land. On page 29 the Treasurer complains of the large proportion of notes of failed, liquidating, and reducing banks included in the redemptions of national bank notes for the year. He says they amounted to $12,219,750, or more than one-fourth as great as the amount assorted and charged to the banks of issue. This is an awkward statement but, perhaps intentionally, gives the impression that such notes comprised one-fourth of the whole amount, whereas the total amount redeemed was 59 millions, of which 12 millions is a little more than one-fifth. He complains of the reducing banks particularly, and says they retired nearly 19 millions of their circulation in fifteen days, but he nowhere gives separately the amount of these notes which have been presented for redemption. His complaint is based principally on the fact that the expense of these redemptions is thrown on the banks which have not retired circulation. If it is, it is due to his own regulations. The expense of assorting, &c., the notes of failed, liquidating, and reducing banks ought to be paid by the Government which assumes the redemption. The Government, in the law, says to the banks, "if you will deposit lawful money in the Treasury to an equal amount, I will redeem your notes and relieve you of responsibility." But the Government turns round and gets rid of the expense of redeeming notes which it has virtually assumed as its own by saddling it on innocent third parties. Here the Treasurer complains of the effect of his own erroneous regulation. He goes further, however, and takes this matter as an occasion for reiterating his recommendation for repealing section 4 of the act of June 20, 1874. He says his *conviction* is, that the power now possessed by the banks under this section, of throwing up their circulation at will is wrong in principle, unnecessary, and dangerous. He thinks it is wrong in principle because he assumes that under a sound system of currency the circulation can be reduced only by the act of holders in presenting it for redemption. How there is anything unsound in a measure which simply enables the banks in advance to provide for the redemption of their notes by depositing lawful money in the Treasury, he does not explain. This right does not interfere with the right of the holder of the note to present it when he pleases. So it does not conflict with the

Treasurer's definition of a sound principle. It may, however, be unsound because it is unnecessary. It is necessary, however, in that it enables the banks to have a complete control over their bonds, which they did not have before the passage of the act of June 20, 1874, and in giving this control, it enhanced the value of United States bonds and the credit of the Government. The national banks were created to help the Government fund its debt. Apart from the other benefits conferred by them, they have had a directly favorable influence in every refunding operation, and it is exceedingly doubtful if the refunding operations of the past summer could have been completed without the aid which the national banks have extended. If section 4 had been repealed, as recommended by the Treasurer last winter, it is doubtful if the national banks could have given the help they have to the refunding business. Its repeal would have had, and would have now, an effect in deterring banks from issuing circulation even when wanted, as there would be no way of contracting it when redundant and unprofitable. The Treasurer assumes that the true effect of a redundant bank note circulation would be the return of the notes by the holders. Would it? When the national bank note is so well secured, and its credit so high as now, even if the holder did not want to use it, why should he go to the inconvenience of presenting it for redemption? Why should national bank notes be presented for redemption, to any greater extent than U. S. notes? The Treasurer says no legal-tender notes have been presented for redemption for a number of months, and since the resumption of specie payments the total amount presented for redemption is about $12,000,000 only. The Treasurer further says that during the last fiscal year, of $46,844,300 of notes of issuing banks redeemed only $6,763,600 were fit for circulation. Only notes unfit for circulation will be redeemed, whether the currency is redundant or not, if holders are left to their own inclination. That a larger proportion of notes fit for circulation were redeemed in previous years is due to the fact that, in previous years, the Treasurer would permit national banks to make good their five per cent. funds with legal-tender notes only. This, as has been explained in an article in the July number of this magazine, gave a fictitious value to the legal-tender note, and forced national banks and others to send in large quantities of national bank notes, simply to get legal-tender notes in exchange for them. This was not a demand caused by legitimate business, but simply one made by the Treasurer's own ruling, which was decided by the Attorney General to be erroneous, the latter holding that the law permitted national banks to make good their five per cent. funds with any lawful money, including gold, and silver dollars, as well as legal-tender notes.

The Treasurer also assumes that national banks will reduce their circulation to secure a premium on their bonds, at a time when currency is scarce, and thus work further contraction. He loses sight of the fact that the premium is apt to be highest when money is most plenty. Under his narrow ruling, that only legal-tender notes could be deposited to retire circulation, there was some danger of a scarcity of that particular kind of currency. but under the more liberal construction of the law by the Attorney-General whatever danger there was has been entirely obviated. Banks putting in any lawful money, as they now may do, draw on the great aggregate of over $1,300,000,000 of currency now in the country. They could only reduce it a few millions at most. But whatever they deposit, the Treasurer is of the opinion that 60 per cent. can immediately be issued by him. Last spring, when he compelled the harassed national banks, under fear of the compulsory 3 per cent. funding bill, to put in legal-tender notes, 19 millions of the latter might make some difference in Wall street, but now, when gold, silver, and paper can all be drawn on, there is absolutely no danger on this score.

The danger which the Treasurer most dreads is one which he conjured up, when, hard driven for any reason whatever, he had to return some answer to the questions of the Senate Finance Committee. Since then he has carefully nursed the bugbear, and he may now, perhaps, believe it to be an actual entity. It is the danger that the national banks will combine and contract the currency suddenly by depositing lawful money to retire their circulation in one mass. This would be a suicidal act, even if such a combination could be made. But if it were made, the Treasurer still has it in his power to save the country by immediately reissuing sixty per cent. of such a deposit. Supposing the banks should combine in this way, they would ruin themselves forever by ruining all their customers. But this is a delusion, an hallucination, harmless in the ordinary financial crank, but dangerous as the opinion of the United States Treasurer.

On pages 31 and 32 he still kicks at the decision of the Attorney-General. He says the original theory of the act of June 20, 1874, required the deposit of legal-tender notes. If the original theory did so, then the Attorney-General was wrong. Why don't the Treasurer say so? He continues: Since the original theory is destroyed by a decision which said it was not the original theory, the act ought to be repealed. In other words, if the Treasurer invents an original theory as to the proper construction of a law, and the Attorney-General disagrees with him, then the law ought to be repealed.

The Treasurer says this question decided by the Attorney-General was raised by the banks, and that they averred that it was difficult, if not impossible, to get legal-tender notes. The banks did complain of the Treasurer's absurd theories and decisions, but the Treasurer himself raised the question by refusing to continue a practice which had been permitted both by his predecessors and himself, viz: that of accepting the proceeds of called bonds as a sufficient deposit to retire circulation, as has been previously recorded in this magazine. If the Treasurer in his zeal for the legal-tender notes will show himself less absurdly jealous of the national banks and their notes, he will better merit the confidence of those who regard him, officially at least, as an important financial authority.

It was largely owing to the influence of the Treasurer of the United States that the objectionable Carlisle amendment, appended to the 5th section of the 3 per cent. refunding bill, was retained. He defended this amendment when called before the Finance Committee of the Senate. If it had not been for this Carlisle amendment, which made the whole 5th section so manifestly unjust to an important body of Government creditors, the President would have given the bill his approval. More than to any other one man, it is due to the Treasurer of the United States, in his official capacity, that a measure to fund the debt at three per cent. did not become a law last winter. Notwithstanding the credit due to Secretary Windom for availing himself of the favorable financial condition of the country to reduce the interest upon a large portion of the public debt, his very success is proof that an authorized 3 per cent. bond would have enabled him to effect a still greater saving. All the sums which might have been saved lie at the doors of the originators and defenders of the Carlisle amendment, and among the latter the Treasurer of the United States, from his official position, was the most prominent.

THE INTERNAL REVENUE.

In the report of Internal Revenue Commissioner Gen. Green B. Raum, for the fiscal year ended June 30, 1881, a statement is submitted which shows that the receipts of internal revenue for the fiscal year 1879 were $113,449,621; for the fiscal year 1880, $123,981,916; for the fiscal year ended June 30, 1881, $135,229,912; and the receipts for the first four months of the present fiscal year have been $50,876,970, being $7,661,722 in excess of the receipts for the corresponding months of the last fiscal year. The Commissioner says: "If this increase should be maintained during the remaining eight months of the fiscal year the receipts for 1881 will be fully $157,000,000." Relative to the reduction of internal revenue taxes General Raum says: "The large increase in the receipts of the Government and the great reduction in the interest and principal of the public debt are causiug discussion as to the propriety of reducing the income of the Government by lowering some of the taxes and dropping others altogether. Attention is called to the recent action of the National Distillers' Association in favor of applying to Congress for a reduction of the tax on distilled spirits. These taxpayers seem to think the time has come when a portion of the tax from their production can be taken off, that tax now amounting to 300 per cent. upon fine whiskeys and 600 per cent. on ordinary spirits. Whenever the wants of the Government will allow a reduction of internal taxation my opinion is it will be wise to confine these taxes to distilled spirits, malt liquors, tobacco and its product, and to special taxes on manufacturers and dealers in these articles, and to fix the taxes at such rates as will yield the amount of revenue necessary to be raised from these sources."

The Commissioner details the work done in connection with additional taxes due from banks, and shows that there has been already ascertained to be due the sum of $722,705 from seventy banks in the cities of Chicago, New York, Baltimore, Boston and Philadelphia, a considerable portion of which has been collected and paid into the Treasury. The other Collectors have been instructed tc examine the banks of their respective districts in regard to their liability for additional tax. The Commissioner says he is satisfied that large additional sums are due the Government from this source.

LECTURES BY THE COMPTROLLER OF THE CURRENCY.

[By special invitation, Hon. Jno. Jay Knox, Comptroller of the Currency, delivlivered three lectures on BANKING before the students of Johns Hopkins University, Baltimore, on the evenings of Nov. 10, 15, and 17. The lectures were largely attended, not only by the students but also by many of the leading bankers and business men of the city. The following abstract, reported for the JOURNAL, has been submitted to the lecturer, and is published with his consent.]

I.

In the first lecture, Mr. Knox commenced by defining the character of the business and functions of a bank, and presenting the magnitude and importance of the banking business in this country, after which he announced that his three lectures would consist of a brief review of banking as it has existed in this country since its organization, and would include:

1. *Colonial banking previous to the adoption of the Constitution.*

2. *The subsequent systems of banking authorized by the laws of the United States and of the separate States, and—*

3. *The national banking system, including some of the characteristics of modern banking.*

The Comptroller then gave a brief sketch of the issue of paper money, first made by the colonies in 1690, and subsequently, and of a project by John Coleman and others of a land bank, which was modeled from a plan proposed and favorably reported by a committee to the House of Commons in England a few years before. A graphic description was given from Macaulay of this project, which was finally defeated by the united force of demonstration and derision, which produced an effect even on the most ignorant rustic of the House. The land bank project at Boston was not so easily defeated. It was organized in 1740, and among those who favored it was the father of John Adams. Each stockholder gave to the directors a title to landed estates, and received its equivalent in bank bills. Circulating notes equal to $750,000 were issued, and five per cent. of the capital was to be paid annually in the notes issued or articles manufactured. The "manufactures" consisted, among other things, of hemp, cordage, beeswax, tallow and cordwood. The mortgage securities of these banks were insufficient to realize enough to pay the debts, and twenty-eight years after its organization, and many years after its failure, creditors were still clamoring for their just dues from those few stockholders who were solvent.

Other like incidents of colonial banking were given. A graphic sketch of the Bank of North America, organized in Philadelphia in

1772, was then given, and among the incidents mentioned was a letter from Alexander Hamilton to Otho H. Williams, collector of customs in Baltimore, in the year 1779, instructing him to receive the notes of that bank and of the Bank of New York, which were payable on or before thirty days from date, in payment of duties as equivalent to gold and silver. It was the moneys received from these two banks, which are still doing a substantial and prosperous business as national banks, that paid the first installment of salary due President Washington and the Senators and Representatives and officers of Congress during the first session under the Constitution, which began at the city of New York March 4, 1779.

The lecturer gave an interesting account of the Bank of the United States, organized in 1771, and of the efforts made to renew its charter at its expiration. in 1811. A bill for its renewal was lost in the Senate by a tie vote, and in the House by a minority of one vote. The war of 1812 was carried on by the issuing of treasury notes, which were at a discount, and by the notes of State banks, that were issued in large amounts, bringing on a monetary crisis, which finally revolutionized the opinion of Congress to such an extent that a bill for the renewal of the charter was passed by Congress, which was vetoed by President Madison in January, 1815.

II.

In the second lecture of the course Mr. Knox, after giving a sketch of the plan and powers of the second Bank of the United States, which went into operation in 1816, gave an interesting description of the bank at the beginning of the administration of General Jackson, with its capital of thirty-five millions—its loans, circulation and deposits being in amount about one-fifth of the whole amount held and issued by all the banks of the country at that time. It had its marble palace in Philadelphia and twenty-five branches in the principal cities. Its employees were five hundred in number—all men of standing and influence, and all liberally salaried. Its shareholders resided in every State and in nearly every county of the Union Its bank notes were received at par everywhere at home, and in London, Paris, and other principal monetary centres abroad.

Its stock was frequently at a premium of 40 per cent., and it received and disbursed all the revenue of the country. It was not considered a political or partisan institution, and in the presidential campaign of 1824 and 1828 it was not so much as mentioned. It was a great surprise, therefore, when General Jackson, nine years before the charter expired, presented to Congress constitutional objections to its re-charter. His objections were believed to have originated from partisan motives, and a desire that his friends should control the patronage and management of the bank, and a quotation from the speech of

Calhoun and from other authors was given in corroboration of this view.

The distinguished lecturer gave a very interesting account of the bitter party contests, which continued for many years, upon the subject of the removal of the deposits, and subsequently a graphic sketch was presented of the action of Senator Benton, of Missouri, during the proceedings of the Senate in expunging from its records the resolution of censure of General Jackson, which was adopted immediately after the order was given to deposit no more of the public moneys in the Bank of the United States. Following the removal of the deposits the banks expanded their issues and increased their loans beyond all precedent, consequent upon the deposit of public moneys with so many corporations. To the transfer of the public funds to private institutions in a large measure was due the inflation of 1835 and 1836 and the crisis of 1837, and the business depression which continued for five years thereafter.

The Bank of the United States suspended with other State banks, and having failed in obtaining a new charter from Congress, obtained one from the State of Pennsylvania just previous to the expiration of the former, Col. Benton ascribing every circumstance of its enactment to corruption, bribery in the members who passed the act, and an attempt to bribe the people by distributing the bonus among them. The circumstances attending the attempt to obtain a re-charter of the bank under the Harrison administration, and the veto of President Tyler in 1841 were then described. The passage of the sub-treasury act, and its repeal and subsequent passage in 1846, were referred to as the final result of this most bitter and pertinacious political controversy, which continued for eight years, from 1833 to 1841.

At this point Mr. Knox gave a rapid sketch of the Suffolk system in New England and the charter safety-fund and free-banking systems in New York and other similar systems, which were organized in Ohio, Indiana and Illinois and other Southern and Western States. The lecturer closed with a general review of the different State systems in operation at the time of the passage of the national bank act in 1863. The grouping of all the leading events connected with banking in the United States from 1816 to 1863—a period of 47 years—required great condensation, but the facts brought out proved to be very interesting.

The subject throughout was presented in a clear and concise manner, and held the attention of the audience closely for more than an hour.

III.

Comptroller Knox commenced his concluding lecture by giving a brief sketch of the passage in 1694 of the bill establishing the Bank of England. The bill purported only to impose a new duty on tonnage for the benefit of such persons as should advance money for carrying on the French war. In order to induce capitalists to advance the money promptly on terms so favorable to the public as 8 per cent., the subscribers were to be incorporated under the name of the Governor and Company of the Bank of England. The bill was bitterly opposed. Some discontented Tories predicted ruin to the monarchy; the Whigs, on the other hand, predicted ruin to their liberties. They said "the whole wealth of the nation will be in the hands of the tonnage bank—such was the nick-name then in use—and the tonnage bank will be in the hands of the sovereign." In the House of Lords it was suspected that the plan of a national bank had been devised for the purpose of exalting the moneyed interest at the expense of the landed interest. The whole scheme, it was asserted, was intended to enrich usurers at the expense of the nobility and gentry. The answer to all objections was, that it was absolutely necessary to find some new method of defraying the charges of the war with France. The bill was passed, and the whole amount of its capital, 1,200,000 pounds sterling, was paid into the exchequer before the first installment was due. The organization of the Bank of England, therefore, grew out of the necessities of the Government.

Each of the banks of the United States, as has been seen, were authorized to receive three-fourths of its capital in the public funds, and one-fifth of the capital was subscribed by the Government, payable in its bonds. At the time of the organization of each of these banks, the Government was in need of money. So, also, when the proposition was first made for the establishment of the national banking system, the Government was engaged in a great war, and it is not probable that any such system, overthrowing as it did so many other systems, organized under the authority of sovereign States, would have been authorized by Congress under other circumstances.

A magazine writer in Philadelphia, in 1815, first proposed that the public funds should serve, in the absence of specie, as the basis of the paper currency, and a plan similar to the present system was proposed by Albert Gallatin in 1831. In 1844, notes of the value of 14 million pounds sterling were authorized to be issued by the Bank of England on Government securities, additional issues to vary with the amount of coin or bullion on deposit. The free banking system of New York was authorized six years previous to this latter date, and was the first system which required securities to be deposited for bank issues.

The national banking system was proposed in 1861, and encountered earnest opposition. Secretary Chase said, in a letter to a friend about that date, the majority of both the House and Senate Finance Committees were either incredulous or hostile. Senator Collamer, of Vermont, and Senator Harris, of New York, made earnest speeches in opposition to the bill. Three Senators only from the middle States voted in its favor, and some of the most eminent of the Republicans from the New England and Middle States in the House, who are now members of the Senate, voted against it.

In 1861 the number of the State banks had increased to 1,601, with a nominal capital of 429 millions, and more than 10,000 different kinds of notes were in circulation—issued by the authority of 34 different States, under more than forty different statutes. The right to issue circulating notes had obtained a firm foothold, and nothing but a great war could have brought about a revolution in this respect; but circumstances favored the substitution of the new issue in place of the old, 76 millions of the issue of the Western and Southern banks having become discredited. Charters of the State banks of Ohio and Indiana, and of other banks were about to expire, so that fully one half of the bank issues of the country were either discredited, or depended upon legislation for a continuance.

The effect of the passage of the national bank act was to create a demand for the six per cent. bonds, which soon advanced from a discount of 7 per cent. to a premium in the market. In 1865 there were more than 1,275 millions of temporary obligations of the Government outstanding, 830 millions of which were bearing interest at 7.30 per cent. The banks soon thereafter held 440 millions of United States bonds, and the system was of immense service in funding the floating debt.

It is frequently stated that the national banking system is only an extension of the New York free banking system, but no such statements would be made by any one who was familiar with both banking laws. The New York law required the bank note to be secured, but its notes were redeemed at a discount at any one of three places. It required publication of statements and made stockholders personally liable. These were all of its principal restrictions, but the national bank act, while it gives the right to issue circulating notes, also contains other and numerous and burdensome restrictions, many of which were enumerated by the lecturer. Similar restrictions had been previously frequently proposed by different State legislatures, but it was impossible for the legislatures of forty different States to unite upon any judicious system of banking. This could only be accomplished by one homogeneous system, under the authority of Congress, which recognizes no State lines, but whose legislation includes corporations in all the States and Territories.

The organization of banks without capital was one of the great abuses of previous bank systems. The national bank act carefully guards against such an abuse. The ratio of capital to liabilities of 3,417 banks in the United Kingdom in 1878, including the Bank of England, was 16 per cent., and the ratio of capital and surplus to liabilities was 23 per cent., while the corresponding ratios of the national banks were 40 and 54 per cent., the ratios of the latter banks being, in each instance, more than double those of Great Britain. The national system differs from most other systems in imposing an individual liability upon the shareholders. The Supreme Court has held, in effect, that the limit of the shareholder's liability is the par value of his stock, but that the insolvency of one stockholder does not in any way affect the liability of another.

The national banking system is the only one that has ever required par redemption of the circulating note, both at the counter of the bank, and at one common centre.

Under the head of the convertibility of the circulating note, the lecturer gave a brief history of the introduction and first use of bank notes and bills of exchange, after which he gave the result of returns just received from all of the national banks, 2,132 in number, showing the amount of coin, paper money, and checks and drafts received on September 17th last, and the proportion of each. The percentage of checks and drafts in New York city was 98.8 per cent., and of coin and currency only a little more than one per cent. The proportion of checks used by all of the banks in the United States was 94 per cent., and coin and currency 6 per cent. These returns show, among other things, how absurd is the theory that has been so often advanced that the amount of money needed in any country should be in proportion to its population.

Reference was made to publicity as being one of the leading characteristics of modern banking, and it was stated that the frequent publication of details upon this and other economic subjects had improved and amplified the methods of instruction upon these subjects in the larger schools and universities. The lecturer also referred to the frequent failures of State banks and private banks in comparison with the losses which have arisen in the national banking system, and also compared the expense of receivership under previous systems, and the present, under the head of duties of directors and examiners.

The Comptroller referred also directly at some length to the recent failure of the Mechanics' National Bank at Newark, and stated that while additional legislation may be required, no legislation, and no occasional visits of an examiner, could prevent the downfall of a bank, if subordinates who were robbers and forgers were allowed to have possession and control of its assets; that there might be need of amendments to existing laws, but that there was not so much necessity for additional legislation as there was for increased diligence and sagacity on the part of those who were in charge of great trusts. He closed with a general summary of the advantages of the system, and stated that the rapid reduction of the interest upon the public debt had reduced the profit upon circulation to a minimum—that the national banking system need not be dissolved on account of the reduction of the public debt; that the system could remain in existence with but a small issue of circulation, and with less than 100 millions of bonds on deposit, and that of itself was an answer to the chief objection of the opponents of the system, viz., that the banks received too much profit upon circulation, for it followed that with the rapid decrease of the public debt, that there would be also a rapid decrease of the aggregate profit on circulation, unless Congress should authorize some other form of security to be used in place of United States bonds.

The lectures throughout were highly appreciated.

HISTORY OF BANKING IN FRANCE.

[Specially translated for RHODES' JOURNAL OF BANKING.]

INTRODUCTION.

There is no trace of any serious attempt at founding an issue, or even a deposit, bank in France previous to the reign of Louis XV. There was too much of arbitrary power in financial matters under the reign of Louis XIV. to admit of an institution based on confidence, good order and equity. Were there, it may be asked, money changers, or private houses, issuing bills payable to bearer on sight in Paris, as there were in London long before 1694? There may have been such, but there are no documents to support such a presumption, and we do not believe that there were any. At the time of the death of the "Grand Monarch" there were deposit banks in foreign countries, and these helped in a great measure to remedy the change and depreciation in coin, but they did not give bills to bearer, and at sight, unless a deposit of the integral amount was made in the precious metals, and this is not exactly what our bank note is. The banks of Venice, Barcelona, Genoa, Nuremberg, Amsterdam, etc., operated in this way, and so did that of Hamburg, the last of its kind, as late as 1873.

There were also banks having a note circulation. That of Johann Palmstruck, of Stockholm, which was founded in 1656, and reorganized in 1668, under the form of a state bank, began to issue notes payable on sight, and which were used as real money in 1661. The amount thus issued was larger than the cash reserve. Among the other institutions which grew up between this time and the period of the French Revolution were, the Bank of England, 1694; the Bank of Scotland (Edinburgh), 1695; the Bank of Austria, Vienna, 1703, (this latter must not be confounded with the National Bank of Austro-Hungary, established 1816, and still in being); the Royal Bank of Scotland, 1727; the Current Bank, Copenhagen, 1736; the British Linen Co. Bank, Edinburgh, 1746; the Bank of Prussia (Berlin), 1765; the Bank of Assignats, St. Petersburg, 1770; the Bank of Ireland, Dublin, 1783; the United States Bank, New York, 1790, (not to be confounded with that suppressed by Jackson in 1832).

There were thus four banks of issue in existence at the death of Louis XIV. in 1715, without speaking of the numerous deposit banks in London, Vienna, Edinburgh, etc. We shall now relate what happened in France after the reign of Louis XIV.

I.

THE SYSTEM.

1. State of credit in France at the death of Louis XIV. First financial operations of the Regency.

Louis XIV. left France in the most pitiable condition. A financial writer thus sketches the state of the treasury on the death of this king, whom it would seem unfitting to call "great:"

"Louis XIV. left to his successor, a child of five years, the following sad fruits of his last war: 86,009,310 livres in *rentes*, the payment of which would cost over two milliards; 542,063,078 livres in charges, increase of salaries, &c.; 596,696,959 livres in miscellaneous bills; 137,222,259 livres in anticipated revenues of the succeeding years, and some 185 millions of various debts, the payment of which had not been assigned—altogether a debt of over 3,460,000,000."

But this was not all; with proper management and time the difficulty could be got out of, but there was every year a crushing deficit.

The annual budget of one of the last years of the reign of Louis XIV. (1707) shows the following:

EXPENSES.	*Livres.*	RECEIPTS.	*Livres.*
Royal houses	24,397,519	Ordinary revenue	109,180,253
War	145,051,156	Capitation	30,000,000
Navy	18,706,143	Clergy	4,792,906
Finance	58,833,170	Extraordinary resources	68,918,398
Public debt	80,919,328		
Interior	7,420,106		
Foreign affairs	355,633		
Justice	2,332,090		
Total	337,015,145	Total	212,891,557
		Deficit, 124,123,588.	

Without discussing these figures we will merely observe that they indicate serious mismanagement.

A financial council, under the presidency of the Duc de Noailles, was held on the death of the king. The council accepted the load of debt, and indignantly rejected as an insult a proposition not to keep the engagements of the late reign, and thus get out of the difficulties which were seen on every side.

The first thing which the council did was to examine the notes of all kinds which were left in circulation by the late government. Their validity was tested, and all that seemed to have been duplicated, or to be of doubtful origin, were annulled. This measure, a bad one in itself, from the simple fact that the council might be considered as judge and suitor, brought down the amount of the bills from 596,696, 959 livres to 360 millions, while a second revision effected a further reduction to 276,149,813 livres. In order to bring all these bills to a single type, 250 millions of *state notes*, bearing 4 per cent. interest, were issued.

The second proceeding created a still more unfavorable impression. An extraordinary tribunal—a so-called Chamber of Justice—was created with the design of discovering the origin of the wealth of the richest financiers of the time. Undoubtedly the disorders of the period must have favored the acquisition of fortunes by means detrimental to the mass of the tax-payers, but the means adopted were violent in themselves, and even overstepped the legal forms of the century. So great was the terror inspired that many persons committed suicide. The decree authorizing the Chamber was dated March 17, 1716. Its operations lasted during a year, and the restitutions which it sentenced 4,410 individuals to make, amounted in the whole to 219,478,391 livres, but owing to favors and exceptional reductions, the treasury only received about one hundred millions.

The reduction of the rentes was the third operation.

All the rentes on the State paid outside of the Hotel de Ville, amounting to a capital of 404,378,974 livres, and to a revenue of 6,699,-589 livres, were reduced to a capital of 79,849,374 livres, and to arrears of 3,483,973 livres. The profits of this reduction, which was a regular robbery, were: in capital, 24,529,600 livres, and in rentes, 3,215,616 do. The new rentes were placed at 4 per cent., but the reduction on the capital was only applied to such as were issued against depreciated paper, which were of less than the nominal value at which they were received, at the time of the issue of the rentes. The capital of the rentes on the Hotel de Ville amounted at the same time to 1,280,000,000 livres, and in arrears, to 32,443,429 livres. The total public debt in perpetual rentes was, therefore, 1,359,849,374 livres of capital and 35,927,402 livres of arrears.

The fourth proceeding was re-coinage. The coins at this period were subject to frequent changes in France, not only in weight, but in standard, and this without making proportioned reductions in their nominal value. The changes in the value of silver from the time of Charlemagne to that of which we speak, may be stated by saying that two-thirds of a livre were only extracted from a mark (12 ozs), while the decree of June 1, 1718, made 42 livres, 12 sous, 1 denier. There were 250 changes in the value of silver from the 12th century to 1718. It will be easily understood how prejudicial to commerce and trade were these variations, which took place every two years. Despite the arguments of the Duc de Noailles, it was decided to have recourse to the disastrous expedient of remelting the coin. The decree appeared in December, 1715. The louis d'or were worth 14 livres, and the écus, or crowns, 3 livres 10 sous. The public were ordered to bring them into the mints, where they were received for 16 and 4 livres respectively.

The new pieces were to be of the same weight and be worth 20 and 5 livres. The State expected to make a large profit on the 1,200 millions of coin in France, but only 379,237,000 livres were brought in for recoinage, and the profits were not over 90 millions. The trade of the country, which was paralyzed by such violent measures, lost perhaps ten times that amount. Some time after it was decided to suppress the new coinage. New louis of 30 livres were ordered to be struck in November, 1716, and the king in January, 1717, declared the pieces coined in 1715 as illegal. Such were the measures adopted by the Council of Finance after the death of Louis XIV. The Duc de Noailles, who was the principal author of the measures, considered that time was necessary for their success, but the Regent, who had a brilliant imagination, but little solid judgment, thought that such an auxiliary was too slow.

[To be continued.]

THE FAILURE OF THE BANK OF LUXEMBURG.

We find in the *Moniteur des Intèrests Matèriels* the following remarks on the suspension of the above institution :

"The suspension of payment by a financial institution is always a most serious thing, but it becomes doubly so when a semi-official institution is in question, and one authorized to issue bank notes. There is so much excitement at the present time, that all that can be said is to state the facts. It was only during the latter half of September, that the difficulties of the bank became known to the directors—the President and the Managing Director confessed their inability to rediscount the paper in the portfolio—that is, to provide for the requirements of the current discount and the cash. The government, on being informed of the facts, had to institute an official inquiry, when it resulted from the documents furnished and the testimony of the representative of a large French institution, that the paper in possession of the bank, and circulating with its endorsement, was not of a good commercial character, and that it would be impossible to renew their discount. In face of these facts energetic measures were necessary. The government not believing that immediate relief could save the institution, the failure of the Banque Nationale was therefore declared, while the government rescinded its law of 1873, authorizing the reception of its notes in governmental offices. Several interesting legal questions were raised by this step, the notes of the bank not being government money, but only notes which it had authorized it officers to receive. The funds deposited under the responsibility of the government, as those of savings banks, will, of course, be secure. Some of the capitalists of the country united to take up the maturing paper of merchants who would find themselves embarrassed by the failure of their principal discounter. Some 12 million francs of foreign paper has been carried by the bank.

THE DIRECTOR OF THE MINT AND THE SILVER QUESTION.

The director of the mint, who hitherto has not apparently been opposed to the standard silver dollar, has now, as appears from his last report, arrived at the conclusion that the United States is exposed to great danger from its continued coinage. He says in substance that the International Monetary Conference adjourned without reaching any practical conclusion, that little encouragement was given by the delegates from several European countries, that any effective aid would be given by their Governments to the effort for restoring silver to its former place in monetary circulation. The conference is, however, to meet again in 1882, and there is still a chance of restoring silver by the united effort of the nations, but the hope of a successful issue is mainly based on the fear that the universal exclusion of silver from the coinage will disturb and complicate commercial exchanges with Asiatic nations and the western world. The director thinks that the coinage of silver by the United States, should, except to supply actual necessity, be suspended until it shall be seen whether a fixed relation between silver and gold will be established by international action. Before June 30, 1882, he says, the silver circulation of the United States will have reached $200,000,000, amply sufficient, he thinks, for all domestic needs. Even if an international agreement be reached, he does not believe that the relation between the values of gold and silver, established by the act authorizing the silver dollars, viz., about 16 to 1, will be adopted as the basis of such agreement, nor the market relation, which at the present time is 18.2 to 1, but rather that of 15 1-2 to 1, which has been already adopted and is now in use among the nations composing the Latin Union. He is apprehensive that if instead of agreeing to fix any relation, the European nations should demonetize silver, the United States could not single-handed prevent the inevitable fall in silver which would ensue. In this the director was doubtless right, as it is too much to expect that even the United States could prevent the *inevitable*. In short the director believes that there is small prospect of any international agreement, and that if it occurs it will be upon a relation of silver to gold in the proportion of 15 1-2 to 1, and not on that of about 16 to 1, as fixed by the law of Congress providing for the standard silver dollar. In the event of no agreement, and probable complete demonetization, continuation of the coinage of silver is dangerous, as the United States cannot prevent, as the director says, the inevitable fall in the value of its stock of silver. In the event of an agreement upon the basis of 15 1-2 to 1, further coinage is useless, because the whole stock will have to be re-coined at the new valuation.

In the battle of the standards, no one appears to advocate the single silver standard. All of the silver advocates are theoretically in favor of the double standard, as it is called, of gold and silver. In order to have such a standard theoretically, some relation between the values of the two metals must be fixed upon. Now, a relation of 15 1-2 to 1, as fixed by the Latin Union, simply means that 15 1-2 ounces of pure silver are equal in value to one ounce of pure gold, etc. The double standard men contend that this relation can be fixed by competent authority. So far they agree, but when they come to define what is competent authority they differ. The only test of the competency of an authority is in its ability to fix a relation which will not vary from the market relation. This is admitted by the more advanced double standard men, and perhaps by all. The extreme silver men, however, have imagined that a permanent relation could be fixed by a law of Congress, and that the latter is a competent authority, because they assumed to believe that the weight of the influence of the United States would compel foreign nations to come to the same relation. Of this class Senator Jones was the representative—it was made up largely of those interested in keeping up the price of silver. The advanced double standard men are those who do not believe that any single government is competent to establish a permanent relation between gold and silver, but who do believe that such relation may be established by an international agreement. One of the prominent advocates of this theory is M. Cernuschi. Directly opposed to these are the uncompromising advocates of the single gold standard, who do not believe that any law, national or international, can establish a relation between the value of gold and silver which will control and agree with the market relation.

Mr. Burchard has in his report taken his stand under the banners of Mr. Cernuschi—perhaps a little more in advance. He appears to believe in trying the effect of an international agreement, if such can be made. He has not yet entered the ranks of the positive gold men, but he seems to intimate that this will of necessity be his course.

The position of the silver dollar itself is anomalous. It is the production of neither party—it is a hybrid. The silver men in their original bill (the Bland bill) proposed free coinage; that is, any one who had silver was permitted to take it to the mint and have it coined, in the same manner as the holders of gold can have the latter coined. If this had become the law there is little doubt but that foreign nations would have seized the opportunity of immediately shipping all their various stocks of silver to this country. This was averted by an amendment to the bill providing that the United States should buy the silver and have the dollars coined. Without discussing the effect of this, in giving the immediate profit on the coinage to the Government, but a secondary profit to the silver men, it may only be stated that it prevented for the time the great danger alluded to above, of an immediate delivery, at an absurdly high price fixed by ourselves of all the silver of foreign nations. Whether it has prevented a slower profit to foreign nations, is a question too extensive to discuss here, but the director's report seems to point in the direction of non-prevention of such profit.

Now, the amendment to the Bland bill striking out the free coinage was the work of the gold men, in order to make silver dollars, as far as possible, a subsidiary coin, and this in accord with their theory of the proper monetary use of silver. This work was, however, acquiesced in by the silver men, not altogether on the ground of compromise, but because they saw that they would, if the original bill had passed, be placed at a disadvantage as compared with foreign sellers. The effect of this composite measure has been, as the director of the mint says, to sustain the price of silver in the market to some extent, but the director is doubtful whether this can be done much longer. That portion of the daily press which advocates the gold standard has hailed this change of base on the part of the director of the mint as a great conversion, and have rejoiced more over the one sinner that has repented than over all those who never went astray.

Another article will be required to bring in view and explain all other phases of this question, a few of which have only been touched on in this.

A DOUBTER.

["Suspicions are the sinews of the mind."]

The following paragraph is an extract from the "Morning Monitor," published at Springfield, Ill., and was sent to the JOURNAL by the Ridgely National Bank of that place:

IS IT TRUE?

In RHODES' JOURNAL OF BANKING, for November, appears what purports to be an explanation of the means used by the embezzling cashier, Baldwin, to prevent the national bank examiner from detecting his frauds, through the "reconciling" of account current with other banks. In brief, the JOURNAL OF BANKING states that Baldwin forged a letter from the assistant cashier of the Mechanics' National Bank, of New York, to the examiner, in answer to one written by the examiner, asking for the amount due the Mechanics' National Bank, of Newark. Now, if this is so, the cashier of the Mechanics' National Bank, of New York, the Comptroller of the Currency, or the bank examiner, Mr. Shelly, should establish the fact of this forgery beyond question. The country will not be satisfied with the mere published statement, unqualified by proper evidence of the truthfulness of the charge.

The statement referred to was contained in an article on the failure of the Mechanics' National Bank, in the November number of the JOURNAL. It was derived from authoritative sources and is literally true. The demand that the cashier of the Mechanics' National Bank of New York, the Comptroller of the Currency, or the bank examiner, should establish the fact of the forgery, is made on the wrong parties. This is the business of the court before which Baldwin will be tried. The duty of prosecuting Baldwin is in the hands of Mr. A. Q. Keasby, United States District Attorney, a most active and efficient officer. When the trial takes place there will be no trouble about the evidence; it is conclusive. Until then the country, which, perhaps, is not, after all, quite as officiously impatient as the writer of the extract, will have to take the word of the JOURNAL for what they deem it to be worth.

After the facts have been established in court, those outside of the court-room will have to accept a mere unqualified published statement, unless in the meantime a law is passed requiring that nothing shall be published in the newspapers, other periodicals, or books, except under oath. If the editor of the "Monitor" wishes to be able to conscientiously inform the readers of his paper from any other source than a "mere published statement," he had better attend the trial, see the witnesses sworn, hear their evidence, and wait until the jury brings in a verdict of guilty. Even then his readers might read and doubt, on the ground that it was a "mere published statement."

THE REPORT OF THE SECRETARY OF THE TREASURY shows that the ordinary revenues of the Government for the fiscal year ended June 30, 1881, were $360,782,292. The ordinary expenditures were $260,712,887, leaving a surplus revenue of $100,069,404. The principal receipts were:

From customs	$198,159,676
From internal revenue	136.264,385
From sale of public lands	2,201,863
From tax on circulation and deposits of national banks	8,116,115

The principal expenses were:

For civil expenses	$17,941,177
Indians	6,514,161
Pensions	50,059,279
Military establishment, including river and harbor improvements	40,466,460
Naval establishment	15,686,671
Miscellaneous, including public buildings, lighthouses, and collecting the revenue	41,837.280
District of Columbia	3,543,912
For interest on the public debt	82,508,741

There were $74,371,200 of bonds redeemed for the sinking fund. Compared with the previous fiscal year, the receipts for 1881 increased $29,352,901, in the following and other items: In customs revenue, $11,637,611; in internal revenue, $11,255.011; in sales of public lands, $1,185,356; in tax on circulation and deposits of national banks, $1,101,144.

The actual revenue for the quarter ended September 30, 1881, was $108,181,043, and the estimated revenue for the reminder of the fiscal year is $291,818,956, a total of $400,000,000. The actual and estimated expenses are $270,000,000, leaving a balance of $130,000,000.

The Secretary, among other matters, recommends an act providing for the renewal of national bank charters, 396 of which expire by February 25, 1883.

He recommends the repeal of the act requiring the issue of silver certificates, and their early retirement.

The renewed issue of gold certificates is declared to be very objectionable.

He advises that national banks be prohibited from retiring their currency except on a previous notice of intention to do so; the length of that notice to be fixed by law.

He questions the further necessity of maintaining the greenbacks as currency, with the legal-tender quality.

An appropriation is recommended to redeem fractional paper currency outstanding, and also the public debt that matured prior to 1860.

For many reasons he recommends that the coinage of a fixed amount of silver dollars each month be stopped, and that only as much as is called for be coined.

He advises a commission to revise the tariff.

A reduction of the taxes on spirits, tobacco, and fermented liquors is not recommended. The abolition of the stamp tax on bank checks and matches, and the duty from proprietory stamps, as also the tax on deposits and capital of national banks is advised.

He does not consider it probable that a loan at less than 3 1-2 per cent. could be placed, unless for a long term, not less than ten years.

THE SUGGESTIONS OF THE SECRETARY, while they are nearly all such as will commend themselves to the judgment of business men, are wisely put forth in such a way as not to repel those who may differ with him. For instance, he does not argue that the charters of national banks should be renewed because they are useful to the country, but merely advises a law that will enable them to do more easily and cheaply what the present law already allows them to do. That is, they ought to be allowed to continue their corporate existence, instead of liquidating, distributing their surplus funds, and starting afresh.

The retirement of the silver certificates is urged upon the ground that they are an inexpedient addition to the paper currency, and that they have for their basis about 88 per cent. only of their nominal value, and also on account of the embarrassments which are certain to follow from the endeavor to maintain several standards of value in the form of paper currency. The reasons against the renewed issue of gold certificates, which has been called for on several recent occasions, are worthy of careful attention. In case the issue was free, a competitor to the greenbacks would be introduced, that would be much more desirable to the holder, but much less so to the Government. By the simple operation of taking his legal-tender notes to the Treasury, obtaining gold for them, and exchanging the gold for gold certificates, the holder would have a paper currency backed by its full value in gold, instead of paper based on a reserve of only 40 per cent. Every time this operation should be repeated the Treasury Department would have to increase its gold reserve, so as to keep it up to the standard of safety.

While the necessity for a law requiring the national banks to give notice before depositing currency to retire their circulation, will be questioned by the banks, it is doubtful if such a provision would not be the best thing under the present circumstances, and so as to silence the clamors of those who pretend to see such dangers in the present system. Comptroller Knox in his report shows clearly how unreasonable those clamors are, but he recommends, in case Congress deems it necessary, that 30 days' notice be required from the banks.

The recommendation regarding the silver dollar coinage, that it be confined to the amount of the demand, is certainly modest enough. It has the virtue of having a better chance to favorable action by Congress than a suggestion to entirely discontinue the coinage would have.

PROMPTLY with the opening of the new session of Congress, financial measures were brought on the carpet. On the first day Mr. Sherman introduced in the Senate a bill providing for the refunding of the 3 1-2 per cent. bonds into 3 per cents. It has the advantage of being introduced by a financier of experience. It is not calculated to interfere with the present status of things, unless there should be voluntary offerings for the new bonds at par, which is somewhat doubtful. The new bonds are intended to fall due in five years, whereas Secretary Folger does not deem it probable that less than ten years would suffice.

In the first week of the session, also, Mr. Plumb introduced a bill regarding the taxation of bank deposits, and Mr. Morrill opened the discussion of the vexed tariff question with a speech in favor of a tariff commission.

TO ALL SUBSCRIBERS AND FRIENDS: There are two notices in this number of special interest to all the JOURNAL'S subscribers, and others to whom this issue may come: 1, "*Some facts of practical value to banks and bankers*," on the four pages in front, following the "Special List;" and 2, the first "*Business Notice*" on page 896.

BANKING AND FINANCIAL NEWS.

Secretary Folger on Silver.—There seems to be no doubt that the new Secretary proposes a frank surrender of "the dollar of the fathers." He is of the opinion that the co-operation of some European nations is necessary to the maintenance of the double standard, and that these nations are not "yet ready to accept bi-metalism," and that when ready they are likely to ask for a ratio between gold and silver which it will be inconvenient for us to adopt. He therefore recommends, as "the most potential means of bringing about any concert of action among the great nations," the stoppage of our own silver coinage.

In the absence of any concert of action by leading powers, the Secretary's plan seems to be the only conservative course to pursue. It is now tolerably clear to all that remonetization should have followed, instead of preceding, the establishment of a practically invariable value for silver. Having made the mistake which was made, all that can be done now is to remedy it as soon as possible, and before further harm can be done; and that is, in short, what the President and Secretary now recommend.

Evidently the people do not want silver in the ordinary transactions of business. One hundred millions of it have been coined, and "constant efforts have been made to give circulation to the coin, the expense of transferring it to all points where it is called for having been paid by the Government." Nevertheless sixty-six millions still lie in the vaults of the Treasury, and, as the Secretary says, "there is no apparent reason why its circulation should rapidly increase." If the people really want silver, it will be a simple matter to coin it.

Connecticut Savings Banks.—Bank Commissioners Porter and Hyatt completed their examinations of the Connecticut savings institutions and trust companies the last of November, and are now engaged on their annual report, which will be submitted to the Legislature as soon as practicable after the commencement of the session. The Commissioners have found the savings banks in good condition throughout the State.

The above news item reflects the general tenor of savings bank reports received at this office up to the end of November.

The new BANKERS' REFERENCE BOOK, to be issued shortly by Bradford Rhodes & Co., will give more complete reports of savings banks generally than have heretofore been published. This work, which abounds in new features of value to the banking interest, has been necessarily delayed for several months to complete needed revisions. It is the intention of the publishers to use the REFERENCE BOOK as the foundation stone on which to build a complete and reliable Banker's Agency, to embrace banks, bankers, capitalists, and all banking institutions of every name in the United States, and as soon as possible to include the Dominion of Canada and Europe. Such an Agency would supply a present want, and the firm having the matter in hand are specially fitted to fill the field, to the entire satisfaction of all concerned.

A New French Revolution.—The President of the French Republic, on the motion of the Minister of Finance, decrees:

ART. 1. M. Joseph Magnin, Senator, formerly Minister of Finance, is nominated Governor of the Bank of France, in place of M. De Normandie.

ART. 2. The Minister of Finance is charged with the execution of the present decree.

Done at Paris, Nov. 18, 1881. JULES GREVY.

By the President of the Republic,
The Minister of Finance, H. ALLAIN FARGE.

Such is the decree which has fallen somewhat like a bombshell among French bankers and financiers. A committee, composed of the most influential representatives of the financial and commercial bodies waited on M. Gambetta, who seemed very much struck with their protestation at making such a place "one of the spoils of office." It is also reported that the present director of the Crédit Foncier will be removed to make place for M. Tirard, another politician. M. De Normandie, the removed governor, has the sympathies of the whole French press, and was tendered an address by all the employés. It is very evident that nothing will soon be safe from the slime of politics. In the most exciting and changeable periods of French politics no such measures as this were ever thought of. Happily the banking system in the United States is not run altogether on what now appears is "the French system."

A Wise Resolution.—The following agreement, to go into effect on December 1, has been prepared for the loaning banks of the Clearing-House Association of Boston, and it was expected that it would receive enough signatures by that time to make it binding upon all the banks:

Believing that the custom of loans at the Clearing-House by the Boston national banks of any excess of the reserve they may have, is not only mischievous, but full of danger, because of the facilities it offers banks to do business on a fictitious basis and carry larger loans than their actual resources warrant, thus placing themselves in a poor condition to meet any sudden stringency in the money market; and believing further, that the general safety requires that all banks should habitually depend upon their own resources and not upon the casual superabundance of their neighbors, and desiring in the interest of sound banking to do what we can to break up a system that is unknown in any other banking centre, and is looked upon with astonishment and distrust by all conservative bankers to whom it has been explained, because of its tendency to keep the total banking reserves of the city at the very lowest ebb, and because of the temptation it holds out to over-trading, we, the undersigned, while we recognize the liability of the best managed banks to be obliged at times to trench upon their reserves at the Clearing-House, and while we believe it the duty of the banks of this city to assist their neighbors who may need temporary loans, hereby agree to lend no money at the Clearing-House, but to make such loans and render such assistance as may seem proper, upon application at our respective banking-rooms only; and whenever circumstances place us in such a condition that we require temporary loans, we will not borrow at the Clearing-House, but will make application at each other's places of business.

This resolution is intended to correct an abuse which is not tolerated in other cities, and to which attention has only been publicly drawn by the suspension of the Pacific National Bank. That failure, or the large losses which it is likely to cause, could never have happened had business principles, instead of personal friendship, governed the conduct of the bank officers involved.

The Tax on Deposits.—In his report to Congress Comptroller Knox says: "While in many of the States there may be a necessity for taxing banking capital and deposits, for the purposes of revenue, this reason for retaining a war tax, in the case of the United States Government, has passed away. The rates of interest for money are gradually lessening, and the State taxes which the banks are compelled to pay are as much as should be imposed upon these great agencies for developing the manufacturing and commercial interests of the country."

This is just, strong, and to the point; but shortly the anti-bank member from Podunk Corners will raise his voice, and we shall hear how the iron hoof of capital is grinding the people down, down!

If taxation is to be levied with intelligent fairness, rather than in deference to vulgar prejudice, Congress will give heed to the Comptroller's recommendations on this point. All taxes on loanable funds ultimately fall on the borrowers of money; so that Congress when it strikes at the banks really hits the customers of the banks, who are the people the demagogues profess to be so anxious about.

Redemption of the Debt.—The 106th call for $20,000,000 six per cent. continued bonds was issued by Secretary Folger on November 30. They are redeemable on January 29. On Wednesday, December 7, only $229,500 of bonds were offered for redemption under the 105th call, making the total up to that date $13,654,700. On the 8th the Secretary of the Treasury authorized the Assistant Treasurer at New York to redeem five million dollars of bonds of the 106th call in each week until further orders, beginning with Wednesday, the 14th, and to pay interest on the bonds to maturity, January 20, 1882.

This action was doubtless prompted by the slowness with which money was flowing from the Treasury as compared with the receipts. The consequence has been an unnatural stringency, which the prepayment of the called bonds will tend to relieve. The rate for call loans in New York has ranged as high as 6 per cent. plus 1-64 to 1-32 commission, pretty frequently of late, which is equal to about 12 to 18 per cent. per annum.

The Silver Dollar Coinage.—Considerable surprise has been caused by the stand which Mr. Burchard, Director of the Mint, has taken in his report, regarding the further coinage of the silver dollar, in view of the fact that he has hitherto been known as a bi-metallist. But he now sees that the coinage cannot be continued without danger to the currency, in the absence of an international agreement. Mr. S. Dana Horton, Secretary of the International Monetary Commission, has also said since his return from the Paris Conference that in his judgment it would be advisable for the United States to suspend the silver coinage, and that he thought such a course would aid in forcing Great Britain to adopt an international bi-metallic standard. Judge Kelly, of Pennsylvania, is also quoted as favoring at least the temporary suspension of the coinage of the standard silver dollar.

These declarations indicate a considerable change of sentiment in favor of the stoppage of the silver dollar coinage, at least nntil an international agreement may give a certain degree of assurance against a total substitution of silver for gold in this country. Such action has been urged many times in this JOURNAL with reasons which need not be repeated. In this connection the recent declaration of the Dutch Minister of Finance is significant; that if the next Monetary Conference does not succeed in establishing bi-metallism Holland would either have to demonetize silver, or else revert to a silver standard.

California.—As a result of Commissioner Coleman's good management, the savings bank system of California is now placed on a sound basis. He has now about finished the "weeding out" begun several years ago. The latest case was the bank at Marysville. He found the bank in an unsound condition, owing, principally, to shrinkage in values of land on which the bank had loaned. The following is his report of the condition of the bank, as he found on the 7th of November: Resources—Bank premises, $4,943.84; real estate taken for debt, $114,571.22; loans on real estate, $328,-222.39; money on hand, $9,094.44; due from banks and bankers, $1,007.73; interest accrued, but unpaid, $29,640.25; total resources, $487,479.87. Liabilities—Reserve fund, $27,888.33; due depositors, $445,894.65; taxes, about $2,000; mortgage tax, $319,20; earnings since July 1st, $11,377.69; total liabilities, $487,479.87. The Commissioner thereupon suggested to the directors that the bank discontinue business, and addressed a letter to the Attorney-General embodying his report, of which the following is a copy:

OFFICE BOARD OF BANK COMMISSIONERS, 528 CALIFORNIA STREET,
SAN FRANCISCO, November 10, 1881.

Hon. A. L. Harl, Attorney-General: SIR: On the 7th instant I began an investigation of the affairs of the Marysville Savings Bank, which is on the "mutual plan." Herewith please find statement of the condition, as per the bank books at that date. Notwithstanding an apparent "surplus" of $39,265 (earnings for the term included), the bank, in my judgment, being neither safe nor solvent, I so stated it to the Board of Directors at a special meeting, called at my request, on the 8th instant, and the result was the immediate passage of a resolution to discontinue business and the publication of a notice to that effect. What the ultimate outcome will be I do not pretend to say, but fear the liquidation will be slow and may result in other loss to the depositors than that of several years interest on their money. The great depreciation in the value of lands, which were overflowed last winter in certain localities, where the bank owes property and has large loans, is the cause of the failure. The officers of the bank believe it will pay dollar for dollar, and I hope they are not over-sanguine.

Very respectfully, your obedient servant,
EVAN J. COLEMAN, Bank Commissioner.

A Uniform Bankruptcy Law.—A meeting of representatives of various mercantile and commercial bodies was held at the Fifth Avenue Hotel, New York, on November 29, for the purpose of discussing the means of furthering the passage of a national bankruptcy law. Resolutions were passed in favor of the Lowell bill, and steps were taken toward forming an executive committee to raise funds, prepare petitions, &c., so that the matter may be presented to Congress at the coming session.

From the interest taken in the subject by business men of character, it now seems probable that something may be done by Congress this winter in regard to this measure, which seems so necessary.

Anglo-French Commercial Treaty.—Sir Charles Dike had an interwiew with M. Gambetta and M. Rouvier, the new Minister of Commerce, on November 19, with a view to the resumption of treaty negotiations. A dispatch says it appears that Gambetta, being desirous of personally participating in the conclusion of the treaty, asked Sir Charles Dilke for a delay of two to three weeks, and that the latter agreed to the postponement. The Paris correspondent of the London "Times" says that accord now exists in regard to everything except woolens.

It will be remembered that M. Gambetta not long since publicly expressed himself in favor of a new treaty. It is, however, considered doubtful if he would strongly

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oppose the will of the Chamber, if it is against the only terms that England will accede to.

Safeguards Against Fraud.—Thoughtful men are constantly inquiring in regard to the best safeguards against fraud. "'Whom can we trust?' is a question frequently asked *sotto voce* in our board," writes a JOURNAL subscriber.

The very best reply to the above may be found in the following, from the pen of Geo. G. Williams, Esq., President of the Chemical National Bank of this city: "Doubtful honesty is lodged in souls which are human, and these are frail, and many are constantly and suddenly falling by the way. Not until the fear and love of God is the ruling principle in the hearts of men who are in places of trust, can we expect that defalcations will not occur, and with them calamity to those whose trust has been betrayed."

A New Refunding Bill.—The following bill was introduced by Senator (ex-Secretary) Sherman on Monday, December 5:

SECTION 1. That the Secretary of the Treasury is hereby authorized to receive at the Treasury and at the office of any assistant treasurer of the United States, lawful money of the United States to the amount of $50, or any multiple of that sum, and to issue in exchange therefor an equal amount of registered or coupon bonds of the United States of the denomination of $50, $100, $500, $1,000, and $10,000, of such form as he may prescribe, bearing interest at the rate of 3 per cent. per annum, payable quarterly or semi-annually at the Treasury of the United States. Such bonds shall be exempt from all taxation by or under State authority, and be payable at the pleasure of the United States after January 1, 1887, the order of their payment to be determined by law, or, in the absence of such legislation, by rules and regulations to be prescribed by the Secretary of the Treasury. The money deposited under this act shall be promptly applied solely to the redemption of the bonds of the United States bearing 3½ per cent. interest, and the aggregate amount of deposits under this act shall not exceed the sum of $300,000,000.

The Failed Banks.—On December 8 it was considered very probable that the Pacific National Bank of Boston would be reorganized, arrangements being under way between the directors, stockholders and debtors of the bank for that purpose. A plan has also been formulated, whereby the Mechanics' National Bank of Newark may possibly be revived.

If the efforts to again place these failed banks on a solid basis be successful the result will be much to the credit of Comptroller Knox and the national banking system. These efforts are receiving his best encouragement, and if the matters could be so arranged that the depositors will lose nothing, the showing will be as good if not better than would be possible under any imaginable system that the country is likely to obtain.

Reduction of Bank Taxation.—On December 8, Mr. Plumb introduced a bill in the Senate to amend certain sections of the Revised Statutes concerning taxes on deposits of banks which shall be deposited with any other association, bank, or banker, and which is subject to tax on deposits with such association, bank or banker. It further exempts from taxation savings deposits in provident associations, savings banks and savings institutions, and on so much of their deposits as have been invested in United States securities. The bill was referred to the Committee on Finance.

About the Future.—A correspondent wants to know what the JOURNAL has to say about "the future banking system of this country."

The question is too big to be answered here. We have abundant faith in the ability of our financiers to keep the country's monetary affairs safe and sure. We believe it to be practically impossible in this country, with our present political methods, to make a system of Federal paper money which shall not be radically defective and dangerous. Under the most favorable conditions, the creation of a safe system subject to governmental control would be surrounded with the greatest difficulties.

The present national system has some weak points, but on the whole it is an undoubted success. It may need to be "revised and corrected," but who can devise a better system?

BANK FAILURES, EMBARRASSMENTS, ETC.

Boston Bank Failure.—At 1:30 p. m. on November 18 the doors of the Pacific National Bank, of Boston, were closed, and a notice was posted that the bank was suspended, owing to failures in which it was involved. The immediate cause of the difficulty was the failure of Theodore C. Weeks, a stock broker, who had previously been allowed to overdraw his account and for whose paper the bank was liable to a large amount, the total being first stated at $750,000 and then at $1,260,000. These transactions had been entered into chiefly through the President, A. J. Benyon, without the knowledge of the directors. Bank Examiner Needham immediately proceeded to make an examination of the condition of the institution, which is not yet completed. The amount of the losses will depend upon Weeks' ability to pay, and that depends upon the course of the stock market. The nominal capital of the bank is $1,000,000, of which $830,100 was paid in. The surplus on October 1 was $21,000 and the deposits $1,529,566. Owing to the connection of the President with the transactions of the Rev. E. D. Winslow, while in the Exchange National Bank, or to some other cause the failed bank was never admitted to the Clearing House, and it has therefore met its drafts, etc., through the Eliot National Bank.

At a meeting of the directors and principal stockholders of the Pacific Bank on November 28 the condition of the bank's affairs was explained in detail by Examiner Needham. In order to resume business the bank must be able to meet liabilities of about $3,800,000. These include $1,600,000 due other banks, the remainder being divided between depositors and the holders of certificates of deposit. The assets to meet these claims comprise Weeks' miscellaneons securities to cover his debt of $1,250,000 the sum of $150,000 due from other banks, the specie and legal-tender notes on hand, and probably $2,000,000 of promiscuous loans and discounts. An indication of the character of these securities is the shrinkage of that portion having a total face value of $3,250,000 to the extent of making it necessary to raise $1,500,000 cash before the bank can resume. The directors state that they are not yet ready to give the public the exact details of the liabilities and assets, that the insolvency of the bank is entirely due to Weeks' indebtedness, and that Weeks will pay $500,000 of the sum necessary to pull the bank through its difficulties. Several of the stockholders offered to subscribe $50,000 each to this end. A committee of directors and stockholders was appointed with instructions to make a further canvass among all the stockholders to obtain the fund necessary for resumption.

There was a run on the Central National Bank, of Boston, which did a large check business with the failed bank, on November 19, and Bank Examiner Needham ordered a short suspension of payments at 11 o'clock. At 1:30 p. m. business was resumed, and on Monday, the 21st, a card was issued by the directors, stating that an examination of the books and assets showed everything correct and sound, excepting the claim against the Pacific National. This amounts to $800,000, against which $250,000 collateral security was held. The resignation of Cashier Young was called for on account of his connection with this condition of things, and Assistant Bank Examiner Joseph W. Derby was temporarily appointed to the position. Considerable excitement was caused by these events, which, at last accounts, had subsided.

The Central National Bank received an official order from Comptroller Knox on November 26, authorizing it to increase its capital stock by the addition of $500,000.

Boston's Pacific Bank.—A newspaper account credits Comptroller Knox with having said, referring to the nature of the alleged illegal transactions of the Pacific National Bank, of Boston, that "in February last he wrote to the directors of the bank, informing them that certificates were being issued by which the credit of the bank was loaned to dealers with it. The Comptroller closed by informing the directors that the transactions alluded to were irregular and illegal, and should be stopped."

It appears that this letter was based on information furnished by the bank examiner at Boston, which was the first warning of any irregular acts. In view of the

Comptroller's note of warning, it is difficult to understand why the directors of the bank did not correct the wrong-doing at once. When will bank directors learn that at least a small part of their official duties is to *direct*. Or, granting that these worthy financiers had no time to look into the details of a large banking business (though their names stood before the public as a guarantee of good management!) then why, in the name of all that's good, did not the examiner at Boston see to it that the "irregular and illegal" transactions, noted in the Comptroller's letter, were promptly stopped. It does not appear, however, that he took any decisive steps to get the bank back on the right track. The means of supervision over the national banking system furnishes depositors with a reasonable assurance of faith in its absolute safety, but if the means are not effectively employed, that confidence which is necessary to success will be found wanting.

Mechanics' National Bank of Newark, N. J.—The affairs of this institution are yet in a condition of suspense. Frequent meetings of the directors have been held recently with a view, it is said, to a revival of the bank, but nothing definite has been decided upon. On November 4 Henry B. Marchbank, a former clerk of the bank, who had defrauded it of about $50,000 about three years ago, and whose crime was concealed by Cashier Baldwin, was arrested. The actual deficiency, as shown by the examination of Examiner Shelley, is $2,411,000. Baldwin's bail was increased to $100,000. On the 16th Comptroller Knox ordered an assessment of 100 per cent. upon the shareholders. On the 22d Theodore F. Baldwin, the teller, and brother of the cashier, was arrested on a charge of falsifying the books and aiding in the misapplication of the funds. He was bound in $50,000 bail. James B. Jenkinson has been appointed receiver of the concern of C. Nugent & Co., to which Baldwin claims that the money of the bank was diverted, and the business is to be managed for the benefit of all the creditors.

The Danford Banks in Kansas.—On November 25 the Merchants & Drovers' Bank of Caldwell, and the Hunnewell Bank of Hunnewell, Kansas, of both of which J. S. Danford is President, closed their doors on account of a lack of funds to meet the demands that have recently been made upon them. The former bank was incorporated in December, 1879, with an authorized capital of $50,000 paid in. The President, J. S. Danford, owned four-fifths of the capital stock. The bank owned real estate valued at $25,000, and its deposits were not large. The Chase National Bank is its New York correspondent, but nearly all the balance had been drawn out a few days before the failure. A dispatch of the 27th (Sunday) says the excitement attending the suspension at Hunnewell culminated that day in the gathering of a great crowd of creditors at the bank. Mr. Bowers, the Cashier, promptly turned over money, notes, etc., to the creditors and satisfied all who came. It is not yet known how heavy the losses will be. It is reported that Col. Danford was arrested at Wichita, and that Mr. Smith, the Cashier of the Caldwell Bank, has also been arrested, but nothing definite is known. A later report is that the Carbondale Bank, which was under the same management, has been reorganized and will not be affected by the suspension of the other two.

Col. Danford and Mr. Smith, his cashier, were arrested on November 29, and carried to Wellington, on the charge of receiving deposits after they knew the banks to be insolvent and must close. Over fifty citizens of Caldwell, who were waiting ready, took Danford and Smith from the officers by force, and at last accounts were holding them at the Santa Fe depot, waiting for a special train from Wichita to carry them to Caldwell. They said that they simply wanted to hold the prisoners until they disgorged, but it was conceded by all that there was great danger of their being lynched.

The Osage City (Kan.) Savings Bank suspended on November 28, owing to the closing of the banks at Caldwell and Hunnewell.

The Bank of Prince Edward Island was closed on November 28, largely owing to overdrawn accounts. Investigation into its affairs shows that Cashier Brecken's unauthorized advances amounted to $700,000. It is claimed that the liabilities of the public to the bank are $1,000,000. Investigation also shows that the last annual statement, presented in March, was falsified. The bank last year paid a dividend of eight per cent. The cashier has disappeared. The loss will be very heavy, but falls on the directors and stockholders, who are liable for three times the amount of stock. The bank is suspended for three months. Note holders and depositors will most likely lose nothing. The capital of the bank is $120,000, and its notes in circulation $200,000. Other local banks are unaffected.

Citizens' Bank of Atlanta, Ga.—On November 29 the grand jury indicted Perime Brown, W. H. Patterson, L. C. Jones. John Stephens, W. C. Morell, B. B. Crew, and Henry C. Leonard on two charges: First, that they, as Directors of the late Citizens' Bank, conducted banking operations after they knew the bank to be insolvent; second, that while they knew the bank to be insolvent they continued to declare dividends. Brown was President, and Patterson Cashier of the bank. The bank failed last April, with liabilities of nearly $500,000, while the assets do not yet show over $100,000. The failure created a great sensation at the time, which was soon quieted by assurances that the assets would be shown to be better than had been expected. Recently Patterson was arrested on the complaint of a depositor named Carleton, charging him with embezzlement. Patterson in turn entered prosecution against Carleton for perjury. This threw the whole matter before the grand jury and now indictments have been found as stated.

First National Bank, Newark, N. J.—A bill was filed in the United States Circuit Court at Trenton, on November 29, at the instance of Receiver Hobart, against the directors, and in behalf of the stockholders and creditors of the broken bank. The ground of the suit is understood to be official neglect of duty. Mr. Hobart believes that the directors can be compelled to make good all losses. A formal demand has been made on the receiver of the bank, on behalf of Isabel McCready and other stockholders in New York, to sue the directors forthwith to recover moneys abstracted by the cashier through their negligence. A committee appointed at a meeting of depositors is taking measures to ascertain if the directors will assume the liabilities. If not, they are empowered to begin legal proceedings.

Freedman's Savings Bank.—The Comptroller of the Currency says that, judging from the inquiries contained in numerous letters received at his office, the impression seems to be general among those interested in the affairs of the Freedman's Savings and Trust Company that that institution was under the supervision of his office previous to and at the time of its failure. To correct this impression the Comptroller makes the following statement: That institution was conducted independently of his office. There was a Congressional investigation, the result of which was the appointment of three Commissioners, who were subsequently authorized to wind up its affairs. To save expense the last Congress passed a law placing the final closing of its affairs in the hands of the Comptroller, and that is the only connection of the Comptroller's office with that institution.

False Report.—On November 14 rumors were circulated that the Tradesmen's National Bank, of New York, was in difficulties. An examination was promptly had by the committee of the Clearing-House Association, and they reported the bank to be entirely sound and its capital unimpaired.

The Newton National.—After long continued litigation, the Newton (Mass.) National Bank, which was wrecked by the operations of Julius H. Hartwell, the embezzler of more than a million dollars from the sub-treasury in Boston, in 1867, has just received $2[illegible]0,000 from the United States Government, and $111,000 more is expected.

Russian Finances.—The Department of State control accounts show that the budget for 1880 resulted in a deficit of 50,308,000 roubles, as compared with the estimates. The deficit was chiefly caused by extraordinary military expenditure.

STATE, CITY, AND LOCAL DEBTS.

St. Louis and Chicago.—The bonded debt of St. Louis, in round numbers, is $22,400,000; floating debt, $800,000. A statement of the debt of Chicago by the Census Bureau at Washington puts the debt of that city at $12,700,000.

Missouri's capital should save more or spend less; though, it must be admitted, the city has some noted public improvements to show for her debt.

Minnesota.—On November 2 the House of Representatives passed the Senate bill for the adjustment of the old bonded debt by a vote of 77 to 29. The only important amendment was one providing that the rate of interest on the new bonds shall be not to exceed 5 per cent., instead of 5 per cent. absolutely. On the third the Senate concurred in the House amendment and the bill went to the Governor for signature. On November 16 D. A. Secombe, of Minneapolis, who appeared as relator in the case brought in the Supreme Court to test the validity of the Bond act last winter, appeared before the Court Commissioner in Minneapolis and secured a temporary injunction against the Governor to restrain him from issuing, and against Selah Chamberlain to restrain him from receiving, new bonds contemplated by the act of settlement just passed.

So much opposition has been made to any settlement of the old repudiated debt of Minnesota that it could hardly be expected that the new arrangement would go through without litigation. It is to be hoped that it will delay matters only temporarily.

North Carolina.—A meeting of the holders of North Carolina State railway bonds was held in New York on November 2, for the purpose of considering the advisability of entering suit against the State to secure recognition of the bonds which have been practically repudiated for some years. Police Justice Charles A. Flammer was chosen chairman. On motion the president and secretary were appointed a committee to confer with the larger holders with a view to concerted action in order to bring about the recognition of the bonds. Holders of about $500,000 of the bonds were present at the meeting.

The bonds in question were issued to the amount of about $13,000,000 soon after the close of the war, to aid certain railroads, and are divided into three classes. On Class 1 no interest was ever paid; on Class 2 one installment was paid, and on Class 3 two installments. When the State debt was reorganized, some years ago, no notice was taken of these bonds. They were issued at 85 to 90, and were recently quoted at 10 or less.

Virginia.—A meeting of representatives of English holders and American holders of Virginia deferred bonds was held in New York on November 14, nearly $6,000,000 of the bonds being represented, of which over $3,000,000 were held in England. The total issue was ten millions, and the interest at 6 per cent., none of which has been paid, amounts to six millions more. Mr. Satterthwaite, for the English bondholders, proposed to compromise at 50 per cent.: that is, to receive new bonds for eight millions at 3 per cent. in settlement of principal and interest on the old bonds. A committee was appointed, with power to act in the matter. If some action satisfactory to the bondholders is not soon taken it is probable that the United States Supreme Court will be asked to give relief.

These bonds were issued by the State of West Virginia in 1871, representing ts portion, or about one-third, of the Virginia ante-war debt. They were provided for in the constitution of West Virginia, adopted in 1863.

Arkansas State Railroad Aid Bonds.—The Attorney-General of Arkansas, in response to an inquiry from the Governor, has given an official opinion that the railroads to whom State aid bonds were issued a few years ago are legally liable for the payment of the bonds. There are $5,350,000 of these bonds outstanding, issued to the following roads: Memphis & Little Rock, $1,200,000; Little Rock & Fort Smith, $1,000,000; Little Rock, Pine Bluff & New Orleans, $1,200,000; Mississippi, Ouachita & Red River, $600,000, and Arkansas Central, $1,350,000. All of these roads are now completed, and are doing a good business, with the exception of the latter two, and work is being vigorously pushed on the Ouachita road. Senator Garland, Gov. Churchill, Ex-Chief Justice McClure and others have expressed opinions similar to that of the Attorney-General. Suits are to be instituted in the United States Court at once to force the railroad companies to settle the question.

Funding of North Carolina Bonds.—The Treasurer of North Carolina reports on November 16 that over $8,000,000 of the old North Carolina bonds have been funded into new 4 per cents, under the Compromise act of March, 1879. The time within which the act operates is now coming to a close, and all operations of exchange will cease Jan. 1. There are about $4,000,000 of the old debt still unrepresented, the holders not having availed themselves of the act.

REPORT OF THE DIRECTOR OF THE MINT.

The annual report of the Director of the United States Mint for the fiscal year ended June 30, 1881, has been submitted to the Secretary of the Treasury. It contains in addition to the customary detailed statements of the operations of the mints and assay offices, much valuable information in regard to the production of the precious metals in the United States and in the world, their use in the coinage of this and foreign countries, consumption in the arts and manufactures, specie circulation, and an examination of the course of prices, comparing the paper and metallic circulation for a series of 56 years, with the percentage of yearly prices to the mean prices of staple articles, indicating the annual variations in the purchasing price of money.

The gold and silver received and operated upon by all the mints and assay offices, exceeding by more than $50,000,000 the receipts of any previous year, amounted to $226,225,522.46, of which $193,371,101.01 was gold and $32,854,421.45 silver. This large increase was due to a continued influx of gold from abroad, over $95,000,000 deposited being from that source alone. The coinage facilities of the mints have been tested to their fullest extent in converting this bullion into coin.

The gold coinage amounted to $78,733,864, of which $15,345,520 was in double eagles. The coinage of silver was confined to the minimum value of silver bullion required to be coined by the law authorizing the coinage of the standard silver dollar, $27,637,955 of which were struck, or an average of about 2,300,000 a month. Of subsidiary coins only $12,011.75 were coined, and of base metal or minor coins $405,109.95. In addition to the coinage, the mints and assay offices manufactured fine, standard, sterling and unparted bars to the amount of $100,750,649.94 in gold, and $6,542,232.35 in silver. In the refineries 11,449,704.19 ounces of gold and silver bullion were separated and refined, producing 1,295,443.35 ounces of standard gold and 9,774,730.86 ounces of standard silver.

The purchases of silver bullion for the coinage of the silver dollar amounted to 22,186,920.39 ounces standard, at a cost of $22,578,911.72. This was obtained by direct purchase or in settlement for silver parted from gold and that received in payment of charges on silver deposited for return in bars. Of the coinage of dollars during the year $17,706,924 were transmitted and distributed. The total coinage of dollars since the passage of the act for their coinage has been up to November 1, $100,672,705, of which $34,096,327 are in active circulation and $58,833,770 held by the Treasury for payment of outstanding silver certificates, leaving $7,737,608 for disbursement by the Treasury in ordinary payments. The apparent wastage amounted to $45,343.97, but this was partially offset, so that the net actual loss to the Government on the immense amount operated upon during the year was but $12,204.16.

From data received at the Mint Bureau the Director estimates the production of the United States during the fiscal year to have been, of gold $36,500,000 and of silver at its coining value $42,100,000—a total of $78,600,000. The inquiries heretofore instituted in regard to the annual consumption of gold and silver in the arts and manufactures have been continued, and with gratifying results. Manufacturers of jewelry and other articles and materials of gold and silver, reported a consumption of over $10,000,000 in gold and nearly $3,500,000 in silver. Of the gold used $3,300,000 was reported as United States coin melted. The Assay Office at New York delivered to the manufacturers during the year $5,700,000 of gold in bars and $5,100,000 in silver. Taken together they appear to indicate a consumption of at least $11,000,000 in gold and $6,000,-

000 in silver, which would probably have been confirmed had all manufacturers that were addressed promptly responded.

The Director continues his estimates of specie circulation in the United States. Taking as a basis the estimate of the amount on June 30, 1880, and adding the net gain by import and coinage, and deducting the loss from the consumption in the manufactures, he estimates that at the close of the fiscal year the gold coin circulation amounted to $440,000,000, and of silver coin $171,500,000. These amounts were further increased up to the first of November, and at that date the amount of specie, including bullion in the mints and assay offices available for and awaiting coinage, was $563,000,000 of gold and $186,000,000 of silver—a total of $749,000,000.

A summary is presented of the information received from the representatives of the United States to foreign countries in regard to the production, coinage, consumption and circulation of gold and silver in the several countries to which they are accredited, together with such facts bearing upon and connected with the use of the precious metals as possess interest and value. The Director estimates the world's production of gold for the calendar year 1880 at $107,000,000, and of silver at $87,500,000. The consumption of the world in ornamentation, manufactures and the arts is likewise estimated for the same period at $75,000,000 of gold and $35,000,000 of silver. The estimated circulation of the principal countries of the world is placed at —gold, $3,221,000,000; full legal-tender silver, $2,115,000,000; limited-tender, $423,000,000— total specie, $5,759,000,000; paper, $3,644,000,000—making the total circulation, including the amount held in government treasuries, banks, and in active circulation, $9,403,000,000.

A New Trust Company.—Gen. Thomas Hillhouse, Assistant Treasurer of the United States in this city, has announced his intention to accept the Presidency of the recently organized Metropolitan Trust Company. With him will go Mr. Walter J. Brittin, Cashier and Chief Clerk of the Sub-Treasury, to become Secretary of the new company. Frederick D. Tappen, President of the Gallatin National Bank, has accepted the Vice-Presidency. The Trustees who have been elected are Collis P. Huntington, John T. Terry, Morris K. Jesup, A. Gracie King, Isaac N. Phelps, Darius O. Mills, Thomas Hillhouse, Joseph W. Drexel, Edwards S. Sanford, Frederick D. Tappen, Hugh J. Jewett, Parker Handy, Henry E. Pellew, Edwin D. Morgan, Jr., James J. Higginson, and Oliver P. Buel, of New York city; Robert H. Pruyn, Dudley Olcott, Albany; Freeman Clark, Rochester; George A. Hardin, Little Falls; Edward B. Judson, Syracuse; Phineas Prouty, Geneva; John F. Slater, Norwich, Conn. The Executive Committee is composed of Morris K. Jesup, C. P. Huntington, Frederick D. Tappen, D. O. Mills, A. Gracie King, Henry E. Pellew. The company has a capital of $1,000,000, half of which has been paid in and invested in United States bonds. The other half has been called.

Liability of Savings Bank Directors.—In the Hudson County (N. J.) Court of Sessions, on November 22, Judge Garretson refused to grant the application made on behalf of the convicted directors of the defunct Mechanics & Laborers' Savings Bank of Jersey City for a new trial. The bank closed its doors after its vaults had been depleted of $100,000 or more through the manipulation of John Halliard, the President. The directors had known of the deficiency for a long time, but still continued business. The failure fell with particular severity upon a large number of poor depositors. In November, 1880, six of the directors—Halliard, Jere. B. Sweeney, ex-Assemblyman Sheeran, Dr. O'Callaghan, James W. Donelan, the secretary, and A. J. Ditmar—were indicted for conspiracy to defraud, and on New Year eve, 1880, were convicted. When the application for a new trial was first made to the Court the case was certified to the Supreme Court, but that Court refused to interfere, and sent the case back to the session. Judge Garretson says in his decision that the question is one of fact, and that there is ample evidence to sustain the verdict. The Court fixed December 2 as the day for sentence.

The New Washington Stock Exchange held a meeting on November 2, and elected as officers: *President*, Geo. H. B. White; *Vice-President*, H. D. Cooke; *Treasurer*, J. B. Ker; *Secretary*, A. E. Bateman. *Standing Committee*—D. W. Middleton, C. S.

Bradley and H. E. Offley. The meeting was well attended, and there were more applications for membership than the present limit allows. The Exchange adjourned to meet for business on November 7 at 12 o'clock. Through the courtesy of H. D. Cooke, Jr., & Co., a room in their building was offered and accepted for temporary use.

Taxation of Foreign Bank Capital.—The Hon. William M. Evarts appeared before General Raum, Commissioner of Internal Revenue, on November 15, in advocacy of the refunding by the Government of $30,000—the amount of what is known as the 100 per cent. penalty tax—recently assessed against Watson & Lang, the New York agents of the Bank of Montreal. No decision was made. The legal question involved is now pending in a case before the Supreme Court of the United States, which is docketed for hearing on January 30. Commissioner Raum will not decide the question before him until the parallel case before the Supreme Court has been disposed of.

Mr. J. Stanley Brown, who was private secretary to the late President, and who has been acting in a similar capacity for President Arthur, has tendered his resignation, to take effect on December 1 or as soon thereafter as may suit the President's convenience, in order to fulfil Mrs. Garfield's request that Mr. Brown should prepare for the biographer the letters, papers, and literary remains of the late President. Mr. Brown has also accepted a partnership in the firm of Bateman & Co., bankers and brokers of Washington, D. C., which will henceforth be known as Bateman, Brown & Co.

Miscellaneous Bank Matters.—It is reported that a further dividend, making 65 per cent. altogether, will shortly be declared in the case of the Mechanics' Bank of Montreal.

Since the collapse of the Mechanics' National Bank of Newark various rumors affecting the standing of other banks in that city have been industriously circulated, and in consequence the depositors, especially those of the poorer class, have been in a great state of anxiety. On November 15 a report that the Howard Savings Institution, on Broad Street, had suspended got abroad, and the result was that many of the depositors went to the bank and withdrew their deposits. The run continued until over $200,000 had been paid out. The Howard is one of the strongest institutions of its kind, and we understand that there was not the slightest foundation for the report.

A meeting of the projectors of the new Lincoln National Bank, of New York, was held on November 12, and resulted in the election of Postmaster-General Thomas L. James to the office of President. The following-named gentlemen were chosen Directors: T. L. James, W. R. Grace, J. W. Harper, A. Van Santvoord, F. Kuhne, George W. Lane, F. P. Freeman, and J. F. Plummer. The projected institution will conduct its business in or about the neighborhood of the Grand Central Depot, on Forty-second street, and it is expected that its doors will be opened to depositors on or before the 1st of January, 1882. There is no similar institution in the neighborhood.

Coins and Bullion.—The following are the New York quotations (December 1) in gold for the various foreign and domestic coins and bullion:

Sovereigns	$4 83	@$4 86	Silver ¼s and ½s	99¾@	par
Napoleons	3 83	@ 3 86	Five francs	93 @	95
X X Reichmarks	4 74	@ 4 78	Mexican dollars	88½ @	89½
X Guilders	3 96	@ 4 00	do uncommercial	86½@	87½
Spanish Doubloons	15 55	@15 65	English silver	4 72 @	4 82
Mex. Doubloons	15 55	@15 65	Prussian silver Thalers	68 @	70
Fine silver bars, oz	1 12⅝@	1 13	U. S. Trade dollars	99⅝@	99⅝
Fine gold bars, oz	par @	¼ prem.	U. S. silver dollars	99¾@	par.
Dimes and ½ Dimes	99½@	par.			

Condition of the National Banks.

ABSTRACT of Reports made to the Comptroller of the Currency, showing the condition of the National Banks in the United States (2,182 in number), at the close of business on October 1, 1881, together with the figures of the previous statement, and that of October 1, 1880, for comparison (cents omitted).

RESOURCES.

	Oct. 1, 1881.	June 30, 1881.	Oct. 1, 1880.
Loans and discounts	$1,169,022,303	$1,140,750,198	$1,037,061,441
Overdrafts	4,773,779	4,238,750	3,915,826
U. S. Bonds to secure circulation	363,335,500	358,287,500	357,789,350
U. S. Bonds to secure deposits	15,540,000	15,265,000	14,777,000
U. S. Bonds on hand	40,972,450	48,584,950	28,843,400
Other stocks, bonds, and mortgages	61,896,702	58,049,292	48,863,150
Due from approved reserve agents	132,968,183	156,258,637	134,562,778
Due from other National Banks	78,505,446	75,703,599	63,023,796
Due from State Banks and bankers	19,306,826	18,8[illegible]0,775	15,881,197
Real estate, furniture, and fixtures	47,329,111	47,834,060	48,045,882
Current expenses and taxes paid	6,731,936	4,235,911	6,386,182
Premiums paid	4,138,585	4,115,960	3,488,470
Checks and other cash items	14,786,025	13,544,116	12,726,601
Exchanges for Clearing-House	181,268,109	143,950,347	121,097,650
Bills of other National Banks	17,732,476	21,632,432	18,210,942
Fractional currency	374,181	372,140	367,172
Gold coin	58,910,368	60,043,276	47,512,589
Gold Treasury Certificates	5,221,800	5,137,500	7,175,560
Gold Clearing-House Certificates	43,090,000	56,030,000	48,167,000
Silver coin	5,450,387	6,482,561	5,326,240
Silver Certificates	1,662,180	945,590	1,165,120
Legal-tender notes	53,158,441	58,728,713	56,640,458
U. S. cer. of deposit for legal-tender notes	6,740,000	9,540,000	7,655,000
5 per cent. redemption fund with Treasurer	16,115,751	15,729,019	15,921,740
Due from Treas. other than redemption fund	1,355,844	1,522,849	1,182,125
Total	$2,858,387,391	$2,325,833,200	$2,105,786,625

LIABILITIES.

	Oct. 1, 1881.	June 30, 1881.	Oct. 1, 1880.
Capital stock paid in	$463,821,985	$460,227,835	$457,553,985
Surplus fund	128,140,617	126,679,517	120,518,583
Other undivided profits	56,372,190	54,683,492	46,139,690
*National Bank notes issued	....	318,524,770	317,350,036
Amount on hand	....	6,300,918	3,933,524
Amount outstanding	320,199,969	312,223,852	313,416,512
State Bank notes outstanding	245,018	242,967	270,045
Dividends unpaid	3,835,926	5,871,595	3,452,504
Individual deposits	1,070,997,531	1,031,731,043	873,537,637
U. S. deposits	8,476,689	8,972,471	7,649,995
Deposits of U. S. disbursing officers	3,631,803	3,272,610	3,531,856
Due to other National Banks	205,862,945	223,503,034	192,032,532
Due to State Banks and bankers	89,047,471	91,035,599	75,536,923
Notes and bills re-discounted	3,091,165	2,220,053	3,178,232
Bills Payable	4,664,077	5,169,128	5,031,640
Total	$2,358,387,391	$2,325,833,200	$2,105,786,625
Number of banks	2,132	2,115	2,090

* The amount of circulation outstanding on October 1, 1881, as shown by the books of the department was $357,770,490 (exclusive of gold notes), which amount includes the notes of insolvent banks, of those in voluntary liquidation, and 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 December 1, 1881, 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	$1,511,380	$317,000	$764,700	$1,081,700	$259,886
New Hampshire	643.165	72,997	55.800	128.797	25,671
Vermont	2.000.360	351,097	1,753,040	2,101,137	728,212
Massachusetts	24.740,420	234,800	9,680,700	9,915.500	1,410,178
Rhode Island	3.547,620	82,350	1,409,885	1.442,235	323.399
Connecticut	4,412.970	65.350	3,731.030	3,796,380	1,363,138
New York	28,606.475	2,738,993	30,520.580	33,259,573	7,032,537
New Jersey	3,005.085	467,603	2,563,137	3,030,740	1,061,588
Pennsylvania	16.601,860	1,311,226	12,145,871	13,457,097	4,963,633
Delaware	277,275	......	......	......	......
Maryland	2,041.910	166,600	1,718,380	1,884,980	72,449
District of Columbia	457,000	432,664	530,060	962,724	95,533
Virginia	1,115,500	937,369	1,036,010	1,973,379	270,961
West Virginia	226.810	731,060	386,685	1,117,745	135,915
North Carolina	1,235,660	128,200	1,147,585	1,275,785	205,540
South Carolina	180.700	......	1,187.380	1,187.380	156,696
Georgia	583,030	330,925	437,675	768,600	97,528
Florida	72,000	......	......	......	......
Alabama	207,000	90,000	179,100	269,100	84,571
Mississippi	......	.....	......	......	221
Louisiana	1.623,110	656,413	2,099,250	2,755,663	57,684
Texas	489,600	61,290	274,340	335,630	85,584
Arkansas	171,000	....	171,000	171,000	7,791
Kentucky	4,690,520	629,867	2,175,833	2,805.700	817.880
Tennessee	961,270	370,401	551,859	922,260	143,366
Missouri	1,786,860	1,043,450	3,862,135	4,905,585	630,557
Ohio	6.040,460	1,704,597	4.673,584	6,378,181	1,941,361
Indiana	3.954.850	1,414.597	7.859.083	9.273 680	2,690,796
Illinois	3,592.045	1,884.334	7.706.046	9,590.380	1,673.901
Michigan	2.614.790	536,800	3.237.475	3.774 275	1,267,084
Wisconsin	1.298.039	680.860	1,259.589	1,940,449	518,568
Iowa	2,155.800	858,669	1,760.615	2,619.284	461,179
Minnesota	1,223,800	554.496	1,883,445	2,437,940	745,829
Kansas	269.080	781.721	316,550	1,098.271	251,963
Nebraska	266,400	45,000	449,980	494,980	209,317
Nevada	34,000	......	......	......	1,718
Colorado	721.800	147,225	149,400	296,625	16.526
Utah	134.900	161,191	196,800	357,991	12,128
Montana	255.600	111,700	81,000	192,700	53,723
Wyoming	30,600	......	......	......	......
New Mexico	90.000	......	......	......	......
Washington	225.000	......	90,000	90,000	67,120
Dakota	400,500	.....	......	......	......
California	930,600	......	......	......	... ..
Totals	$125 458 835	$20,050.844	$108,045,552	$128,096,396	$29,941,731
Legal tenders deposited prior to June 20, 1874, and remaining at that date				3,813,675	
Total				$131,910,071	

JOHN JAY KNOX,
Comptroller of the Currency.

The National Debt Statement, December 1, 1881.

AND FOR COMPARISON THE NOVEMBER STATEMENT.

[Compiled from the official statements—cents omitted.]

INTEREST-BEARING DEBT.

	Nov. 1, 1881.	Dec. 1, 1881.
Bonds at 6 per cent., continued at 3½	$161,876,050	$159,452,500
" 5 "	401,504,900	401,504,900
" 4½ "	250,000,000	250,000,000
" 4 "	738,749,750	738,768,850
Refunding certificates	598,050	579,250
Navy pension fund	14,000,000	14,000,000
Principal	$1,566,728,750	$1,564,305,200
Interest	11,499,372	12,892,415

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

	Nov. 1, 1881.	Dec. 1, 1881.
Principal	$13,746,305	$10,648,315
Interest	833,955	724,165

DEBT BEARING NO INTEREST.

	Nov. 1, 1881.	Dec. 1, 1881.
Old demand and legal-tender notes	$346,741,076	$346,740,976
Certificates of deposit	8,310,000	9,045,000
Gold and silver certificates	71,535,590	71,871,750
Fractional currency	7,093,151	*7,093,128
Principal	$433,679,797	$434,750,854
Unclaimed Pacific Railroad interest	7,256	7,256

* Total $15,469,062; amount estimated lost or destroyed, $8,375,934.

TOTAL DEBT.

	Nov. 1, 1881.	Dec. 1, 1881.
Principal	$2,014,154,853	$2,009,704,370
Interest	12,340,584	13,623,837
Total	$2,026,495,438	$2,023,328,207
Total cash in the Treasury	240,960,971	245,042,866
Debt, less cash in the Treasury	$1,785,534,466	$1,778,285,340
Decrease of debt during month	13,321,458	7,249,126
Decrease of debt since June 30, 1881	55,064,355	62,313,471

CURRENT LIABILITIES.

	Nov. 1, 1881.	Dec. 1, 1881.
Interest due and unpaid	$2,041,671	$1,479,525
Debt on which interest has ceased	13,746,305	10,648,315
Interest thereon	764,590	724,165
Gold and silver certificates	71,535,590	71,871,750
U. S. notes held for red'n of certificates of deposit.	8,315,000	9,045,000
Cash balance available	144,493,448	151,274,111
Total	$240,960,971	$245,042,866

AVAILABLE ASSETS.

Cash in the Treasury	$240,960,971	....	$245,042,866

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	51,467,272	....	51,467,272

INTEREST REPAID BY COMPANIES.

By transportation service	$14,662,941	....	$14,707,886
By cash payments, 5 per cent. earnings	655,198	....	655,198
Balance of interest paid by the United States	$36,149,132	....	$36,104,183

Treasury Payments during October.—The payments made from the Treasury by warrants during the month were as follows:

On account of civil and miscellaneous	$4,338,507
On account of war	3,922,447
On account of navy	1,694,330
On account of interior (Indians)	1,214,433
On account of interior (Pensions)	5,083,507
Total	$16,226,507

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, 1881, 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*	361,220,003
Increase during the last month	1,797,265
Increase since December 1, 1880	18,655,327

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	29,941,731
Decrease in deposit during the last month	760,865
Increase in deposit since Dec. 1, 1880	8,903,625

*Circulation of National Gold Banks not included in the above.......$948,407

JOHN JAY KNOX,
Comptroller of the Currency.

The Haytian Government has issued a decree declaring that, as confusion reigns in the monetary system of the republic and unity of coinage is required, therefore, it is ordered that national coin be created of pieces containing nine parts of gold and one of alloy, which coin shall be called a "gourde," and each "gourde" shall contain 100 centimes.

DAILY RECORD OF FINANCIAL EVENTS.

NOVEMBER, 1881.

1. Tuesday.—Decrease in the public debt during October $13,321,458, and since June 30 $55,064,345.

Bar silver in London 52d. per ounce.

The first complete railway train, carrying 100 passengers, passed through the St. Gothard Tunnel.

2. Wednesday.—Organization and first election of officers of the Washington (D. C.) Stock Exchange.

3. Thursday.—Negotiations for an Anglo-French treaty of commerce discontinued.

The Franco-Italian treaty of commerce signed.

4. Friday.—Notice given that 2 millions of 3½ per cent. bonds will be redeemed by the Treasury on each Wednesday in this month.

5. Saturday.—Discount on prime commercial paper in New York 6 per cent.; call loans 5@2 per cent.

Discount in London on 60 days to 3 months' bank bills 3⅞ per cent., and trade bills 4⅛ per cent.

7. Monday.—Freight rates on the Vanderbilt lines from Chicago to the seaboard advanced 5 cents per 100 pounds on grain and provisions. No trunk line agreement yet.

8. Tuesday.—Elections in New York and other States; exchanges and banks closed.

9. Wednesday.—Lord Mayor's Day and holiday at the London Stock Exchange.

10. Thursday.—The Ferry ministry in France resigned, and Gambetta undertook the formation of a new cabinet.

11. Friday.—Irish farmers are eagerly availing themselves of the terms of the new land law, and landlords are complaining of the large reductions made in rents.

The Haytian Chambers abolished the export duty on cotton from January 1, and increased the export duties on cigars and tobacco.

12. Saturday.—Discount on prime commercial paper in New York 6 per cent.; call loans 6@3 per cent.

Discount in London on 60 days to 3 months' bank bills 3¼@3⅝ per cent., and trade bills 3¾@4¼ per cent.

14. Monday.—Judge Charles J. Folger sworn in and installed as Secretary of the Treasury.

The trial of Guiteau for the murder of President Garfield begun.

An agreement signed for the consolidation of the elevated railways of New York.

15. Tuesday.—The Austrian and Hungarian ministers decided in favor of an increase in the customs tariff.

The National Tariff Convention met at Chicago.

The new French ministry gazetted.

16. Wednesday.—Only $38,500 continued 6 per cent. bonds offered for redemption to-day under Treasury circular of Nov. 4.

17. THURSDAY.—Bar silver in London 51⅞d. per ounce.

A Paris dispatch says the exports of articles of food from France are steadily increasing, while the imports into France are diminishing.

18. FRIDAY.—The Pacific National Bank of Boston suspended.

19. SATURDAY.—Discount on prime commercial paper in New York 6 per cent.; call loans 6 per cent. plus 1-64,@2 per cent.

Discount in London on 60 days to 3 months' bank bills 3⅝@3¾ per cent., and trade bills 4@4¼ per cent.

21. MONDAY.—The Dutch Minister of Finance said that if the next Monetary Conference did not succeed in establishing bi-metallism, Holland would be obliged either to demonetize silver or revert to a silver standard.

22. TUESDAY.—A dispatch says the export of gold from Russia increases rapidly.

23. WEDNESDAY.—The rates of foreign exchange reduced so that importations of gold are again profitable.

24. THURSDAY.—Thanksgiving day and a legal holiday.

25. FRIDAY.—The Danford banks at Caldwell and Hunnewell, Kansas, suspended, it is supposed, temporarily.

26. SATURDAY.—Discount on prime commercial paper in New York 6 per cent.; call loans 6@3 per cent.

Discount on 60 days to 3 months' bank bills in London 4⅝ per cent., and trade bills 4½@5 per cent.

A treaty of commerce between France and the Netherlands signed.

The Imperial Bank of Germany reduced its rate of discount to 5 per cent., and the interest on advances to 6 per cent.

28. MONDAY.—The Bank of Prince Edward Island suspended, owing to misconduct of its Cashier.

The Osage City (Kan.) Savings Bank suspended.

29. TUESDAY.—A National Tariff Convention in favor of protection met in New York.

30. WEDNESDAY.—Of the 6 per cent. continued bonds $20,000,000 are called for payment on January 29.

NATIONAL BANK EXAMINERS.

To the Editor of Rhodes' Journal:

In the discussion provoked by the recent National Bank complication it seems to me that the examiners have come in for more than their fair share of adverse criticism. The United States Bank Examiner is an officer of the Government whose duty it is to examine such banks as may be assigned to him, in order to see that the provisions of the National Bank Act are complied with; as, for example, to see that the reserve is up to the legal limit, that the directors are not absorbing the loanable funds of the bank, that no individual nor firm has borrowed in excess of ten per cent. of the capital, that the bank is not dealing in real estate, and in brief, to ascertain whether the bank is conducting its operations according to law. He acts solely for the Government, and not for the stockholders or for the depositors. The stockholders are represented and their interests looked to by a board of directors of their own choosing. The depositors are influenced by their knowledge of the character of the officers of the bank; with the Government examiner they have nothing whatever to do. To see that the affairs of the bank are administered honestly, faithfully and well, is the business of the president and directors. If they are negligent, or incompetent, or dishonest, those who lose money should blame their own folly in trusting them.

CHICAGO, November 21, 1881. J. H. B.

Comment on the above is not called for. It is in the main fully in accord with Comptroller Knox's ideas. See his report on another page.

BUSINESS NOTICES.

THE BANKER'S REFERENCE BOOK—AN EXPLANATION.

In the early part of the present year the publishers of RHODES' JOURNAL offered to send, free, a copy of the "Banker's Reference Book" (work on which was just begun) to every regular subscriber to the JOURNAL for the year '81. When the offer was made we expected to have the book ready not later than July 10.

As work on the "Reference Book" progressed, the details necessary to produce a thoroughly reliable book accumulated to such an extent, that we discovered, *first*, that the actual labor and expense was largely in excess of our first calculations, and *secondly*, that its publication must necessarily be delayed.

In August we commenced to take subscriptions for the "Reference Book" at $5 for the first issue; and in the September number announced that the offer to send a copy to JOURNAL subscribers without extra charge had been withdrawn.

We do not publish this notice as an apology—none is required—but the above *explanation* is due present subscribers.

All '81 JOURNAL subscribers having paid $5 for same prior to Sept. 1 last will get a copy of the book as agreed. Many of our friends have inquired about the book, and on our writing the facts as stated above, have referred in the kindest manner to our efforts to make it worthy the name and the interest it represents. So much for the delay.

We have much pleasure in saying that the initial number of the "Banker's Reference Book" is now undergoing final revision, and if all goes well, copies may be expected within a few weeks. Our promise to '81 JOURNAL subscribers *will be faithfully kept*, independent of the increased cost of the work, and without regard, also, to whether subscribers continue for 1882 or not.

Special.—Beginning with the new year we will conduct the "Reference Book" in connection with THE BANKER'S AGENCY, complete details of which will be issued shortly.

THE GUARANTEE COMPANY OF NORTH AMERICA.

The Guarantee Company of North America has recently effected a change in regard to its New York Branch, the former secretary having been relieved of duty, and the resignation of Messrs. Sherman, Vermilye and Minturn accepted by the Head Board. The Company has arranged to replace these gentlemen in a manner which, we are informed, will give every assurance of promptness and integrity in the conduct of the Company's business in New York. The Company has recently established very influential Boards in Chicago and Boston, where the business is being conducted in a successful and satisfactory manner. The position of Secretary to the New York Board has not yet been filled, and the General Manager, Mr. Rawlings, is expected in New York shortly to complete the reconstruction.

Sioux National Bank.—About November 1 the stockholders of the Sioux National Bank of Sioux City, Iowa, voted to increase the capital stock from $100,000 to $200,000, to take effect early in 1882. The people of the place are flattered at this evidence of its prosperity, as only two other banks in the State have a capital equal to that which the Sioux National Bank will possess.

Business Chances.—Several notices under this head will be found in the JOURNAL.—See Adv. department at end of this number.

"Wants" and "Business Chances," the usual space, $2 each insertion. We guarantee a large circulation among bankers and capitalists.

New Banks, Changes, Failures, Etc.

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

2582—Farmers & Merchants' National Bank, Uhrichsville, Ohio. Capital, $50,000. Wm. B. Thompson, President; Charles S. Johnson, Cashier.

2583—Des Moines National Bank, Des Moines, Iowa. Capital, $400,000. B. L. Harding, President; W. E. Hazen, Cashier.

2584—Second National Bank, Danville, Illinois. Capital, $100,000. William P. Cannon, President; Thomas S. Parks, Cashier.

2585—First National Bank, Mandan, Dakota. Capital, $50,000. C. Edgar Haupt, President; Hiram R. Lyon, Cashier.

2586—First National Bank, Creston, Iowa. Capital, $80,000. S. H. Mallory, President; John S. Black, Cashier.

2587—Pemigewasset National Bank, Plymouth, New Hampshire. Capital, $75,000. Nathan H. Weeks, President; Osmon B. Copeland, Cashier.

2588—First National Bank, New Hampton, Iowa. Capital, $50,000. Alfred E. Bigelow, President; Arthur E. Bigelow, Cashier.

2589—First National Bank, Hiawatha, Kansas. Capital, $50,000. Manning S. Smalley, President; Samuel A. Fulton, Cashier.

2590—First National Bank, Brainerd, Minnesota. Capital, $50,000. William Ferris, President; G. W. Holland, Cashier.

2591—Commercial National Bank, Detroit, Michigan. Capital, $250,000. Hugh McMillan, President; Morris L. Williams, Cashier.

ALABAMA.

MOBILE.—Warren A. Anderson & Co.
Wilson & Barnes.

TUSCALOOSA.—First National Bank; John Little, Jr., Cashier, in place of Joseph McLester.

ARKANSAS.

CAMDEN.—Bank of Camden; capital, $30,000. Charles N. Rix, President; John B. Roe, Vice-President; Charles K. Sithen, Asst. Cashier. Branch of Hot Springs Bank and Safe Deposit Co., Hot Springs.

CALIFORNIA.

MARYSVILLE.—Marysville Savings Bank; suspended.

SAN FRANCISCO.—Nevada Bank of San Francisco; George L. Brander, late in charge of New York City Agency, Vice-President, in place of James C. Flood.

COLORADO.

BRECKENRIDGE.—Miners & Merchants' Bank; reported closing of this is denied by M. D. Miller & Co., the proprietors.

CRESTED BUTTE.—Bank of Crested Butte (H. A. W. Tabor & Co.); J. B. Thompson, Cashier.

CONNECTICUT.

HARTFORD.—Mercantile National Bank; Charles H. Northam, President, deceased.

MIDDLETOWN.—Middletown Savings Bank; George W. Harris, President, in place of George W. Burr.

STONINGTON.—First National Bank; Stiles Stanton, President, deceased.

DAKOTA.

ALEXANDRIA.—Bank of Alexandria; Lewis W. Hazen, formerly Cashier, now one of the proprietors. Style of firm, Hazen & Widner.

BIG STONE CITY.—Grant County Bank (B. P. Murphy and D. W. Fountain).

FARGO.—Cass County Bank (Clapp & McCraw).

MANDAN.—First National Bank; capital, $50,000. C. Edgar Haupt, President; Hiram R. Lyon, Cashier.

DISTRICT OF COLUMBIA.

WASHINGTON.—Wm. Stickney, President of the National Savings Bank and National Safe Deposit Co., deceased.

GEORGIA.

ALBANY.—Lewis Brothers.

AMERICUS.—A. C. Bell & Co., dissolved. F. E. Burke succeeds.

AUGUSTA.—Georgia Railroad and Banking Co.; Chas. G. Goodrich, Cashier, in place of Capt. Geo. P. Butler, resigned.

IDAHO.

HAILEY.—T. R. Jones; J. M. Burkett, Cashier. Branch of T. R. Jones, Salt Lake City, Utah.

ILLINOIS.

BEARDSTOWN.—Cass County Bank; Chas. E. Fulks, Cashier, in place of W. S. Hearick.

DANVILLE.—Second National Bank; capital, $100,000. William P. Cannon, President; Thomas S. Parks, Cashier. Succeeds Vermillion County Bank.

INDIANA.

SALEM.—Bank of Salem; L. W. Sinclair, President, in place of John A. Bowman. J. C. Lawler, Asst. Cashier.

IOWA.

ANAMOSA.—Niles & Watters; T. W. Shapley, Cashier, in place of George W. Russell.

BRUSH CREEK.—Brush Creek Bank; Adrian Gurney appointed Cashier.

CRESTON.—First National Bank; capital, $50,000. S. H. Mallory, President; John S. Black, Cashier. Succeeds S. H. Mallory & Co.

DES MOINES.—Des Moines National Bank; capital, $400,000. B. L. Harding, President; W. E. Hazen, Cashier.

LISBON.—Stuckslager & Auracher; successors to First National Bank.

NEW HAMPTON.—First National Bank; capital, $50,000. Alfred E. Bigelow, President; Arthur E. Bigelow, Cashier.

ODEBOLT.—Farmers' Bank; O. P. Thompson, President; G. M. Taggart, Cashier.

ROCKWELL CITY.—Rockwell City Bank (Palmer & Searight); commences business January 1.

SPIRIT LAKE.—Dickinson County Bank (Duff, Pearsall & Co.)

KANSAS.

CALDWELL.—Merchants & Drovers' Bank; failed.

CARBONDALE.—Carbondale Bank; reorganized under same title.

CHEROKEE.—Cherokee Bank (George W. Pye & Co.)

ELLINWOOD.—Bank of Ellinwood; capital, $10,000. S. B. Deupree, Cashier.

ELMDALE.—E. Stotts.

HASTINGS.—City Bank; capital, $25,000. Lyman H. Tower, President; Ephraim S. Fowler, Cashier.

HAVENSVILLE.—Havensville Bank; C. A. Points no longer President.

HIAWATHA—First National Bank; capital, $50,000. Manning S. Smalley, President; Samuel A. Fulton, Cashier.

HUNNEWELL.—Hunnewell Bank; failed.

OSAGE CITY.—Osage City Savings Bank; failed.

WETMORE.—The Wetmore State Bank; Willis Brown, President; Wm. Morris, Vice President.

LOUISIANA.

NEW ORLEANS.—Seligman, Hellman & Co.; dissolved.

MAINE.

GARDINER.—Cobbossee National Bank; Henry S. Webster, Cashier, in place of Treby Johnson.

MARYLAND.

ANNAPOLIS.—Farmers' National Bank; Alex. Randall, President, deceased.

MASSACHUSETTS.

BOSTON.—Pacific National Bank; suspends payment.

FALL RIVER.—Massasoit National Bank; E. W. Borden, Cashier, in place of Leander Borden.

MICHIGAN.

DETROIT.—Commercial National Bank; capital, $250,000. Hugh McMillan, President; Morris L. Williams, Cashier.

ST. IGNACE.—St. Ignace Bank (W. A. Burt).

MINNESOTA.

BRAINERD.—First National Bank; capital, $50,000. William Ferris, President; G. W. Holland, Cashier.

ST JAMES.—St. James Bank (John D. Maxwell); discontinued.

WORTHINGTON.—Bank of Worthington; Geo. O. Moore, Cashier, in place of C. T. Pope, resigned.

MISSISSIPPI.

KOSCIUSKO.—A. C. Jobes succeeds late Bank of Kosciusko.

MISSOURI.

LAMAR.—F. Egger & Sons; capital, $25,000.

SEDALIA.—Missouri Trust Co.; capital stock increased from $10,000 to $20,000.

NEBRASKA.

BEATRICE.—Gage County Bank; Wm. Lamb, President; O. M. Enlow, Cashier. Succeeds Wm. Lamb.

CENTRAL CITY.—Bank of Merrick County; Joseph N. Osterlind, Cashier.

FULLERTON.—Nance County Bank (Slaughter & Lindsay); incorporated, with a paid capital of $20,000. Same management.

OAKLAND.—Oakland Bank (W. Parrish); now Parrish & Griffin.

PLATTSMOUTH.—Bank of Cass County; E. M. Yates, Cashier, resigned. John Black, President, acts also as Cashier.

PONCA.—E. E. Halsted.

WAYNE.—The Logan Valley Bank; formerly at La Porte.

YORK.—Commercial State Bank; succeeds Sayre & Atkins.

NEVADA.

GOLD MOUNTAIN.—Thallman & Co.; formerly at Belmont.

NEW JERSEY.

JERSEY CITY.—John Lamb.

PATERSON.—First National Bank; Abm. Fardon, Acting Cashier, instead of Assistant Cashier.

NEW YORK.

ALBION.—First National Bank; Alex. Stewart, President, deceased.

AURORA.—First National Bank; N. Lansing Zabriskie, President, in place of Edwin B. Morgan, deceased.

BUFFALO.—Bank of Commerce; Robert G. Stewart, President, deceased.

White's Bank; J. D. Sawyer, President, deceased.

COOPERSTOWN.—First National Bank; Theo. C. Turner, Cashier, in place of Fred. L. Palmer.

NEW YORK CITY.—Wilson W. Waddingham, Duncan McGregor and Robert Waddingham form copartnership under style of Waddingham, McGregor & Co.

Nevada Bank of San Francisco (Agency); E. C. Platt, late of San Francisco, appointed Agent in place of Geo. L. Brander, promoted to the Vice-Presidency of the Bank.

Anthony, Poor & Oliphant (Boston and New York); dissolved, James L. Anthony retiring. Remaining partners continue under style of Poor, Oliphant & Co.

Clark, Post & Martin; dissolved. E. W. Clark & Co., of Philadelphia, retire. H. A. V. Post, Archer N. Martin and Charles C. Pomeroy continue under style of Post, Martin & Co.

Hamblen & White, 36 Pine Street; dissolved.

F. M. Lockwood & Co.; admit E. P. Miller. C. R. Davenport retires.

Phelps, Stokes & Co.; will dissolve Dec. 31 on account of death of Mr. James Stokes, and illness of Mr. Isaac N. Phelps.

R. M. Raven & Co.; admit William Cross.

Van Dyck & Williams; Anthony V. B. Van Dyck deceased. Business continued by W. B. and T. B. Williams, surviving partners, under same style.

OHIO.

COLUMBUS.—Merchants & Manufacturers' Bank. Joseph W. King, President; William D. Park, Cashier.

FREMONT.—Bank of Fremont; J. C. Wideman, Cashier, in place of Celian M. Spitzer, elected Vice-President; C. L. Dailey, Assistant Cashier, in place of J. C. Wideman, promoted to be Cashier.

TOLEDO.—Spitzer, Wideman & Co.

UHRICHSVILLE.—Farmers & Merchants' National Bank; capital, $50,000. William B. Thompson, President; Charles S. Johnson, Cashier.

PENNSYLVANIA.

PHILADELPHIA.—Rutter, Newhall & Co.

WATSONTOWN.—Watsontown National Bank; Joseph G. Durham, President, in place of Silas Rambach, deceased.

YORK.—York County National Bank; Joseph E. Rosenmiller, President, in place of David F. Williams, deceased.

TEXAS.

BONHAM.—Fannin County Bank; S. B. Allen, formerly Cashier, now President, in place of J. R. Russell, deceased.

CLARKSVILLE.—Red River County Bank; D. W. Cheatham, Cashier, in place of George W. Voiers.

GREENVILLE.—Hunt County Bank; J. W. Rainey, formerly Cashier, now President; J. B. Holt, Cashier. in place of J. W. Rainey.

SAN MARCOS.—Frank R. Malone; discontinued. Deposit business continued by Geo. T. Malone.

VIRGINIA.

RICHMOND.—Richmond Banking & Warehouse Company; capital, $100,000.

WASHINGTON TERRITORY.

SEATTLE.—G. W. Harris & Co.
Mackintosh & Reeves.

WEST VIRGINIA.

BUCKHANNON.—Buckhannon Bank; D. D. T. Farnsworth, President; R. E. Hudkins, Cashier.

WISCONSIN.

DELAVAN.—Citizens' Bank; E. F. Williams, Asst. Cashier, in place of F. D. Hoag.

MADISON.—State Bank; J. H. Palmer, Cashier, in place of Lucien S. Hanks.

WYOMING.

RAWLINS.—James France.
J. W. Hugus & Co.

ONTARIO.

AYR.—Canadian Bank of Commerce; J. Wyllie, Manager.

BRAMPTON.—Merchants' Bank of Canada; W. Pringle, Manager, in place of G. S. Herchmer.

TORONTO.—Bank of Toronto; James C. Worts, President, in place of Wm. Gooderham, deceased. Geo. Gooderham, Vice-President.

QUEBEC.

WEST FARNHAM.—Eastern Townships Bank; E. N. Robinson, Agent. No Bank at Farnham Centre; W. H. Robinson continues in charge of Granby Branch.

Mexican Affairs.—Antonio Mier, Celis Pedro, Escudero Echanova, Ramon Guzman, Joaquin Haro, Roa Barcena, and Manuel Aseperoz have been appointed by the Mexican Government to arrange a basis for a commercial treaty with the United States and to confer with a commission which, it is expected, will be appointed by the United States Government for a similar purpose.

The Chamber of Deputies has approved the contract made by the Executive for the establishment of a national bank, and the contract for draining the Valley of Mexico. The approval of the Senate is yet required.

The contract made by the Executive with the Franco-Egyptian Bank for the establishment of a national bank in Mexico has been approved by both houses of Congress, with unimportant amendments in the Senate.

The Mexican Congress has repealed the authority of the President to grant railroad concessions; but, according to his request, has empowered him to alter existing concessions and to transfer unfulfilled contracts.

Hungarian Finances.—In the lower house of the Hungarian Diet on October 19 the Minister of Finance presented the budget for 1882. The net result is a deficit of 25,665,542 florins as compared with last year. With the view to cover the deficit it is proposed to introduce a tax on petroleum, revise the customs tariff and increase the tax on alcoholic spirits. The Minister announced that 240,000,000 florins, gold rentes, have already been sold, and that the conversion operations are nearly half completed.

Announcement.—Our plans for conducting RHODES' JOURNAL OF BANKING in 1882 are now perfected. First of all, it will be PRACTICAL. No long-drawn-out essays will appear; every article-editorial and contributed-as well as the banking and monetary reports, statistics, and news items, will be specially valuable to bankers.

Close adherence to this policy has built the JOURNAL up to its present success and acknowledged influence.

The foremost financial writers of the time will be represented in the various departments. Read the Prospectus in this number; it contains some facts of special interest to bank officers and bankers.

Subscription, $5 a year. Yours, very respectfully,

December, 1881. BRADFORD RHODES & CO., New York.

RECORD OF DEATHS.

THE HON. EDWIN BARBER MORGAN, President of the First National Bank of Aurora, N. Y., died October 13, 1881, aged seventy-six years.

Mr. Morgan was a well-known and highly respected merchant of Aurora, one of the principal owners of the New York "Times," and a member of the firm of Sheldon & Co., axle manufacturers. He with his brothers succeeded to his father's business in Aurora at an early age, which by good management was in time largely extended. He was first President of Wells, Fargo & Co., and one of the founders of the United States Express Company. He served three terms as Representative in Congress, from 1852 to 1858, and was very efficient in aiding the equipment of New York troops during the civil war. He was widely known as a munificent patron of many charities and public institutions. He was President of the First National Bank of Aurora from November, 1875, until his death.

JAMES D. SAWYER, President of White's Bank, of Buffalo, N. Y., died November 16, 1881, aged sixty-eight years.

The deceased was born at Windham, Conn., and removed to Buffalo in 1837. Here he established a general mercantile store, which prospered. In time he entered the commission business on Central Wharf, with which he remained identified until 1880, when he retired from his private business. On April 3, 1879, he was elected President of White's Bank, where his financial ability and judgment were well displayed. He was also for thirteen years a director of the Marine Bank, President of the Buffalo Insurance Company, etc., etc. His reputation was that of an energetic, conscientious, generous and high-minded business man and gentleman.

CHARLES H. NORTHAM, President of the Mercantile National Bank, of Hartford, Conn., died November 12, 1881, aged eighty-three years.

Mr. Northam, who was born at Colchester, Conn., was closely connected with the business interests of Hartford. He was for many years President of the New York & New Haven Steamboat Line. He was elected President of the Mercantile Bank in 1860, continuing in that position until his death. Not long since he gave $40,000 to Trinity College, Hartford.

STILES STANTON, President of the First National Bank of Stonington, Conn., died November 15, 1881, aged seventy-eight years.

Mr. Stanton was a plain and unassuming gentleman of sterling qualities. He began life as a school teacher, and was successively supercargo of a vessel in the foreign trade, and a merchant in the South. More than forty years ago he returned to his native town of Stonington and engaged in the whaling business, in which he was successful. He in time was appointed Judge of Probate, a manager of the savings bank, and was President of the First National Bank for over a quarter of a century preceding his death. In every capacity of life he gained the respect and confidence of his fellows.

BENJAMIN ACTON, Cashier of the Salem National Banking Co., of Salem, N. J., died in September last, aged sixty-seven years.

Major Acton was a scion of one of the oldest families of New Jersey, and one of the best known men of the State. In 1840 he engaged in the grocery and dry goods business in Salem, and four years later in the grain business. He contributed largely to aid the Irish during the famine. In 1848 he was elected to the State Senate, serving with much credit. He became a director of the Salem National Banking Company in 1864, and in 1871 was appointed Cashier, which position he held until his death. He was also, since 1879, President of the Salem Railroad Company. He left many whom he had befriended, and a host of friends to mourn him.

THE BANKER'S GAZETTE.

The Money Market and Financial Situation.

NEW YORK, December 1, 1881.

The numerous bank troubles that have culminated recently, and nearly simultaneously, form the principal topic of present interest in banking circles. The most noticeable feature of the matter is that the several failures and defaults have not been followed by any general distrust of the soundness of the business condition of the country, and the immediate unfavorable effects of them have been purely local in their action. The difficulties in question seem to be mostly the result of the speculative spirit, caused by the rapid advance in prices for some time past, which has tempted bank officers into illicit transactions. It is a good indication that the credit system is for the present on a sound basis, that the disturbances have not been more widely spread and disastrous.

There is no doubt, however, that the events alluded to have done, and will continue to do, harm to all the banks of the country. They will contribute another argument to the enemies of the banks, who, however absurd and vulgar their ideas may be, are not to be despised. They are numerous enough to make their influence felt when the question of reducing bank taxation comes up in the State Legislatures and in Congress. The foes of the national banks in particular will doubtless make the most of these difficulties, however unreasonable it may be to ascribe them to the national system. It is useless to tell these persons that the present system cannot be held responsible for crimes or misfortunes, of which all banks are liable to be the victims, the same as any other kind of business concern.

A clever financial writer of this city says: If the national banking system provides no guaranty for the safety of depositors, then give us a system that will. This is a common feeling, but wholly unreasonable. The law that would provide such a system has never been invented, and never will be. It would be as reasonable to expect the law to prevent cheating and mismanagement in every other business. It does what it can by wise provisions and penalties, but it can go no further. It should not be forgotten that Banking, under any system whatever, presupposes a high condition of intelligence, business capacity, and honesty on the part of those connected with it, as well as the whole business community among which it is carried on. Given these qualities, and troubles like the recent ones would be impossible. Lacking them, all the schemes ever concocted would not make honest and safe banking possible. Two useful lessons may be derived from recent experience: (1.) Let every man look properly after his own affairs, as far as possible, and not lazily or heedlessly leave them in charge of others whom he thus tempts to defraud him. (2.) Hold those in positions of responsibility to the public to a rigid accountability for all lapses through dishonesty or carelessness.

TREASURY OPERATIONS.—On November 4 Acting Secretary of the Treasury French issued a circular to the effect that 3½ per cent. bonds, to the amount of $2,000,000, would be redeemed at par, and interest to the date of redemption, on each Wednesday during the month. The offerings under this circular, which was merely a continuation of the policy of Secretary Windom, were comparatively small. On the 14th Judge Folger was installed into office as Secretary, and on the 19th the Assistant Treasurer at New York was instructed to redeem so much of the remainder of the bonds allotted for redemption on the 9th and 16th as had not been sent in, amounting to $3,900,000. No bonds were, however, received, under this amended order, by Wednesday, the 23d, and on the 30th the receipts were only $2,714,500. The Assistant had been further authorized to redeem not exceeding $5,000,000 of bonds under the 105th call on the latter mentioned date. He was also authorized to redeem on and after Wednesday, December 7, the remainder of the bonds of that call, without rebate of interest, and notice was given that they would be paid in like manner at the Treasury at Washington. There remain unredeemed about 7 million dollars in these bonds.

The following, being the 106th call, was issued on the 30th ult.:

TREASURY DEPARTMENT,
WASHINGTON, November 30.

By virtue of the authority conferred by law upon the Secretary of the Treasury, notice is hereby given that the principal and accrued interest of the bonds herein below designated will be paid at the Treasury of the United States, in the city of Washington, on the 29th day of January, 1882, and that the interest on said bonds will cease on that day, viz.:

Registered bonds of the acts of July 17 and August 5, 1861, continued during the pleasure of the Government under the terms of circular No. 42, dated April 11, 1881, to bear interest at the rate of 3½ per centum per annum, from July 1, 1881, as follows:

$50. No. 1.811 to No. 1.850, both inclusive.
$100. No. 12,701 to No. 13,000, both inclusive.
$500. No. 9,221 to No. 9.600, both inclusive.
$1,000. No. 45,721 to No. 47,000, both inclusive.
$5.000. No. 15,531 to No. 16,000, both inclusive.
$10,000. No. 27,861 to No. 30,100, both inclusive.
Total, $20,000,000.

Many of the bonds originally included in the above numbers have been transferred and cancelled, leaving outstanding the amount above stated.

Bonds forwarded for redemption should be addressed to the "Secretary of the Treasury, Loan Division, Washington, D. C." and all the bonds called by this circular should be assigned to the "Secretary of the Treasury for redemption." When checks in payment are desired in favor of any one but the payee, the bonds should be assigned to the "Secretary of the Treasury for redemption for account of" (here insert name of the person or persons to whose order the check should be made payable.)

CHAS. J. FOLGER, Secretary.

It will be seen from the action of the new Secretary so far, that he does not accept the theory that it is better to buy the 4 and 4½ per cent. bonds than to pay the continued bonds at par. It may also be fairly supposed that the 5 per cent. continued bonds will all be paid off before the sixes.

THE PUBLIC DEBT was reduced only 7¼ million dollars during the past month, against an average of about 14 millions in each of the four preceding months of the fiscal year. This difference is not owing to a decrease in the Government receipts or an increase in expenses, but to the slowness with which the called bonds were paid off. Consequently the cash balance available at present is nearly 7 millions greater than it was a month since being $151,274,111, against $144,493,448 then. The total reduction in the debt since June 30th last is $62,313,471. A like reduction cannot be expected to continue much longer in view of the many millions that will have to be paid for arrears of pensions, and the increase in the periodical payments for pensions. Some reduction in taxation may also be looked for from Congress this winter. The reduction in revenue from this latter cause may not, however, be nearly so large as might be anticipated from the percentage of decrease in taxation, as a considerable reduction might be made in the tax on spirits and in many items of the customs tariff without much decrease in the public revenue.

UNITED STATES BONDS have been to some extent influenced by the temporary depression caused by the recent bank failures and money stringency, but more latterly various rumors, false and seemingly interested, regarding the probable course of the Secretary of the Treasury, have caused prices to be stronger than for some time past. Of course, if the Secretary had decided to purchase long bonds, instead of the continued bonds, the prices of all kinds would advance; the former on acount of the demand for the Treasury, and the latter because their term of existence would be prolonged.

The following table shows the closing bids for the principal issues of Government bonds on each day of the month of November, and the highest and lowest during the month:

Nov.	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s, 1899.	Nov.	6s, '81, cont'd.	5s, '81, cont'd.	4½s, '91, coup.	4s, 1907, coup.	C'y 6s 1899.
1	101	101⅞	113	116	132	17	101¼	102	113⅛	116⅞	130
2	101	101⅞	113	116	133½	18	101⅜	102	113⅛	116¾	132
3	101	101⅞	113	116	132	19	101⅜	101¾	113⅜	116⅝	130
4	101⅛	101⅞	113	116	133	21	101⅜	101⅞	113⅜	116⅝	130
5	101⅛	101⅞	113	116⅛	...	22	101⅛	102	113⅛	116¾	132⅛
7	101⅛	101⅞	113¼	116⅜	134	23	101⅛	102	113⅛	116¾	133
9	101¼	101⅞	113¼	116⅝	133	25	101¾	102¼	114	117⅛	132
10	101¼	102	113¼	116⅞	134	26	101¾	102⅜	114¼	117¼	134
11	101¼	102⅛	113⅜	117⅛	134	28	101¾	102⅛	114¼	117¼	134
12	101¼	102⅛	113⅜	117⅛	133½	29	102	102⅜	114⅜	117⅛	133
14	101¼	102⅛	113⅜	117⅛	133	30	101¾	102⅛	114⅛	117⅝	131
15	101¼	102	113⅜	117	133	High	102	102⅜	114⅛	117⅝	134
16	101¼	101⅞	113⅜	116⅞	134	Low	101	101¾	113	116	130

FOREIGN EXCHANGE.—During the greater part of the past month the rates of foreign exchange have been somewhat above the point which allows of importations of specie, but on the 23d 60-day bankers' sterling bills on London were down to 4.80, and there were consequently some shipments, but of no great amount. The rates were again raised on the 28th. A renewal of the gold drain does not seem to be feared in Europe, as the Reichsbank has reduced its rate of discount from 5½ to 5 per cent. The rates of the Bank of England and Bank of France remain unchanged. During the week ended to-day the bullion reserve in the Bank of England was reduced £22,000, while that of the Bank of France shows an increase of 5,000,000 francs gold, and a decrease of 3,450,000 francs in silver. The actual rates to-day for bankers' sterling, 60 days, are $4.80@$4.80½; bankers' sterling, sight, $4.84@$4.84½; documentary sterling, 60 days, $4.78¾@$4.79; Antwerp, commercial, 60 days, 5.30@5.29⅜: Swiss, bankers, 60 days, 5.25⅝@5.25; Swiss, bankers', sight, 5.20⅝@5.20;; Reichsmarks (4), bankers,' 60 days, 94@94⅛; Reichsmarks (4), sight, 95@95⅛. Guilders, bankers', 60 days, 39¾@39⅞;

Guilders, bankers', sight, 40⅛@40¼. Paris dispatches quote exchange on London 25f 24½c.

The following shows the posted rates for prime bankers sterling bills on London at 60 days and sight, cable transfers, and prime commercial sterling at 60 days, together with exchange on Paris on Nov. 1, the changes in the rates as they occurred during the month, and the highest and lowest during the months of October and November:

	Bankers		Cable		Paris	
	60 days.	Sight.	Transfers.	Commercial.	60 days.	Sight.
Oct.—						
Highest	4.81½	4.85½	4.85½	4.80	5.28⅛	5.24
Lowest	4.79½	4.83½	4.83	4.77¾	5.25¼	5.20¼
Nov. 1	4.81½	4.85½	4.85½	4.80	5.25¼	5.20¼
" 2.	4.81	4.85	4.85	4.79¼	5.25¼	5.20¼
" 5.	4.81	4.85	4.85¾	4.79¾	5.25¼	5.20¼
" 7.	4.81½	4.85½	4.85¾	4.79¾	5.25¼	5.20¼
" 11.	4.82	4.86	4.86	4.79½	5.25¼	5.20¼
" 15.	4.81½	4.85½	4.85½	4.79¼	5.25¼	5.20¼
" 21.	4.81	4.85	4.85	4.79⅝	5.25¼	5.20¼
" 22.	4.80½	4.84½	4.84½	4.79	5.25⅝	5.20⅝
" 23.	4.80	4.84	4.84	4.77¾	5.25⅝	5.20⅝
" 28.	4.81	4.85	4.85	4.79⅝	5.2[illegible]⅝	5.20⅝
Highest	4.82	4.86	4.86	4.80	5.25⅝	5.20⅝
Lowest	4.80	4.84	4.84	4.77¾	5.25¼	5.20¼

NEW YORK CITY BANK MOVEMENTS.—During the past month the reserve of the Associated Banks has at no time been below the legal reserve, but last week it was very nearly at that point, the surplus being under a million dollars. A disbursement of the surplus laid up in the Treasury would probably place things again on a better footing. There has been an expansion in loans of over 5 million dollars during the month.

The following shows the condition of the New York Clearing-House banks for a number of weeks past, as well as about this time in 1880, 1879 and 1878:

1881.	Loans.	Specie.	Legal-tenders.	Deposits.	Circulation.	Surplus.
Nov. 26	$314,758,800	$57,020,100	$15,592,600	$286,566,400	$20,000,200	$971,100
Nov. 19	315,182,300	59,949,700	15,276,000	291,088,500	19,962,400	2,453,575
Nov. 12	313,123,800	50,788,900	14,853,000	290,677,300	20,043,400	2,972,575
Nov. 5	313,350,900	60,913,500	15,211,800	292,062,500	20,068,400	3,104,675
Oct. 29	309,254,500	61,068,100	15,652,400	288,058,800	19,948,000	4,710,800
Oct. 22	311,310,500	58,309,400	15,208,700	286,643,300	19,919,000	1,907,275
Oct. 15	318,348,900	54,807,200	15,174,500	290,018,300	19,896,100	*2,522,875
Oct. 8	326,123,900	56,534,400	14,856,800	298,897,900	19,867,100	*3,833,275
Oct. 1	330,497,400	59,643,200	14,730,300	308,518,100	19,859,100	*2,746,025
1880.						
Nov. 27	313,524,900	60,177,900	12,098,200	289,527,100	18,666,200	....
1879.						
Nov. 29	278.439,900	52,310,700	16,771,700	247,195,500	23,024,800	....
1878.						
Nov. 30	236,438,400	22,967,400	41,275,700	206,797,200	20,007,000	....

* Deficiency.

MONEY AND DOMESTIC EXCHANGE.—While there has been no special stringency in the money market, yet at many times recently has a premium above 6 per cent. been

paid for call loans, excepting upon Government bond collateral. The rate of discount on prime commercial paper has been steadily up to the legal limit of 6 per cent., and there has been no demand for any but first class. The following shows the range of call loans and rate on prime paper in each week of November:

	Nov. 5.	Nov. 12.	Nov. 19.	Nov. 26.
Range of prime paper...	3@6+1-32	3@6	3@6+1-64	3½@6+1-32
Rate of discount.........	6@6½	6@6½	6@6½	6@6½

The following are the rates of exchange on New York to-day: Savannah, buying, ⅜ discount; selling, ¼@⅛ discount. Charleston, buying, ¼@5-16 discount; selling, par@⅛ discount. New Orleans commercial, $2.50 per $1,000 discount; bank, par. St. Louis, 25c. per $1,000 discount. Chicago, 25@50c. per $1,000 discount. Boston, par.

Stock Exchange Business.—The total recorded transactions at the New York Stock Exchange for the past five months, were as follows:

	July.	August.	Sept.	Oct.	Nov.
Government bonds............	$2,444,000	$1,696,150	$1,673,750	$2,967,000	$3,586,700
State bonds.....................	2,385,000	1,248,500	2,264,500	3,060,500	3,687,700
Railroad bonds.................	19,[illegible]64,300	13,412,300	13,143,400	21,507,600	25,488,800
Bank stocks—shares..........	270	345	531	673	1,216
Railroads, etc., "	8,611,522	6,868,750	6,854,688	9,606,997	7,975,353

Railroad and Miscellaneous Stocks.—There has been no movement of importance in the stock market as influenced by the general public. There has been some fluctuation, but prices average about the same as on November 1, or perhaps they may be somewhat higher. The rumors of an agreement between the trunk line managers in the near future have aided in upholding the market, but nothing definite is known as yet.

The following table shows the highest, lowest, and closing prices of the most important railway and miscellaneous stocks at the New York Stock Exchange during the month of November:

Companies.	Highest.	Lowest.	Clos'g	Companies.	Highest.	Lowest.	Clos'g
Canada Southern....	65	60⅝	63⅛	Met. Elevated.......	105¼	95	96
Central Pacific......	97⅜	93⅛	95¼	Mich. Central........	95⅝	89⅞	93¼
C., C., C. & Ind	96	90⅛	93¾	Mo., Kan. & Texas..	44⅛	38⅛	41¼
C., C. & I. C..........	22⅛	19⅛	20¼	Nash., Chat. & St. L.	89	81	86⅛
Chic., Bur. & Q......	144¾	136¾	141¾	N. J. Central........	97⅜	92⅝	95⅝
Chic., R. I. & P......	137¼	133¾	135¾	N. Y. Central........	140⅝	136¾	138⅞
Chic. & Alton........	134¾	129⅛	133	N. Y. & N. Haven...	.....	.....	.....
Northwestern........	130⅝	123¾	129⅝	N. Y. Elevated......	111⅝	107	107¾
Mil. & St. Paul.......	110⅞	105⅞	108⅝	N. Y., L. E. & W....	48⅝	44⅛	46
Del., Lack. & West..	128¾	124¾	126⅞	Northern Pacific....	43	38¼	40⅛
Denver & R. G......	86⅛	77⅛	79¾	Ohio & Mississippi...	42⅞	40⅛	40¾
Hannibal & St. Jo...	95⅝	94	95⅛	Oregon R. & N......	172⅛	162	165
Illinois Central......	137⅛	130⅛	133¾	Phila. & Reading....	68¾	65	66⅛
Ind., B. & W.........	56⅝	44	51	St. L. & San F........	47	43	44
Lake Erie & West..	48	43	45	Texas & Pacific......	59¾	51¼	54⅝
Louisville & Nash...	100⅛	91¾	99	Union Pacific........	121⅛	117	121¼
Lake Shore..........	123¼	119¼	122½	Wabash, St. L. & P..	49¾	44	44⅛
Manhattan R........	59⅛	50	58	Western Union Tel..	88¼	84	85⅛
Missouri Pacific....	108	103⅛	105⅞	Pacific Mail..........	49⅝	43⅜	45⅛

STATE BONDS.—During the middle of the month there was a considerable rise in Tennessee bonds as well as Arkansas bonds issued to railroads, but there has been a decline since. Following are the last prices of some of the securities principally dealt in: Alabama 8s, Class A, 80¼; Tennessee old, new and new series, 71@73½; Missouri plain sixes, 111; Louisiana consols, 68.

RAILROAD BONDS have sympathised with the stocks, and there have been few notable dealings. Quite lately there have been heavy sales of Boston, Hartford and Erie firsts at a large advance in price, owing to a rumor that Mr. Gould had secured control of the New York and New England Railroad. Following are some of the latest actual prices: Erie, new 2d, consols, 103¾@105; Boston, Hartford and Erie, firsts 72½@79¾; Wabash, general, 96⅛@97⅞; Louisville and Nashville, general, 104½106; Texas and Pacific, income, 74¾@76¼; do (Rio Grande), 89½@90⅞; Missouri, Kansas and Texas, general, 89½@91¼.

COMPARATIVE TABLE ON DECEMBER 1, 1879, 1880 AND 1881.

The following summary shows the condition of the New York Clearing House banks, rate of foreign exchange, and prices of leading securities and articles of merchandise, on or about the first of December in 1879, 1880 and 1881; and, for comparison, the same figures for last month, November, 1881:

	DECEMBER			NOVEMBER
NEW YORK CITY BANKS—	1881.	1880.	1879.	1881.
Loans and discounts	$314,758,800	$312,524,900	$273,439,900	$309,254,500
Specie	57,020,100	60,177,900	52,310,700	61,068,100
Circulation	20,000,200	18,666,200	23,024,800	19,948,000
Net deposits	286,566,400	289,527,100	247,195,500	288,038,800
Legal tenders	15,592,600	12,098,200	16,771,700	15,652,400
Legal reserve	71,641,600	72,381,775	61,798,875	72,009,700
Reserve held	72,612,700	72,276,100	69,082,400	76,720,500
Surplus	971,100	Def. 105,675	7,283,525	4,710,800
MONEY, EXCHANGE, SILVER—				
Call loans	4@6+1-32	6@6& ¼ p. d.	5@7	3@6 1-64
Prime paper	6@6½	6@6½	5@6	6@6½
Silver in London per oz	51 15-16d	54¾d	53 1-16d	52d
Prime Sterling bills, 60 days	4 81	4 79½@4 81½	4 80½@4 81½	4 81½
UNITED STATES BONDS.				
6s, 1881, cont'd at 3½	100@100½	....	....	101@100½
6s, currency, 1898	127	129	120¾	131
5s, 1881, cont'd at 3½	102⅝	....	....	101⅞@102
4½s, 1891, coupon	113⅝@113⅝	110¾	105¾	113@113¾
4s of 1907, coupon	117¾	111⅝	103½	116½@116¾
RAILROAD STOCKS.				
New York Central & Hudson Riv	138¾	141	132	139½
Erie (N. Y., L. E. & W.)	46	45	39	44¾
Lake Shore & Michigan Southern	122½	120¼	104⅜	121½
Michigan Central	93¾	111	93	93⅝
Chicago, Rock Island & Pacific	133⅞	122½	147½	135
Illinois Central	133	119	99¼	130½
Chicago & Northwestern, common	130	126¼	89	124½
Chicago, Milw. & St. Paul, com	108⅝	107¼	72¼	108
Delaware, Lackawanna & Western	127	101	80	126⅞
Central of New Jersey	95⅝	76¾	73	95¼
MERCHANDISE.				
Cotton, Middling Uplands, per lb	12 1-16	12	12½	11⅝
Wool, American XX, per lb	36@..	42@49	44@52	36@45
Iron, American Pig, No. 1, per ton	25 00@26 00	25 00@26 00	26 00@27 00	25 00@26 00
Wheat, No. 2 spring, per bush	1 39½@1 41¼	1 24@1 24½	1 46½@1 47	1 42@1 44½
Corn, Western mixed, per bush	64@71¾	57½@61½	58@62	65@70½
Pork, Mess, per bbl	17 50@18 50	14 25	12 00@12 50	17 75@18

RAILROAD BONDS AND MISCELLANEOUS SECURITIES.

QUOTATIONS IN NEW YORK AND OTHER CITIES.

The following tables give the latest procurable bid and asked prices of Railroad Bonds and miscellaneous securities at the New York Stock Exchange, and Southern securities not called at the Stock Exchange, and also under their appropriate heads, the quotations of securities dealt in at other cities. The quotations represent per cent. of par, and not dollars.

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

SECURITIES.	Bid.	Askd	SECURITIES.	Bid	Askd
			Erie 1st. con. f'd. coup. 7s.	123	127½
RAILROAD BONDS.			do new 2d. con. 6s..........	102	105¼
			do 2d. con. f'd. coup. 5s	95	102½
Boston, H. & E. 1st m. 7s, 1900..	71	73	Han. & St. J. 8s convertible m.	107	108
B., Cedar Rap. & N. 1s 5s g.....	102	102½	Illinois Central,..............		
Chesapeake & Ohio 6s 1st B ...	83½	85	Dub. & Sioux City 1st m......	103	104
do do cy. int. def.	55½	56	do do 2d div....	110	......
Chicago & Alton 1st mortgage.	120½	125	Cedar Falls & Minn. 1st m....	116	......
do income ...	102	104	Indp's Bloomn & W'n 1st p....	125	......
Joliet & Chicago 1st mortgage.	......	130	do do 2d ...	80	85
La. & Mo., 1st 7s.	114	118	Lake Shore Bonds		
St. L Jacksonville & Chic 1st...	114	117	M. So & N. I. Sink. fd 7.........	108¾	112
Chic. Bur. & Qu. 8 per ct. 1st m	107	108	Cleve. & Tol. sink. fd...........	109'	110
Chic. Bur. & Qu. cons M 7s	129½	131	Cleve. & Tol. new bonds........	107	110
do do 5s Sinking Fund	98	105	Cleve. Painesv & A bonds 7s...	......	110
Chic. R. I. & Pac. 6s 1917, cp....	125½	......	Buff. & Erie, new bonds...	123	......
do 6s 1917, registered	126	127	Buff. and State Line 7s.........	126	126
Keokuk & Des Moin. 1st 5s.....	105	106	Kala. & W. Pigeon 1st m.......	110	115
Cen. R R. of N. J. 1st 7s. 90..	118	118½	Det. Mon & Tol 1st 7s 1906......	115	126
do cons. assent.	......	......	Lake Shore div. bonds..........	123	123
do conv. do....	113	114	do con c'p 1st 7s.	131	131
L. & W. B'e. con. assented....	109¼	110	do con reg 1st bds.....	130	131½
Am' Dock & Imp. bonds as'd	136	137	do con coup 2d 7s......	126	127½
Chic. Mil. & St. Paul R. R			do con re'gd 2d m.....	127	127
M. & St. P. 1st mtg 8s P. D...	134	137	Marietta & Cin. 1st m..	119	127
do 2d 7 3-10 P. D.....	118	122	Mich. Cent. consol. 7s 1902......	122	123½
do 1st 7s $ gold R. D	121	126	do 1st m. 8s '82 s f	103	103½
do 1st 7s £ do	113	113½	do equipment bds....	......	......
do 1st M. LaC. D.....	117½	120	N. Y. Cent. 6s, 1883............	102½	103
do 1st M. I. & M. D..	121	124	do do 6s, 1887............	108	110
do 1st M. I. & D......	121	128	do do 6s, real estate......	102½	105½
do 1st M. C. & M.....	121	......	do do 6s, subscription...	102	108
do consolidated s f..	121	125	do do & Hud 1st m c.....	135	136
do 2d mortgage 7s...	102	106	do do do 1st m reg....	136½	137
Chic. & N. W. sinking fund....	106	111	Hud. Riv. 7s 2d m s f 1885.....	111	113
do do int. bonds.......	108½	109	Harlem 1st m 7s coupon......	134	134
do do cons. bonds.....	131	133	do do reg'd.........	134	134½
do do exten. bonds...	......	108	Ohio & Miss cons s f...........	119⅞	120
do do 1st mortgage...	108½	109½	do consolidated 7s....	118½	120
do do coup gd bonds..	126	127	do 2d do...........	.....	123½
do do reg'd do	127½	......	do 1st Springfield div.	117	118¼
Iowa Midland 1st m. 8s..... .	128	133	Pacific R R bonds..............		
Galena & Chicago extension.	102	102	Cent Pacific gold bonds......	115	116
Peninsula 1st m. conv........	130	140	do San Joaquin branch....	108	109
Chicago & Mil. 1st m..........	125	127	do Cal & Oregon 1st........	104	107½
Winona & St. P. 1st mort.....	109½	111	do State aid bonds	103	109
do do 2d mort.....	......	120	do land grant bonds........	105	105½
C. C. C. & Ind's 1s m. 7s s. f.....	124	125	Western Pacific bonds........	110	112
do consol, M. bonds.	124¼	126	Union Pacific 1st m bds.......	117	118
Del., Lack. & W. 7s conv.......	110	......	do land grants. 7s...	113	114
do do m. 7s 1907....	127	127	do sinking fund.....	122¾	126
Morris & Essex 1st mor.......	134	140	Pacific R of Mo. 1st m..........	107¼	107½
do 2d do	116	119	do 2d m. 7s...........	114	115
do 7s 1900.	120½	......	Pennsylvania R R		
do 7s of 1871.....	119	121	Pitts, Ft W & C 1st m	139	140
do 1s con. gd....	124½	125½	do do 2d m.........	133	133¾
Del. & Hud. Can. 1s 7s. 1884....	107	109	do do 3d m..........	127½	130
do do 1891....	115	120	Cleve & Pitts con s f....	127	......
do Coup. 7s 1894...	116	119	do 4th do..........	114	116
do Regis'd 7s 1894....	118½	120	Col. Chic & Ind cent. 1st m..	120	130
Albany & Susq. 1 s 7s..........	115	116	do do 2d m..........	......	100
do do 2d do........	103½	105½	Rome, Water'n & Og con 1.....	96	97½
do do 1st c gua'd....	125	......	St. L. & Iron M 1st m..........	115	117
Rens'r & Sara. 1st 7s, Coup..	134	......	do do 2d m..........	108	108
do do 1st reg'd 7s ...	134	......	St. L. Alton & Terre H. 1st 7s .	114	114

STOCK AND BOND QUOTATIONS.

Securities.	Bid.	Askd
St. L. Alton & T. H. 2d pref...	103	110
do 2d do inc......	102½	105
Bell & S. Ill R. 1st m 8s........	116	120
Wab., St. L. & Pac. gen. m 6s..	97⅛	98
do Chic. div. 5s	91	92
do Hav. " 6s	......	102
do Tol. P. & W. 7s.........	112	116
Wabash R. m. 7s............	106	107
Tol & Wab 1st m ex...........	111	....
do 1st M St. L. div.....	107	107¼
do 2d m. extdg. 7s	108	110
do equipment bonds..	60	63
do cons conv'ble......	......	106⅛
Gt West'n 1st m 7s 1888.......	109	111
do 2d 7s 1893	108	111
Quincy & Tol. 1st M......1890	107	110
Illinois & S Iowa 1st m 7s....	100	102
West'n Un bds, 1900, c'pon.....	117	118½
do do do reg........	117	118½
MISCELLANEOUS LIST.		
Arkansas Levee 7s...	10	15
Atchison & P Pk 6s gold........	100	106
Atchison, Top & S Fe 7s, g.....	120	123
California Pac R R 7s gold.....	107	110
do 6s 2d m gold.... ..	106	109
Central Pac 7s gold, conv.......	100	103
Chi & Southwestern R R 7s....	120	123
Chi & Mich Lake Shore 8s..	106	112½
Chi & Can South 1st m'g 7s.. ..	45	50
Cin, Rich & F W 1 m g 7s.......	104	108
Cleve, Mt V & Del 7s gold......	88	92
Connecticut Valley 7s gold....	65	70½
Connecticut Western 1st 7s....	35	37
Col & Hock Val 1st 7s 30 ys.....	112	115
Denver Pacific 7 gold...........	......	......
Erie & Pittsburg 1st 7s.........	......	......
do 7s, cons..................	108	110
Evans & Crawfordsville 7s.....	102½	107½
Evansville, T & H Chic 7s g.. .	90	100
Flint & Pere M 7s land grant...	94	94½
do pref stock......	......	......
Grand River Valley 8s..........	107½	110
G'd Rapids & Ind 1 guar 7 g....	118	120
G'd Rapids & Ind 1st 7s g.......	110	112
Ill Grand Trunk 8s......	116¾	117½
Ind. Bl. & W., scrip............	20	25
Indianapolis & Vinc's 1st 7s gr.	110	115
Indianapolis & St. Louis 7s.....	80	90
Io Falls & Sioux City 1st 7s.....	110	112
Jack. Lansing & Sag. 1st m.....	108	110
Jeff'ville, Mad & Ind 1st m 7s...	115	118
Kala'zoo & South H 8s guar....	115	120
Kal, Alleghan & G R 8s gr......	110	115
Kal & White Pigeon 7s..........	110	115
Kansas City & Cameron 10s....	118	122
Michigan Air Line 8s...........	119	121
N. J. Midland 1st 7s gold.......	90	92
Omaha & S West'n R R 8s......	115	120
Oregon & Cal 7s gold...........	......	......
Oswego & Rome 7s guar........	110	......
Ott, Oswego & Fox R. V. 8s....	......	....
Pitts, Cin & St Louis 1st 7s.....	119	120
Sand, Mans & Newark 7s.	112	118
Sioux City & Pacific 6s...	......	......
Southern Central N. Y. 7s......	70	90
Steubenville & Indiana 6s......	102	104
St L & S Eastern 1st 7s gold....	100	......
Union Pacific So br 6s gold ...	105	110
Union & Logansport 7s.........	110	118

Securities.	Bid.	Askd
CINCINNATI.		
COUNTY AND CITY BONDS.		
Cincinnati 4s....................	105½	105½
City of Cin. consol 5s...........	114	x115
City of Cincinnati 6s............	119	x120½
do do 7s............	125	x130
City of Covington, Ky 5s '81...	4	x5
do do 4s '81....	2	x4
RAILROAD BONDS.		
L Miami & I & C con 6s	105	......
do do 1st 6s '83........	102	103
Cin, Ham & Day 2 m 7s '85......	105	x107
Dayton and Mich, 2 m 7s '84....	106	107
do do 3 m 7s '88....	107	109
Cin, Rich & Chi, 1 m 7s '95......	110	x112½
Cin, Han & Ind 1st m gr 7s.....	x 113	113½
Marietta & Cin 1st m 7s '91.....	87	90
do do 2d m 7s '96......	30	33
Indianap & Cin 1st m 7s '88.....	109	......
Cin & In guar 1st m 7s '92.....	109	110
do 2d m 7s '77 '82......	104	106
Indianap C & L 1st m 7s '97.. ..	......	110
Day & W 1 m, 1881.	x 101	102
do 2 m, 1905..............	107	109
MISCELLANEOUS STOCKS.		
Columbus & Xenia.......... 50	150	152
Cin, Ham & Dayton.........100	90	x 91
Dayton & Mich 3½ guar..... 50	59	x 60
Little Miami................. 50	145½	x146
Marietta & Cin 1st pref.......50	10	......
do do 2d do.........50	.....	3
Cin Gas Light & Coke Co....100	170	x171
SOUTHERN SECURITIES.		
CITIES.		
Atlanta, Ga 7s..........	107	112
do 8s............	110	114
Augusta, Ga 7s bonds..........	109	112
Charleston stock, 6s...........	78	80
Charleston, S. C. 7s F L bonds..	100	......
Columbia, S. C. 6s..............	65	75
Columbia, Ga. 7s bonds........	100	......
Lynchburg 6s...................	106	107
Macon 7s bonds...	100	105
Memphis bonds 6s..	45	......
do new consols..........	50	60
do end, M & C R R......	50	......
Nashville 6s old	100	105
do 6s new....	100	105
New Orleans 5s................	72	74
do consol, 6s.......... ...	79	85
do bonds, 7s............	65	70
do to railroads 6s........	65	......
Norfolk 6s	103	104
Petersburg 6s..................	103	106
Richmond 6s...	113	115
Savannah 5s	83	87
RAILROADS.		
Atlantic & Gul, consol.........	108	112
Central Georgia cons, 7s	116	120
do do stock...........	118	122
Charlotte Col & A, 1 m 7s......	107	110
do do stock...	50	......
E Tenn & Georgia 6s..........	102	106
East Tenn, Va & Geo 1st m 7s..	117	119
do do stock...........	14	15
Georgia R R 7s................	115	......
do stock	155	164
Macon & Western Stock........	120	130
Macon & Augusta bonds.......	100	......
do do endorsed....	100	......

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Memphis & Charleston 1st 7s	110	115
do do 2d 7s	102	108
do do stock	72	74
Mississippi Central 1st m 7s	102	......
do do 2d m 8s	110	112
Mississippi & Tenn 1 m	130	......
do do cons, 8s	118	122
Motg'y and West P, 1st 8s	103	......
do do 1st end	......	......
N Orleans and Jackson 1st m	110	114
do do 2d m	114	117
Nash and Chattanooga 6s	100	115¾
Norfolk and Petersb 1st m 8s	104	......
do do 2d do	102	......
Northeastern, S C, 1st m 7s	126	......
do do 2d do	116	......
Orange and Alex 1st 6s	107	......
do do 2d 6s	111	......
do do 3d 8s	93	......
do do 4th 8s	55	......
Rich and Peters'b 1st m 7s	......	......
do do 2d m 6s	......	......
do do 3d m 8s	102½	......
Rich and Fred'b and Pot 6s	104	......
do do do con 7s	118	......
Rich and Danv 1st con 6	100	101
do Piedmont 8s	112	114
do 1st 8s	......	......
Southside Va 1st m 8s	104	......
do 2d m guar 6s	100	127
do 3d m 6s	97	......
do 4th m 8s	......	......
Southwest R R, Ga 1st m	120	......
do do stock	120	130
S. Caro R R, 1st m 7s, new	105	......
S. Caro R R 6s	70	76
do 7s 2d	123	125
Virginia and Tenn 2d 6s	100	102
do do 3d 8s	119	125
West Ala, 8s guar	115	120
Wilmington and Weldon 7s	116	120
PAST DUE COUPONS.		
Tennessee State coupons	35	45
Virginia consol coupons	91	93
Memphis city coupons	30	......

BOSTON.

RAILROAD STOCKS AND BONDS.

SECURITIES.	Bid	Askd
A T and Santa Fe, 1st m 7s	122	123
do do L G	......	......
do do stock	140	140¼
Bost and Alb'y stock	164½	166
Boston and Lowell stock	110	112
Boston and Maine, stock	151½	152
Boston and Providence, stock	162	......
Chicago, Bur and Quincy	136¾	142
Cin, San, and Cleve, Com. stk.	32	32½
Connecticut River, stock	170	172½
Eastern stock	50¾	51
Fitchburg, stock	150	......
N. Y. & New England R. R. 7s.	114	116½
do do do 6s.	108¼	108½
Northern (N. H.) stock	......	113
Norwich and Worcester stock	......	......
Ogdenburg and L Champ stock	33	......
Old Colony stock	129½	130
Portl, Saco & Portsmouth st'k	116	117
Portsmouth, Gt F & Con'y s	......	......
Rutland pref. stock	25	28
Vermont and Mass	131	132
Worcester and Nashua	59	60
MISCELLANEOUS STOCKS.		
Boston Land Co	8¾	8⅞
Boston Water Power	7¾	7⅞
Pullman Palace Car	130½	131

PHILADELPHIA.

STATE AND CITY BONDS.

SECURITIES.	Bid	Askd
Penn. 5s, new, reg, '92 1902	117	118
do 6s, 10-15, reg, '77 1882	105	......
do 6s, 15-25, reg, '82 1892	102	......
Philadelphia 6s, old	130	......
do 6s, new, over 1895	127	128½
Pittsburg 5s, reg, 1913	95	100½
do 7s, water loan	126	126½
do 7s, street improv	105	......

RAILROAD BONDS.

SECURITIES.	Bid	Askd
Allegheny V R R 7 3-10, '96	......	125
Bel & Del R R, 1st m 6s, 1902	120	......
do 2d do '85	106	......
do 3d do '87	106½	......
Cam & Amboy R R 6s, 1883	103	104
do do do 6s, 1889	107	......
do do do m 6s, 1889	113	......
Cam & At. 1st m 7s, gold 1893.	116	121
do do 2d do cur, 1879.	106	109
Cataw R R new 7s, 1900	119	121
Connecting R R 6s. cp. 1900	118	120
Del & B B R 1st m. 7s, 1905	120	124
H. & B. T. 2d m 7s, gld 1895	114	......
do 3d do cur. 1895	......	91
Lehigh Valley, 1st m, 6s, c,'98	123	127
do do r g '98	121½	......
do 2d m, 7s, reg 1910	......	133
do cons. m, 6s reg 1923	118	118½
do do 6s, coup. 1923	118	119
N Cent. 2d gd. m. 5s, cp'n 1926	99½	100
North Penn, 1st m 6s, c 1885	106	108
do 2d m 7s, c. 1896	105	......
do gen. m 7s, c. 1903	119	120
do do reg., 1903	120	......
Oil Creek 1st m 7s, coup '82	102	108
Pittsb'h Titus & Buff 7s, c, 1896.	98	......
P & N Y C. & H. R. 7s, r&c 1896.	....	124½
Penna. 1st mort 6s, c, 1910	123	129½
do do do 6s reg 1910	121½	125
do cons m, 6s reg. 1905	121	122
Phila & Erie 1st mort 6s c 1881	......	117
do 2d mort 7s, c 1888.	95	96
Phila & Reading 6s, R C e d,'10.	......	123
do 2d m 7s, c 1893	123	......
do cons m 7s c 1911	125	125½
do do m 7s r 1911	126	......
do do 6s, g r & c 1911	114	......
Pitts, Cinn. & St. L 7s c 1900	120	121
Tex & Pac 1st m, 6s, g 1905	105	107
do cons m, 6s, g 1905	103½	103⅞
Un & Titus 1st m, 7s, 1890	103½	......
War. & F. 1st mort. 7s, c 1896	113	118
West Jersey 6s, d coup 1883	100	......
West Jersey 1st mort 6s, c 1896.	120	121
do do 7s, r & c '99	123	125
West Penn 6s, coup, 1893	......	110½
do 6s. p b c, 1896	105	110
Lehigh Nav. m 6s, r 1884	106½	107⅛
do M.R. R. r, 1897	117	119
do M conv g. r. 1894	......	118
do M. gold, r. c, 1897	113	113½
do cons m 7s r, 1911	119½	......

STOCK AND BOND QUOTATIONS.

SECURITIES.	Bid	Askd
Schuyl. Nav. 1st m 6s, reg 1897..	108½	......
do 2d do r. 1907..	91	92½
do m 6s, coup. 1895..	50	......
do 6s, bt&car r 1913..	60	70
do 7s, bt&car r 1915..	70	......
R. R. AND CANAL STOCKS.		
Catawissa.................... 50	16	18
do pref..... 50	54	55
do new pref..... 50	53	54
Lehigh Valley.............. 50	61⅛	61⅝
Liltle Schuylkill........ 50	56	56½
Minehill	61½	62
Northern Pacific........	39½	39¾
do pref..........	81⅜	81½
North Pennsylvania........ 50	58½	59¼
Pennsylvania 50	63¼	63⅜
Philadelphia & Reading..... 50	32¾	32⅞
Pitts. Titus. & Buffalo..........	21⅝	21¾
St. Paul & Duluth...............	......	40
do pref.........	.....	88
United Cos. of N. J..........100	184	......
CANAL STOCKS.		
Lehigh Navigation.......... 50	45⅝	46
Schuylkill Navigation..........	6⅛	......
do do pref.....	13	13¼
BALTIMORE.		
Maryland 6s, defence, J. & J...	105	105½
Virginia 10-40s. J. & J...........	47	47½
do deferred, J. & J....	17	19
do consol. do.......	78	78¼
do do 20s do.......	40	41
do consol coup, p due......	93¾	94
Balt. 6s, J., A., J., O., 1890... ..	116	116¾
do 6s, J. A. J. O. 1900........	126	......
do 6s, J. & J., 1902............	128	......
do 5s, M. & N., ex., 1916......	122	124
Balt. & Ohio, May & N.......100	190	200
do 1st preferred	125	......
do 2d do	122	.....
Northern Central, J. & J.....50	51½	52
Central Ohio, June & Dec....50	44	47
do preferred....50	50	......
South Side, 1st 8s, J & J........	110	.....
do 2d 6s, do	102	......
do 3d 6s, do	102	......
Cin. & Baltimore 1st 7s..	110	120
W. M. 1st m 6s gu. 1890, J. & J..	116	120
do 1890. J. & J..	111	112
W. Maryland 2d m (pref).......	106	108
M. & Cin. 1st m 7s F and A 1891	123½	124½
do 2d m 7s M. and N....	95½	95¾
M. & Cin. 3d m 8s 1890 J. and J..	48	48¼
Rich. & Dan. 1st m. M.and N...	105	......
Union R. R., End. Cant. Co.....	116	......
Canton Co., 1st 6, gold, J and J.	107	108
Orange, Alex. and Mn's 7s do..	112	114

SECURITIES.	Bid	Askd
Orange & Mid. 1st 6s, M. and N.	108	110
do 2d 6s, J. and J.....	90	95
do 3d 8s, M. and N.. .	52	55
do 4th 8s, M. and S ...	95	96
Virginia & Tenn 6s 2d J. and J.	102	......
do 8s, J. and J..	116	......
W. & W. 7s gold 1900 J. and J..	115	......
W. and Columbia and Aug. 7s.	111	112
ST. LOUIS.		
Corrected by Wernse & Dieckman, Bankers and Brokers, 203 N. Third St., St. Louis.		
BANK STOCK.		
Par.		
Bank of Commerce...... ...100	350	......
Laclede Bank.. 100	112	115
Biddle Market Sav'gs Bank.100	70	......
Boatmen's Sav'gs Bank.....100	115	118
Bremen Sav'gs B'k..........100	80	100
Citizens' Sav'gs Bank.......100	56	......
Commercial Bank....... ...100	240	......
Fourth National Bank......100	115	......
Franklin Bank 100	122	125
German Sav'gs Institution. 50	62	75
German American Bank...100	100	......
Mechanics' Bank............100	106	107
Merchants National Bank..100	117	120
Mullanphy Sav'gs Bank....100	100	......
Continental Bank...........100	125	......
Provident Sav'gs Bank.....100	104	110
International Bank 100	90	... ..
Lafayette Bank... 100	96	......
St. Louis National Bank....100	111	115
State Sav'gs Association.... 50	112	......
Tenth Ward Sav'gs Bank...100	112	......
Third National Bank........100	99	101
Union Sav'gs Bank..........100	50	53
Valley National Bank.......100	100	103
Northwestern Sav'gs Bn'k.100	130	......
SUNDRY STOCKS & BONDS.		
ST. LOUIS CITY AND COUNTY BONDS.		
City 6s, Bridge Approach......	111	......
do Sterling bds, due 1898..	116	......
do Water b'nds, due 1887..	107	......
County 6s, gold.................	109	......
City 5s, due 1900...	108	......
do 10-20 years..............	104	106
STOCKS.		
Par.		
American Cent. Ins. Co..... 25	27	28½
Marine Insurance Co........100	110	......
B·lcher's Sug. Refin'g Co...100	64	.....
Laclede Gas Light Co.......100	113	115
St. Louis Gas Light Co...... 50	295	300
Iron Mountain Co..........1000	900	......
Pilot Knob Iron Co.........100	75	90