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HUNT'S MERCHANTS' MAGAZINE,
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REPRESENTING THE INDUSTRIAL AND COMMERCIAL INTERESTS OF THE UNITED STATES.

VOL. 13.

SATURDAY, DECEMBER 9, 1871.

NO. 337.

CONTENTS.

THE CHRONICLE.	
The Called Bonds and the Money Market	757
Debt Liquidation and Reduction of Taxes	758
Charles Sumner and Specie Payments	759
Cotton Supply and Demand	760
The Debt Statement for December, 1871	762
Changes in the Redeeming Agents of National Banks	762
Latest Monetary and Commercial English News	763
Department Reports	761
Commercial and Miscellaneous News	774
THE BANKERS' GAZETTE AND RAILWAY MONITOR.	
Money Market, Railway Stocks, U. S. Securities, Gold Market, Foreign Exchange, New York City Banks, Philadelphia Banks	775
National Banks, etc.	778
Quotations of Stocks and Bonds	778
Railway News	778
THE COMMERCIAL TIMES.	
Commercial Epitome	780
Cotton	780
Breadstuffs	782
Groceries	783
Dry Goods	785

The Chronicle.

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THE CALLED BONDS AND THE MONEY MARKET.

The trouble yesterday at the London Stock Exchange, in consequence of the precarious condition of the Prince of Wales and the announcement of his expected death, has had little effect here, except that it has given a slight upward impulse to the gold market. No apprehension appears to prevail of any resulting disturbance to our money market or to the arrangements now pending in London for closing up the new loan.

There is some doubt as to the purpose and the probable effect of the action of Mr. Boutwell in giving notice for 20 millions more of the Five-Twenties of 1862, making the aggregate called in to this date 120 millions. It is urged that he will allow these 20 millions to be paid off on presentation at the Treasury without waiting until the expiration of the 90 days notice. A part of these bonds are probably in the possession of the London Syndicate, as they have agreed to exchange their new Fives for any other Five-Twenties without limiting the privilege to those bonds which were "called."

A large amount of these and other descriptions of bonds have no doubt accumulated in the hands of the Syndicate, and probably are deposited by them as security for the new Fives until the "called" bonds to the requisite amount can

be gathered in. About 85 millions of these "called" bonds seem to have already reached the Treasury, of which 20 millions have been paid for in coin. As the Syndicate have all along declared that only 5 millions of coin would be paid out of the Treasury, and that the remainder of the new loan negotiation would be reduced simply to an exchange of bonds, their calculations are evidently at fault. Five millions more of called bonds will, it is supposed, be presented for cash payment in this country, and 10 millions abroad, making 35 millions altogether. This would seem to indicate an accumulation of cash in London to the credit of the Government, which, as we said last week, ought not to be allowed to lie there idle. The difficulty will perhaps be met either by the notice just given by Mr. Boutwell, or by some other means that will be hereafter adopted. If a part of these bonds are with the Syndicate while the rest are scattered in Germany and continental Europe, they can all be turned in for cash, and thus the expense of sending the funds here will be obviated. We trust, however, that there will be no duplication of interest in this second lot of called bonds as there was in regard to the first lot of 100 millions. Such a duplication of interest was not contemplated by Congress, but was virtually forbidden. In the present temper of the people, and in view of their demand for greater economy of administration it would not be judicious to allow any repetition of such abuses. The twenty millions of bonds just called may, therefore, perhaps be accepted at once on presentation at the Treasury.

The drain of currency to the South and West, to which we recently called attention, still continues, but the declining legal tender averages were last week compensated by the increase of specie, so that the percentage of lawful money reserve was thus kept up. Much heavier sums were, however, paid out of the Treasury than found their way into bank, and as this outflow of gold from the Treasury is still going on, there is some anxiety to know how the bank statement will be affected thereby.

In view of the fact that Congress, in obedience to the popular will, is about to make a heavy reduction of the revenue from taxation, the question is asked whether after this month Mr. Boutwell will not be obliged to stop his usual purchases of bonds in order to accumulate funds for the payment of these 20 millions of called bonds.

The question is, however, of no immediate interest except to a few of the foreign bankers and dealers in Government bonds, some of whom would no doubt give a handsome *douceur* for exclusive information as to what policy is likely really to be adopted. A more important practical matter concerns the movements of the banks during the past and coming week.

The uncertainty felt in some quarters as to how these movements might affect the money market has developed a sensitive irritability in financial circles which was eminently favorable to the process of locking up greenbacks if any sufficiently strong clique should desire to do so. This manœuvre requires, however, so many combinations to make it successful that we were inclined to doubt the sufficiency of the evidence that it was put in operation last week. The same rumors have been in circulation since, with some further proofs of the correctness of the charge that the locking up process had really been in operation. In spite, however, of the fact that certain banks were mentioned and some other moneyed institutions, we doubt whether, if the manipulation has been carried on at all, its extent has not been much exaggerated.

The stringency in money is sufficiently accounted for by the drain of deposits to the interior and by the fact that this outflow of currency and funds were not foreseen by the banks. These institutions, instead of contracting their accommodations in harmony with the indications of declining averages, continued to keep up their loans, and consequently when the time for contraction arrived they were compelled to conduct the process with more of spasmodic activity than was compatible with the tranquillity of the monetary situation.

DEBT LIQUIDATION AND REDUCTION OF TAXES.

We issue to-day our usual double number of THE CHRONICLE in order to give space for the report of the Secretary of the Treasury with the accompanying financial documents laid before Congress. These reports are this year unusually suggestive and for many reasons are worthy of being placed on record. Mr. Boutwell has had the gratification and the perils ever since he took office of presiding over an overflowing Treasury, and while the taxes have been several times reduced, he has been steadily diminishing the public debt, appreciating the National Treasury notes towards par with specie, and improving the Government credit at home and abroad. Never in the history of this government have so much of material growth and industrial prosperity been as rapidly and continuously realized as since the close of war. The stupendous obstacles, in face of which this wonderful growth has been effected, may be inferred from the subjoined table, which presents in one view the pressure of the debt and of the chief taxes since the war, as compared with the previous whole period since the discovery of gold in Australia gave its first great impulse to the material development of this country :

	Gross Receipts.	Receipts from Loans and Treasury Notes.	Customs.	Internal Revenue.	Aggregate D. bt.	Annual Interest thereon.
1871....	852,092,468	268,708,523	276,270,408	149,098,153	2,553,211,332	125,776,565
1870....	69,729,978	23,474,491	194,533,374	134,899,756	2,430,672,127	129,235,498
1869....	609,821,828	238,678,651	130,018,426	158,356,460	2,583,452,218	130,694,242
1868....	1,030,719,566	625,111,433	161,161,579	191,087,889	2,611,687,851	140,424,056
1867....	1,131,060,920	600,126,910	176,117,300	261,027,577	2,678,126,103	143,781,591
1866....	1,137,934,173	712,51,553	179,066,651	307,226,818	2,778,291,178	138,067,624
1865....	1,806,999,845	1,472,221,740	81,923,260	209,461,215	2,690,617,869	77,895,090
1864....	1,393,161,017	1,123,877,945	102,311,152	109,741,131	1,875,731,310	53,685,422
1863....	839,817,652	76,692,361	68,059,643	87,640,787	1,119,772,138	24,729,700
1862....	551,650,421	529,662,460	49,013,397	.....	521,175,412	18,197,344
1861....	8,361,640	5,561,779	39,521,125	90,580,873	4,064,157	.....
1860....	76,41,407	20,776,300	51,187,511	.....	81,812,237	8,141,120
1859....	81,773,965	28,245,500	49,565,824	.....	58,196,837	2,637,649
1858....	70,572,065	23,717,300	41,739,200	.....	44,911,881	1,652,065
1857....	68,967,222	8,900	63,875,905	.....	28,699,831	1,594,265
1856....	7,056,890	209	64,22,863	.....	51,972,577	1,963,522
1855....	81,821,374	80	18,023,191	.....	83,536,256	2,311,464
1854....	78,501,818	2,001	42,244,490	.....	42,242,222	9,070,926
1853....	61,634,400	15,300	53,931,955	.....	59,936,117	8,663,532
1852....	49,893,115	49,500	47,389,326	.....	66,108,341	4,000,297
1851....	52,781,704	203,400	49,017,567	.....	68,304,796	6,996,760
1850....	47,619,808	4,045,950	39,663,186	.....	68,452,773	5,781,893
1849....	59,796,892	28,58,720	28,317,738	.....	68,061,808	8,565,525
1848....	56,892,479	21,256,700	31,757,070	875	47,044,862	2,890,765

In the reports before us these obstacles to the National progress are the great central points around which gathers the chief public interest and anxiety. In regard to

the repeal of taxation it is evident that a fundamental change of policy is now demanded by the people, and that we must adjust the National revenue closely to the expenses of the government, leaving a much smaller surplus to be devoted to the liquidation of the debt for some years to come. Mr. Boutwell does not acquiesce very cheerfully in the new movement. Still we are glad to see that he recognises that this change in the attitude of the public mind has now become permanent and refuses to be resisted. For some years after the debt reached its maximum the country was restless under the oppressive burden of the National obligations, and demanded that something should be done for the easing of the pressure. Two plans were proposed to lessen the burden. One was the paying off of the principal. The other, the lessening of the rate of interest. Both these plans were tried, but with only partial success. The principal has been diminished since March 1, 1869, by no less a sum than 277 millions, which represents an annual saving of some 16½ millions of gold interest. It soon occurred to the people and the press to question whether this small annual relief was not too dearly purchased; and whether for the promotion of the national credit and the public wealth it would not be better to leave the money to fructify in the pockets of the people; especially as capital has always been the great need of this country, as of other young nations; and as we have so recently lost prodigious masses of our floating and fixed capital, which were annihilated by the war. These arguments have been gradually gaining power, and were welcomed with more and more favor, until at length public opinion is running very strongly adverse to any further prepayment of the debt except to the small extent required for the ordinary Sinking Fund. Mr. Boutwell has been very slow to recognize this turn in the current of popular sentiment. He has been too much influenced by the erroneous apprehension that the credit of our Government is so weak that it cannot be kept up without large frequent payments on the public debt. Accordingly, he rates far too low the success which in other directions he has achieved in his management of the finances, and magnifies the importance of those parts of his policy which are really of subordinate minor moment. For years he has urged that 50 millions of the public debt should be annually paid off. He reiterates the same opinion now; still he acknowledges that to carry it into action he would not keep up a mischievous system of needless taxes, which are oppressive to our citizens, paralysing to the business of the country, wasting to the public wealth, and obstructive to the growth of the national resources. Accordingly, he proposes to repeal all the internal revenue taxes except those on spirits, tobacco, malt liquors and stamps. This is almost the precise policy which has been recommended in the CHRONICLE for several years past. And we may add that many of the stamp duties could be with advantage got rid of. Congress will doubtless comply with most of these recommendations, and the decrease of the public debt which we have been accustomed to see in each successive monthly schedule, may be expected to go on with much less rapidity than heretofore.

The second project for relieving the pressure of the debt was by decreasing the rate of interest. A large part of the Secretary's report is devoted to an account of his recent efforts in this respect. The result and the course of these negotiations have been watched with no small disappointment. When the new loan act was projected the intention was to fund the mass of the debt at 4 per cent. If that had been deemed impossible, the popularity of the law would have been lost. To assist in the placing of 1,000 millions

of Fours, 200 millions of Fives were authorized, with 300 millions of 4½ per cents. The original understanding was that none of the 4½ or Fives were to be sold, except the purchaser would also take at par a double amount of Four per cents. With this view 1,000 millions were authorized of Fours, and but 500 millions in the aggregate of 4½ and Fives. We were thus promised relief from the pressure of interest to the extent of 26½ millions a year. The whole expense of the refunding process was forbidden to exceed one-half per cent, and the principal of the debt was not to be increased by the operation. Such was the original programme and such the promises under which the funding act was passed. The only change of importance which has since been made was by the act of 20th of January last, which increased the Five per cents from 200 millions to 500 millions. In view of the saving of 26 millions a year by this funding operation, the Secretary was permitted to make the new bonds free of all taxes. This privilege is not free from danger or difficulty, and on that account has never been conferred on any kind of property before. The opinion has been held, indeed, that the value of this exemption from taxes is greater than all the saving which is likely to be realized by the new loan.

Many of the National banks are already claiming exemption from some of their taxes under cover of this mischievous provision. The Loan act was passed in June, 1870, and the experiment, after 18 months' trial, may now be proclaimed a failure. Mr. Boutwell virtually acknowledges this when he asks that 2 per cent commission be offered to induce foreign bankers to negotiate the new bonds abroad. Such a high rate of bankers' commission was never paid by this country when most in want of money in the worst period of the war. Even the bankrupt Treasury of France has not been obliged to allow so much bankers' commission, unless in an exceptional loan. Mr. Boutwell, under his failure, may console himself with the reflection that the sale of United States Fours at par is merely a question of time; and that Mr. Chase attempted the very same task of prematurely reducing the rate of interest, when he was Secretary of the Treasury, in 1864, and met with even a more signal failure than the present one. The negotiation of the 200 millions of Fives, which Mr. Boutwell has just concluded, has been attended with some grave irregularity, which is now the subject of special inquiry by Congress. Mr. Boutwell's explanation certainly puts the matter in a somewhat more favorable light. But in paying double interest he has evidently exceeded his powers, and if in this single case the fault be overlooked, care must be taken that no precedent be thus established for the future.

CHARLES SUMNER AND SPECIE PAYMENTS.

On Monday, according to promise, Mr. Sumner introduced in the Senate his new bill for promoting a return to the specie standard; and whatever we may think of its prospects, there is no doubt that the scheme is in some respects the best that has ever been presented to Congress. It is based on two distinct principles, both of which have been frequently expounded in these columns. These principles are the necessity of contraction and the use of interest bearing notes as a means of contraction. As to the first—the need of contracting and lessening the volume of the circulation—it is now generally admitted by all the financial authorities. Depreciation of irredeemable paper money always follows and is caused by redundancy, though the one does not always keep even pace with the other. Assuming that our 750 millions of currency is too much, and far exceeds the legitimate wants of the country, Mr. Sumner proposes to lessen its volume; and as compound interest notes

have been already tried, their operation is known to be equally wholesome and effective. Their special fitness for the work of contraction rests on the fact that if substituted for greenbacks they enter when first issued into the general current of the circulation; and move with just as much activity as the greenbacks themselves. But this early activity is soon lost. Like some youth who, as he grows older, becomes fat and lazy, this compound interest currency loses its activity as its accumulating value swells and grows. As interest accumulates on the notes, they gradually withdraw themselves from circulation, and are seldom paid out as money. We have so often explained these familiar facts, and proved the soundness of the principles on which Mr. Sumner's bill is based, that we need say nothing more in this place.

We ask, however, a patient, candid hearing for this measure. It is well known that an intense popular prejudice has been excited against contraction of the currency; and that Congress, in obedience to the general bidding of the whole nation, forbade, in the law of 1868, the reduction of the currency below its then outstanding aggregate. But how was this popular alarm excited? The cause of it is not unknown. It was due to the derangement and disasters which were projected into the financial and business circles by Mr. McCulloch's attempts at contraction towards the close of his term as Secretary of the Treasury. For some purpose never yet explained, he reversed all his usual methods of contraction, which had formerly worked well, and adopted a totally new and perilous policy. During the summer of 1867, when the currency was plethoric, and he could safely have contracted its volume, he poured out greenbacks from the Treasury, and added to the existing overstimulus of speculation in gold and stocks. This mischievous plan was carried on all the Summer, and was only stopped at the approach of Autumn. Then he began to contract the currency, under the law which gave him the option of taking in 4 millions a month of greenbacks, or of omitting the operation at his discretion. The people remonstrated, the press exposed the ruinous mischiefs which were being precipitated. But all was to no purpose. He went on contracting the currency month after month, regardless of consequences, until the public mind was filled with disgust and dread by the spectre of contraction; and Congress finally put an end to the Secretary's power to contract the greenback circulation under any pretext whatever. The growth of the country since then, the extension of the area for the use of currency by our increasing network of railroads, the adoption of greenbacks in the South, and throughout the vast continent from the Atlantic to the Pacific—all these circumstances, and a multitude of others, have so increased the legitimate demand for currency that the supply is not so redundant; and the average price of gold, which is the best index of redundancy we have, has declined in response to these forces. Still a large part of this decline is ascribed to the derangement of the foreign exchanges, and a multitude of our best thinkers share Mr. Sumner's desire to seize the present opportune moment, when gold is lower than at any time since 1862, to give permanency to the approximation of greenbacks to gold, and to carry on the movement without delay to par.

But there is another impediment in Mr. Sumner's path besides this prejudice against contraction. He cannot tell how much depletion the volume of the circulation requires to bring it to the standard of coin. No estimate on this subject is much more than pure conjecture. The most widely conflicting statements have been put forth on this subject. The advocates of free banking tell us that little or no contraction is needful. Another class think that from

75 to 100 millions is all the depletion of the currency that would be possible, and even this could not be endured without harm. A third opinion is more conservative, and claims that although much redundancy exists it is uncertain in amount and grows less every year, so that the evil had best be left. The greatest estimate we have seen is that of Mr. George A. Potter, who, in his very instructive and ingenious treatise on the currency, argues that our circulation is three times as large as it ought to be, and must be either depleted in conformity or its standard of value reduced. We do not cite these opposing views to controvert them. Our object is to show that Mr. Sumner cannot tell where his contraction process should stop, and how long his monthly 10 millions could be spared from the current volume of the circulation without producing a repetition of the trouble which ended Mr. McCulloch's unfortunate last experiment, and caused his discretionary powers over the currency to be taken away.

A third difficulty in this scheme is its inflexibility in regard to time. Every one knows that at some parts of the year more currency is needed, and at others less. In summer less currency is wanted, because business is dull throughout the country. In the autumn months the demand for currency is enlarged, with the enlarging activity of the fall trade. The current of the circulation under a good system of currency arrangements has its tidal movements, and rises or falls responsively to the rise or fall of the needs to which it ministers. For all these important movements Mr. Sumner's bill makes no provision. This grave omission should be corrected at once.

The last objection which we have space to mention, is the old complaint on the score of economy. This scheme would take many millions of the public debt now costing nothing and bearing no interest, and it would make these millions a new burden on the tax-paying community. This objection will not give much practical trouble, if the other objections we have referred to are fairly met. The country demands and Congress needs earnest champions of a sound currency at the present moment when so many schemes are being pressed at Washington, which depend for their success on inflation, thrive only in an atmosphere of corruption or extravagance, and would shrink and die in presence of currency contraction. Mr. Sumner's Congressional record on this question is such as to make him worthy to lead in the agitation for monetary reform. His present position is in entire harmony with his memorable words in the Senate on the 12th Feb., 1862, when the legal tender law was on its passage. He then helped to pass that law as a temporary expedient of war finance. Now he would obliterate it from the statute book.

COTTON SUPPLY AND DEMAND.

When publishing the cotton circular of M. Ott-Trumpler, some weeks ago, we stated it was our purpose soon to give to the readers of THE CHRONICLE the statistical position of the American crop in the world's cotton supply for 1871-72. That remarkable circular startled the commercial world by its exhibit of a cotton supply beyond the consuming demand of Europe and America, even if our present crop should not exceed $2\frac{3}{4}$ million bales. Its statements were worthy of its author, clear, convincing, and, except in some minor points, indisputable. And still these minor points appear to us to be important conditions in the problem, if we would reach a correct conclusion. For instance, the statistics employed were of bales—bales of all sorts of cotton in their common aggregate, irrespective of weight or quality. Here was possibility of an error of magnitude, in a comparison of two seasons, wherein the proportions of heavy and light bales, or of good and poor staples might

widely vary. A diminution of 750,000 bales or more in the supply of good stapled American cotton, though replaced by an equal number of lighter bales of poorer staples would work a great change in the relations of value, and to a less degree in the comparative sufficiency of quantity. But without going into the general question of the world's supply of cotton we propose now to give simply the figures for the American staple in the supply for 1871-72, and of the demand upon it, both, of course, however, only as estimates. So far as practicable, up to 1st October, we follow the figures of M. Ott-Trumpler in the statements we give, applying only such changes as are noted, with the reasons for them.

One of the changes from M. Ott-Trumpler's figures which we make is in the estimate of our home consumption; he gave it at 1,020,000 bales, the same as last year, while he appropriates the 80,000 bales, the surplus of our spinner's stocks 1st of September, to the supply. It would be easy to show, had we space for it, that our consumption will exceed that of 1870-71 by about 15 per cent, and will therefore be 1,175,000 bales. Hence, besides using the 80,000 bales surplus, our spinners must take during the year about 1,100,000 bales; or if they would not again run their stocks so dangerously low as in September, 1870, they must take more.

For a part of the supply in 1871-72 M. Ott-Trumpler also assumed that there was a surplus left over in European spinners hands of 500,000 bales of the quantity delivered for consumption in Europe last year, and by so much reduced the apparent to the actual consumption. In its greater part this was correct beyond doubt. It is, however, to be remembered that after the late war began, many mills on the Continent "ran out." Such of these as started up last year had to "fill up" again. True, the cotton so used was not in the usual sense consumed, that is, worked into fabrics for the market; but equally true is it that it is not available as supply for working into fabrics during the present year. Information on this point is not as full as we could wish, but from the facts we have obtained, we are led to estimate the cotton so applied at 68,000 bales.

It is likewise said in England, by parties usually well informed, that the spinners stocks there were overestimated by M. Ott-Trumpler, and some confirmation is found in a count of bales held at the various railway stations as compared with previous periods. This and other evidence would seem to justify a reduction then of 90,000 bales from the figures of English spinners stocks as he gives them. These deductions being made we have the surplus, or unusual stocks of European spinners October 1 at 342,000, instead of 500,000 bales, as a contribution to the supply of 1871-72. That surplus is supposed to consist mainly of American cotton—say 275,000 bales.

Taking the actual consumption in Europe to be the quantity delivered for consumption less the 342,000 bales surplus held by spinners, we find that during last year, ending September 30, American cotton was consumed in England at the rate of 33,000 bales per week, and on the Continent (including Russia, Spain, etc.), at 19,000 bales, or for the year 1870-71 2,704,000 bales. What can be the supply for 1871-72 to Europe?

Stock in European ports Oct. 1.....	342,000
Spinner's surplus, 342,000, of which amount American.....	275,000
Suppose our crop to be.....	3,500,000
And that we retain.....	1,100,000
Then Europe can get.....	2,400,000
Total supply of American to Europe.....	2,964,000
(This leaves our stock in ports as last Sept., and our mills as in 1870).	
The consumption, if no more than last year, will be.....	2,704,000
Which would leave in Europe unconsumed.....	260,000
But suppose any condition of trade should demand an increased use of American, say 5 per cent.....	135,000

Then in the ports and mills of all Europe would be 125,000 bales, or only about 2½ weeks supply.

The stock unconsumed cannot be reduced so low as that quantity. Long before it could be reached, consumption would be checked by high prices. It follows that if our crop shall prove to be only 3,500,000 bales, Europe, as a whole, cannot materially exceed its last year's use of American cotton, whatever may be the demand of trade or the condition of manufacturing interests. Passing by the question of our crop falling short of 3½ million bales, with the obvious remark that whatever it lacks of that quantity must nearly all be abated from last year's rate of consumption in Europe, we proceed to consider some of the points in the question of consumption, especially of American cotton.

Since the year opened new spindles have been set up in England at the rate of 40,000 per week, or 2,000,000 for the year. Within the same year 1,000,000 old spindles are said to have been refitted and started up. There may be no further increase of Continental spindles as is assumed by M. Ott-Trumpler, to whose good information we would always defer, but these 3 millions in England, perhaps increased to 4 millions for the average of the current year—more than 10 per cent increase in spinning capacity since September, 1870—are not to stand idle, nor will any running spindles be stopped, while either can be run without positive loss. In the factory districts they begin to feel the scarcity as well as the power of skilled labor. This aggravates the loss and difficulty always attending the stopping of a cotton mill, loss of interest, deterioration, and the cost of starting up. The hands once dismissed and scattered to other employment, are re-gathered but slowly and expensively. Short time may be resorted to; but that is a practice on which the operatives now have something to say as to its terms. So they have a voice as to the kind of cotton to be used. In some mills the operatives, who make good wages-on piecework when using American cotton, refuse to use any other, and will turn out (or strike) if it be forced upon them without a corresponding advance in wages. The master spinner who would substitute Surat for American staple must raise wages, get less product, injure the quality and price of his yarn, and incur other expense. He will not change while any profit remains in the use of American cotton, especially if he thinks he sees in the not distant future an abundant supply and cheaper prices.

At the present prices for raw cotton and for yarns there is a fair profit on all but some exceptionally unfavored productions. We will take the price of No. 40 mule yarn and of middling upland cotton;—not that either is a true or constant measure of value for other sorts, but as offering a fair comparative average for different periods;—and note for the last four years the difference between the price of one and the other at Manchester (in pence).

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.
1867-68..	4½	4½	4½	2½	3½	4½	3½	3½	3½	3½	3½	3½
1868-69..	3½	2½	2½	3½	3½	2½	8	3	3½	3½	2½	2½
1869-70..	3½	2½	3½	3½	4½	4½	4½	4½	4½	5½	4½	4½
1870-71..	5½	5½	5½	5½	5½	5½	5½	5	5	5½	4½	4½
Averages for the years.	1867-68..... 3.08						1869-70..... 4.11					
	1868-69..... 3.05						1870-71..... 5.19					
Pounds cotton consumed in England.....	1867-68..... 1,855,000,000						1869-70..... 1,065,000,000					
	1868-69..... 916,000,000						1870-71..... 1,175,000,000					

* The great fluctuations from one month to another in this table of differences were caused by changes in the price of cotton chiefly, but in part by fluctuations in yarn also.

The difference between the yarn and the cotton was 1.06d. greater (or more profitable) in 1869-70 than in 1868-9: applying that gain to the cotton used in 1869-70, it amounts to £4,703,750. The gain from 1869-70 to 1870-71 was 1.08d., which, on the cotton consumed in 1870-71, amounts to £5,292,000. The contrast or gain, as between 1868-69 and 1870-71, was 2.14d., giving on the consumption of the latter year £10,486,000 increase of profit.

These several amounts show in part the contrasts between years of poor, medium, and very good results. Since the price of middling upland cotton advanced above 9d. last summer, the difference between yarn and cotton, of the kinds above named, has averaged about 4½d. In November it has been about 4½@4½d., or nearly the same as in the average of 1869-70, when the profit was sufficient to bring out in the London *Economist*, and in trade circulars, glowing accounts of the "Revival in Lancashire." That difference must further diminish by more than 1d. per pound from advance in cotton or decline in yarns, or part from both, before the English spinners can be in the poor and profitless position they held in 1868-9. If the current prices of yarns can be maintained then cotton may advance until middling upland shall be worth 10½d., without sinking the spinners' profit on the average production. There may be an exceptional advance in American for the few months in which its supply must be inadequate to the demand which trade would make for it, if not deterred by excessive prices.

Will there be market for the full production of yarn, by all the machinery now in motion, at the prices now current? Looking at the large accumulations of cotton goods in the Eastern markets, one is inclined to predict a falling off in England's export of them. But, again, looking at the rapid and vast increase in the trade since 1866, each year marked by predictions of such glut in the East that the following year must show a reduction, and noting that each year including the last, has shown, not reduction, but an increase in a rapidly progressing ratio; and that the accumulation now bears only about the same proportion to the year's export that it has in the previous years, the inclination to repeat the prediction gives place to an inquiry for explanation of this new and wonderful expansion of trade to India and China. It has been suggested that the vast populations of those countries, clad chiefly in cotton fabrics, have found it expedient to discard the native cloth and adopt the cotton cloth of Europe, and that their ability and inclination to buy the latter have been extended by the events of the last few years which have enlarged their knowledge of and facilities for trade and barter with the Western countries. If the suggestion has good foundation in fact, we have seen but the beginning of a commercial and economic change that will amount to a revolution. When the hundreds of millions of cotton-wearing people of the East depend on Western spindles and looms for their yarns and cloth for clothing and other uses, the demand so arising will be met by use of the staple that best combines the requisites, "cheapest and best," and that will be our American cotton and no other. This thought reaches into the future, more or less distant. We may consider only so much as bears upon the present—that is visible or probable. There is then no apparent reason why the Eastern trade shall not continue its demand on England's factories this year to an extent nearly or quite up to that of last year, it not arrested by advanced prices.

At slight concessions in price the demand in Manchester becomes active. It is reasonable to assume that there will be no material decline in the price of yarn until made from cheaper cotton, nor any but a temporary check to the activity which has prevailed during the last two years. Then it follows almost of necessity that if our crop does not exceed 3½ million bales the supply of American cotton to all Europe in 1871-2 will be scanty. Its use cannot well be reduced except by the restriction of price, and that need not be operative at any point short of 10½d. for middling uplands, if at that.

Economists and statisticians have said much of late years of the diminished purchasing power of gold and the

The uncertainty felt in some quarters as to how these movements might affect the money market has developed a sensitive irritability in financial circles which was eminently favorable to the process of locking up greenbacks if any sufficiently strong clique should desire to do so. This manœuvre requires, however, so many combinations to make it successful that we were inclined to doubt the sufficiency of the evidence that it was put in operation last week. The same rumors have been in circulation since, with some further proofs of the correctness of the charge that the locking up process had really been in operation. In spite, however, of the fact that certain banks were mentioned and some other moneyed institutions, we doubt whether, if the manipulation has been carried on at all, its extent has not been much exaggerated.

The stringency in money is sufficiently accounted for by the drain of deposits to the interior and by the fact that this outflow of currency and funds were not foreseen by the banks. These institutions, instead of contracting their accommodations in harmony with the indications of declining averages, continued to keep up their loans, and consequently when the time for contraction arrived they were compelled to conduct the process with more of spasmodic activity than was compatible with the tranquillity of the monetary situation.

DEBT LIQUIDATION AND REDUCTION OF TAXES.

We issue to-day our usual double number of THE CHRONICLE in order to give space for the report of the Secretary of the Treasury with the accompanying financial documents laid before Congress. These reports are this year unusually suggestive and for many reasons are worthy of being placed on record. Mr. Boutwell has had the gratification and the perils ever since he took office of presiding over an overflowing Treasury, and while the taxes have been several times reduced, he has been steadily diminishing the public debt, appreciating the National Treasury notes towards par with specie, and improving the Government credit at home and abroad. Never in the history of this government have so much of material growth and industrial prosperity been as rapidly and continuously realized as since the close of war. The stupendous obstacles, in face of which this wonderful growth has been effected, may be inferred from the subjoined table, which presents in one view the pressure of the debt and of the chief taxes since the war, as compared with the previous whole period since the discovery of gold in Australia gave its first great impulse to the material development of this country:

	Gross Receipts.	Receipts from Loans and Treasury Notes.	Customs.	Internal Revenue.	Aggregate Debt.	Annual Interest thereon.
1871....	652,092,463	263,718,522	27,627,408	143,099,153	2,353,211,532	125,778,565
1870....	69,729,978	291,414,493	194,539,974	134,309,756	2,430,672,127	129,285,498
1869....	609,621,529	235,573,651	130,018,426	153,356,400	2,583,432,213	130,634,242
1858....	1,030,719,566	625,111,433	161,164,599	131,087,789	2,611,987,651	140,424,055
1867....	1,131,060,929	6,025,911	178,117,810	261,027,537	2,673,136,103	143,781,531
1861....	1,37,934,173	712,51,553	173,066,651	30,226,819	2,773,231,173	138,067,624
1865....	1,805,999,345	1,472,221,740	31,923,269	209,461,215	2,680,447,968	77,335,000
1864....	1,393,161,017	1,123,879,915	101,311,152	109,711,131	1,857,313,370	53,685,121
1863....	839,317,653	76,682,961	69,029,641	37,640,787	1,119,772,138	24,729,700
1862....	531,680,421	523,692,460	49,014,897	.....	521,176,412	13,199,344
1861....	8,331,610	41,861,793	39,531,125	.....	90,560,873	4,034,157
1860....	78,41,407	20,776,300	5,137,511	.....	61,842,237	3,144,120
1859....	81,773,965	23,237,500	49,565,821	.....	58,186,837	2,637,649
1858....	70,372,485	23,717,501	41,731,20	.....	44,911,931	1,652,065
1857....	68,961,212	3,940	68,875,905	.....	28,699,331	1,531,265
1856....	7,058,900	209	64,22,863	.....	31,972,57	1,953,322
1855....	67,351,374	840	33,025,194	.....	33,556,966	2,314,461
1854....	73,801,313	2,091	61,24,430	.....	42,242,212	9,070,926
1853....	61,634,4	16,330	53,931,85	.....	59,335,117	9,665,332
1852....	49,893,115	46,500	47,339,326	.....	66,108,341	4,000,237
1851....	52,761,704	203,400	49,017,567	.....	63,304,796	3,696,760
1850....	47,613,38	4,045,950	39,663,186	.....	68,452,773	3,782,393
1849....	59,796,492	28,599,710	23,311,738	.....	69,061,88	3,565,535
1848....	53,992,479	21,256,700	31,757,070	375	47,044,362	2,390,765

In the reports before us these obstacles to the National progress are the great central points around which gathers the chief public interest and anxiety. In regard to

the repeal of taxation it is evident that a fundamental change of policy is now demanded by the people, and that we must adjust the National revenue closely to the expenses of the government, leaving a much smaller surplus to be devoted to the liquidation of the debt for some years to come. Mr. Boutwell does not acquiesce very cheerfully in the new movement. Still we are glad to see that he recognises that this change in the attitude of the public mind has now become permanent and refuses to be resisted. For some years after the debt reached its maximum the country was restless under the oppressive burden of the National obligations, and demanded that something should be done for the easing of the pressure. Two plans were proposed to lessen the burden. One was the paying off of the principal. The other, the lessening of the rate of interest. Both these plans were tried, but with only partial success. The principal has been diminished since March 1, 1869, by no less a sum than 277 millions, which represents an annual saving of some 16½ millions of gold interest. It soon occurred to the people and the press to question whether this small annual relief was not too dearly purchased; and whether for the promotion of the national credit and the public wealth it would not be better to leave the money to fructify in the pockets of the people; especially as capital has always been the great need of this country, as of other young nations; and as we have so recently lost prodigious masses of our floating and fixed capital, which were annihilated by the war. These arguments have been gradually gaining power, and were welcomed with more and more favor, until at length public opinion is running very strongly adverse to any further prepayment of the debt except to the small extent required for the ordinary Sinking Fund. Mr. Boutwell has been very slow to recognize this turn in the current of popular sentiment. He has been too much influenced by the erroneous apprehension that the credit of our Government is so weak that it cannot be kept up without large frequent payments on the public debt. Accordingly, he rates far too low the success which in other directions he has achieved in his management of the finances, and magnifies the importance of those parts of his policy which are really of subordinate minor moment. For years he has urged that 50 millions of the public debt should be annually paid off. He reiterates the same opinion now; still he acknowledges that to carry it into action he would not keep up a mischievous system of needless taxes, which are oppressive to our citizens, paralysing to the business of the country, wasting to the public wealth, and obstructive to the growth of the national resources. Accordingly, he proposes to repeal all the internal revenue taxes except those on spirits, tobacco, malt liquors and stamps. This is almost the precise policy which has been recommended in the CHRONICLE for several years past. And we may add that many of the stamp duties could be with advantage got rid of. Congress will doubtless comply with most of these recommendations, and the decrease of the public debt which we have been accustomed to see in each successive monthly schedule, may be expected to go on with much less rapidity than heretofore.

The second project for relieving the pressure of the debt was by decreasing the rate of interest. A large part of the Secretary's report is devoted to an account of his recent efforts in this respect. The result and the course of these negotiations have been watched with no small disappointment. When the new loan act was projected the intention was to fund the mass of the debt at 4 per cent. If that had been deemed impossible, the popularity of the law would have been lost. To assist in the placing of 1,000 millions

of Fours, 200 millions of Fives were authorized, with 300 millions of 4½ per cents. The original understanding was that none of the 4½ or Fives were to be sold, except the purchaser would also take at par a double amount of Four per cents. With this view 1,000 millions were authorized of Fours, and but 500 millions in the aggregate of 4½ and Fives. We were thus promised relief from the pressure of interest to the extent of 26½ millions a year. The whole expense of the refunding process was forbidden to exceed one-half per cent, and the principal of the debt was not to be increased by the operation. Such was the original programme and such the promises under which the funding act was passed. The only change of importance which has since been made was by the act of 20th of January last, which increased the Five per cents from 200 millions to 500 millions. In view of the saving of 26 millions a year by this funding operation, the Secretary was permitted to make the new bonds free of all taxes. This privilege is not free from danger or difficulty, and on that account has never been conferred on any kind of property before. The opinion has been held, indeed, that the value of this exemption from taxes is greater than all the saving which is likely to be realized by the new loan.

Many of the National banks are already claiming exemption from some of their taxes under cover of this mischievous provision. The Loan act was passed in June, 1870, and the experiment, after 18 months' trial, may now be proclaimed a failure. Mr. Boutwell virtually acknowledges this when he asks that 2 per cent commission be offered to induce foreign bankers to negotiate the new bonds abroad. Such a high rate of bankers' commission was never paid by this country when most in want of money in the worst period of the war. Even the bankrupt Treasury of France has not been obliged to allow so much bankers' commission, unless in an exceptional loan. Mr. Boutwell, under his failure, may console himself with the reflection that the sale of United States Fours at par is merely a question of time; and that Mr. Chase attempted the very same task of prematurely reducing the rate of interest, when he was Secretary of the Treasury, in 1864, and met with even a more signal failure than the present one. The negotiation of the 200 millions of Fives, which Mr. Boutwell has just concluded, has been attended with some grave irregularity, which is now the subject of special inquiry by Congress. Mr. Boutwell's explanation certainly puts the matter in a somewhat more favorable light. But in paying double interest he has evidently exceeded his powers, and if in this single case the fault be overlooked, care must be taken that no precedent be thus established for the future.

CHARLES SUMNER AND SPECIE PAYMENTS.

On Monday, according to promise, Mr. Sumner introduced in the Senate his new bill for promoting a return to the specie standard; and whatever we may think of its prospects, there is no doubt that the scheme is in some respects the best that has ever been presented to Congress. It is based on two distinct principles, both of which have been frequently expounded in these columns. These principles are the necessity of contraction and the use of interest-bearing notes as a means of contraction. As to the first—the need of contracting and lessening the volume of the circulation—it is now generally admitted by all the financial authorities. Depreciation of irredeemable paper money always follows and is caused by redundancy, though the one does not always keep even pace with the other. Assuming that our 750 millions of currency is too much, and far exceeds the legitimate wants of the country, Mr. Sumner proposes to lessen its volume; and as compound interest notes

have been already tried, their operation is known to be equally wholesome and effective. Their special fitness for the work of contraction rests on the fact that if substituted for greenbacks they enter when first issued into the general current of the circulation; and move with just as much activity as the greenbacks themselves. But this early activity is soon lost. Like some youth who, as he grows older, becomes fat and lazy, this compound interest currency loses its activity as its accumulating value swells and grows. As interest accumulates on the notes, they gradually withdraw themselves from circulation, and are seldom paid out as money. We have so often explained these familiar facts, and proved the soundness of the principles on which Mr. Sumner's bill is based, that we need say nothing more in this place.

We ask, however, a patient, candid hearing for this measure. It is well known that an intense popular prejudice has been excited against contraction of the currency; and that Congress, in obedience to the general bidding of the whole nation, forbade, in the law of 1868, the reduction of the currency below its then outstanding aggregate. But how was this popular alarm excited? The cause of it is not unknown. It was due to the derangement and disasters which were projected into the financial and business circles by Mr. McCulloch's attempts at contraction towards the close of his term as Secretary of the Treasury. For some purpose never yet explained, he reversed all his usual methods of contraction, which had formerly worked well, and adopted a totally new and perilous policy. During the summer of 1867, when the currency was plethoric, and he could safely have contracted its volume, he poured out greenbacks from the Treasury, and added to the existing overstimulus of speculation in gold and stocks. This mischievous plan was carried on all the Summer, and was only stopped at the approach of Autumn. Then he began to contract the currency, under the law which gave him the option of taking in 4 millions a month of greenbacks, or of omitting the operation at his discretion. The people remonstrated, the press exposed the ruinous mischiefs which were being precipitated. But all was to no purpose. He went on contracting the currency month after month, regardless of consequences, until the public mind was filled with disgust and dread by the spectre of contraction; and Congress finally put an end to the Secretary's power to contract the greenback circulation under any pretext whatever. The growth of the country since then, the extension of the area for the use of currency by our increasing network of railroads, the adoption of greenbacks in the South, and throughout the vast continent from the Atlantic to the Pacific—all these circumstances, and a multitude of others, have so increased the legitimate demand for currency that the supply is not so redundant; and the average price of gold, which is the best index of redundancy we have, has declined in response to these forces. Still a large part of this decline is ascribed to the derangement of the foreign exchanges, and a multitude of our best thinkers share Mr. Sumner's desire to seize the present opportune moment, when gold is lower than at any time since 1862, to give permanency to the approximation of greenbacks to gold, and to carry on the movement without delay to par.

But there is another impediment in Mr. Sumner's path besides this prejudice against contraction. He cannot tell how much depletion the volume of the circulation requires to bring it to the standard of coin. No estimate on this subject is much more than pure conjecture. The most widely conflicting statements have been put forth on this subject. The advocates of free banking tell us that little or no contraction is needful. Another class think that from

Department Reports.

REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
December 4, 1871.

SIR:—The country has been prosperous during the year now closing, and the public finances have shared in the general prosperity.

During the fiscal year ending June 30, 1871, the reduction of the public debt was \$94,827,764 84. The total decrease in the public debt from March 1, 1869, to December 1, 1871, was \$277,211,892 16; and during the same period the annual interest charge has been reduced \$16,741,436 04.

The revenues for the year 1871, and the receipts since the first of July last, show that the time has arrived when a considerable further reduction in taxes can be made, and yet leave the Government in a position to pay at least fifty millions of dollars annually of the principal of the public debt, including the amount pledged through the sinking fund. In my annual report to Congress for 1870, I expressed the opinion that the settled policy of the country should contemplate a revenue sufficient to meet the ordinary expenses of the Government, pay the interest on the public debt, and from twenty-five to fifty millions of dollars of the principal annually. To that opinion I adhere, with even a stronger conviction that the payment annually upon the principal of the public debt should not be less than fifty millions of dollars.

Large as the revenues of the country have been during the last three years, our system of taxation has not been oppressive to individuals, nor has it in any sensible degree embarrassed the business of the country; and while relief from taxation is desirable, it is yet more desirable to maintain the public credit in its present elevated position, not only as an example to other nations, but for its historical value in enabling the Government to make loans for large amounts upon favorable terms if, unhappily, in the future an exigency should require such loans to be made.

The power to negotiate a large loan at five per cent. interest, and to enter upon negotiations for the sale of bonds bearing five, four-and-a-half, and four per cent interest, is derived entirely from the exhibition of an honest purpose on the part of the people to maintain the public faith, and the consequent ability on the part of the Government to answer that expectation by large and frequent payments upon the public debt.

The revenue from customs for the fiscal year 1871 was greatly in excess of the estimates, amounting to \$206,270,408 05, against \$194,538,374 44, for the preceding year. The cost of collecting this revenue was \$6,560,672 61, for 1871, being three and eleven hundredths per cent., while the cost for the year 1870 was \$6,237,137 25, or three and twenty hundredths per cent.

The appropriation for the collection of the customs, with the additions derived from fines, penalties, and forfeitures, exceeded the expenditures by the sum of more than eight hundred thousand dollars, and there is no doubt that the permanent appropriation will be ample for the present year, and for the next fiscal year.

The reduction of the rates of duty on the 1st of January, 1871, under the act of July 14, 1870, diminished the importation of many articles during the last six months of the year 1870, but there was consequently a large addition to the revenues for the first six months of the year 1871.

A comparison of the first six months of the calendar year 1871 with the first six months of the calendar year 1870, shows an increase of fifty-five per cent. in the quantity of tea imported, twenty per cent. in the quantity of coffee, fifty-three per cent. in the quantity of brown sugar, one hundred and twenty per cent. in the quantity of pig iron, one hundred and eighty-six per cent. in the quantity of melaço, one hundred and thirty-nine per cent. in the quantity of spices, and a large increase in many other articles.

The probability is that the customs revenue for the current year will exceed that for the year 1870-71.

The receipts from internal revenue were \$143,098,153 63, being \$4,048,984 29 less than the estimates presented to Congress in December last, for the fiscal year ending June 30, 1871. The estimates for the current fiscal year were \$126,418,000, and it is probable that the receipts will be equal to the estimates.

The net receipts for the fiscal year ending June 30, 1871, were as follows:

From customs.....	\$206,270,408 05
From internal revenue.....	143,098,153 63
From sales of public lands.....	2,388,646 68
From miscellaneous sources.....	31,566,736 53
	<u>\$383,323,944 89</u>

The expenditures for the same period were:

For civil and miscellaneous purposes.....	\$69,498,710 97
For War Department.....	*35,799,991 82
For Navy Department.....	19,431,027 21
For Indians.....	7,426,997 44
For Pensions.....	34,443,894 88
For interest on the public debt.....	125,676,565 99
	<u>\$292,177,188 25</u>

The miscellaneous revenues for the fiscal year ending June 30, 1871, were derived from the following sources:

Premium on sales of coin.....	\$8,892,839 95
Fees from United States consuls.....	565,563 24
Storage, rent, labor, &c., at custom-houses.....	414,310 81
Fines, penalties, and forfeitures for violations of customs laws.....	952,579 86
Fees on letters patent.....	620,319 11
Tax on circulation, deposits, &c., of national banks.....	6,003,584 32

*This is the net amount after deducting \$8,280,093 13 repaid into the Treasury as proceeds of sales of ordnance, etc. The true expenditures were \$44,980,084 95.

Repayment of interest by Pacific railway companies.....	813,284 75
Homestead and other land fees.....	645,923 17
Steamboat fees and marine-hospital tax.....	385,536 18
Proceeds of sale of coin-interest on sinking and special funds..	7,701,662 73
Judiciary—fines, penalties, and forfeitures.....	75,836 50
Tax on seal-skins.....	10,080 00
Reimbursement to the United States for salaries of storekeepers in internal revenue bonded warehouses.....	567,236 41
Direct tax.....	580,856 37
Emolument fees.....	585,887 69
Parting charges—refining gold and silver bullion.....	211,721 14
Proceeds of Indian trust lands.....	1,140,120 28
Accrued interest on, and proceeds of sale of, Indian trust-land stocks, and interest on deferred payments on Indian trust-lands.....	387,921-01
Reimbursements to the United States for moneys advanced to meet matured interest on non-paying stocks held in trust for various Indian tribes.....	35,535 00
One, two, three, and five-cent coinage.....	150,000 00
Unenumerated.....	745,441 43
	<u>\$31,566,736 53</u>

The receipts for the first quarter of the present fiscal year were:

From customs.....	\$62,289,329 37
From internal revenue.....	35,553,175 01
From sales of public lands.....	602,600 61
From miscellaneous sources.....	8,763,189 61
	<u>\$107,198,374 60</u>

The expenditures for the same period, excluding payments on account of the sinking fund, were:

For civil and miscellaneous purposes.....	\$18,579,732 46
For War Department.....	12,590,653 05
For Navy Department.....	6,513,040 93
For Indians.....	3,474,133 42
For Pensions.....	8,090,698 69
For interest on the public debt.....	39,726,124 37
	<u>\$83,903,382 92</u>

The estimated receipts for the remaining three-quarters of the present year, are as follows:

From customs.....	\$148,000,000 00
From internal revenue.....	90,000,000 00
From sales of public lands.....	2,000,000 00
From miscellaneous sources.....	18,000,000 00
	<u>\$258,000,000 00</u>

The estimated expenditures for the same period, excluding payments on account of the sinking fund, are:

For civil and miscellaneous purposes.....	\$60,000,000 00
For War Department.....	31,000,000 00
For Navy Department.....	13,500,000 00
For Indians.....	6,000,000 00
For Pensions.....	24,000,000 00
For interest on the public debt.....	85,000,000 00
	<u>\$209,500,000 00</u>

These estimates show a balance applicable to the payment of the principal of the public debt for the fiscal year ending June 30, 1872, \$71,794,991 68.

The receipts and expenditures for the fiscal year ending June 30, 1873, are estimated as follows:

RECEIPTS.	
From customs.....	\$212,000,000 00
From internal revenue.....	126,000,000 00
From sales of public lands.....	3,000,000 00
From miscellaneous sources.....	18,000,000 00
	<u>\$359,000,000 00</u>

EXPENDITURES.	
Legislative establishment.....	\$3,421,812 40
Executive establishment.....	17,443,531 38
Judicial establishment.....	3,383,350 00
Military establishment.....	31,422,609 88
Naval establishment.....	18,946,088 95
Indian affairs.....	5,445,617 97
Pensions.....	30,480,000 00
Public works under Treasury Department.....	\$3,104,500 00
Public works under Interior Department.....	244,800 00
Public works under War Department.....	14,609,662 97
Public works under Navy Department.....	1,483,100 00
Public works under Agricultural Department.....	28,500 00
	<u>19,468,562 97</u>
Postal service.....	5,474,001 00
Miscellaneous.....	11,268,325 00
Permanent appropriations.....	126,281,974 00
Sinking fund.....	22,895,930 00
Interest upon the capital of the sinking fund.....	5,783,393 00
	<u>\$301,705,036 99</u>

These estimates show a balance of \$57,294,963 01 applicable to the payment of the principal of the debt, in addition to the sum of \$28,679,263 due on account of the sinking fund, or the sum of \$85,974,226 01 in all.

In the estimates for the next fiscal year I have not included in the receipts the premium on gold which may be sold, nor in the expenditures the premium which may be paid on bonds to be purchased in currency.

In the suggestions I have the honor to make in reference to the reduction of taxes, I keep in view two important facts: first, that the ability of the nation to pay at least fifty millions annually of the principal of the public debt shall not be impaired; and, secondly, that in the change of the revenue system no violence shall be done to the business interests of the country. While I do not undertake to state precisely the causes which have contributed to the public prosperity, there is no substantial reason for questioning the truth of the statement that the last few years have been the most prosperous in the history of the country; years without example in our own affairs, and without parallel in the affairs of any other Government.

It is practicable to dispense with all revenue from internal sources except that derived from stamps, spirits, tobacco, and malt liquors. These sources should furnish for the year 1872-73 a revenue of about

one hundred and ten millions of dollars, making a reduction of taxes of sixteen millions of dollars. The revenue from customs under existing laws, and from lands and miscellaneous sources, would amount to about two hundred and thirty-three millions more, making a total revenue for that year of three hundred and forty-three millions of dollars.

The expenses of the Government, not including the amount payable on account of the sinking fund, are estimated at \$273,023,773 00.

If to this sum be added fifty millions of dollars for payments on account of the public debt, including the amount due on the sinking fund, there remains a balance of about twenty millions, within which reductions may be made in the revenue from customs. This amount, added to the reductions proposed under the internal revenue laws, gives a total reduction of thirty-six millions.

In this view, I respectfully recommend to the consideration of Congress the reduction of the duties on salt to the extent of fifty per cent.; the duty on bituminous coal to fifty cents per ton; the reduction of the duty on raw hides and skins; and the removal of all duties from a large class of articles produced in other countries, which enter into the arts and manufactures of this country, and which are not produced in the United States, and the revenue from which is inconsiderable. Such a list, with the revenue derived from each article, is in course of preparation, and will be submitted to Congress.

The removal of duties from a large class of articles used in manufactures, and the reduction of the duties upon coal, furnish an opportunity for a moderate decrease in the rates of duties upon those products whose cost will be diminished by these changes.

While nothing, as the consequence of legislation, could be more disastrous to the public prosperity than a policy which should destroy or seriously disturb the manufacturing interest of the country, it is still possible, by wise and moderate changes adapted to the condition of business and labor, to reduce the rates of duties with benefit to every class of people.

The average premium on gold for the year 1868 was 39.54 per cent.; for the year 1869 it was 32.56 per cent. premium; for the year 1870 it was 14.83 per cent. premium; and for the first eleven months of the year 1871 it was 12.1 per cent. premium. The value of the paper currency of the country during the years 1869 and 1870 was apparently appreciated by the increased use of paper money in the South, but chiefly by the establishment of the credit of the United States upon a firm basis. On the first of January, 1871, the last named fact was fully accomplished, and since that time the appreciation of the paper currency has been due wholly to the increased demand for it in the business affairs of the country. The difference between the value of paper money at the present moment and its value on the first of December, 1870, may be attributed to the latter cause, and furnishes the best means which the country has yet had for ascertaining the quantity of paper currency which can be used and its value kept at par with gold.

The result of this test concurs with what seems to me to be the best opinion upon the subject, that the amount of paper money in circulation is still so great that it cannot be maintained in value at par with coin. There are two modes of relief: one is to reduce the volume of currency, as was recommended by me in my annual report submitted to Congress in December, 1869; the other mode is to await the growth of the country, and the increasing demands of business, which in time will produce the desired result.

The chief means of securing the end sought, without a reduction in the volume of currency, would be the use of paper money upon the Pacific coast. With this object in view, steps have already been taken by this Department for the purpose of ascertaining whether it is practicable to substitute paper for coin, and I have reason to anticipate that a change may be made in laws relating to National Banks tending to that result, which will not affect unfavorably the general character of the system.

It is my duty to call the attention of Congress to the importance of abolishing the system of shares in moieties, as far as the benefits inure to revenue officers, and other persons officially connected with the Government. This measure was recommended in my last annual report, and a statement was submitted to Congress showing the amount received by officers of customs, together with a bill increasing their salaries without any increase of appropriations from the Treasury; the sum now paid from moieties being quite sufficient to place the entire force upon a satisfactory footing in regard to pay.

During the last fiscal year the office of collector and surveyor of the port of New York each received from moieties the sum of \$49,215 69, and the naval office the sum of \$48,195 50.

In most of the cases the officers do not perform special services entitling them to the amounts granted, and importers and others whose acts are made the subject of investigation, complain, and, I think, with just reason, that the agents of the Government have a pecuniary interest in pursuing those charged with violations of the law. The Government ought to pay fair salaries, and rely upon the good faith of its officers for the performance of their duty. One of the difficulties which the Department has to meet, frequently, is, that customs officers have an interest in proceedings for the discovery of fraud, the settlement of cases, or the prosecution of them, which is different from the real interest of the Government; and, as a necessary result, the conduct of such officers is open to suspicion, both on the part of those who are pursued by them, and the Government that they ostensibly represent.

It may be deemed expedient to leave the law as it now stands in regard to informers who are not officers, making it a penal offense for any officer to enter into an arrangement with an informer for any share of the proceeds of the information, and giving to the informer perpetual right of action for the recovery of any money or other valuable thing paid or given to an officer engaged in the discovery or prosecution of a fraud or legal wrong against the Government.

The report of the Comptroller of the Currency shows that one hundred and forty-five banks have been organized under the act approved July 12, 1871, providing for the issue of fifty-four millions of dollars

of additional bank circulation, and that the sum of \$22,333,900 has been issued.

By virtue of the same act, the Treasury has redeemed \$22,280,000 of the three per cent. certificates then in circulation, leaving the sum of \$23,490,000 now outstanding. I take the liberty of suggesting, that it appears to me to be wise to leave the distribution of the circulation authorized by said act as it now stands.

Should the States that have already received their proportion of circulation be authorized to take what may remain, only a brief period will elapse before a demand will be made from States with limited circulation for an increase. It seems prudent, therefore, to retain the balance of the fifty-four millions for distribution in those States now having a claim to it, on the basis of equality of apportionment.

The details of the subscription to the Loan show that the National Banks have, upon the whole, acted liberally—more than a hundred millions of dollars having been subscribed for by them on their own account.

It is not unreasonable to tender to these institutions the opportunity to subscribe for bonds under the Act of July 14, 1870, to an amount equal to the deposits required of them as security for circulation, and to couple that offer with a provision that, after ninety days, to the extent that the offer may be declined, other banking associations may be formed in the several States where the existing banks shall have failed to make the required subscription, and the circulation transferred from such banks to the new associations.

The banks now organized cannot justly complain if, having an opportunity to pursue the business upon the new bonds, and declining it, other associations shall succeed to their franchises and rights.

The business of the Bureau of Engraving and Printing has been carried on with diligence during the year, and with satisfactory results. Although some efforts have been made at counterfeiting the special papers used by the Department, they have not been successful, and the specimens captured are so crude as not to excite serious apprehensions as to their ultimate success.

Since the first of July, 1869, seventy million sheets of paper have been manufactured, all of which have been accounted for on the books of the Department.

I respectfully recommend that an appropriation be made for a new issue of national bank notes. Those now in use are much worn and very successful counterfeits of several denominations have appeared. The public building used as a custom-house, court-house, and post-office, at Chicago, was destroyed by the great fire on the 8th of October last. The exterior walls remain, and the building could be repaired, but, anticipating the growth of Chicago, and the magnitude of its public business, I advise the erection of a building suited to the wants of a first class city.

It is important that a much larger piece of land should be obtained, either by addition to the present lot or by the purchase of another site. On the 18th of October last, I wrote a letter to Governor Palmer, asking him to recommend to the Legislature the passage of an act granting authority to the Courts of the State of Illinois to condemn such land as might be required, in case the Government should be unable to obtain it by purchase at a reasonable price, payment to be made upon an appraisal. In every case, the site for a building erected by the Government for public uses should be large enough to separate it from all other structures, thus furnishing sufficient light for the prosecution of business, and adequate security also against fire and the depredations of lawless persons. It is hardly necessary to say, that in the existing condition of affairs at Chicago, it is important that an appropriation, available during the present fiscal year, should be made without unnecessary delay.

Since my last annual report, the Supervising Architect has completed the custom-house, court-house, and post-office, at Portland, Maine; the court-house and post-office at Des Moines, Iowa; the court-house and post-office at Madison, Wisconsin; the appraisers' stores at Philadelphia; and the assay office at Boise City, Idaho.

It is now expected that the custom-house and post-office at St. Paul, Minnesota; the marine hospital at Chicago, Illinois; the court-house and post-office at Astoria, Oregon; the custom-house at Machias, Maine; the branch mint at San Francisco, California; and the custom-house at Cairo, Illinois, will be finished and ready for use by the first day of July next. At that time there will remain, in an unfinished condition, the court-house and post-office at Columbia, South Carolina; the custom-house at New Orleans, Louisiana; the custom-house at Charleston, South Carolina; the court-house and post-office at Knoxville, Tennessee; the custom-house and post-office at Portland, Oregon; the court-house and post-office at New York; the post-office and independent treasury at Boston, and the custom-house and post-office at Omaha, Nebraska.

The prosecution of these works—four of which are of great importance—in connection with public buildings to be erected at Chicago, and the erection of marine hospitals at Pittsburg, San Francisco, and New York, will, in my opinion, amply occupy the Supervising Architect of the Treasury, and the force at his command. I cannot, therefore, advise appropriations for other public buildings until some of those in process of construction shall have been completed. The points at which the erection or repair of public buildings is most needed, are Hartford, Indianapolis, Cincinnati, and St. Louis.

Under an act passed at the last session of Congress, appropriating two hundred thousand dollars for the purpose of more effectually securing life and property on the coasts of New Jersey and Long Island, a careful examination of the coast and of the life-saving stations has been made by experienced officers of the revenue service. In accordance with their report, proposals were invited and accepted for the erection of fourteen new houses on the coast of New Jersey and six upon the coast of Long Island. Repairs are also making upon the old houses on the Long Island coast.

The operations of the coast survey, which are under the administrative direction of this Department, have been prosecuted with the usual energy, as will be seen from the brief report of progress made

by the Superintendent, in advance of the usual detailed report, with maps, annually submitted to Congress.

The survey of the Atlantic coast is now rapidly approaching completion, that of the Gulf coast is more than half finished, and the work on the Pacific coast is being pressed forward vigorously.

The estimates submitted substantially conform to the appropriations for the present year. An increase is asked for the item of extending the triangulation across the country to the Pacific ocean, great interest having been manifested by the authorities of the States traversed in the prosecution of the work.

The business entrusted to the Light-House Board is one of the most important branches of the public service in the control of this Department, and I am able to state that it is conducted with fidelity and with reference solely to the maritime interests of the country.

The estimates made by the Light-House Board exceed the appropriations for the present year, but they appear to be necessary, and I respectfully recommend them to the consideration of Congress.

Under an act of Congress, approved July 30, 1870, Dr. John M. Woodworth has been appointed Supervising Surgeon of the Marine Hospital Service. His administration is satisfactory to the Department.

The average number of hospital patients for the fiscal year ending June 30, 1870, was one thousand and sixteen, and for the year ending June 30, 1871, one thousand one hundred and ninety-eight. The total cost of the service for the first-named year was \$405,624, being an average for each patient of \$1 09 per day; and for the latter year \$453,082 42, or an average of \$1 04 per day.

In the first-named year the hospital tax was \$168,153 70, and in the latter year it amounted to \$293,592 14.

The Supervising Surgeon is of opinion that pavilion hospitals are better adapted to the successful treatment of the sick than the ordinary buildings of brick and stone, while the expenses are only one-fourth as great.

In accordance with this suggestion, I recommend an appropriation of fifty thousand dollars for the purchase of land and the construction of a pavilion hospital at Pittsburg, Pennsylvania. The present hospital is situated in the vicinity of iron mills and railways, and as it can be sold for about seventy thousand dollars, the Government will be fully reimbursed for the cost of a new hospital, while the comfort of the patients will be promoted.

An estimate has been made that the sum of fifty thousand dollars will be sufficient for the construction of a pavilion hospital on Angel Island, in the Bay of San Francisco, sufficient to accommodate one also hundred and fifty patients, and I recommend an appropriation of that amount for that purpose.

I also respectfully renew the recommendation, made heretofore, for a pavilion hospital near the city of New York sufficient for the accommodation of two hundred patients.

The Revenue Marine Service employs twenty-five steam vessels and eight sailing vessels. In addition to these, there are two large steamers upon the Lakes, not in commission, and two schooners upon the coast condemned as not fit for duty.

Of the six large steamers upon the Lakes, four only are in commission, and as the others are not needed, I have the honor to recommend that authority be given for their sale.

During the last year four iron steamers have been built—three of two hundred and fifty, and one of three hundred and fifty tons burden. Under the existing appropriation of two hundred thousand dollars, the Department is about to issue proposals for four small iron propellers, two for the Pacific and two for the Atlantic coast.

A further appropriation of two hundred thousand dollars is needed to enable the Department to carry into effect the recommendation of the Commission, whose report was approved by the Department and submitted to Congress May 26, 1870.

The plan recommended by the Commission, when fully adopted, will effect a reduction in the expenses of this branch of the service of about five hundred thousand dollars, or about thirty-four per cent. of the whole cost. The changes proposed contemplate the use of vessels of less tonnage, and a consequent reduction in the number of men employed.

The expenses of the Revenue Marine Service for the year ending June 30, 1871, were \$1,251,984 52, against \$1,188,393 31 for the preceding year. The first quarter of the present fiscal year shows a reduction in expenses of \$83,201 42, as compared with the corresponding period of the preceding year.

At the date of my last report, a board of officers was in session charged with the duty of examining the officers then in active service. The report showed that five captains, ten first lieutenants, nine second lieutenants, and ten third lieutenants, were not qualified for duty. The persons found to be incompetent have been discharged, and their places have been filled by promotion and by the appointment of additional officers, after a competitive examination.

There are several officers in the service who, on account of age, are unfit for active duty. For the supply of officers in their places, and for the increase of the number of engineers, rendered necessary by the substitution of steam for sailing vessels, additional appropriations are required for the next fiscal year. This branch of the public service is, upon the whole, in a satisfactory condition.

During the third session of the 41st Congress, a bill was submitted for the organization of a Mint Bureau. The bill passed the Senate but failed in the House of Representatives; though not, as I am informed, from any objection to the principles on which it was framed. I urgently recommend the passage of a similar bill at the present session of Congress. All the Mints and Assay Officers are nominally in charge of the Treasury Department; but there is not, by authority of law, any person in the Department who, by virtue of his office, is supposed to be informed upon the subject; and no one on whom the Secretary of the Treasury can officially rely for information or advice in the management of this important branch of the public business.

It is estimated that the internal commerce of the country is fifteen times as great as our external commerce, but the statistics are not

trustworthy or complete; and I respectfully recommend that provision be made for obtaining such returns as will show fully the trade of the country upon the rivers, canals, lakes and railways.

The report of Mr. Charles Bryant, Special Agent, who has had charge of the fur seal-fishery at the Islands of St. Paul and St. George, shows that the business has been conducted by the Alaska Commercial Company in substantial conformity to the terms of the contract. Mr. Bryant suggests an appropriation for the construction of a house upon each island, for the accommodation of the agents of the Government, who at present are dependent upon the company for board and shelter; and, although I am not aware that any evil has resulted from the arrangement, it is manifest that it ought not to be continued. It is estimated that an appropriation of five thousand dollars will be sufficient for a suitable building on each island.

The agents charged with the management of the seal-fishery have been detailed from the customs service. As the full number of agents authorized by law is needed upon customs business, I respectfully recommend that authority be given for the appointment of two agents and two assistant agents, and that a suitable appropriation be made for their salaries and expenses. The necessity of two agents at each island is apparent. The agents will desire to return to the States as often as once in two years; and, moreover, it is wise for the Government to have not less than four persons in its employment connected with the care of the people and the business of the islands.

Mr. Bryant also makes suggestions as to the further provision for the care of the natives, which appear to me to deserve consideration.

I again call the attention of Congress to the importance of increasing the salaries of the Bureau Officers and Heads of Division in the Treasury Department.

At present there is great inequality and injustice existing. The First Comptroller receives a salary of five thousand dollars a year, while the Second Comptroller and other Bureau Officers, whose duties are hardly less important, receive only three thousand dollars. The Solicitor of the Treasury is upon a salary of three thousand five hundred dollars, while the Solicitor of Internal Revenue, whose duties are less important, receives a salary of four thousand dollars.

The Heads of Division, in the Internal Revenue, receive salaries of twenty-five hundred dollars per annum, while in every other branch of the Treasury they are selected from fourth class clerks, whose salaries are fixed by law at eighteen hundred dollars a year; although, for several years an appropriation has been made from which the Secretary of the Treasury, in his discretion, has increased the salaries in his own office to twenty-eight hundred dollars per annum.

It is not an exaggeration to say that the head of a Division in charge of the loans of the warrants, or of the sub-treasury accounts, occupies a position in which the country and the world are more concerned than in that of the Collector of Customs at New York; yet the latter officer receives more than fifty thousand dollars a year, while it is with difficulty that the former is able to secure the inadequate sum of twenty-eight hundred dollars.

The same remark might with truth be made of several Bureau Officers, and of persons in the office of the Treasurer of the United States.

In this connection, I also recommend an increase of the salary of the Supervising Surgeon of the Marine Hospitals.

I think it my duty to speak of the provisions of the act creating the Department of Justice, by which the Solicitor of the Treasury and the Solicitor of the Internal Revenue Office are made officers of that Department. The proper and essential duty of the Solicitors is to give advice to the Secretary and Bureau officers upon questions which arise in the daily business of the Department. Under the existing system, the Attorney General is made nominally responsible, while, in fact, he ought to be exempt from all responsibility for the advice given by these officers, that, upon a reference to him of questions which may have been previously considered by them, he may be free to revise or reverse their action. These officers should receive their appointments through the Treasury Department, and be responsible to its head. It is a fundamental error in administration, to place in one of the Departments officers deriving their appointment from another Department.

Should the Attorney General transfer these officers to the Department of Justice, as appears to have been contemplated by the act, this Department would be deprived substantially of their services. I earnestly recommend the restoration of these officers to their former positions in the Treasury.

The examination of persons designated for clerical service, and for promotion in the Treasury Department, has been continued, with beneficial results; and the examination is even more exacting in its requirements than at the date of my last annual report. Means will be taken to extend the system, with such modifications as the difference of duties may suggest, but with equal efficiency, if possible, to the principal custom-houses, and to other branches of the public service under the control of this Department.

On the 28th of February last, public notice was given that on the 6th of the following March, books would be opened in this country and in Europe for subscriptions to the National Loan, under the act approved July 14, 1870, and the conditions on which the subscriptions would be received were also made known. All the national banks, and a large number of bankers both in this country and in Europe, were authorized to receive subscriptions. The first preference was given to subscribers to the five per cent. bonds within the limit of two hundred millions of dollars. On the 1st of August, the subscriptions amounted to sixty-five millions seven hundred and seventy-five thousand five hundred and fifty dollars, chiefly by the national banks.

Under date of July 14, 1871, a dispatch was received from Hon. William A. Richardson, Assistant Secretary of the Treasury, then in London, stating that certain bankers in Europe proposed to take the remainder of the two hundred millions of five per cent. upon certain conditions. This proposition was considered and modified, and early in August an agreement was made with Messrs. Jay Cooke & Co.,

representing bankers in Europe and in the United States. By the terms of the agreement, the parties represented by Messrs. Jay Cooke & Co. had the right to subscribe for the remainder of the two hundred millions of said bonds, by giving notice thereof, at any time previous to the first of April next, and by subscribing for ten millions at once and for an average of at least five millions of dollars of bonds per month during the intervening time, subject to the right of the national banks to subscribe for fifty millions of dollars within sixty days from the 25th day of August.

It was also agreed that the subscriptions should all be made through national banks, and certificates of deposit therefor issued by said banks to the Secretary of the Treasury, bonds to be lodged with the Treasurer of the United States for the amount of the deposit. By a printed circular issued on the 10th of August, 1871, it was announced that national banks making or obtaining subscriptions, payable in coin, would be designated by the Secretary of the Treasury as depositaries of public money, on the usual condition of placing in the hands of the Treasurer of the United States bonds of the United States for the security of such deposits; and that, at the commencement of each month, notice would be given of the redemption of an amount of bonds equal to the amount of subscriptions in coin for the preceding month, interest to cease in ninety days from the date of such notice.

It was also stated in the circular that, as the bonds called should mature, the deposits would be drawn from the several banks proportionately.

It was further agreed that the subscribers to the loan should receive as commissions whatever might remain of the half of one per cent. allowed by law upon the two hundred millions, after paying the cost of paper for the bonds, for engraving, printing, advertising, delivery, and all other expenses of the same.

Under this agreement the books were opened in this country and in Europe, and by the last of August subscriptions were obtained for the entire amount offered.

On the first of September public notice was given that certain five-twenty bonds, to the amount of one hundred millions of dollars, of the issue of 1862, specified by number as nearly as was practicable, according to the provisions of the act of July 14, 1870, would be paid on the first of December, and that the interest would cease on that date. Of the bonds so called, more than eighty millions of dollars are now in the possession of the Department; of which amount, seventeen millions of dollars have been paid in coin, and the remainder have been received or deposited in exchange for the five per cent. bonds.

Previous to September, five per cent. bonds to the amount of \$62,189,580 had been issued and payment made therefor. The work of delivering the bonds subscribed for at that date is now going on, and under such circumstances as to leave no doubt that the whole business will be concluded in a brief period of time.

By the act establishing the national banking system, the Secretary of the Treasury was authorized to make them depositaries of any public money, except receipts from customs; and the act authorizing the refunding of the national debt directed the Secretary of the Treasury to give three months' notice of the payment of any bonds which, in such notice, might be specified and called for payment. In the same act it was provided that the money received for the new bonds should be used only in payment of bonds outstanding known as five-twenty bonds. The statute proceeded upon the idea that the holders of five-twenty bonds should receive three months' interest upon their bonds after notice should be given by the Government.

As this notice could be given safely only upon subscriptions already made or secured, this general necessary result, even in case the money were paid into and held in the Treasury of the United States, would be a loss of interest for three months.

On the 1st of August last the demand for the new bonds had nearly ceased; but, by the agreement referred to, the necessary loss to the Government incident to the refunding of the public debt was made the means of securing subscriptions to the amount of about one hundred and thirty millions of dollars.

The banks, or those represented by the banks, derived an advantage in the use of the amount of their subscriptions for three months, but this without other loss to the Government than what was incident to the negotiation of the loan under the law.

I am informed by Judge Richardson, and such is my opinion, that the most serious obstacle in the way of negotiating the four and four-and-a-half per cent. bonds in Europe is the inadequacy of the commissions allowed. When the circular of the 28th of February last was issued, one or two leading European bankers declined to act as agents, and I am persuaded that others who accepted the agency failed to give that attention to the business which would have been bestowed upon it had the commissions corresponded more nearly to those usually received by them for the negotiation of public loans. The credit of the country is fully established in every financial centre of Europe, and the bonds of the United States can be negotiated at their market value in a larger number of cities than the bonds of any other country in the world. Under these circumstances, I think it my duty to advise such an allowance for commissions upon the four and four-and-a-half per cent. bonds as will secure the negotiation of them with the least possible delay. It needs no analysis of the subject to show that the interests of the country will be greatly promoted by the proceeding, even though the commissions should seem to be unnecessarily large. I also recommend that authority be given for the payment of interest in London. This can be done without the least cost or risk to the Government.

Returns for the fiscal year 1870-71, show that the ocean commerce of the United States is passing rapidly into the hands of foreign merchants and shipbuilders. In the year 1860, nearly seventy-one per cent. of the foreign commerce of this country was in American ships; in 1864, it had fallen to forty-six per cent.; in 1868, to forty-four per cent.; and in 1871, it is reported at less than thirty-eight per cent.

The loss of the shipping of the United States is due chiefly to two

causes; first, the destruction of American vessels by rebel cruisers during the war; and, secondly, the substitution of iron steamships for transportation of freight and passengers upon the ocean, in place of sailing vessels and steamships built of wood.

When the war opened, English builders of iron steamships had acquired considerable proficiency, and since that period the art has been carried to higher perfection in Great Britain than in any other part of the world. It is stated that the superiority of British machinery and knowledge of the business by the British mechanics give an advantage over American shipbuilders equal at least to ten per cent. upon the cost of construction. They possess additional advantages in the cost of labor, the cost of iron, coal, and other materials, and in the rate of interest upon the capital employed, equal in all to about twenty per cent. more, so that the difference in favor of British shipbuilders is at least thirty per cent.

In considering the means for the restoration of our ocean commerce, two facts must be accepted: first, that it is useless to attempt to revive it with wooden ships; and, secondly, that iron ships moved by sails cannot compete with iron ships propelled by steam. Hence, the only practical questions for consideration are these: can the construction of iron steamships be established in this country, and, if so, by what means?

The trans-ocean commerce of the United States would employ about six million tons of shipping, if each vessel made but one round voyage in a year. The value of our exports and imports has already reached the sum of nearly eleven hundred millions of dollars, and during the present decade it will exceed fifteen hundred millions of dollars annually. The annual returns for freight and passengers are about one hundred millions of dollars.

The history of the loss of our commerce, as shown in the statistics already given, readers it certain that without some efficient action on the part of the Government, the entire foreign trade of the country will soon pass into the hands of our rivals.

The monopoly of the trade between the United States and Europe by foreign merchants and shipbuilders carries with it the monopoly of shipbuilding for the entire world, and, as a consequence, the Atlantic trade, the trade of the Pacific, and the seas adjacent thereto, will be carried on in English-built steamers.

An alteration of the law by which foreign-built vessels may be admitted to American registry will furnish no adequate relief. On the contrary, the change would stimulate shipbuilding in England, while the prospect of establishing it on this continent would diminish in proportion to the prosperity of the business in the ship-yards of our rivals.

In view of the facts of our extensive coast upon the Atlantic and Pacific oceans, and our position with reference to Europe and Asia, the country ought not to be satisfied with any policy which does not look to the establishment and continuance of shipbuilding in the United States, the encouragement of our own seamen and merchants, and the control of so much, at least, of the commerce of the world as is derived from the export of our products and the importation of articles required for domestic consumption.

The removal of duties upon foreign articles used in the construction of iron steamships, or the allowance of a drawback equal to the amount of duties paid, will not, in the existing condition of things, secure the re-establishment of the business. But were it otherwise, the removal of duties or the allowance of drawback raises practical questions of great difficulty, while any concession by an indirect process is likely in the end to prove unnecessarily expensive to the country. Several of the existing lines of European steamers were established by the aid of Government subsidies. They are still encouraged by the same means; and it is unreasonable to expect that our merchants and shipbuilders can successfully compete with this formidable combination, unless they are supported by the power of their own Government.

After careful consideration of the whole subject, I am prepared to advise the passage of a law guaranteeing to persons who may employ in the foreign trade American-built first-class iron steamships of not less than two thousand tons burden each, an annual payment, for the period of five years, of the sum of thirteen dollars per ton. The subsidy should be proportionately less to vessels of lower classification.

In making this recommendation, I do not assume that there is no other practicable method of restoring our commerce, but I present it as the method which appears to me to be the most efficient and economical.

Connected with this plan, it will be wise to consider whether the ships may not be so constructed as to be available for naval purposes, and, in case of war, subject to the right of the United States to take them upon payment of their appraised value. A similar suggestion was made by the Secretary of the Navy in his report for the year 1869. They should also be required to carry the mails upon moderate terms, or in consideration of the subsidy.

The use of sailing vessels and steamers built of wood may be continued successfully in the coasting trade, the trade with the British possessions, and upon the rivers and lakes of the country; but any effort to regain our former position upon the ocean by their agency must end disastrously.

I entertain the opinion that the policy suggested will be effectual, and that in a comparatively short period our mechanics and artisans will acquire equal skill with those of England, and that we shall not only have the aid of the best machinery now in use elsewhere, but that important improvements will be made, calculated to place the country in a position of superiority.

We shall also be able to test practically the quality of American iron, which, for the purpose of shipbuilding, is represented as better than that used in Great Britain.

If it shall appear, as is claimed, that American iron is about ten per cent. better than the iron used in England, an advantage will be secured, not only in the diminished cost of the vessels, but also in the

increased tonnage capacity of American ships of equal dimensions over those constructed with inferior materials.

Accepting as a truth, established by experience, that the ocean commerce of the world is to be carried on in iron steamships, we must consider and decide whether the United States shall disappear from the list of maritime nations, or whether, by a determined and practical effort, we can regain the position which we occupied previous to the late Rebellion.

GEO. S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE COMPTROLLER OF THE CURRENCY.

OFFICE OF THE COMPTROLLER OF THE CURRENCY,
WASHINGTON, November 10, 1871.

SIR: In compliance with the provisions of section 61 of the National Currency Act, I have the honor to present through you to the Congress of the United States the following report for the year ending September 30, 1871:

Since my last annual report, one hundred and fifty-five National Banks have been organized, making the total number to October 1, eighteen hundred and eighty-six. Of this number, ten banks, to wit:

The Central National Bank of Baltimore, Maryland;
The First National Bank of Hightstown, New Jersey;
The National Security Bank of Philadelphia, Pennsylvania;
The Keeseville National Bank, New York;
The Central National Bank of Hightstown, New Jersey;
The East Chester National Bank of Mount Vernon, New York;
The Merchants' National Bank of Newark, New Jersey;
The National Bank of the Commonwealth of Boston, Massachusetts;

The National Bank of Kutztown, Pennsylvania;
The Littleton National Bank, New Hampshire,
with an aggregate capital of \$1,960,000, were organized by the surrender and transfer of circulating notes for that purpose by existing National Banks, and did not increase the aggregate of bank circulation.

One hundred and forty-five banks have been organized during the year under the act approved July 12, 1870, providing for the issue of fifty-four millions of additional national bank circulation. * * * * *

The aggregate capital of the banks so organized under the act approved July 12, 1870 is \$15,996,000, and is distributed among the several States as follows:

	Capital.		Capital.
Alabama, 5 banks.....	\$558,000	Michigan, 17 banks.....	1,155,000
Colorado, 1 bank.....	50,000	Nebraska, 3 banks.....	250,000
California (gold) 1 bank.....	1,000,000	North Carolina, 3 banks.....	300,000
Georgia, 2 banks.....	375,000	New Mexico, 1 bank.....	150,000
Illinois, 27 banks.....	2,995,000	Ohio, 2 banks.....	300,000
Iowa, 16 banks.....	1,015,000	South Carolina, 4 banks.....	260,000
Indiana, 6 banks.....	700,000	Tennessee, 2 banks.....	160,000
Kansas, 6 banks.....	350,000	Texas, 1 bank.....	100,000
Kentucky, 9 banks.....	1,325,000	Virginia, 5 banks.....	520,000
Louisiana, 5 banks.....	2,100,600	West Virginia, 3 banks.....	278,000
Missouri, 11 banks.....	1,025,900	Wyoming Territory, 1 bank.....	100,000
Minnesota, 7 banks.....	480,000	Wisconsin, 6 banks.....	450,000

The total amount of currency issued under the act of July 12, 1870, to October 1, 1871, is \$22,333,990, some \$20,000,000 of which has been furnished to new banks, and the remainder to existing banks which had not received their full quota, or which had increased their capital to meet the growing demands of business.

The condition of the Southern States since the passage of the act has been such as to preclude the possibility of their taking any considerable portion of the circulation provided, and consequently the number of banks organized in the South is small. This fact made it possible, after the expiration of the year specified in section one of the act of July 12, 1870, to organize additional banks in the Western States, and accordingly nearly all of the really meritorious applications in those States were granted. I estimate that the Western and Northwestern States can be fully supplied and still leave from \$20,000,000 to \$25,000,000 for the Southern States when they are in condition to take it.

In New Orleans a disposition has been manifested to adopt the national banking system generally, and while but two new banks have been organized there, three of the old banks have re-organized as national banks, and it is understood that several others are contemplating a similar change. One obstacle in the way of such changes is the limitation fixed by the act to the amount of circulation that can be furnished to any one bank, to wit, \$500,000. Quite a number of the New Orleans State banks employ a very much larger capital, and could advantageously employ a much larger circulation. The propriety of removing this restriction in certain cases is respectfully suggested.

Since my last report but one bank has been established on a gold basis—the First National Gold Bank of San Francisco—with a capital of \$1,000,000. It is presumed that the success of this institution is not so flattering as to induce the organization of others of a similar character, though, in view of the obstacles and the opposition which it meets, it holds its own and is gradually winning its way into public confidence.

The tenacity with which the Pacific States adhere to a gold currency is quite notable. Whether it is equally praiseworthy, is another thing. It is not clear that those States derive any substantial benefit from the course they have pursued, and it is beginning to be manifest that the United States are not at all benefited by it. The substitution of a paper currency in California and the other gold-producing States for their present hard money would probably set free for the use of the Government and the whole country some thirty or forty millions of gold, and at the same time provide those communities with a more economical, active, and accommodating circulating medium.

I recommend that provision be made for the establishment of

National Banks in California and the other Pacific States upon a legal-tender basis, and that the law be so modified as to enable them to cope successfully with other banking institutions at present doing business in those States.

There is nothing especial to note in the history or management of the banks during the year. A few cases of dishonesty have occurred, but none of any magnitude. The examinations made under the provisions of section 54 of the currency act have been instrumental in developing irregular and dishonest practices in time to prevent loss to the bank in quite a number of cases, and there is no doubt of their efficacy in securing judicious management and general compliance with all the important requirements of the act.

Occasional complaint is made that National Banks are in the habit of charging higher rates of interest than the laws of the several States authorize, but as the law itself provides a remedy or a penalty for usury, and places it at the disposal of the complainant, I have not felt called upon to take any official action on the subject. While nothing will justify a bank for violating any provision of law, I desire, nevertheless, to call the attention of Congress again to the very high rates of taxation that are imposed on National Banks in most of the States. It is asserted by bank officers, and admitted to be true, that local taxation is so high in some of the States as to make it impossible to lend money at legal rates without loss to the bank. It is probably true that, in some instances, the object of the Legislature in imposing these burdens is a hostile one, intended to drive national banks out of existence, while, in other cases, onerous taxes are imposed under the impression that the banks are making enormous profits, and can afford to divide them with the State. I am of opinion that the public good would justify some limitation to the power of the States to tax the shares of national banks.

The average tax paid to the United States is 2½ per cent on the capital of the banks, and it seems to me that the equivalent of this tax ought to be sufficient for the States in which the banks are located.

I recommend that the Comptroller of the Currency be clothed with power to act in cases where the capital of a bank has been seriously impaired by losses or otherwise, either by requiring the capital to be made whole by assessment of the shareholders, or by requiring the bank to wind up its affairs within a reasonable time if its capital is not made good. Also to wind up the affairs of any bank which is not engaged in the transaction of a legitimate and reputable business, or which has obtained an organization through false or fraudulent representations.

I think it would have a tendency to check the circulation of counterfeit notes, if national banks were required to stamp all such notes, when presented at the counter of the bank, with the word "counterfeit," and I suggest the expediency of legislative provision for that purpose.

The circulation furnished to national banks has now been outstanding for an average period of about five years, and it is being returned in constantly increasing amounts for new notes. Since the organization of the Bureau to September 30, the total amount returned for destruction is \$54,546,345, of which \$23,948,827 were returned during the last year. The handling of these notes involves much care and labor, and requires an addition to the present available force of the office.

Carefully prepared tables will be found in the appendix, as follows:

1. The number of banks, amount of capital, bonds, and circulation in each State and Territory.
2. The number and amount of each denomination of bank notes issued, redeemed, and outstanding.
3. The number and amount of each denomination of gold bank notes issued and outstanding.
4. Statement of amount and different kinds of bonds held to secure circulation.
5. Banks in the hands of receivers.
6. National Banks in liquidation which have deposited lawful money to redeem their circulation and taken up their bonds.
7. National Banks in liquidation for the purpose of consolidating with other banks.
8. Reserve tables.
9. List of clerks employed during the fiscal year ending June 30, 1871.
10. Expenditures for the fiscal year ending June 30, 1871.

SPECIE PAYMENTS.

The time when, and the means by which, specie payments may be resumed have for some years been the subject of much anxious consideration and of earnest public discussion. The problem is one of general and pervading interest, closely connected with the public welfare, and, like all questions of public importance, has called forth a great variety of opinions. Writers who have made a study of this and kindred branches of political economy, with few exceptions, agree that when in time of suspension of specie payments there has been a very considerable increase of paper money, there must be a corresponding decrease before specie payments can be safely resumed.

Assuming the paper currency to be redundant, or in excess of the normal demands of trade, the excess must be retired in order to bring the currency up to a specie standard. This redundancy has been attributed to the currency of the United States by a majority of those who have written and spoken on the subject since the year 1864, and the remedy prescribed has been "contraction."

So prevalent was this view of the case at one time that, in 1866, Congress, in obedience to what was regarded as a sound and correct principle of political economy, provided by law for a gradual withdrawal and cancellation of United States notes to the extent of four millions a month; but, owing to the funding operations of

the Treasury, this provision was not carried into effect until the latter part of the year 1867, when the process of contraction was commenced. Just at this time, also, commenced a stringency in the money market, which increased in severity as contraction went on. To the people the stringency seemed to be produced by the contraction, though it is now evident that other causes conspired to aid in producing the result. The hard times, however, were generally attributed to the depletion of the money market by the actual withdrawal of ten millions of currency in six months, and its continued reduction at the rate of four millions per month thereafter.

This opinion had all the force of conviction in the public mind, and found its appropriate expression in an act of Congress, which became a law, in February, 1868, prohibiting any further reduction of the currency, and so the matter now stands. If there is a superabundance of currency, which must be retired before a specie basis can be reached, the first step toward specie payments must be the repeal of the act of February, 1868. If public sentiment will not permit or sanction such action by Congress, it will be because the people do not wish for resumption at the expense of contraction. If this is the only road to specie payments, it remains closed by the mandate of the people.

In direct antagonism to the demand for specie payments at all hazards, and without regard to consequences, is the doctrine of a currency permanently divorced from a specie basis. It is argued, and with some degree of plausibility, that the convertibility of paper money into coin on demand, has always been an unsound element of currency, because it has never been practicable when actually required. Under any system of currency of which credit forms a part, convertibility is but little more than a name, satisfactory enough as long as the times are easy and confidence prevails, but exceedingly dangerous and mischievous when the money market is deranged, and distrust has taken the place of confidence. The conversion of paper is seldom demanded in any considerable amounts until credit is wavering, and everything is looked upon with suspicion. Then, the demand is not limited to the 25 or 30 per cent which the banks may have in reserve. Loss of confidence, and the knowledge that provision for payment is only partial, are precursors of panics, suspensions, failures, and all the disasters incident to such a state of affairs. It is a maxim in military science that a line of fortifications is just as strong as the weakest place in it, and no stronger. So, in finance, a system is never safe that is vulnerable at any point, or under any circumstances. Panics are the weak places in all theories or systems of convertible currencies, of which credit forms a constituent element.

Absolute convertibility can be secured only by locking up the specie; and for each dollar under lock and key, issuing a paper promise to pay a dollar on demand. In this case the note is only the title to the thing, and there should not be more titles than there are things; in other words, there must not be more paper dollars than there are specie dollars. The convertibility hobby has been ridden to death. The uniform failure of all attempts to secure it should admonish bankers and financiers that there may be such a thing as progress and improvement even in banking and currency. The Bank of England may be regarded as furnishing the conditions most favorable to the convertibility theory, yet in every time of real need its charter has been disregarded, and the bank has been obliged to suspend. The history of the banks in the United States is but a series of suspensions, occurring as often as conversion was demanded.

Ultimate solvency is of far greater importance to the community than convertibility, and the liberal and judicious use of credit is of far more value in the commercial world than the instant command of gold and silver. Credit is the great element of modern progress. Notwithstanding the abuses to which it has been subjected, it has rejuvenated the world. The prosperity of the United States is, in great measure, due to this life-giving power. Currency based on actual deposits of coin would have given no opportunity for enterprise, no room for growth. Heterogeneous as the currency of this country has been, false and delusive as its promises have proved, yet the element of credit which has entered so largely into its composition has proved an inestimable benefit. Specie has not been at the bottom of this prosperity, for we have had but little of it, comparatively, and whenever the demand has been made for the redemption of currency, the banks have been obliged to suspend. We owe our welfare and progress to the liberal, and not always judicious, use of credit, more than to anything else. And particularly is this true of the last six or eight years. During that period we have had a currency based exclusively upon credit. It has held out no false promise; and, as a consequence, we have been exempt from all currency panics or disturbances.

Those who favor the views herein expressed, maintain and believe that our currency system, as at present established, is the best and safest we have ever had. They believe that the premium on gold may be gradually reduced in the next few years, as it has been in the past, until it shall become practicable to obtain coin for paper, in such reasonable amounts as may be required in trade by exchange at rates merely nominal. They make a distinction between "convertibility by redemption," which is the generally accepted idea, and convertibility by exchange, which is their idea. This, they affirm, would bring all the benefits of resumption, without any of its attendant dangers. The plan involves the recognition of bullion dealers, who shall be entitled to regular and legitimate commissions, premiums, or profits. The assent of the public to this proposition relieves the banks and the Government from the necessity and the burden of furnishing coin for nothing. Trade would soon adapt itself to this basis, would calculate and allow these premiums or commissions, and would

take out of our system a dangerous, unnecessary, and delusive element.

A theory which has found much favor in the last few years, is embodied in the proposition that "the currency should be maintained at its present volume until the industrial and commercial interests of the country shall recover from the effects of the war, and until the natural growth in population and wealth, the revival of enterprise, the increased facilities of trade, and the expansion of our borders, shall create a legitimate use for the whole amount of currency now outstanding." Just how long this will take has not been stated, and probably is not susceptible of demonstration; but the idea is a plausible one, and commends itself to popular favor, as affording an easy and gradual transition to specie payments without any of the inconveniences and hardships associated in the public mind with contraction.

The fundamental idea underlying this theory is that the conditions necessary to growth exist already. It presupposes that the country may prosper; that trade, industry, and enterprise, may flourish; that labor may have a bountiful reward; that individuals and communities may grow rich and increase in wealth and substance, notwithstanding a superabundant, irredeemable, depreciated currency. If this assumption is correct, it is hardly necessary to look forward to the time when natural growth shall absorb the surplus currency, and specie payments shall come in the course of nature.

If the currency, in its present condition, is so far conducive to prosperity as to make it probable that, at no distant day, the country will actually need all the paper currency now in circulation, the inference would go far toward destroying the force of the usual arguments in favor of early resumption, as it would establish the fact that specie payments are not essential to the growth and prosperity of the country. If the assumption is not correct, the whole proposition fails; for without growth and increase in resources and trade, the currency would forever remain in excess.

Granting, however, that the business of the country is likely to attain such dimensions as to require the entire present volume of currency for its accommodation, there is another aspect of the case to be considered. When the point is reached at which the currency ceases to be redundant, the supposition is that it will rapidly appreciate to par with gold, and that gold will then resume its functions as currency. When this takes place, one of two things is likely to occur: There must be a very considerable inflation, in consequence of the addition of gold and silver to the currency, or there must be a reduction in the volume of paper money. In other words, if there shall not be inflation, there must be contraction; but it will be contraction as a consequence, not as a cause; contraction brought about by natural and self-acting causes, not by act of Congress, nor by the exercise of arbitrary power in any quarter. This would be a legitimate result, and, if it should take place, would not be liable to the same objections that are urged against contraction now.

But whether the coin shall be added to the paper, and so swell the volume of currency and produce inflation, or whether a proportion of the paper shall be retired, as the coin comes forth to take its place as a constituent part of the currency, the probabilities seem to be that, with a wise administration of the finances, paper and specie will gradually and surely, though perhaps slowly, approximate to an equality in value.

If it were possible, in considering the practicability of resumption, to distinguish between circulation and deposits, making the former payable in specie, while the latter should be payable in kind, much of the difficulty and danger attendant on a return to specie payments would be removed.

Although the legal obligation to pay coin or lawful money for deposits, in the absence of any stipulation on the subject, is not disputed, yet it is probable that the banks, by concerted action, would have no difficulty in arranging with their customers to receive for their deposits the same kind of money deposited. This understanding is quite general between the banks and their customers, outside of two or three of the large eastern cities. If the banks in those cities would agree to settle their balances, through their clearing houses, in current funds, much of the difficulty of making deposits likewise payable in current funds would be obviated. Ordinarily those very banks pay all deposits in miscellaneous funds, and the obligation to pay specie or lawful money only recurs to plague them when they are least able to meet the demand.

It would be practicable to place the currency on a specie basis long before it would be possible to place the entire demand liabilities of the banks on a similar footing. In New York, provision could easily be made for thirty-four millions of bank notes; but, according to established usage there, specie payments would involve provision for over \$300,000,000 deposits. It is this practice which renders the finances of the country so unsteady and unreliable, to wit, the false principles which underlie the financial management of the great centers of money and trade.

If New York cannot maintain specie payments according to her own standard, they cannot be maintained successfully elsewhere for any length of time under any circumstances, and hence it is a matter of vital importance to the country at large to scrutinize carefully, not only the grounds upon which this assumed obligation is based, but also the ability of the parties to carry it into practical effect. During the last five years there have been no apprehensions in any quarter of a currency panic. That element of disaster has happily been wanting in the disturbances which have characterized the money market from time to time; and yet it is an admitted fact that we have more than once been upon the verge of a panic which threatened the most disastrous consequences. There have been not less than three occasions during the last five years in which, if the New York banks had

been paying specie, according to their interpretation of specie payments, they would have been obliged to suspend from inability to pay, not their circulating notes, but their deposits; and this at a time when specie payments, if they had prevailed throughout the country, could have been maintained at every other point, as far as the currency was concerned.

To the people the establishment of the currency on a sound and solvent basis is the one important thing. It makes but little difference to them whether depositors in the large cities are entitled to receive specie for deposits made in currency. This is not a vital point in public estimation, and it may safely be left to private contract, as many other equally important questions are. The inquiry recurs, then, conceding the desirability of resuming specie payments, must all efforts in that direction be retarded and imperiled by the undertaking of a few banks, few in number, but powerful by virtue of their central position, to place deposits upon the same basis? If any substantial interest were sacrificed, or any valuable principle violated, by the abandonment of this dogma, there might be some reason for taking the risk; but if deposits could be made payable in kind, that is, in current funds, lawful money, or gold, as the case might be, the depositor could have no just ground of complaint, while one great obstacle to the resumption and maintenance of specie payments would be removed.

In the solution of these questions lies one of the most important problems of the day; but, in view of the various theories advanced, it seems probable that the true solution will come only with time.

The doctrine of contraction as a means to an end for the purpose of hastening a return to specie payments has been condemned by the people. It has been tried and rejected, and may be considered as abandoned.

The proposition to wait until the business of the country shall expand to such an extent as to require whole volume of paper money in circulation, involves no immediate action, meets the views of the public more fully than any other plan, and is probably safer than any scheme which requires legislative interference.

It is also very evident that the undertaking, heretofore considered, to place the entire currency debt of the country on a specie basis, by the payment of deposits in coin, would be an unwise and mischievous thing, a vain and futile attempt, which would lead to panics and failures in the future as in the past. If specie payments are to be resumed, let the effort be concentrated upon the currency, and leave deposits and all other currency debts to be adjusted by private contract. As the first step in this direction, the associated banks in all cities should be required to settle balances, through their clearing houses, in current funds.

The discrediting of National Bank currency, which is the consequence of their present regulations in this respect, is unwise and injurious, and creates a distinction between bank currency and lawful money which is unnecessary and which ought not to exist.

It would be a wise measure to provide for the extension of the national banking system wherever capital and trade may invite, withdrawing, if it should seem desirable, United States notes, as fast as bank notes are issued.

A well-managed National Bank, with a bona fide paid-up capital, is not a dangerous institution in any community. A deliberate, legitimate investment of capital in banking by men who, in a majority of cases, have had the sagacity, the enterprise, and the prudence to make their own money, men who are usually the most reliable members of society, can hardly be considered unwise, certainly not injurious to the interests of the people in whose midst it is made.

A national bank affords a safe place for the deposit of all the little hoards and savings which otherwise would be unemployed. It aggregates these into a fund which becomes useful and powerful in stimulating trade and enterprise.

There is reason to believe that the national banks organized during the last year in places previously without banking facilities have had no little instrumentality in helping to bear the strain that comes with every autumn. They have paid out in their several localities the currency furnished to them, while they have called out and utilized for the public good large sums of money previously distributed among and held by the people in small amounts; and in this they have contributed to the annual supply of money required in the West, and which otherwise would have been drawn from the Eastern cities.

I therefore do not hesitate to recommend that provision be made for the organization of national banks wherever they may be needed.

If, with each million of bank notes issued, a million of legal-tenders is withdrawn, the time will come when the circulation to be redeemed will be so much larger in proportion than the funds for its redemption, that the latter must appreciate in value, while the enhanced cost of redemption will be a wholesome check upon bank issues.

If free banking is made practicable upon the basis suggested, any further increase or inflation of the currency will be rendered impossible, and every hundred thousand dollars of bank notes so issued will have a tendency to accelerate the resumption of specie payments, while, at the same time, it will make the process gradual, and throw the responsibility and the burden upon the banks and the capital of the countries where they legitimately belong. These are agencies which can tell with unerring certainty when and how to act, and the precise moment when it will be safe and wise to re-establish the business and finance of the country on a specie basis. Respectfully submitted,

HILLARD R. HULBURD,
Comptroller of the Currency.

APPENDIX.

STATEMENT SHOWING THE NUMBER OF BANKS, AMOUNT OF CAPITAL, AMOUNT OF BONDS DEPOSITED, AND CIRCULATION, IN EACH STATE AND TERRITORY, ON THE 30TH DAY OF SEPTEMBER, 1871.

States and Territories.	Organized.	Closed or closing.	In operation.	Capital paid in.	Bonds on deposit.	Circulation issued.	In actual circulation.
Maine.....	62	1	61	9,125,000	8,390,250	8,414,346	7,538,600
New Hampshire.....	42	1	42	4,889,000	4,919,000	4,835,845	4,341,695
Vermont.....	42	1	41	7,910,012	7,271,400	7,191,350	6,468,720
Massachusetts.....	210	3	207	88,074,100	65,610,750	68,239,960	57,480,866
Rhode Island.....	62	2	62	20,364,800	14,651,400	15,081,565	13,256,805
Connecticut.....	83	2	81	25,055,820	20,078,500	20,443,410	17,800,555
New York.....	318	27	291	113,140,741	73,545,910	87,960,388	64,018,348
New Jersey.....	18	1	17	12,580,550	11,871,850	11,422,575	10,052,500
Pennsylvania.....	207	9	198	51,789,840	45,731,750	46,537,610	40,397,046
Maryland.....	33	1	32	13,590,202	10,296,750	10,759,210	9,181,306
Delaware.....	11	1	11	1,528,185	1,453,200	1,477,875	1,203,475
District of Columb.....	6	3	3	1,350,000	1,234,000	1,471,800	1,081,570
Virginia.....	27	4	23	3,870,000	3,711,500	3,481,860	3,342,400
West Virginia.....	19	2	17	2,621,000	2,504,750	2,452,540	2,175,540
Ohio.....	140	10	130	23,945,700	21,401,400	22,357,655	19,378,976
Indiana.....	17	2	15	15,082,000	14,339,300	14,093,465	12,524,942
Illinois.....	118	3	115	17,123,000	16,527,200	15,246,550	13,722,825
Michigan.....	64	3	61	7,263,800	5,896,300	5,909,219	5,300,300
Wisconsin.....	46	5	41	3,400,000	3,314,550	3,539,650	3,093,257
Iowa.....	67	7	60	4,997,750	4,764,000	5,146,875	4,452,999
Minnesota.....	25	2	23	2,322,025	2,413,000	2,325,560	2,104,000
Kansas.....	12	1	12	850,000	785,000	741,800	640,000
Missouri.....	34	4	30	8,655,300	6,191,750	6,401,670	5,679,715
Kentucky.....	29	1	28	6,168,240	5,225,350	5,365,510	5,071,730
Tennessee.....	20	1	19	2,817,300	2,706,150	2,656,170	2,443,171
Louisiana.....	7	1	6	3,500,000	2,858,000	2,819,020	2,555,489
Mississippi.....	2	2	2	400,000	360,000	66,000	33,776
Nebraska.....	7	2	5	650,000	640,000	581,100	541,500
Colorado.....	4	1	4	400,000	404,000	383,490	338,950
Georgia.....	12	2	10	2,384,400	2,156,400	2,041,200	1,942,743
North Carolina.....	9	1	8	1,560,000	1,515,100	1,385,300	1,362,300
South Carolina.....	7	1	6	1,895,460	1,880,000	1,245,340	1,240,150
Alabama.....	9	1	8	916,275	842,150	848,100	766,783
Nevada.....	1	1	1	200,000	100,000	146,200	72,486
Oregon.....	1	1	1	250,000	250,000	136,000	135,000
Texas.....	5	1	4	625,000	625,000	648,300	557,500
Arkansas.....	2	1	1	200,000	200,000	192,500	160,000
Utah.....	2	1	1	250,000	150,000	176,520	132,221
Montana.....	1	1	1	100,000	100,000	90,000	90,000
Idaho.....	1	1	1	100,000	100,000	94,300	89,500
Wyoming.....	1	1	1	75,000	30,000	27,000	27,000
New Mexico.....	1	1	1	150,000	150,000	135,000	135,000
Fractional redemptions reported by Treasurer U. S.....							8
Total.....	1,684	100	1,784	462,518,601	365,444,350	380,609,879	322,952,030

GOLD BANKS.							
Massachusetts.....	1	1	1	300,000	150,000	120,000	120,000
California.....	1	1	1	1,040,000	500,000	375,000	375,000
Total.....	2	2	2	1,300,000	650,000	495,000	495,000

STATEMENT EXHIBITING THE NUMBER AND AMOUNT OF NOTES ISSUED, REDEEMED, AND OUTSTANDING SEPTEMBER 30, 1871.

Ones.	No. of notes.	Amount.	No. of notes.	Amount.
Issued.....	12,537,657	\$12,537,657 00	Fifties.....	
Redeemed.....	5,276,057	5,276,057 00	Issued.....	433,426
Outstanding.....	7,261,600	7,261,600 00	Redeemed.....	82,972
Twos.....			Outstanding.....	350,454
Issued.....	4,195,791	8,391,582 00	One hundreds.....	
Redeemed.....	1,493,326	2,986,652 00	Issued.....	321,163
Outstanding.....	2,702,465	5,404,930 00	Redeemed.....	76,287
Fives.....			Outstanding.....	244,876
Issued.....	28,174,940	140,874,700 00	Five hundreds.....	
Redeemed.....	3,276,374	16,381,870 00	Issued.....	14,642
Outstanding.....	21,898,566	124,492,830 00	Redeemed.....	6,017
Tens.....			Outstanding.....	8,625
Issued.....	9,728,375	97,283,750 00	One thousands.....	
Redeemed.....	933,445	9,334,450 00	Issued.....	4,843
Outstanding.....	8,794,930	87,949,300 00	Redeemed.....	4,005
Twenties.....			Outstanding.....	838
Issued.....	2,779,392	55,587,840 00	Total amount outstanding on the 30th day of September, 1871.....	
Redeemed.....	245,361	4,907,220 00	Add for fragments of notes outstanding, lost, or destroyed, portions of which have been redeemed.....	
Outstanding.....	2,534,031	50,680,620 00	Total.....	\$322,952,030 20

STATEMENT EXHIBITING THE NUMBER AND AMOUNT OF GOLD BANK NOTES ISSUED AND OUTSTANDING SEPTEMBER 30, 1871.

No. of Notes.	Amount.	No. of notes.	Amount.
Issued.....	16,000	Issued.....	650
Outstanding.....	16,000	Outstanding.....	650
Tens.....		Five hundreds.....	
Issued.....	10,000	Issued.....	125
Outstanding.....	1,000	Outstanding.....	125
Twenty-fives.....		One thousands.....	
Issued.....	4,000	Issued.....	75
Outstanding.....	4,000	Outstanding.....	75
Fifties.....		Total amount outstanding Sept. 30, 1871.....	
Issued.....	650		495,000
Outstanding.....	650		

STATEMENT SHOWING THE AMOUNTS AND KINDS OF UNITED STATES BONDS HELD BY THE TREASURER OF THE UNITED STATES, TO SECURE THE REDEMPTION OF THE CIRCULATING NOTES OF NATIONAL BANKS, ON THE 30TH DAY OF SEPTEMBER, 1871.

Registered bonds, act of June 14, 1868.....	\$640,000
do do February 8, 1861.....	3,923,000
do do July 17, August 15, 1861.....	61,488,700
do do February 25, 1862.....	16,584,650
do do March 3, 1863.....	33,146,850
do do March 3, 1864.....	102,232,450
do do June 30, 1864.....	17,686,500
do do July 1, 1862, July 2, 1864.....	15,176,000
do do March 3, 1864-5 per cent.....	2,243,000
do do March 3, 1865.....	13,286,500
do do March 3, 1865, 5-20-1st series.....	7,596,550
do do March 3, 1865, 5-20-2d series.....	12,201,350
do do March 3, '65, Consols, 1865-3d series.....	2,821,000
do do July 14, 1870, January 20, 1871-5 per cent funded loan.....	77,118,600
Total.....	\$366,004,350

TABLE OF THE STATE OF THE LAWFUL MONEY RESERVE OF THE NATIONAL BANKS OF THE UNITED STATES, as shown by the reports of their condition at the close of business on the 2d day of October, 1871.

STATES AND TERRITORIES.	Number of Banks.	Liabilities to be protected by reserve.	Reserve required 25 per cent. of liabilities.	Reserve held.	Per cent of reserve to liabilities.	Funds available for Reserve.				Due from redeeming agents.
						Specie.	Legal tenders.	Clearing House certificates.	Three per cent certificates.	
MAINE.....	41	\$13,471,527	\$2,014,701	\$2,913,698	21 7-10	\$49,129	\$1,062,692	.....	\$5,000	\$1,754,927
New Hampshire.....	61	7,145,760	1,071,861	1,689,992	23 7-10	12,842	541,829	.....	.....	1,185,371
Vermont.....	41	9,830,893	1,473,192	2,089,487	30 8-10	726,551	.....	.....	45,000	1,899,463
Massachusetts.....	160	68,178,080	8,735,064	12,031,275	30 7-10	104,247	4,541,056	.....	70,000	2,275,062
Rhode Island.....	62	20,844,433	3,192,668	3,938,678	18 9-10	89,181	1,466,796	.....	30,000	2,492,053
CONNECTICUT.....	81	31,875,699	4,781,849	6,410,581	20 1-10	79,930	2,501,048	.....	85,000	3,741,696
New York.....	240	18,136,208	11,810,411	15,788,693	20 1-10	107,042	5,712,281	.....	320,000	9,329,967
New Jersey.....	67	29,418,590	4,412,788	6,616,827	22 5-10	90,031	2,196,068	.....	115,000	4,212,683
Pennsylvania.....	151	48,911,393	7,330,709	9,482,835	19 4-10	85,599	4,548,611	.....	230,000	4,662,655
Delaware.....	11	2,502,474	412,871	669,147	23 7-10	2,832	227,638	.....	80,000	364,512
Maryland.....	23	4,727,180	709,070	1,400,374	29 6-10	26,271	489,209	.....	.....	884,764
Virginia.....	16	9,169,536	1,365,390	1,565,138	17 2-10	74,682	607,542	.....	.....	683,214
West Virginia.....	14	4,624,075	693,611	994,372	20 8-10	9,352	379,917	.....	.....	247,108
North Carolina.....	9	3,536,856	533,525	641,775	18	37,092	321,641	.....	.....	290,042
South Carolina.....	7	2,767,905	415,090	537,452	20 1-10	16,687	356,610	.....	.....	184,113
Georgia.....	10	3,793,872	569,081	750,097	19 9-10	67,135	510,068	.....	50,000	128,904
Alabama.....	7	1,228,899	184,321	194,761	15 8-10	15,496	187,282	.....	.....	41,283
Texas.....	5	1,872,662	280,809	710,898	38	270,497	241,078	.....	.....	199,267
Arkansas.....	2	362,910	54,437	74,783	20 6-10	1,317	.....	.....	.....	42,355
Kentucky.....	25	6,235,891	935,364	1,329,771	22 8-10	8,835	564,610	.....	.....	860,327
Tennessee.....	19	6,340,361	954,042	1,440,432	19 5-10	59,209	668,121	.....	.....	513,102
Ohio.....	110	31,038,695	4,655,801	6,710,622	21 6-10	55,655	3,230,105	.....	140,000	3,290,442
Indiana.....	72	23,503,793	3,525,569	5,408,310	23	67,001	2,444,506	.....	25,000	2,872,019
Illinois.....	92	19,952,721	2,992,908	4,498,264	22 5-10	75,994	1,845,997	.....	80,000	2,564,873
Michigan.....	57	10,328,358	1,549,251	2,522,018	24 4-10	43,870	1,047,915	.....	30,000	1,400,239
Wisconsin.....	37	5,880,207	882,031	1,311,394	22 3-10	10,254	577,222	.....	10,000	723,158
Iowa.....	57	11,651,699	1,732,755	2,786,435	24 1-10	49,295	1,276,822	.....	10,000	1,450,318
Minnesota.....	22	4,479,115	671,867	1,646,638	35 4-10	15,766	679,949	.....	.....	1,071,129
Missouri.....	21	6,373,404	956,011	653,850	19 5-10	20,841	470,303	.....	.....	362,566
Kansas.....	5	1,694,663	254,200	373,283	22	6,865	169,689	.....	.....	196,734
Nebraska.....	6	2,504,399	375,660	623,732	24 9-10	9,411	176,671	.....	.....	437,640
Oregon.....	1	1,148,408	172,261	347,821	30 9-10	26,028	113,647	.....	.....	308,146
New Mexico.....	1	181,489	27,223	51,635	28 4-10	.....	80,806	.....	.....	30,227
Colorado.....	4	1,897,184	281,578	533,292	28 2-10	74,151	135,180	.....	.....	323,981
Utah.....	1	435,448	65,317	64,992	12 6-10	28,134	26,268	.....	.....	500
Wyoming.....	1	81,966	12,265	32,819	40	338	11,053	.....	.....	21,406
Idaho.....	1	212,782	31,917	43,131	20 8-10	11,692	19,281	.....	.....	12,248
Montana.....	1	372,941	55,911	57,645	15 5-10	6,992	27,400	.....	.....	33,251
Total.....	1,536	\$167,619,031	\$20,142,854	\$28,946,184	21 2-10	\$1,814,927	\$40,139,433	.....	\$1,355,000	\$53,686,624

TABLE OF THE STATE OF THE LAWFUL MONEY RESERVE OF THE NATIONAL BANKS OF THE UNITED STATES, as shown by the reports of their condition at the close of business on the 2d day of October, 1871.

CITIES OF REDEMPTION.	No. of Banks.	Liabilities to be protected by reserve.	Reserve required 25 per cent. of liabilities.	Reserve held.	Per cent of reserve to liabilities.	Funds available for Reserve.				Due from redeeming agents.
						Specie.	Legal tenders.	Clearing House certificates.	Three per cent certificates.	
Boston.....	48	\$84,152,222	\$21,038,053	\$22,835,508	27 7-10	\$877,098	9,849,550	.....	2,095,100	\$10,013,645
Albany.....	7	11,794,540	2,948,635	4,238,688	36 1-10	8,851	1,327,697	.....	165,000	2,757,287
Philadelphia.....	30	51,719,617	12,929,904	14,180,493	27 4-10	119,528	6,503,839	2,415,000	2,005,000	3,137,136
Pittsburgh.....	16	17,240,422	4,310,105	4,874,941	28 3-10	40,721	2,423,251	.....	85,000	2,328,566
Baltimore.....	14	20,103,599	5,026,385	5,219,198	26	92,712	2,821,289	.....	265,000	2,040,227
Washington.....	8	2,507,335	651,834	716,433	27 5-10	34,113	322,974	.....	135,000	224,346
New Orleans.....	7	7,751,883	1,937,971	1,755,081	22 6-10	116,744	999,907	.....	.....	698,463
Louisville.....	4	1,763,490	440,673	520,684	30	254,271	.....	.....	5,000	260,913
Cincinnati.....	5	13,096,639	3,274,159	4,687,921	35 8-10	18,359	1,944,530	.....	100,000	2,684,792
Cleveland.....	6	6,580,859	1,640,215	1,905,064	29	7,516	987,820	12,070	55,000	843,158
Chicago.....	18	27,559,722	6,899,931	8,723,340	31 7-10	84,399	4,995,870	.....	228,000	3,479,071
Detroit.....	3	5,014,984	1,253,748	1,677,096	33 6-10	465	637,116	.....	60,000	979,515
Milwaukee.....	4	3,637,296	769,325	941,749	31	9,400	410,042	.....	.....	522,307
St. Louis.....	8	9,067,026	2,266,757	2,788,411	30 8-10	22,533	1,241,379	.....	140,000	1,384,499
Leavenworth.....	2	782,901	195,725	146,240	18 7-10	158	84,742	.....	10,000	31,340
Total.....	175	262,251,487	65,563,622	75,290,997	28 7-10	1,433,092	34,804,050	2,427,070	5,325,000	31,211,785
New York.....	54	221,937,487	55,484,371	59,151,314	26 7-10	8,712,131	32,044,163	17,895,000	500,000	.....
San Francisco.....	1	442,158	11,054	81,518	18 4-10	81,518	.....	.....	.....	.....

EXPENDITURES OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY FOR THE FISCAL YEAR ENDING JUNE 30, 1871.

For special dies, plates, paper, printing, &c.....	\$160,551 52
For salaries.....	101,400 00
Total.....	\$261,951 52

The contingent expenses of the office were paid out of the general appropriation for contingent expenses of the Treasury Department, and as separate accounts are not kept for the different Bureaus, the amount cannot be stated.

REPORT OF THE COMMISSIONER OF INTERNAL REVENUE.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, November 21, 1871.)

Sir: During the fiscal year covered by the following report Hon. C. Delano was Commissioner from July 1 to November 1, 1870, and Hon. A. Pleasonton from January 3 to its close. During November and December, 1870, and until January 3, 1871, I was Acting Commissioner by reason of the vacancy caused by the resignation of Mr. Delano.

I have the honor to transmit herewith the tabular statements made up from the accounts of this office, which the Secretary of Treasury is required to lay before Congress. * * * *

These tables exhibit the full result of the operations of this Bureau from its organization to the present time.

The aggregate receipts from all sources, exclusive of the direct tax upon lands, and the duty upon the circulation and deposits of national banks were, for the fiscal year 1871, \$144,011,176 24. This sum includes the amounts refunded and allowed on drawbacks.

Drawbacks have been allowed on general merchandise, under section 171, act of June 30, 1864, limited by the act of March 31, 1868, amounting to \$22,887 07. This amount is larger than that allowed for the fiscal year 1870, on account of the adjudication of old claims for drawbacks on cotton goods, rendered admissible by joint resolution No. 78, approved July 14, 1870.

There was refunded during the past fiscal year, for taxes illegally assessed and collected, the sum of \$617,581 07. This large increase over the year preceding was due to the adjustment of claims that had been suspended during former years, for more complete consideration; for instance, the claim of one of the States, which was embraced in the above aggregate, and amounting to \$45,866, for

taxes collected on dividends declared upon stock owned by the State. This was the largest claim ever allowed by the Bureau, and was referred to the Attorney General for his advice.

My estimate of the receipts for the current fiscal year under the present laws is \$125,000,000.

SPIRITS.

The number of distilleries (other than fruit) registered during the last fiscal year was.....	1,043
Number of fruit-distilleries registered.....	7,149
Total.....	8,192

Of the distilleries (other than fruit) 517 were operated during the year, and of the fruit distilleries, 4,007.

The returns to this office for the last fiscal year show a total production in taxable gallons, from material other than fruit, of.... 51,576,146
From fruit..... 2,190,733

Total yearly production..... 56,776,179

The following tabular statement shows the distribution of distilleries in the various States and Territories:

STATEMENT SHOWING THE NUMBER OF DISTILLERIES REGISTERED AND OPERATED DURING THE FISCAL YEAR ENDING JUNE 30, 1871.

States and Territories.	Grain		Molasses		Fruit		Total registered.	Total operated.
	No. registered.	No. operated.	No. registered.	No. operated.	No. registered.	No. operated.		
Alabama.....	9	1	.....	.....	75	8	84	9
Ackansas.....	2	1	.....	.....	40	1	43	2
California.....	11	6	1	.....	941	150	353	156
Connecticut.....	6	5	.....	.....	170	133	176	138
Delaware.....	1	.....	.....	.....	70	67	71	67
Georgia.....	2	1	.....	.....	247	309	319	316
Idaho.....	2	1	.....	.....	.....	.....	2	1
Illinois.....	54	54	.....	.....	48	14	108	64
Indiana.....	53	26	.....	.....	213	56	245	83
Iowa.....	21	3	.....	.....	13	.....	34	3
Kansas.....	5	3	.....	.....	.....	.....	.....	.....
Kentucky.....	202	128	.....	.....	678	406	.....	534
Louisiana.....	16	2	10	.....	1	.....	.....	.....
Maine.....	.....	.....	1	.....	.....	.....	.....	.....
Maryland.....	36	9	.....	.....	84	8	121	17
Massachusetts.....	9	2	.....	.....	64	48	64	26
Michigan.....	3	2	.....	.....	.....	.....	.....	.....
Minnesota.....	4	1	.....	.....	.....	.....	.....	.....
Mississippi.....	7	1	.....	.....	6	.....	.....	.....
Missouri.....	33	13	.....	.....	129	7	165	90
Montana.....	2	2	.....	.....	.....	.....	.....	.....
Nebraska.....	2	2	.....	.....	.....	.....	.....	.....
Nevada.....	1	.....	.....	.....	.....	.....	.....	.....
New Hampshire.....	.....	.....	1	.....	.....	.....	.....	.....
New Jersey.....	5	3	.....	.....	222	130	277	129
New Mexico.....	1	.....	.....	.....	9	1	10	1

New York	75	13	2	2	132	86	200	106
North Carolina	18	6			1,787	1,218	1,773	1,981
Ohio	81	65			88	48	172	113
Oregon	3				5	2	8	2
Pennsylvania	180	95	2		74	47	256	142
Rhode Island			1	1	67	53	72	53
South Carolina	5				524	380	572	402
Tennessee	48	22			16		21	1
Texas	5						1	1
Utah	1	1			14	8	14	8
Vermont								
Virginia	50	21			1,795	864	1,845	885
Washington	4	1					4	1
West Virginia	7	2			181	55	188	57
Wisconsin	13	8					13	8
Total	1,015	505	28	12	7,149	4,007	8,192	4,524

The quantity of spirits in bond July 1, 1870, was 11,671,886
 The quantity entered in bond for the year ended June 30, 1871, was 54,576,446
 The quantity withdrawn from bond during last period, was 59,503,972
 The quantity remaining in bond June 30, 1871, was 6,744,360
 The quantity remaining in bond July 1, 1870, as per present report, less than quantity stated in the report for 1870, shown by corrected reports of collectors received subsequent to the publication of the report for 1870, was 10,572

The total quantity of spirits in the United States, not in Internal revenue warehouses, on the 1st of May, 1871, was 41,885,713 proof gallons, showing a decrease in the quantity on the market since November 15, 1870, of 4,452,580 gallons.

The receipts from spirits for the fiscal year ended June 30, 1871, were as follows:

Spirits distilled from apples, grapes and peaches	\$1,236,005 67
Spirits distilled from materials other than apples, grapes and peaches	29,921,308 48
Distillers' per diem tax on	1,901,692 98
Distillers' special and barrel tax	5,688,077 31
Rectifiers	959,800 18
Dealers, retail liquor	3,651,481 73
Dealers, wholes le liquor	2,151,281 06
Manufacturers of stills (special tax)	1,927 49
Stills or worms, manufactured	3,240 00
Stamps, warehouse, rectifiers' and wholesale liquor dealers'	753,427 00
Excess of gaugers' fees	13,693 20
Total	\$46,281,815 10

SURVEYS OF DISTILLERIES.

Uniformity in estimating the spirit producing capacity of distilleries being indispensable to a just and equal assessment of the tax, a classification of distilleries has been arrived at based upon the different kinds of material used and the modes of operating; and rules have been given for estimating the capacity of each class, which experience has shown to be equally just to the Government and the distillers.

The local surveyors having been thoroughly instructed in their duties, the expense of making surveys will be materially lessened in the future.

SPIRIT METERS

By the annual report for 1870, page 7, it will be seen that Tice's Sample Meters, theretofore adopted and prescribed for use in distilleries, were then being tested for the purpose of determining their utility. The period within which distillers were required to procure meters was extended from time to time until the 8th day of June, 1871, when Circular No. 96 was issued discontinuing their use.

GAUGING INSTRUMENTS.

Correctness and uniformity in the weighing and gauging of spirits are necessary to a just collection of the tax and to avoid unnecessary detention of spirits in transit. These objects can only be attained by the use of instruments of the same standard.

To accomplish these objects, in addition to the hydrometer prescribed for use in 1867, there has been adopted what is known as the "Prime and McKean's Combination Gauging Rod," which is required to be used for determining the capacity of casks.

To secure accuracy in these instruments, arrangements have been made by which all hydrometers and gauging rods are inspected and tested in this office before being sent out for use.

Internal revenue gaugers are furnished with hydrometers at the expense of the Government, but are required to supply themselves with the combination rod at their own expense.

These instruments, distributed under the present system of inspection, seem to give general satisfaction, and their accuracy and uniformity have relieved the trade of the embarrassments resulting from errors in gauging.

FERMENTED LIQUORS.

The amount of tax received on fermented liquors at \$1 per barrel was, for the years—

1866	\$5,115,140 49	1869	\$5,366,400 98
1867	5,819,345 49	1870	6,011,520 64
1868	5,685,663 70	1871	7,150,740 20

The increase from the year 1871, as shown in the above statement, is believed to be due, in part at least, to the greater attention given to that subject by internal revenue officers during that year. This attention has revealed some defects in the law, which call for early remedial legislation.

TOBACCO.

The total receipts from tobacco for the fiscal year ended June 30, 1871, were \$33,578,907 18. As compared with the receipts from the same source for the preceding fiscal year, the accompanying tables show the following results:

Year ended June 30, 1871, tobacco, chewing, &c., and snuff	\$30,677,717 84
Year ended June 30, 1870, tobacco, chewing, &c., and snuff	19,703,780 61

Showing an increase in class 32-cents of	\$968,937 23
Year ended June 30, 1871, tobacco, smoking, scraps, shorts, &c.	\$4,882,821 83
Year ended June 30, 1870, tobacco, smoking, scraps, shorts, &c.	4,501,702 81

Showing an increase in class 16-cents of	\$291,119 02
Year ended June 30, 1871, cigars, cheroots, &c.	\$6,598,173 24
Year ended June 30, 1870, cigars, cheroots, &c.	5,718,780 01

Showing an increase on cigars, &c., of	\$879,393 20
Year ended June 30, 1871, received from sale of export stamps.	\$66,147 00
Year ended June 30, 1870, received from sale of export stamps.	43,037 50

Increase from sale of export stamps	\$18,049 50
Year ended June 30, 1871, received from dealers in leaf tobacco.	\$221,661 98
Year ended June 30, 1870, received from dealers in leaf tobacco.	200,205 54

Increased collection from dealers in leaf tobacco	\$21,456 44
Year ended June 30, 1871, from dealers in manufacturer'd tobacco	\$970,017 96
Year ended June 30, 1871, from dealers in manufacturer'd tobacco	929,892 64

Increased collection from dealers in manufactured tobacco	\$10,125 32
Year ended June 30, 1871, from special taxes of tobacco and cigar manufacturers	\$162,367 33
Year ended June 30, 1870, from special taxes of tobacco and cigar manufacturers	153,248 74

Increased collection from special taxes of tobacco and cigar manufacturers	9,118 59
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Showing a total increase of \$2,223,199 30 over the total amount of receipts from the same sources for the preceding fiscal year.

ANNUAL PRODUCTION.

The total amount of manufactured tobacco, represented by the amount of collections for the fiscal year ended June 30, 1871, was as follows:

Chewing-tobacco, snuff, &c., class 32-cents	64,017,869
Smoking-tobacco, scraps, shorts, &c., class 16-cents	30,517,690
Add to this the quantity exported	10,621,082
And excess remaining in warehouses June 30, 1871, over June 30, '70	72,377

Giving a total product for the year, of 105,828,963
 The total number of cigars, cheroots, &c., on which taxes were collected, was 1,332,844,357.

The steady and uniform increase, from month to month, in the revenues derived from manufactured tobacco, cigars, &c., since the present law went into operation, by which the mode of collecting taxes on these articles was changed from an assessment after removal from the manufactory and sale, to a prepayment, by means of snitable stamps, before the goods are removed from the place of manufacture, has fully demonstrated the superiority of the present system over the former. Fewer frauds are possible where the taxes are required to be paid at the manufactory, and before the goods are allowed to go upon the market, and where every package is required to bear upon it the evidence that the tax has been paid. But, notwithstanding the encouraging progress that has been made toward a thorough and complete collection of the revenues from this source, I am forced to the conclusion that, during the last fiscal year, much tobacco has escaped taxation through the refilling of empty stamped packages, the second use of stamps, the use of counterfeit stamps, the removal of small quantities from the place of manufacture without stamps, and stamping as class 16-cents tobacco which, under the law, should have been stamped at the rate of 32 cents per pound.

UNIFORM RATE OF TAX.

The present law imposes on all chewing tobacco a tax of 32 cents per pound, and the same rate on all smoking tobacco from which any portion of the stems has been removed. But practically all smoking tobacco, with slight exceptions, is claimed to be taxable only at the rate of 16 cents, and no one except the manufacturer knows, or can know, whether it contains all the stems which are natural to the leaf, or a less quantity. The natural leaf, cut with all the stems in, is, previous to being so cut, put through a process of sweetening, to fit it for chewing purposes, thus making it actually chewing tobacco, though sold under the name of smoking tobacco and stamped class 16 cents. By the manipulations of some manufacturers the fine-cut shorts, "which have passed through a riddle of 36 meshes to the square inch by process of sifting," constitute the bulk of their products and are used as chewing tobacco, though paying a tax of only 16 cents per pound, while sweetened scraps, a product of plug manufacturers, are cut up in large quantities and sold under the 16-cent tax for chewing purposes. A uniform rate of tax, while it would allow every manufacturer to manipulate his products in his own way without restrictions being placed upon his modes of manufacturing, would effectually close the door to the perpetration of fraud or the evasion of taxes by their improper classifications.

RESULTS OF A UNIFORM TAX AT DIFFERENT RATES.

From the tables presented in this report it will be seen that more than two-thirds of the manufactured tobacco which reached taxation during the last fiscal year paid the tax of 32 cents per pound, yielding four-fifths of the revenue which was collected directly from the article by stamps. Had a tax been collected at a uniform rate of 32 cents per pound on the entire product of manufactured tobacco which reached taxation during the last fiscal year, the receipts therefrom would have been \$34,443,361 23. Adding to this sum the taxes collected on cigars, the special taxes of manufacturers of tobacco and cigars, of dealers in leaf, and dealers in manufactured tobacco, &c., the total receipts would have been \$38,461,728 79. Similar calculations show that a uniform tax of 24 cents per pound on the same quantity would have realized the sum of \$30,851,838 47, and that a uniform rate of 16 cents per pound would have realized the sum of \$23,240,043 15. Thus, it will be seen that on the assumption that the same number of pounds would have reached taxation had the rate of tax been uniform, either at 16, 24, or 32 cents per pound, a uniform rate of 32 cents would have increased the revenue by the sum of \$1,882,821 61, while a uniform rate of 24 or 16 cents would have diminished those receipts in the sums respectively of \$2,728,018 71 and \$10,394,850 03. I am aware that it is contended by those who advocate a reduction of the tax to a uniform rate of 16 cents per pound that the increased consumption which would result from such a reduction, and the greater number of pounds which would reach taxation, would nearly, if not quite, compensate for the reduction in the rate. I am unable, however, to see any well-grounded reason for such a conclusion—first, because such a reduction would have little, if any, tendency to increase the consumption of smoking tobacco, as nearly all smoking tobacco now pays but 16 cents tax; secondly, such a reduction alone would not tend to diminish the quantity of raw or leaf tobacco consumed, for most of the leaf tobacco sold directly to consumers is used for smoking purposes, and the motive to smoke nutted leaf would not be removed or lessened by diminishing the tax on chewing tobacco; thirdly, because whatever increase in consumption there might be from such a reduction in the rate must necessarily be of chewing tobacco, of plug, twist, fine-cut, &c., and of snuff, and of these the consumption would have to be doubled, making it one hundred and twenty-eight millions of pounds, where it is now only sixty-four millions of pounds, in order to obtain the same amount of revenue as was collected the last fiscal year. Such an increase in the consumption of chewing tobacco is not to be expected.

My own opinion is, that with the tax at 24 cents, taking into account the natural increase of the revenue as shown between the collections of succeeding years, and with the advantage of some legislation hereinafter recommended, we shall be able to keep the collections on tobacco up to those under the present rates.

This recommendation, however, is made without regard to its relation to future total revenue results. If it should be the opinion of Congress that the yield of revenue from internal taxes should not be materially decreased, then, to accomplish the desirable results expected from a consolidation of the tax on tobacco, and to compensate in part to the revenue the expected large loss from the expiration of the income tax during the current fiscal year, and the further material loss from "Articles and occupations formerly taxed but now exempt" (a rapidly decreasing item, of course), I would advise a consolidation of the tobacco tax at 32 cents per pound.

PEDDLERS OF TOBACCO.

I am satisfied, from the evidence which has accumulated at this office, that much of the fraud above referred to is effected through the instrumentality of peddlers.

In order to put an end to this illicit traffic some additional legislation is required. I would, therefore, recommend that every person who sells or offers to sell manufactured tobacco, snuff, or cigars from wagons in the manner of peddlers traveling from place to place, be required to pay a special tax of fifteen, twenty-five, or fifty dollars, according as they travel with one, two, or more horses or mules, and to comply with such regulations as may be prescribed by the Commissioner of Internal Revenue.

SALE OF LEAF TOBACCO TO CONSUMERS.

For the last three years this office has been in possession of information that a large and increasing amount of raw or leaf tobacco, in portions of the country, was being sold at retail directly to consumers without the payment of tax. Evidences of this traffic have, from time to time, been furnished by assessors and collectors, and more especially by supervisors, who, in taking transcripts from the books required by law to be kept by leaf dealers, have reported that they find scores of pages of these books where entries were made of sales from one-half pound to four pounds each; and I am constantly in receipt of letters from manufacturers of tobacco, complaining of the injury to their business arising from such sales, and informing me that in some localities where they formerly received frequent and large orders for manufactured tobacco they now make no sales, the same parties who used to make these orders now ordering instead supplies of natural leaf from the wholesale leaf-dealers. Against this traffic, grown to such large proportions, so injurious to their business as manufacturers, and prejudicial to the interest of the Government revenue, they ask to be protected.

To this end I would recommend that section 59 of the act of July 30, 1868, be so amended as to impose a special tax of five hundred dollars on every person who shall make a business of selling raw or leaf tobacco to persons other than those who have paid special tax on leaf dealers, or as manufacturers of tobacco, snuff, or cigars, or who shall sell leaf tobacco in quantities less than twenty-five pounds, or who shall sell such tobacco directly to consumers, or for consumption without its being manufactured. And if this is not deemed sufficient, I would further recommend such a tax on the sales of such dealers in excess of \$5,000 annually as would be equivalent to the tax on the same amount and value of manufactured tobacco. Such a provision of law will not only give the required protection to the manufacturer who now pays a special tax for carrying on his business, in addition to a specific tax on all his products, but it will also, I am persuaded, tend largely to increase the Government revenue from this source.

EXPORT BONDED WAREHOUSES.

In the absence of any provision of law providing for drawback on manufactured tobacco and snuff when exported, the law has provided for a system of export bonded warehouses to be established at any port of entry in the United States for the storage of manufactured tobacco and snuff intended for exportation.

Under this provision of law there are now in operation sixteen export bonded warehouses, two having been established during the last fiscal year, viz.: one at the port of Mobile, Alabama, and one at Portland, Oregon, while one of those previously established at Philadelphia has been discontinued.

The quantity of tobacco, &c., stored in the several export bonded warehouses during the fiscal year ending June 30, 1871, was as follows:

Table with 2 columns: Location and Pounds. Includes Fourth district, Massachusetts; Thirty-second district, New York; Second district, Pennsylvania; Third district, Maryland; Third district, Virginia; First district, Louisiana; First district, California; First district, Oregon.

Total amount... 20,379,264
The quantity withdrawn for exportation from the several export bonded warehouses during the fiscal year ended June 30, 1871, was as follows:

Table with 2 columns: Location and Pounds. Includes Fourth district, Massachusetts; Thirty-second district, New York; Second district, Pennsylvania; Third district, Maryland; Third district, Virginia; First district, Louisiana; First district, California.

Total quantity exported... 10,621,083

WITHDRAWN FOR CONSUMPTION.

The quantity withdrawn for consumption on payment of the tax from the several bonded warehouses, for the fiscal year ended June 30, 1871, was as follows:

Table with 2 columns: Location and Pounds. Includes Fourth district, Massachusetts; Thirty-second district, New York; Second district, Pennsylvania; Third district, Maryland; Third district, Virginia; First district, Louisiana; First district, California; First district, Oregon.

Total for consumption... 11,499,659

These figures show that less than half the tobacco, &c., removed in bond from the manufactories is actually exported. From the eight bonded warehouses established at the several ports of Philadelphia, Baltimore, New Orleans, San Francisco, and Portland, Oregon, in which were stored during the fiscal year ended June 30, 1871, 9,437,257 pounds of manufactured tobacco, only 437,495 pounds during this period were withdrawn for exportation, while 8,180,656 pounds were withdrawn for consumption on payment of the tax.

Nearly nine-tenths of all the tobacco exported from the country is shipped through the bonded warehouses at New York and Richmond, Virginia; and of this a large portion is never stored in the bonded warehouses. The shipments are made directly from the factories, the goods being carted by the warehouses, and only constructively entered therein, though the owners thereof are charged with a month's storage.

The practical operation of this system of bonded warehouses hitherto has been to give to a few individuals and firms, more particularly to the proprietors of the warehouses, the same facilities for storing tobacco without the prepayment of the tax as were given by the former system of Class B, bonded warehouses, abolished by the act of July 30, 1868.

It is my own opinion, and, so far as I have been able to ascertain, it is the opinion of manufacturers of tobacco generally, that the present system of export bonded warehouses can be entirely abolished, to the interest both of the Government and of the manufacturers.

Under the present system all the tobacco bonded at the warehouse in Richmond, Virginia, is exported without ever entering the warehouse, and the same is true of much of the tobacco bonded in New York.

By abolishing the present system of export bonded warehouses, and providing for the exportation of manufactured tobacco, snuff and cigars, as other merchandise is exported, allowing a drawback of the tax paid upon proof of landing abroad, requiring the tobacco to be loaded under the supervision of an inspector, and the tax-paid stamps to be destroyed by said officer to prevent rolanding, it is believed a large portion of the expenses now incurred by the manufacturers in exporting their goods would be saved, the Government would receive the taxes on all goods when removed from the place of manufacture, all jobbers and dealers in manufactured tobacco would be placed on the same footing with regard to the traffic in tax-paid goods, and the special privileges and advantages enjoyed by a few individuals and firms would be removed.

I would recommend that Congress provide that evidence of the loss at sea satisfactory to the Commissioner of Internal Revenue shall have all the force of a landing certificate for the purposes of drawback.

Other systems of exportation designed to remedy the evils of the present bonded warehouse system have been suggested, but they involve the multiplying of bonds to be taken in lieu of tax. A multiplication of such bonds would result in an increase of losses to the Government. The records of the United States courts in many sections of the country are largely occupied by suits on bonds taken for spirits and refined petroleum, under similar systems to those proposed. In a large majority of the cases, the principals being insolvent generally before suit was brought, the sureties have either not been found on original process, or, if found, a return of no goods on final process has realized to the Government a total loss of its supposed security.

STAMPS.

Since the last annual report of the Commissioner contracts have been made for printing revenue stamps, as follows, viz.: With Mr. Joseph R. Carpenter of Philadelphia for denuncatory and proprietary stamps; with the Continental Bank Note Company of New York for printing tints for distilled spirits and tobacco stamps; with the National Bank Note Company of New York for printing tints for beer stamps. These contracts were awarded to the lowest bidder possessing the facilities for doing the work, after due publication of advertisements for proposals in the newspapers of the various leading cities in the United States.

Important changes have been made in the materials and manner of preparing stamps in order to prevent fraudulent issues, counterfeiting, and re-use. Heretofore nearly all the issues of revenue stamps have been printed in a single color upon ordinary commercial paper furnished by the parties doing the printing. By the changes referred to the Government provides a distinctive paper, and permits the printing of stamps upon no other, and requires that all stamps shall be printed in two or more colors.

It is well known that the revenue derived from stamps has seriously suffered through the fraudulent re-use of stamps. It has been found no difficult matter on the part of evil disposed persons, by the use of chemicals carefully manipulated, to remove the cancellation marks entirely without injuring the appearance of the stamps, thus enabling dishonest parties to re-use them, or to sell the same for re-use, and defraud the Government to that extent.

It is believed that the stamps now being furnished under the contracts alluded to, cannot be tampered with. Especially is this thought to be the case with the adhesive, and obacco, snuff, and cigar stamps printed upon colored paper. This paper so effectively changes its color upon the application of chemical agents employed for the restoring of stamps for re-use, as to render restoration to its original state impossible. In addition to the protection afforded by this paper, a soluble ink is used in the preparation of adhesive stamps. This ink contains the ingredients of ordinary writing ink, any acid or alkali of sufficient strength to remove the cancellation made would destroy also that portion of the stamp which is printed in the soluble ink.

By printing the stamps in two or more colors, counterfeiting, which has been largely practiced by photography, becomes impossible.

Another feature in the present issue is, that with the exception of the denuncatory and proprietary stamps, none are allowed to be entirely prepared by any single establishment.

The New York Bank Note Company print the tints only of certain stamps, while the Bureau of Engraving and Printing finishes and delivers them to this office, from whence they are issued to collectors.

The paper used for printing these stamps was adopted especially for that purpose by the Secretary of the Treasury, upon the recommendation of this office, and is manufactured by Messrs. J. M. Wilcox & Co., of Glenn Mills, Pennsylvania, under Government supervision. It is not lawful for any one to manufacture this paper, or to sell or have it in possession, except by authority of the Department.

It may be added that the average cost of the present series of stamps is considerably less per thousand than that of the previous issue.

ABSTRACT OF CASES COMPROMISED.

Table with 2 columns: Description and Amount. Includes The whole number of cases compromised, as provided under section 102, act of July 30, 1868, during the fiscal year ended June 30, 1871, was 730. Amount of tax accepted... \$349,795 12. Assessed penalty fixed by law... 30,076 25. Specific penalty in lieu of fines, penalties and forfeitures... 248,626 60.

Total amount received by compromises... \$618,497 98

ABSTRACT OF REPORTS OF DISTRICT ATTORNEYS FOR THE FISCAL YEAR 1871.

Table with 2 columns: Description and Number. Includes Number of indictments... 4,217. Number of proceedings in rem... 1,048. Number of other suits in personam... 3,712. Whole number commenced... 6,977. Number of convictions on indictments... 1,232. Number of judgments recovered in other suits in personam... 1,106. Number of judgments recovered in proceedings in rem... 811.

Total number of suits decided in favor of United States... 3,182. Number of acquittals... 358. Number of other suits in personam or in rem decided against the U. S... 198.

Total number of suits decided against the United States... 466. Number of suits settled, not prosecuted or dismissed... 2,306. Number of suits pending July 1, 1871... 5,676.

Table with 2 columns: Description and Amount. Includes Amount of judgments recovered in suits in personam, including fines, &c... \$1,419,064 48. Amount collected and paid into court in suits in personam (including judgments) on account of judgments, fines, &c... 594,390 97. Amount collected and paid into court as proceeds of forfeiture... 143,338 61.

ABSTRACT OF SEIZURES.

Seizures of property for violation of internal revenue law during the fiscal year ended June 30, 1871, were as follows:

Table with 2 columns: Description and Amount. Includes 273,757 gallons of distilled spirits, valued at... \$239,265 70. 1,366 barrels of fermented liquors, valued at... 9,569 00. 2,907 pounds of snuff, valued at... 887 10. 281,283 pounds of tobacco, valued at... 109,234 44. 2,094,376 cigars, valued at... 58,820 54. Miscellaneous property, valued at... 397,333 36.

Total value of seizures... \$915,340 14

STATEMENT SHOWING THE GROSS PROCEEDS REALIZED FROM SALES DURING THE FISCAL YEAR 1871, UNDER SECTION 63, ACT OF JULY 13, 1868, TOGETHER WITH EXPENSES AND AMOUNT DEPOSITED; ALSO THE PER CENT OF EXPENSES TO GROSS PROCEEDS.

Table with 5 columns: States, Gross proceeds, Expenses and stamps, Amount deposited, Per cent. Lists various states including California, Connecticut, Georgia, Illinois, Indiana, Iowa, Kentucky, Maine, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Wisconsin, and a Total row.

ADDITIONAL RECOMMENDATIONS.

I fully approve, and would here renew, the following recommendation made in last year's report by the then Commissioner, Mr. Delano:

"The act of July 14, 1870, exempted from taxation, under schedule C, canned and preserved fish, leaving prepared mustard, sauces, slrups, jams, and jellies still liable to the stamp tax. These articles being either condiments or conserves, and generally of home or culinary production, never having been a fruitful source of revenue, and the collection of the tax thereon always attended with no inconsiderable amount of trouble and vexation, I would recommend that they hereafter be relieved from the stamp tax now imposed upon them under the clause in schedule C relating to 'canned meats,' &c."

There are now in the hands of collectors and United States marshals, stored in bonded warehouses and elsewhere, considerable quantities of condemned, forfeited, and abandoned tobacco, so depreciated in value that it cannot be sold for enough to pay charges and for the necessary stamps. This tobacco was manufactured under the old law; consequently it is unstamped. Under the present law it cannot be sold or offered for sale without first being properly stamped, and there is no provision of law under which the Commissioner of Internal Revenue can furnish stamps for it. The want of authority to furnish stamps for such tobacco, which is constantly accumulating in the hands of Government officers, has caused much embarrassment. I would therefore earnestly recommend that Congress authorize the Commissioner, upon the requisition of the officers having the custody and control of such tobacco, to furnish suitable revenue stamps to be attached and cancelled before the same is offered for sale.

It frequently happens that tax-paid stamps are lost from packages of spirits by unavoidable accident, without fault on the part of the persons interested, the spirits being thus exposed to seizure and detention. The present law makes no provision for re-stamping such packages, except on the re-payment of the tax. Inasmuch as the stamp is a device to protect alike the interests of the Government and the tax-payer, it is considered that authority should be given to complete that protection by re-stamping.

It was recommended last year by Mr. Commissioner Delano that Congress provide, by joint resolution or otherwise, for the remission of all taxes assessed on ship-bidders under the fourth section of the act of March 31, 1863, as had not been collected. No action, however, was taken upon the subject, and not feeling at liberty to allow further delay, I have ordered their collection.

Section 44 of the act of June 30, 1864, gives to the Commissioner, "subject to regulations prescribed by the Secretary of the Treasury," authority to abate and refund taxes and penalties in certain classes of cases. One of these regulations (Circular 79) provides in effect that no claim or application for the refunding of taxes will be entitled to consideration by the Commissioner, unless it shall be filed with him either prior to August 4, 1871, (Circular 79 having been issued August 3, 1869,) or within two years from the date of the payment of the tax.

It will be observed that this simply affects the question of the consideration by the Commissioner of claims thus barred, but does not, it is claimed, limit any right of action upon them.

One of my predecessors, Mr. Rollins, in his report for 1868, remarks upon this subject as follows:

"The authority vested in the Commissioner of Internal Revenue to refund taxes erroneously collected has been the means of preventing much expensive litigation, and has afforded speedy and inexpensive relief to many persons who have been compelled to pay more than was legally due. While a withdrawal of this authority would be productive of great hardship in many cases, I am satisfied that a statutory limitation of the time within which such claims must be presented would tend to prevent much abuse. When the legality of an assessment is not seriously questioned at the time it is made, the evidence in its support is very apt to disappear with a change in the officers of the district; and it is not then difficult for a skillful attorney to present reasons in support of a claim for refunding such as are hard to be set aside."

I would recommend that the Commissioner be prohibited from considering or allowing any claim not presented within two years from the time the tax was paid; and that all claims be barred in the courts after six years from the date of payment of the tax.

Section 44 of the act of July 20, 1868, should, in my opinion, be amended by making the minimum penalty smaller, such penalty being now a fine of not less than \$1,000, with net less than six months imprisonment. The undue severity of this punishment would seem to be obvious as applied to the offences of carrying on the business of a retail or wholesale liquor dealer, rectifier, or manufacturer of stills, "without having paid the special tax," in cases wherein no intent to defraud exists the omission arising from ignorance of the law or other circumstances not fraudulent, yet constituting no legal excuse under the terms of the section. The practical effect of providing so disproportionate a punishment for these offences is to discourage complaints, defeat convictions, and induce suspensions of sentence, in many cases in which some reasonable punishment should be enforced, as well as to vindicate the law as to secure future compliance with its requirements.

Section 63 of the act of July 13, 1866 (p. 31 of Compilation of 1867), should be amended to make it apply to cases arising under any internal revenue act. As it is now, it applies only to offences under that act of 1866, and previous act, to which it was an amendment. I would also recommend that the limitation of amount should be extended from \$300 to \$500, as contained in the parallel provisions of the custom laws (section 11 of act of July 18, 1866, 14 Stat. at Large, p. 180).

I would call attention to the report of last year in relation to the subject of "direct taxes," and would renew the recommendation of early legislation for the final disposition of all lands which have been acquired and are now owned by the United States under the direct-tax laws.

COLLECTORS' ACCOUNTS.

The complaint which has heretofore existed of delay in the settlement of ex-collectors' accounts has been, it is believed, entirely removed by the operation of the regulations of this office now in force.

Prior to April, 1870, it appeared that the accounts of 61 ex-collectors had been closed, which number, however, has since been increased to 434, leaving at the present time 230 accounts still open. Of this number 115 have been placed in the hands of United States attorneys for suit on the hands of the delinquent collectors, the residue being in course of adjustment at this office.

Respectfully,

J. W. DOUGLASS,
Commissioner.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

COMMERCIAL AND MISCELLANEOUS NEWS.

IMPORTS AND EXPORTS FOR THE WEEK.—The imports this week show a decrease in both dry goods and general merchandise. The total imports amount to \$5,644,926 this week, against \$6,891,411 last week, and \$4,653,683 the previous week. The exports are \$3,947,436 this week, against \$5,042,547 last week, and \$5,059,208 the previous week. The exports of cotton the past week were 12,019 bales, against 14,254 bales last week. The following are the imports at New York for week ending (for dry goods) Dec. 1, and for the week ending for general merchandise) Dec. 2.

FOREIGN IMPORTS AT NEW YORK FOR THE WEEK.

	1868.	1869.	1870.	1871.
Dry goods.....	\$991,508	\$1,287,637	\$1,788,120	\$1,223,810
General merchandiss...	2,917,729	4,233,872	4,159,559	4,421,116
Total for the week..	\$4,899,237	\$5,521,529	\$5,947,679	\$5,644,926
Previously reported....	228,103,117	268,445,761	276,161,015	319,820,664

Since Jan. 1..... \$233,002,354 \$273,967,290 \$282,108,694 \$355,456,990

In our report of the dry goods trade will be found the imports of dry goods for one week later.

The following is a statement of the exports (exclusive of specie) from the port of New York to foreign ports, for the week ending December 5:

EXPORTS FROM NEW YORK FOR THE WEEK.

	1868.	1869.	1870.	1871.
For the week.....	\$4,020,991	\$4,413,422	\$7,077,229	\$3,947,436
Previously reported....	152,871,364	181,214,573	173,091,626	220,742,337

Since Jan. 1.... \$153,892,265 \$185,627,993 \$180,163,855 \$224,689,533

The following will show the exports of specie from the port of New York for the week ending December 2, 1871:

	1868.	1869.	1870.	1871.
Nov. 29—Str. Scotia, Liverpool— Silver bars.....	\$312,553			
Nov. 29—Str. Ocean Queen, Aspinwall— Silver bars.....	29,835			
American silver coin.....	5,000			
For Bremen— Foreign silver coin..			\$1,000	
Dec. 2—Str. City of London, Liverpool— Silver bars.....				\$5,849
American gold.....				5,000

Dec. 2—Str. Denischland, Southampton— Mex. silver dollars.. <th>24,666</th> <th>Dec. 2—Str. Cleopatra, Ha- vada— American silver..... <th>9,810</th> </th>	24,666	Dec. 2—Str. Cleopatra, Ha- vada— American silver..... <th>9,810</th>	9,810
Gold bars.....	16,800	Spanish ounces.....	56,100
Silver bars.....	12,000		
Total for the week.....			\$56,614
Previously reported.....			59,600,563

Total since Jan. 1, 1871.....	Same time in	1870.....	1869.....	1868.....
		\$56,739,294	1867.....	\$45,060,999
		20,346,840	1866.....	58,568,448
		69,123,685	1865.....	27,314,593

The imports of specie at this port during the past week have been as follows:

Nov. 28—Str. Norway, Malaga— Gold..... <th>\$271</th> <th>Silver.....</th> <th>\$1,216</th>	\$271	Silver.....	\$1,216
Nov. 29—Str. Rising Star, As- pinwall— Gold.....			4,890
		Dec. 2—Str. Missouri, Nassau— Gold.....	525

Total for the week.....	\$6,901
Previously reported.....	8,422,001

Total since January 1, 1871.....	Same time in	1870.....	1869.....	1867.....
		\$11,367,557	1868.....	\$6,701,115
		14,876,652	1867.....	3,632,610

NATIONAL TREASURY.—The following forms present a summary of certain weekly transactions at the National Treasury and Custom House.

1.—Securities held by the U. S. Treasurer in trust for National banks and balance in the Treasury:

Week ending	For Circulation.	For U. S. Deposits.	Total.	—Bal. in Treasury.— Coin.	Currency.	Coin certificates.
Nov. 4.....	369,398,350	15,274,900	384,673,250	94,658,545	7,874,924	17,081,900
Nov. 11.....	367,702,450	15,279,000	382,981,450	95,242,490	6,022,725	17,715,400
Nov. 18.....	367,948,950	15,279,000	383,227,950	93,061,448	6,576,958	19,029,906
Nov. 25.....	368,288,200	15,278,000	383,566,200	92,756,575	7,055,507	20,354,900
Dec. 2.....	368,605,700	15,229,000	383,834,700			

2.—National bank currency in circulation; fractional currency received from the Currency Bureau by U. S. Treasurer, and distributed weekly; also the amount of legal tenders distributed:

Week ending	Notes in Circulation.	—Fractional Currency.— Received.	—Fractional Currency.— Distrib'd.	Leg. Ten. Distrib'd.
Nov. 4.....	324,722,827	853,600	348,200	1,402,500
Nov. 11.....	324,946,562	774,300	819,000	1,168,000
Nov. 18.....	325,834,497	780,200	551,449	284,756
Nov. 25.....	325,605,600	786,600	505,795	1,071,607
Dec. 2.....	326,004,550	655,500	278,600	789,896

—Referring to the card on another page of Mr. James A. Cottingham, a prominent shipper of locomotives, cars, railroad iron steel rails, &c., we are informed by Mr. Cottingham that during the twenty years of his business in this line he has never lost an engine overboard, or had one of his vessels sunk with one on, and has never had any damage done to cars amounting to over twenty dollars; his house has never lost a cargo of steel or iron rails, although during the past year they have shipped more rails than any other house in this city. They have had the exclusive shipment of all steel rails from this port East for the New York and New Haven, and other Eastern railroads, for several years.

Within the past four years they have shipped over \$5,000,000 worth of machinery for the various iron works, together with heavy guns and boilers for the United States Government.

One of their vessels, the barge James Cottingham, which was built expressly for their business, at a cost of sixteen thousand dollars, will carry five hundred gross tons all on deck, when loaded. The particular attention of purchasers of railroad iron, locomotives, cars, &c., is called to their card on another page.

—Messrs. Aug. J. Brown & Son, bankers, formerly of 72 Broadway have removed to their new office, No. 59 Liberty st. They offer in our financial column a limited amount of the eight per cent. first-mortgage bonds of the Sioux City and St. Paul Railroad. These bonds are free of Government tax, and are issued only at the rate of \$14,000 per mile of road completed and in operation.

—We notice the announcement of a new copartnership for the purpose of transacting a general banking business, both domestic and foreign, under the firm name of Heidelberg, Frank & Co. The gentlemen comprising this firm are well known in financial circles, including Messrs. Max Heidelberg, late of Heidelberg, Seasongood & Co., E. L. Frank, and Adolph Gans, late of Frank & Gans, and Mr. Louis Heidelberg of the house of Espy, Heidelberg & Co., Cincinnati.

BANKING AND FINANCIAL.

BANKING HOUSE OF HENRY CLEWS & Co.,
32 Wall street, N. Y.

Letters of Credit for travelers; also, commercial credits issued, available throughout the world.

Bills of Exchange on the Imperial Bank of London, National Bank of Scotland, Provincial Bank of Ireland and all their branches.

Drafts and Telegraphic Transfers on Europe, San Francisco the West Indies, and all parts of the United States.

Deposit accounts received in either Currency or Coin, subject to check at sight, which pass through the Clearing-House as if drawn upon any city bank; 4 per cent interest allowed on all daily balances; Certificates of Deposit issued; Notes, Drafts and Coupons collected; advances made on approved collaterals and against merchandise consigned to our care.

Orders executed for Investment Securities and Railroad Iron.
CLEWS, HABICHT & Co.,
11 OLD BROAD STREET, LONDON.

**ST JOSEPH AND DENVER CITY RAILROAD CO'S
FIRST MORTGAGE, SINKING FUND LAND GRANT
BONDS,
BEARING EIGHT PER CENT (8 p. c.) INTEREST, PAYABLE
IN GOLD, FREE OF TAX,**

AND IN DENOMINATIONS OF \$1,000, \$500 AND \$100, can be obtained from the undersigned, or through the principal banks and bankers throughout the United States.

The attractive features of these securities are recognized in the fact, that, although they have been but a short time on the market, they are nearly all absorbed, and but a small amount are now for sale.

They combine a perfect security with a liberal rate of interest. This interest account is made light for and easily borne by, the Company through the operation of the Sinking Fund created from sales of the Company's land, which in many cases draw interest at the rate of ten (10) per cent per annum. The security behind them is ample in every particular, as they constitute a first and only mortgage on a trunk line of railroad, which will soon connect the City of St. Joseph, Mo. (an important railway centre), with the Union Pacific Railroad at Fort Kearney, materially shortening the distance between the Atlantic and Pacific coasts. In addition to this, the bonds have a further security in the fact that there is included in the mortgage the company's magnificent lands, amounting to 1,500,000 acres, known to be among the best in the United States. The mortgage indenture prohibits the sale of these lands at less than four (4) dollars per acre, and payable to the trustees under the mortgage, for the clear and express purpose of retiring these bonds. The amount thus realized exceeds the entire amount of bonds which can be issued, and leaves the road, property and franchises free.

The bonds have thirty years to run, with interest at 8 per cent, free of tax, payable February and August in each year.

BOTH PRINCIPAL AND INTEREST ARE PAYABLE IN GOLD.

The principal in New York. The interest in either New York, London, or Frankfort-on-the-Main, at the option of the holder, without notice, and in the gold currency of the country in which they are presented. They are coupons or registered.

Trustees—Farmers' Loan and Trust Company.

The present price of these Bonds is 97½ and accrued interest in currency, from August 15, 1871. But they are receivable at par and accrued interest in payment for lands sold by the Company. The right is reserved to advance the present selling price without notice.

Maps, circulars, documents, and full information furnished on application.

Though acting as agents for the sale of this loan, our firm buy and sell in their regular business the bonds of the St. Joseph and Denver City Railroad Company, those of the Eastern Division eight per cent (8s), recently placed by us at 97½, being now quoted at from 101½ to 103½ and accrued interest.

TANNER & CO.,
Bankers, No. 11 Wall street.

**TO INVESTORS.
WINSLOW, LANIER & CO., BANKERS,
No. 27 Pine street, New York,
OFFER FOR SALE**

any part of \$1,000,000 GRAND RAPIDS AND INDIANA RAILROAD COMPANY'S FIRST MORTGAGE BONDS, bearing seven per cent interest, payable in gold, free of Government tax, being the balance remaining unsold of the \$8,000,000 first mortgage bonds, which are also secured by a land grant of 1,160,000 acres of choice fine timber land. These lands are now being sold under the supervision of Hon. W. A. Howard of Michigan, and the proceeds thereof applied to the redemption of the bonds. Two hundred and twenty (220) miles of the railroad are now completed and earning sufficient money to pay the interest on the whole issue of bonds. Price ninety and accrued interest. We recommend these bonds to investors as a perfectly safe and desirable security.

THE REDEMPTION OF FIVE-TWENTY BONDS BY THE GOVERNMENT

Was COMMENCED December 1, and is rapidly going on, releasing a large amount of invested capital, a large proportion of which must seek reinvestment in substantial securities.

We offer and recommend the SIX PER CENT GOLD BONDS OF THE CHESAPEAKE AND OHIO RAILROAD COMPANY as among the safest and most desirable securities to be had in the market for the secure investment of capital.

A small proportion only of the loan now remains unsold, and the reinvestment of the proceeds of redeemed Five-Twenties should absorb them within a short time.

Present price, 94, and accrued interest.

Interest and principal payable in gold in New York City. Interest May 1 and November 1. Denominations, \$1,000, \$500 and \$100, coupon or registered.

The popularity of, and demand for, the CENTRAL PACIFIC 6 PER CENT GOLD BONDS, originally put on the market by us, and now in demand at 103½, afford an illustration of the high standing which this class of Bonds, amply secured on well-managed and productive Trunk Lines of Railroad, must always maintain.

We buy and sell, as usual, Government and CENTRAL PACIFIC BONDS, and receive them in exchange for CHESAPEAKE AND OHIO BONDS. Accounts of Banks, Bankers and others received, on which we allow interest. Orders for Investment Stocks and Bonds executed at the Stock Exchange.

FISK & HATCH.

HARVEY FISK.
A. S. HATCH.

**EIGHT PER CENT FIRST MORTGAGE BONDS
OF THE
SIOUX CITY AND ST. PAUL RAILROAD
\$14,000 per mile of completed road,
Free of Government Tax.**

Pamphlets on application. A limited amount offered at 95, by
AUG. J. BROWN & SON,
Bankers, 50 Liberty street

The Bankers' Gazette.

DIVIDENDS.

The following Dividends have been declared during the past week:

COMPANY.	PER CENT.	WHEN PAYABLE.	BOOKS CLOSED.
Miscellaneous.			
Consolidation Coal.....	4	Dec 20	Dec. 9 to Dec. 21.

FRIDAY EVENING, Dec. 8, 1871.

The Money Market.—There has been some irregularity in the money market during the week, owing, in part, to speculative manipulations. The legitimate business demand for currency has recently been on the increase, and 6@7 per cent. was a fair quotable rate for money, when parties operating for a decline in stocks "locked up" a considerable amount of legal tenders and advanced the rates on call loans to brokers to 7 per cent. gold, with a commission also paid in some cases. The most severe stringency was on Wednesday, when the rates above named were paid; on Thursday, however, there was an extreme relaxation in the money market in the afternoon, with offerings at very low rates, though it is hardly necessary to state that these were quite as artificial as the previous stringency had been. To-day money was 6@7 per cent., and late in the day as low as 5. The Treasury programme for December includes the purchase of \$1,000,000 bonds and the sale of \$1,000,000 gold each week, but as the bonds are not bought above par in gold, it seems probable that the sales of gold may considerably exceed the amount of bonds purchased, and to that extent diminish our supply of currency. On the other hand, the large disbursements of gold by the Treasury in payment of bonds of 1862 should increase the amount of specie in bank, which makes a part of the 25 per cent. reserves required by law. The result of such a movement was reflected in the last statement of our city banks, which showed a loss of legal tenders and increase of specie, leaving the excess of legal reserves only \$509,625 less than the previous week, the whole excess being \$7,078,250. Details of the changes were as follows: Loans, increase, \$3,913,200; Specie, increase, \$1,851,900; Circulation, increase, \$17,400; Deposits, increase, \$4,284,700; Legal Tenders, decrease, \$1,286,000.

The following statement shows the present condition of the associated banks, compared with the same date in the last two years

	Dec. 2, 1871.	Dec. 8, 1870	Dec. 4, 1870.
Loans and discounts.....	\$292,216.00	\$266,291.14	85
Specie.....	18,074.70	17,126,066	34
Circulation.....	30,106.80	82,394.80	34
Net deposits.....	228,311.50	1,11,391,219	122
Legal Tenders.....	67,408.00	61,257,684	4,900.37

Business in commercial paper has been slightly checked by the irregularities in money on call, though rates remain about the same, the best short-date endorsed paper selling at 7 1/2 to 8 1/2 per cent.

Table of commercial paper rates: Commercial, first class endorsed... 60 days... 7 1/2 @ 8 1/2... Bankers, first class foreign... 60 days... 8 @ 8 1/2...

The following statement in regard to the Chicago national banks is of interest:

The capital of eighteen national banks in Chicago is \$7,800,000; their surplus fund is \$2,135,000; the undivided profits are \$705,800. Their discounts amount to \$16,564,170, and of this sum the banks lose, in consequence of bad debts, occasioned by the fire, \$830,000.

United States Bonds.—The most important event of the week in the Government bond market has been the notice by the Treasury, to-day, calling in \$20,000,000 more of the bonds of 1862, to be paid March 7, 1872.

Table of bond callings: That is to say, coupon bonds, known as the second series, act of February 25, 1862, dated May 1, 1862 as follows: \$50 from No. 1 to No. 3,460, both inclusive.

Coupon bonds of the act of February 25, 1862, were issued in four distinct series. Bonds of the first series (all of which have been previously called for redemption) do not bear the series designation upon them.

United States securities forwarded for redemption should be addressed to the 'Loan Division,' Secretary's Office, and all registered bonds should be assigned to the Secretary of the Treasury for redemption.

This notice by the Government is the most conclusive answer to all the doubts and queries which have been indulged in by parties, either at home or abroad, as to the ability of the United States to pay the amount of gold which would become due on the first amount of "called" bonds.

The new 5 per cent. bonds have been put on the Stock Exchange list, and are quoted to-day at 109 1/2 @ 109 3/4.

At the Government purchase on Wednesday \$517,450 were taken, from a total offering of \$813,950. The calling in of an additional \$20,000,000 of five-twenties is probably done in view of the fact that it may not be possible to make the regular weekly purchases at or under par in gold.

The following were the highest and lowest prices of leading government securities at the Board on each day of the past week:

Table of government securities prices: Saturday, Dec. 2, 6s, 1861, reg... 113 1/2... Monday, Dec. 4, 6s, 1861, reg... 113 1/2... Tuesday, Dec. 5, 6s, 1861, reg... 113 1/2...

* This is the price bid and asked, no sale was made at the Board.

State and Railroad Bonds.—In the Southern State Bonds there have been few new features, and the range of prices below gives all that is of special interest. The Legislatures of several States have recently convened and are now in session, but the financial propositions before them will take no definite shape till later in the session.

The following are the highest and lowest prices:

Table of state and railroad bond prices: Saturday, Dec. 2, 6s Tenn. old... 65 1/2... Monday, Dec. 4, 6s Tenn. old... 66... Tuesday, Dec. 5, 6s Tenn. old... 66 1/2...

* This is the price bid and asked, no sale was made at the Board.

Railroad and Miscellaneous Stocks.—One of the principal events of interest in the stock market was the report of the possible purchase of the Western Union Telegraph lines by the Government; upon the strength of which, aided by the Postmaster-General's report and President's Message, the stock was advanced in price to 69 1/2, but subsequently fell off again.

at least, on Thursday; it is possible that there may be a renewal of the effort hereafter. Apart from the special influences here noticed, there has been no general movement in stocks, and prices have as a rule been tolerably firm. It is comparatively seldom that an upward movement has taken place in December, while on the other hand stocks appear to be held with some strength, and the recent attempt to depress prices was not successful to any important extent. The market closes strong.

The following were the highest and lowest prices of the active list of railroad and miscellaneous stocks on each day of the last week:

Table of stock prices: Saturday, Dec. 2, N.Y. Cent & H.R. decr... 92 1/2... Monday, Dec. 4, N.Y. Cent & H.R. decr... 92 1/2... Tuesday, Dec. 5, N.Y. Cent & H.R. decr... 92 1/2...

* This is the price bid and asked, no sale was made at the Board.

The Gold Market.—Much interest has centered in the gold market, and the premium declined to 109 1/2, but reacted to-day in consequence of the disturbed feeling in London, caused by the Prince of Wales' critical condition. The Assistant Treasurer in this city has thus far paid out \$14,200,000 gold for the redemption of five-twenties, and this amount, together with the prospective disbursements for gold interest in January and the regular sale of \$1,000,000 per week this month, has thrown a very large amount of gold on the market and forced down the premium to the lowest point touched since July, 1862.

At the Treasury sale of \$1,000,000 on Thursday bids amounted to \$3,865,000. Customs receipts for the week are \$2,263,000.

Cash gold has been easy, and the rates for carrying have been as high as 7, gold, but to-day were 5, 6, 6 1/2, 5 1/2, and 7 per cent.

The following table will show the course of the gold premium:

Table of gold premium: Saturday, Dec. 2, Open... 109 1/2... Monday, Dec. 4, Open... 110... Tuesday, Dec. 5, Open... 110 1/2...

The following are the quotations in gold for foreign and American coin:

Table of gold coin prices: American gold (old coins) 4 p. c. premium... Sovereigns... 4 1/8 @ 4 3/8... Dimes and half dimes... 1 1/2 @ 1 1/2...

Foreign Exchange.—Exchange has been rather dull throughout the week at 109 @ 109 1/2 for prime 60 days' sterling, but declined 1/2 to-day to 108 1/2 @ 109. There are more cotton and other commercial bills coming on the market, and these, together with the export of Government and Railroad bonds have had the effect of depressing prices.

Quotations are as follows:

Table of foreign exchange rates: London prime bankers... 108 1/2 @ 109... Paris (bankers)... 5 3/8 @ 5 3/8... Amsterdam... 1 1/2 @ 1 1/2...

The transactions for the week at the Custom House and Sub-Treasury have been as follows:

Table of custom house and sub-treasury transactions: Saturday, Dec. 2, Custom House Receipts... \$1,504,814 48... Monday, Dec. 4, Custom House Receipts... \$71,000... Tuesday, Dec. 5, Custom House Receipts... \$289,000...

NEW YORK CITY BANKS.—The following statement shows the condition of the Associated Banks of New York City for the week ending at the commencement of business on Dec. 3, 1871:

Table showing financial data for New York City Banks, including Capital, Loans, Deposits, and Circulation for various banks like New York, Manhattan, and others.

BOSTON BANKS.—Below we give a statement of the Boston National Banks, as returned to the Clearing House, on Monday Dec. 4, 1871:

Table showing financial data for Boston National Banks, including Capital, Loans, Deposits, and Circulation for banks like Atlantic, Atlas, and others.

Total.....\$49,050,000 \$114,748,081 \$1,210,054 \$10,287,633 \$11,947,242 \$23,713,617

The deviations from the returns of previous week are as follows:

Table showing deviations from previous week for Loans, Deposits, and Circulation.

The following are comparative totals for a series of weeks past:

Table showing comparative totals for a series of weeks past, including Date, Loans, Deposits, and Circulation.

The deviations from the returns of previous week are as follows:

Table showing deviations from previous week for Loans, Deposits, and Circulation.

The following are the totals for a series of weeks past:

Table showing totals for a series of weeks past, including Date, Loans, Deposits, and Circulation.

PHILADELPHIA BANKS.—The following is the average condition of the Philadelphia National Banks for the week preceding Monday, Dec. 4, 1871:

Table showing average condition of Philadelphia National Banks, including Capital, Loans, Deposits, and Circulation.

The deviations from last week's returns are as follows:

Table showing deviations from last week's returns for Loans, Deposits, and Circulation.

The annexed statement shows the condition of the Philadelphia Banks for a series of weeks:

Table showing condition of Philadelphia Banks for a series of weeks, including Date, Loans, Deposits, and Circulation.

SOUTHERN SECURITIES.

Table listing various Southern Securities, including Bonds, Stocks, and other financial instruments, with columns for Bid, Ask, and other details.

GENERAL QUOTATIONS OF STOCKS AND BONDS.

Active Stocks and Bonds given on a Previous Page are not Repeated here. Quotations in New York are made of the Per Cent Value, Whatever the Par may be. Southern, City and Railroad Securities are Quoted in a Separate List.

Table with multiple columns: STOCKS AND SECURITIES, Bid, Ask, and various stock/bond listings. Includes sections for NEW YORK, RAILROAD BONDS, BOSTON, PHILADELPHIA, and LOUISVILLE.

The Railway Monitor.

LATEST INTELLIGENCE OF STATE, CITY AND RAILROAD FINANCES.

EXPLANATION OF STOCK AND BOND TABLES.

1. Prices of the most Active Stocks and Bonds are given in the "Bankers' Gazette," previously. Full quotations of all other securities will be found on the two preceding pages.
2. Government Securities, with full information in regard to each issue, the periods of interest payment, size or denomination of bonds, and numerous other details, are given in the U. S. Debt statement published in THE CHRONICLE on the first of each month.
3. The Complete Tables of State Securities, City Securities, and Railroad and Miscellaneous Stocks and Bonds will be regularly published on the last Saturday in each month, with an introductory article relating to investments in the several different classes of securities embraced in these lists. The publication of these tables, occupying fourteen pages, requires the issue of a supplement, which will be neatly stitched in with the regular edition; THE CHRONICLE containing this supplement will be printed in sufficient numbers to supply regular subscribers only.
4. Tables of Bank Stocks, Insurance Stocks, City Railroad Securities, Gas Stocks, and City Bonds, with quotations, will be published the first three weeks of each month.

RAILROAD AND FINANCIAL NEWS.

Ashtabula, Youngstown and Pittsburgh Railroad: Grading nearly completed.

Atchison and Topeka Railroad: Grading between Topeka and Atchison is nearly finished; now in operation from Topeka to Newton.

Atlantic and Great Western Railroad: Will hold a stockholder's meeting Dec. 11 to vote on the consolidation of the New York and Ohio companies.

Alexandria Canal: Closed by ice.

Boston and Maine Railroad: Extension South Berwick to Portland under contract. 2,000,000 extension stock to be divided, *pro rata* among present stockholders.

Boston and Albany Railroad will issue but 1,500,000 seven per cent bonds, instead of 3,000,000, as advertised.

Burlington, Cedar Rapids and Minnesota Railroad: Work begun on branch line, Cedar Rapids to Pottaville.

Chicago, Danville and Vincennes Railroad: Completed from Chicago to Danville; also the Evansville and Terre Haute Railroad completed to Danville. These roads open the Indiana Block coal fields to the Northwest.

Connecticut Western Railroad: Track laid except Canton to New Hartford, five miles.

Chicago and Iowa Railroad: Completed from Oregon to Illinois Central at Forreston.

Chicago and Southern Canada Railroad: About 200 miles graded, and bridging well under way.

Cincinnati, Sandusky and Cleveland Railroad: Earned for the quarter ending Oct. 1, \$135,005. Same time 1870, \$100,811.

Central Pacific Railroad: The San Joaquin Valley Branch to Bear Creek is being pushed rapidly. The Oregon branch is nearly ready. This is building a branch of the Southern Pacific from Gilroy to Watsonville in Santa Cruz County. Also a branch of the Western Pacific from Oakland to Antioch. The San Francisco Chronicle says: "This company now operates fourteen hundred miles of road."

Chesapeake and Ohio Canal: Frozen up.

Lake Erie and Louisville Railroad: Sold under a decree of United States Court; new company formed; capital \$3,000,000.

Lafayette, Bloomington and Mississippi Railroad: Complete from Bloomington to Gibson.

Lynchburg and Danville Railroad: At annual meeting of stockholders, act of 1871, consolidating the Danville and Lynchburg with the Orange, Alexandria and Manassas, under the name of Virginia and North Carolina Railroad Company, was accepted.

Louisville, New Albany and St. Louis (Air Line) has contracted for the use of New Albany and Louisville Railroad and Ohio River Bridge, thus securing Eastern and Southern connections.

Lake Shore and Tuscarawas Valley Railroad: Complete from Cleveland to Seville, 42 miles.

Morris Canal: Closed by ice.

Missouri State: The Legislature met Dec. 6. Governor Brown recommends payment of State's interest in gold.

Monroe, Wayne and Holly Railroad: Completed from Holly to Wayne, and progressing rapidly toward Monroe.

Mount Tom and Easthampton Railroad is completed and running trains.

New Bedford and Taunton Railroad: Net earnings for the last year, \$42,278.

New York Elevated Railroad: Sold under third mortgage new company formed.

Newburyport and Amesbury Railroad: Under contract, 6½ miles.

Oshkosh and Mississippi: Track completed from Oshkosh to Ripon, 20 miles.

Omaha and Southwestern Railroad: Track laid from Crete on the Big Blue to Beatrice.

Owensboro and Russellville Railroad: Track laid to Livermore, 21 miles and 15 more graded.

Pennsylvania Railroad Company has leased the Sunbury and Lewistown Railroad 40 miles, connecting the Penn. and Northern Central railroads.

Penn. Petroleum Railroad: Contract made for construction from Tidroue to Cambridge, 40 miles; branch Enterprise to Pit-hole, 10 miles, also let.

Port Huron and Lake Michigan Railroad is completed from Port Huron to Flint.

Painesville and Youngstown Railroad: Track laid to Chardon, 12 miles.

Reading Railroad is preparing an extensive coal depot at Perth Amboy.

St. Louis and Southeastern Railroad: Completed to Evansville, 160 miles.

Southern Pacific Railroad: Now owned by Texas Pacific Company.

Sugar River Railroad: Completed from Bradford to Newport village, 20 miles.

Superior and Northern Pacific Railroad: Douglas County, Wis., has voted \$350,000 for an extension of this road eastward to Superior City.

Stonington and Providence Railroad is now laying a second track between Providence and Groton, 62 miles.

Texas Railways: The N. O. Times states that a compromise has been effected between the Opelousas Railroad and the N. O., Mobile and Texas Railroad, which will insure the completion of both roads to Texas.

Virginia: Legislature met Dec. 6. Governor Walker endorses the funding system of last Legislature, and recommends equalization of taxation as a measure calculated to induce immigration.

West Wisconsin Railroad: Trains running to Hudson. St. Croix bridge progressing rapidly.

Wellington, Grey and Bruce Railroad is graded to Paisley.

Port Huron and Lake Michigan Railroad Company.—The annual report states that: "During the past year we have laid 33 miles of rails, of which 23 miles have been added to our main line. The ballasting has been completed between Port Huron and Division station, 9 miles east of Flint, and the rest of the track has been put in good condition, so that the road will be opened for traffic to Flint City on the 6th day of December."

The report of the Treasurer shows the total fiscal operations for the year to have been \$952,603 25. The gross earnings of the road were \$142,580 10; operating expenses, \$50,417 82; net earnings, \$92,162 28. The operating expenses have thus been 33 80-100 per cent of the earnings.

TREASURER'S REPORT.		1870-71.		1870-71.	
		Dr.			Cr.
To Cash on hand last report..	\$7,019	By Construction account.....	\$525,150		
Sales of bonds.....	551,000	Equipment account.....	101,523		
Stock subscriptions.....	83,329	Coupons, interest and disc't.....	98,774		
Earnings of road.....	142,580	Port Huron dock and grounds.....	14,193		
Sundries (sales of old material, etc.).....	2,325	Station buildings.....	8,192		
Floating indebtedness.....	60,377	Machinery and tools, Port Huron shops.....	577		
	\$852,603	Operating expenses.....	50,417		
		Cash on hand.....	\$65,299		
		Bills receivable.....	12,963		
					\$52,603

EARNINGS FOR FISCAL YEAR ENDING OCT. 31, 1871.	OPERATING EXPENSES FOR FISCAL YEAR ENDING OCT. 31, 1871.
Freight transportation (55,023½ tons).....	Fuel and supplies.....
Passenger transportation (41,933 passengers).....	Maintenance of way.....
Car and engine service.....	Car and engine repairs.....
Express, dockage and storage.....	Repairs and alterations to station buildings.....
U. S. mail.....	General offices and contingent expenses.....
	Wages, &c.....
	Lost and damaged freight.....
\$142,580	\$52,617

Toledo, Wabash and Western Railroad.—An evening newspaper says: "The President of the Toledo, Wabash and Western Railroad, informs us that the company have not issued and do not contemplate issuing any preferred stock or bonds. The company some time ago leased the road from Bloomington to Lafayette, which is 120 miles in length. It will cost \$1,000,000 to give this road the equipment necessary, and the same is to be furnished by friends of the road, who will get their pay from the usual 'mileage' allowed for car services." The transfer books of the Wabash Company are to be moved to the Union Bank.

Western Union Telegraph and Other Lines.—An official letter from the President of the Western Union Telegraph states that the company "is inflexibly opposed to any interference of the Government with its business. A meeting of the Board of Directors has just been held, which was largely attended, and a resolution was unanimously passed protesting against the right and the policy of any acquisition of their property and rights by the Government."

—On the subject of telegraph lines, the New York Times says editorially: "In the United States there are in operation eight telegraph companies transacting business in competition with the Western Union Company, having about ten thousand miles of line, and represented by an aggregate capital of over sixteen millions of dollars. These companies have not earned their current expenses, and some of them have already incurred debts for a greater amount than their property is worth. Recently, one of the best constructed and patronized of these lines—that belonging to the Bankers' and Brokers' Telegraph Company, whose capital was \$1,050,000—was sold at auction for the benefit of its creditors, and brought less than the amount of debt incurred in its operation. The Atlantic and Pacific Telegraph Company, having 3,744 miles of line, and a capital of ten millions of dollars, has recently issued a circular to its stockholders, announcing that the company has a floating debt of nearly \$180,000, and calling upon each stockholder to surrender and contribute one-fourth part of their stock for sale, at ten dollars per share, for its extinguishment."

—Messrs. Bigelow & Johnson of 43 Pine street report the imports of English rails this month, 5,351 tons; since January 1, 200,123; same time, 1870, 142,551. Old rails, since January 1, 57,017; same time, 1870, 50,607. Pig iron since January 1, 78,552 same time, 1870, 40,287.

The Commercial Times.

COMMERCIAL EPITOME.

FRIDAY NIGHT, December 8, 1871.

The volume of trade during the past week has been very fair for the season, and prices have almost uniformly ruled strong—the greater portion of the changes being in favor of sellers. In domestic products, such improvements as have taken place are due almost entirely to the falling off in receipts at the primary markets, indicating a check to shipments through the effect of higher prices.

The following is a statement of the stocks of leading articles of foreign and domestic merchandise at dates given.

	1870.	Nov. 1, 1871.	Dec. 1, 1871.
Beef.....	tcs. and bbls. 26,756	18,932	52,706
Pork.....	bbls. 15,833	46,940	36,070
Tobacco, foreign.....	bales. 13,637	7,253	7,508
Tobacco, domestic.....	hhd. 19,788	18,265	15,873
Coffee, Rio.....	bags. 42,013	25,110	42,323
Coffee, other.....	bags. 49,203	8,017	9,572
Coffee, Java.....	bags. 32,326	16,800	16,800
Sugar.....	bbls. 30,039	46,095	34,673
Sugar.....	boxes. 89,023	61,892	54,180
Sugar.....	bags, etc. 363,060	286,005	207, 56
Melado.....	hhd. 742	5,285	3,583
Molasses.....	bhd. 10,408	5,623	9,369
Molasses.....	bbls. 2,000	2,200	200
Hides.....	No. 34,000	260,200	96,500
Cotton.....	bales. 65,000	45,776	57,509
Rosin.....	bbls. 24,440	37,856	22,906
Spirits Turpentine.....	bbls. 5,530	3,629	5,286
Tar.....	bbls. 16,700	3,218	1,982
Rice, E. I.....	bags. 8,700	9,951	9,151
Rice, Carolins.....	cks. 546	430	460
Gunny Cloth.....	bales. 8,900	18,700	19,300
Gunny Bags.....	bales. 13,600	10,900	8,400
Linseed.....	bags. 75,200	179,500	207,367
Saltpetre.....	bags. 6,500	9,500	9,600
Jute and Jute Butta.....	bales. 25,400	41,000	43,900
Manila Hemp.....	bales. 28,007	3,132	1,400

In Provisions, hog products have shown a slight upward tendency. Receipts of swine, both here and at the West, have fallen off materially, and shippers who were holding for lower prices have been compelled to come forward and fill their orders, paying rather more money, especially for bacon. The exports of hog products from New York for the first four weeks in November aggregated twenty six million pounds against about six millions for the corresponding period last year, an increase of more than three hundred per cent. To-day the market opened firmer, but closed dull and weak; old pork, \$13 50 for mess and \$11 12½ for prime mess on the spot; new pork, \$14 88 for mess, seller March. Lard, 9½@9½c. for prime steam Western. Bacon, 7¼c. for Cumberland, 7½c. for short rib, 7¾c. for long clear, and 8c. for short clear, spot and future. Beef has sold more freely, but the desire to reduce the large stocks now in yard operates in favor of buyers. Butter and cheese without essential change.

Freights ruled very dull. The higher prices demanded for most articles of export have checked their shipments, and with room accumulating on the berth, lower rates have been accepted. To-day, wheat to Liverpool by sail at 7¼d., and cotton, by steam, 5-16d.@¾d.

Cloverseed declined early in the week, but closes rather better at 11¼@11½c. Tallow has declined, with free sales of prime at 9½c. Whiskey has been scarce and advancing—closing at \$1 01.

Tobacco has been very dull. The severe weather has prevented business; besides, buyers and sellers are quite apart in their views. The sales of Kentucky were only about 150 hhd. at 7½@8¼c. for common lugs to good leaf. Seed leaf has also been quiet; bids are generally below the views of sellers, and the transactions have been only 400 cases sundry lots, fillers and wrappers, at 15@55c. Spanish tobacco in moderate request and firm; sales embrace 500 bales new Havana at 98c.@\$1 15, and 100 bales new Yara on private terms.

Imports of Leading Articles.

The following table, compiled from Custom House returns shows the foreign imports of certain leading articles of commerce at this port for the last week, since January 1, 1871, and for the corresponding period in 1870:

[The quantity is given in packages when not otherwise specified.]

	For the week.	Since Jan. 1, 1871.	Same time 1870.	For the week.	Since Jan. 1, 1871.	Same time 1870.
China, Glass and Earthenware.....	1,009	17,281	13,202	.....	.....	.....
China.....	2,937	59,535	47,630	.....	6,869	4,886
Earthenware.....	16,204	588,438	356,034	.....	107	5,622
Glass.....	946	44,710	21,898	.....	11,812	1,166,131
Glass plate.....	104	6,061	5,036	.....	8,359	515,320
Buttons.....	4,631	142,832	102,203	.....	209,317	6,058,291
Coal, tons.....	.....	21,668	26,793	.....	4,187	217,359
Cocoa, bags.....	13,430	1,024,319	866,679	.....	13,707	391,574
Coffee, bags.....	.....	4,991	7,991	.....	23,460	6,107,534
Cotton bales.....	52	29,221	15,738	.....	4,185	138,555
Drugs, &c.....	683	25,833	19,636	.....	2,413	416,712
Peruvian Bark.....	40	3,333	2,546	.....	20,754	971,375
Rice powders.....	32	10,677	7,224	.....	29,193	918,974
Brimstone, tons.....	.....	2,546	3,229	.....	2,476	49,020
Chinaesal.....	10	1,390	453	.....	1,69	4,478
Cream Tartar.....	127	5,400	453	.....	2,475	155,092
Gambier.....	11	4,087	6,909	.....	2,300	173,716
Gums, crude.....	79	2,499	1,827	.....	1,824	73,212
India.....	4	536	356	.....	.....	26,919
Oil, essential.....	755	33,995	35,873	.....	.....	.....
Oil, Olive.....	.....	1,710	1,671	.....	.....	.....
Opium.....	850	103,094	97,534	.....	.....	.....
Soda, bi-carb.....	456	37,116	53,010	.....	.....	.....
Soda, sal.....	1,614	44,439	33,392	.....	.....	.....
Flax.....	513	11,756	4,688	.....	.....	.....
Furs.....	42	6,293	4,983	.....	.....	.....
Gunny cloth.....	23	10,580	14,682	.....	.....	.....
Hair.....	.....	6,629	7,649	.....	.....	.....
Hemp, bales.....	550	113,539	105,500	.....	.....	.....
Hides, &c.....	.....	11,470	1,470	.....	.....	.....
Hides, dressed.....	801	18,371	25,19	.....	.....	.....
India rubber.....	469	38,538	30,890	.....	.....	.....
Ivory.....	58	5,766	6,334	.....	.....	.....
Jewelry, &c.....	64	4,789	1,075	.....	.....	.....
Watches.....	81	1,429	1,139	.....	.....	.....
Linseed.....	49,229	877,896	642,473	.....	.....	.....
Molasses.....	2,506	147,718	132,732	.....	.....	.....
Metals, &c.....	.....	.....	.....	.....	.....	.....
Cutlery.....	.....	6,869	4,886	.....	.....	.....
Hardware.....	.....	107	5,622	.....	.....	.....
Iron, RR bars.....	.....	11,812	1,166,131	.....	.....	.....
Lead, pigs.....	.....	8,359	515,320	.....	.....	.....
Spelter.....	.....	209,317	6,058,291	.....	.....	.....
Steel.....	.....	4,187	217,359	.....	.....	.....
Tin, boxes.....	.....	13,707	391,574	.....	.....	.....
Tin slabs, lbs.....	.....	23,460	6,107,534	.....	.....	.....
Rags.....	.....	4,185	138,555	.....	.....	.....
Sugar, bhd, tca & bbls.....	.....	2,413	416,712	.....	.....	.....
Sugar, boxes & bags.....	.....	20,754	971,375	.....	.....	.....
Tobacco.....	.....	29,193	918,974	.....	.....	.....
Waste.....	.....	2,476	49,020	.....	.....	.....
Wines, &c.....	.....	1,69	4,478	.....	.....	.....
Champag, b, bks & Wines.....	.....	2,475	155,092	.....	.....	.....
Wool, bales.....	.....	2,300	173,716	.....	.....	.....
Articles reported by value.....	.....	1,824	73,212	.....	.....	.....
Cigars.....	.....	\$53,430	1,731,551	.....	.....	.....
Corks.....	.....	3,422	85,125	.....	.....	.....
Fancy goods.....	.....	33,093	1,603,688	.....	.....	.....
Fish.....	.....	1,782	315,494	.....	.....	.....
Fruits, &c.....	.....	8,193	799,702	.....	.....	.....
Lemons.....	.....	3,184	115,519	.....	.....	.....
Oranges.....	.....	10,884	1,016,516	.....	.....	.....
Nuts.....	.....	38,541	811,144	.....	.....	.....
Raisins.....	.....	207,422	115,5234	.....	.....	.....
Hides adressed.....	.....	3,255	712,104	.....	.....	.....
Rice.....	.....	.....	.....	.....	.....	.....
Spices, &c.....	.....	.....	.....	.....	.....	.....
Onions.....	.....	4,420	33,897	.....	.....	.....
Ginger.....	.....	3-8	282,666	.....	.....	.....
Pepper.....	.....	10,802	235,387	.....	.....	.....
Saltpetre.....	.....	24,560	295,525	.....	.....	.....
Woods.....	.....	2,043	55,436	.....	.....	.....
Cork.....	.....	1,192	82,373	.....	.....	.....
Fustic.....	.....	116	92,182	.....	.....	.....
Log wood.....	.....	.....	.....	.....	.....	.....
Shagony.....	.....	.....	.....	.....	.....	.....

Receipts of Domestic Produce for the Week and since January 1.

The receipts of domestic produce for the week and since Jan. 1, and for the same time in 1870, have been as follows:

	This week.	Since Jan. 1.	Same time '70.	This week.	Since Jan. 1.	Same time '70.	
Ashes.....	204	6,438	7,822	Oil cake, pkgs.....	3,400	67,991	104,528
Breadstuffs.....	75,873	2,463,267	3,392,319	Oil, lard.....	35	6,616	4,772
Flour, bbls.....	660,331	26,291,593	23,709,977	Peanuts, bags.....	4,107	54,712	71,480
Wheat, bus.....	631,461	12,204,143	9,160,432	Provisions.....	14,397	655,193	493,552
Corn.....	62,690	25,363,677	8,463,791	Butter, pkgs.....	27,562	1,421,500	1,433,956
Oats.....	39,209	10,532,411	531,037	Cheese.....	5,242	153,439	85,712
Eye.....	320,443	3,494,828	4,824,854	Meats.....	5,740	397,511	233,003
Barley, &c.....	28,952	270,788	78,132	Eggs.....	1,926	161,130	104,980
Grass seed.....	3,377	146,737	101,753	Pork.....	10,369	182,604	102,573
Beans.....	2,520	111,512	193,004	Beef, pkgs.....	7,222	234,666	79,417
Peas.....	2,715	176,128	177,739	Lard, pkgs.....	1,195	21,924	24,115
C. meal, bbls.....	24,693	304,080	732,651	Rice, pkgs.....	333	16,398	19,939
Cotton bales.....	39,209	10,532,411	531,037	Starch.....	2,499	254,121	253,779
Hemp, bales.....	14,576	406,354	370,991	Sugar, bhd, &c.....	67	13,341	1,124
Hops, bales.....	549	52,344	53,712	Tallow, pkgs.....	1,855	37,810	16,803
Leather, sides.....	75,569	8,337,220	2,351,893	Tobacco, pkgs.....	4,865	231,172	271,124
Molasses, bbls.....	3,083	19,614	26,048	Tobacco, bhd.....	436	94,496	68,516
Sava: Storea.....	.....	3,471	6,591	Whiskey, bbls.....	2,300	155,359	176,089
Gr. turp, bbl.....	2,305	65,441	66,435	Wool, bales.....	674	109,637	116,384
Spirits turp.....	107.5	472,968	456,644	Dressed hogs No.....	511	92,635	60,032
Tar.....	327	18,473	46,873	.....	.....	.....
Pitch.....	.....	1,011	2,342	.....	.....	.....

COTTON.

FRIDAY, P. M., Dec. 8, 1871.

By special telegrams received by us to-night from the Southern ports, we are in possession of the returns showing the receipts, exports, &c., of cotton for the week ending this evening Dec. 8. From the figures thus obtained it appears that the total receipts for the seven days have reached 105,839 bales against 122,126 bales last week, 104,743 bales the previous week, and 101,494 bales three weeks since, making the total receipts since the first of September, 1871, 993,051 bales against 1,212,545 bales for the same period of 1870, showing a decrease since September 1 this year of 214,494 bales. The details of the receipts for this week (as per telegraph) and the corresponding week of 1870 are as follows:

RECEIPTS			RECEIPTS		
Rec'd this week at—	1871.	1870.	Rec'd this week at—	1871.	1870.
New Orleans.....	bales 35,446	57,114	Florida.....	bales 870	277
Mobile.....	12,563	19,487	North Carolina.....	1,088	4,031
Charleston.....	12,704	14,533	Virginia.....	10,526	13,879
Savannah.....	18,633	21,505	Total receipts.....	105,839	152,321
Texas.....	7,956	7,236	Decrease this year.....	46,482	.....
Tennessee, &c.....	6,013	7,915	.....	.....	.....

The exports for the week ending this evening reach a total of 55,622 bales, of which 35,350 were to Great Britain, 11,974 to France, and 8,298 to rest of the Continent, while the stocks as made up this evening, are now 411,888 bales. Below we give the exports and stocks for the week, and also for the corresponding week of last season, as telegraphed to us from the various ports to-night

Week ending Dec. 3.	Exported to—			Total this week.	Same w ^k 1870.	Stock.	
	G. Brit.	France	Cont'n't			1871.	1870.
New Orleans.....	11,952	9,293	.....	21,240	43,370	102,771	187,785
Mobile.....	506	.....	224	1,081	14,135	87,553	87,195
Charleston.....	8,018	.....	3,882	5,850	4,260	81,596	31,331
Savannah.....	4,671	2,186	4,460	11,317	17,223	65,124	77,153
Texas.....	4,857	.....	.....	4,557	.....	92,921	87,573
New York.....	7,891	.....	80	8,196	23,514	26,081	64,000
Other ports.....	550	.....	80	530	.....	26,000	80,000
Total.....	35,350	11,974	8,293	55,622	107,551	411,888	431,189
Since Sept. 1.....	857,537	53,507	28,104	471,148	639,371	.....	.....

There were errors in our exports from Mobile and Savannah last week, caused by inserting the figures at a very late hour, some of our telegrams not reaching us until after 4 o'clock Saturday morning, and leaving but little time before we were compelled to go to press. The correct figures will be found in our shipping news to-day.

From the foregoing statement it will be seen that, compared with the corresponding week of last season, there is a decrease in the exports this week of 46,932 bales, while the stocks to-night are 22,248 bales less than they were at this time a year ago. The following is our usual table showing the movement of cotton at all the ports from Sept. 1 to Dec. 1, the latest mail dates. We do not include our telegrams to-night, as we cannot insure the accuracy or obtain the detail necessary by telegraph.

PORTS.	RECEIPTS SINCE SEPT. 1.		EXPORTED SINCE SEPT. 1 TO—				Coast-wise Ports.	Stock.
	1871.	1870.	Great Britain	France	Other Foreign	Total.		
New Orleans.....	241,243	298,088	50,997	27,328	9,873	118,698	53,257	137,359
Mobile.....	106,656	112,323	26,837	.....	.....	26,837	53,533	28,419
Charleston.....	19,533	145,538	25,316	1,441	261	27,058	56,119	31,125
Savannah.....	129,154	289,990	44,060	14,211	3,459	61,749	83,026	61,468
Texas.....	45,716	43,471	23,591	.....	959	36,600	16,383	31,229
New York.....	28,531	36,189	11,578	53	8,947	145,573	.....	58,183
Florida.....	3,883	1,980	.....	.....	.....	.....	3,885	.....
North Carolina.....	21,011	34,843	.....	.....	.....	.....	8,732	8,503
Virginia.....	107,611	92,240	.....	.....	.....	.....	100,916	6,892
Other ports.....	23,875	15,267	7,681	.....	1,375	9,536	.....	18,000
Total this year.....	892,212	.....	332,187	48,588	19,806	415,526	367,590	876,973
Total last year.....	.....	1,060,221	464,499	1,494	60,821	326,571	384,003	800,878

The market the past week has developed a gradually improving tendency; prices have advanced and confidence in the future has strengthened. This upward movement finds its more immediate cause in the late cold weather and the decreased receipts, which latter are interpreted as indicating a smaller yield than the prevailing estimates of a few weeks back. We think, however, aside from these facts there has been a growing inclination to consider American cotton not dear at present prices. The world's consumption has increased so rapidly and its wants are so large while the disposition to use largely the American staple has become so general and the expense of going back to the poorer sorts is so great, it is felt that our supply, even if it were to reach the larger figures current, would be none too great notwithstanding a moderate advance in price for the supply of spinners' wants. Holders therefore show no anxiety to dispose of their stock while our own spinners appear to be taking hold more freely, and there is an increased movement on foreign account. To-day the transactions have been moderate; middling uplands closing to-night at 19½c., against 19c. last Friday. For forward delivery the business has been large and prices have fluctuated somewhat, closing for low middling at 19½c. for December, 19 3/16c. for January, 19½c. for February, 19 9/16c. for March, 19½c. for April, and 19½c. for May. The total sales of this description for the week are 122,100 bales, including 500 free on board. For immediate delivery the total sales foot up this week 22,673 bales, including 7,684 for export, 6,532 for consumption, 1,280 for speculation, and 7,168 in transit. Of the above, 1,057 bales were to arrive. The following are the closing quotations:

	Upland and Florida.	Mobile.	New Orleans.	Texas.
Ordinary.....per lb.	16½c.	16½c.	17½c.	17½c.
Good Ordinary.....	18½c.	18½c.	19½c.	19½c.
Low Middling.....	19½c.	19½c.	19½c.	19½c.
Middling.....	19½c.	19½c.	20½c.	20½c.
Good Middling.....	20½c.	20½c.	21 ½c.	21 ½c.

Below we give the total sales of cotton and price of Uplands at this market each day of the past week:

	Total sales.	Ordinary.	Good Ordinary.	Low Middling.	Middling.
Saturday.....	2,410	16½c.	17½c.	18½c.	19 ½c.
Monday.....	1,708	16½c.	17 ½c.	18½c.	19 ½c.
Tuesday.....	4,265	16½c.	18 ½c.	19 ½c.	19½c.
Wednesday.....	5,952	16½c.	18½c.	19½c.	19½c.
Thursday.....	3,233	16½c.	18½c.	19½c.	19½c.
Friday.....	6,772	16½c.	18½c.	19½c.	19½c.

For forward delivery the sales (including 500 free on board) have reached during the week 122,100 bales (all low middling or on the basis of low middling), and the following is a statement of the sales and prices:

For December.	bales.	cts.	bales.	cts.	For April.	bales.	cts.
1,000.....	1,000	19 15/16	1,000	19 7/16	50	19 1/2	
100.....	3,800	19	800	19 1/2	50	19 7/16	
100.....	800	19 1/16	.....	.....	400	19 1/2
.....	5,200	19 1/2	15,700 total Feb'y.	.....	2,800	19 1/2
.....	4,000	19 3/16	.....	.....	8,900	19 11/16
.....	1,800	19 1/2	For March.	.....	4,800	19 1/2
.....	1,800	19 5/16	100	19 1/16	800	19 1/2	
.....	26,250 total Jan.	.....	700	19 1/2	.....	.....
.....	.....	.....	300	19 5/16	12,250 total April.	.....
.....	.....	.....	900	19 1/2	.....	.....
.....	.....	.....	8,500	19 1/2	For May.	.....
.....	.....	.....	2,500	19 9/16	950	19 1/2
.....	.....	.....	1,500	19 1/2	100	19 1/2
.....	.....	.....	100	19 11/16	1,100	19 1/2
51,250 total Dec'r.	.....	.....	10,200 total March.	.....	800	19 15/16
.....	.....	.....	.....	.....	1,800	19 1/2
For January.	.....	.....	.....	.....	200	19 15/16
400.....	2,300	19 1/2	.....	.....	800	20
350.....	100	19 1/2	.....	.....	.....	.....
80.....	4,700	19 5/16	.....	.....	5,850 total May.	.....
.....	3,500	19 1/2	.....	.....	.....	.....

The sales during the week of free on board have reached 500 bales. The particulars of these sales are as below:
 200 f. o. b., Charleston, at 18½c.
 200 " Savannah, at 18½c.
 100 " Charleston, basis L. M., 9-16c. freight, at 18½c.
 500 total.

The following exchanges have been made during the week:
 4c. paid to exchange 100 December for 100 March.
 3-16c. " " 200 December for 200 February.
 20 December for 200 January, 1/2c. difference.
 100 January for 100 April, 1/2c. difference.
 100 December for 400 February, 1/2c. difference.
 200 December for 200 April, 1/2c. difference.
 100 December for 100 January, 3-16c. difference.
 100 December for 100 March, 1/2c. difference.
 100 December for 100 April, 1/2c. difference.

WEATHER REPORTS BY TELEGRAPH.—The cold weather of the past week appears to have extended over almost the entire cotton growing States. Our telegram from Galveston says that in Northern and Middle Texas the frost was severe, killing vegetation. From New Orleans our correspondent states that the weather has been very cold, and that they have had a killing frost, with two days showery. Our Selma telegram states that on Monday and Tuesday it was very cold; at Montgomery it has been cold, but to-day is warm and pleasant again. At Macon and Columbus they have had a "severe freeze," with two days' rain at Macon, and one day's rain at Columbus. The Mobile telegram says they have had an unusually severe storm at that point. At Charleston it has been very cold, and at Memphis it has "been cold and cloudy. There has been no plucking at Memphis the past week; rain and sleet to-day; snow threatened." The thermometer has averaged at Memphis 31, at Charleston 42, at Savannah 48, at Macon 41, at Columbus 44, at Selma 47, at Montgomery 48, and at Galveston 50.

COTTON SUPPLY AND DEMAND.—We would call the attention of our readers to some editorial remarks on this subject on a previous page.

STOCK OF COTTON IN NEW YORK.—The Cotton Exchange through Mr. Charles A. Easton, the Chairman of the Committee on Statistics, reports the stock of cotton in New York, Dec. 1, at 57,509 bales, as follows: In warehouse, 35,871 bales; on wharves, 3,638; on shipboard, (not cleared,) 18,000—making in all, as stated above, 57,509 bales.

GUNNY BAGS, BAGGING, &c.—There has not been much doing in native cloth during the week; but the feeling is rather stronger. 210 bales light weights having been sold at 13½c., cash. There has been a good demand for domestic, and we notice sales of 2,000 rolls "Ludlow" at 15½c., 60 days deliverable, 200 a month for ten months, from the first of January, and 1,000 bales same for short delivery at 14c., cash. Bags have been fairly active and the close is very strong with the tendency upward. Sales on the spot are 1,500 bales at 15c., and 500 bales to arrive at 10c., gold, in bond. In Boston 400 bales sold at 15c. Manila hemp has been inactive and quite nominal in price; buyers seem well supplied for the moment and are making no bids. Other kinds of hemp are equally dull. Jute butts have been actively dealt in, and the close is firm and the demand continues. The sales are 1,800 bales to arrive per "Geo. H. Warren," at 3½c., cash, less one per cent; 675 bales on spot at 3½c. 60 days, and to-day fully 3,000 bales on spot and to arrive on private terms. In Boston 500 bales sold at 3½c., all currency, per lb.

VISIBLE SUPPLY OF COTTON.—The following table shows the quantity of cotton in sight at this date of each of the two past seasons:

	1871.	1870.
Stock in Liverpool..... bales.	445,000	371,000
Stock in London.....	150,086	51,456
Stock in Glasgow.....	250	1,100
Stock in Havre.....	187,570	70,800
Stock in Marseilles.....	19,238	8,000
Stock in Bremen.....	14,609	6,300
Stock rest of Continent.....	90,000	20,000
Afloat for Great Britain (American).....	174,000	276,000
Afloat for France (American and Brazil).....	42,705	929
Afloat for Bremen (American).....	4,605	16,996
Total Indian cotton afloat for Europe.....	314,101	139,000
Stock in United States ports.....	411,888	434,136
Stock in inland towns.....	66,329	95,612
Total.....	1,870,381	1,491,329

These figures indicate an increase in the cotton in sight to-night of 379,052 bales compared with the same date of 1870.

MOVEMENTS OF COTTON AT THE INTERIOR PORTS.—Below we give the movements of cotton at the interior ports—receipts and shipments for the week, and stock to-night and for the corresponding week of 1870:

	-Week ending Dec. 8, 1871.-		-Week ending Dec. 8, 1870.-	
	Receipts.	Shipments.	Receipts.	Shipments.
Augusta.....	5,895	6,142	13,253	8,993
Columbus.....	1,884	1,488	7,257	4,130
Macon.....	2,160	1,925	10,665	4,381
Montgomery.....	2,511	1,540	9,092	4,642
Selma.....	2,977	2,613	5,753	3,696
Memphis.....	12,152	15,992	18,033	23,454
Nashville.....	2,602	2,502	1,877	3,782
Total.....	29,600	32,212	66,320	58,078

A recount of stock at Memphis this week shows 2,175 bales more than the running count. Our Memphis telegram also states that up to to-night the Memphis receipts are 20,661 bales less than for the same period last year, and for the week the receipts are 11,302 bales short of the total for the same week last year.

The above totals show that the interior stocks have decreased during the week 1,763 bales, and are to-night 29,383 bales less than at the same period last year. The receipts have also been 23,388 bales less than the same week last year.

The exports of cotton this week from New York show a decrease since last week, the total reaching 12,019 bales, against 14,254 bales last week. Below we give our table showing the exports of cotton from New York, and their direction for each of the last four weeks; also the total exports and direction since September 1, 1871; and in the last column the total for the same period of the previous year:

Exports of Cotton (bales) from New York since Sept. 1, 1871

EXPORTED TO	WEEK ENDING				Total to date.	Same time prev. year.
	Nov. 15.	Nov. 22.	Nov. 29.	Dec. 6.		
Liverpool.....	13,104	12,241	12,943	11,401	140,924	154,426
Other British Ports.....	.....	.....	.....	.....	949	5,538
Total to Gt. Britain	13,104	12,241	12,943	11,401	141,873	159,964
Havre.....	.....	29	.....	.....	53	.....
Other French ports.....	.....	.....	.....	.....	.....	.....
Total French.....	.....	29	.....	.....	53	.....
Bremen and Hanover.....	.....	300	791	613	2,745	2,308
Hamburg.....	.....	.....	.....	.....	299	1,631
Other ports.....	.....	143	530	.....	803	2,927
Total to N. Europe......	.....	443	1,311	618	3,847	6,866
Spain, Oporto & Gibraltar &c	.....	.....	.....	.....	.....	1,015
All others.....	.....	.....	.....	.....	.....	2
Total Spain, &c.....	.....	.....	.....	.....	.....	1,017
Grand Total.....	13,104	12,713	14,254	12,019	145,773	167,847

The following are the receipts of cotton at New York, Boston, Philadelphia and Baltimore for the last week, and since Sept. 1, 1871

REC'D'S FROM	NEW YORK.		BOSTON.		PHILADELPHIA		BALTIMORE.	
	This week.	Since Sept. 1.	This week.	Since Sept. 1.	This week.	Since Sept. 1.	This week.	Since Sept. 1.
New Orleans.....	3,369	41,039	679	3,942	.....	396	.....	511
Texas.....	906	14,492	.....	.....	.....	.....	.....	48
Savannah.....	1,943	39,219	.....	3,180	.....	5,416	.....	1,839
Mobile.....	.....	1,047	2,355	2,255	.....	.....	.....	.....
Florida.....	476	2,787	.....	.....	.....	.....	.....	.....
S'rh Carolina.....	5,076	53,676	1,752	1,900	229	3,227	414	3,147
N'rh Carolina.....	1,168	15,120	122	208	261	700	372	2,231
Virginia.....	4,525	67,725	3,346	18,362	.....	.....	1,201	15,527
North'n Ports	78	2,335	655	14,183	.....	.....	.....	.....
Tennessee, &c	3,545	32,503	882	15,067	936	8,260	650	7,976
Foreign.....	5	1,163	.....	125	.....	742	.....	.....
Total this year	21,091	268,110	9,721	63,645	1,425	18,861	2,685	32,231
Total last year	33,117	350,350	9,827	65,169	1,518	16,304	4,031	40,760

SHIPPING NEWS.—The exports of cotton from the United States the past week, as per latest mail returns, have reached 74,166 bales. So far as the Southern ports are concerned, these are the same exports reported by telegraph, and published in THE CHRONICLE last Friday, except Galveston, and the figures for that port are the exports for two weeks back. With regard to New York, we include the manifests of all vessels cleared up to Wednesday night of this week:

NEW YORK		BOSTON		PHILADELPHIA		BALTIMORE		Total bales.
New York—To Liverpool, per steamers City of London, 760.....		Spain, 2,215..... Oceanic, 827..... Colorado, 2,707.....		Algeria, 2,642		per ships Stratbearn, 1,077..... Calcutta, 1,187..... Wm. Tapscott, 586.		11,401
To Bremen—per steamer Deutschland, 618.....		.....		.....		.....		618
NEW ORLEANS —To Liverpool, per ships Theobald, 2,727..... Arcturus, 3,300..... Waterloo, 3,420..... Exponenter, 3,361, and 13 bags Sea Island.....		.....		.....		.....		12,842
To Havre—per ships Crescent City, 3,596..... Francis P. Sage, 3,565.....		.....		.....		.....		7,161
To Barcelona—per bark Herminia, 600.....		.....		.....		.....		600
To Malaga—per bark Herminia, 600.....		.....		.....		.....		500
MOBILE —To Liverpool, per ships City of Brooklyn, 4,692..... Latoha, 3,212..... per barks Amoy, 770..... Wetherhorn, 2,001.....		.....		.....		.....		10,675
CHARLESTON —To Liverpool, per bark Brazil, 1,750 Upland..... per brig Carlots, 754 Upland.....		.....		.....		.....		2,504
To Barcelona—per brig Yeabellita, 284 Upland.....		.....		.....		.....		284
SAVANNAH —To Liverpool, per ships Universe, 4,475 Upland..... John Mann, 3,510 Upland..... Ironsides, 4,527 Upland..... per barks Eulalia, 1,343 Upland..... Herrick F. Hussey, 2,032 Upland.....		.....		.....		.....		15,887
To Cork for orders—per bark Goethe, 1,693 Upland.....		.....		.....		.....		1,693
To Falmouth for orders—per brig Cizana, 675 Upland.....		.....		.....		.....		675
To Havre—per bark Daniel Draper, 3,000 Upland.....		.....		.....		.....		3,000
To Barcelona—per brig Neuvitas, 400 Upland.....		.....		.....		.....		400
TEXAS —To Liverpool, per barks Fille de L'Air, 1,100..... Caroline, 1,949..... Atlanta, 1,616.....		.....		.....		.....		4,665
To Amsterdam—per schr. Kvik, 393.....		.....		.....		.....		393
BALTIMORE —To Liverpool, per steamer North American, 217.....		.....		.....		.....		217
To Bremen—per steamer Letzig, 715.....		.....		.....		.....		715
SAN FRANCISCO —To Panama, per —, 26.....		.....		.....		.....		26
Total.....		.....		.....		.....		74,166

The particulars of these shipments, arranged in our usual form are as follows:

	Liverpool.	Fal-cork month.	Bre-mcn.	Amster-dam.	Bar-cetona.	Ma-laga.	Total.
New York.....	11,401	.....	618	.....	.....	500	12,019
New Orleans.....	12,842	.....	7,161	.....	.....	.....	21,103
Mobile.....	10,675	.....	.....	.....	.....	.....	10,675
Charleston.....	2,504	.....	.....	.....	.....	.....	2,788
Savannah.....	15,887	1,603	675	3,000	.....	403	21,565
Texas.....	4,665	.....	.....	.....	393	.....	5,058
Baltimore.....	217	.....	.....	715	.....	.....	932
Total	58,191	1,603	675	10,161	1,333	393	1,284

Included in the above totals are from San Francisco 26 bales to Panama.

GOLD, EXCHANGE AND FREIGHTS.—Gold has fluctuated the past week between 109½ and 110½, and the close was 110½. Foreign Exchange market is lower. The following were the last quotations: London bankers', long, 108½@109; short, 109½@

109½, and Commercial, 108½@108¾. Freights closed at 5-16@½d. by steam and 7-32@0-32d. by sail to Liverpool, 1c. gold by steam and 4c. by sail to Havre, and ½d. by steam to Hamburg.

BY TELEGRAPH FROM LIVERPOOL.—

Liverpool, Dec. 8—4:30 P. M.—The market opened strong and closed firm to-day, with sales footing up 15,000 bales, including 5,000 bales for export and speculation. The sales of the week have been 115,000 bales, of which 20,000 bales were taken for export and 19,000 bales on speculation. The stock in port is 445,000 bales, of which 41,000 bales are American. The stock of cotton at sea bound to this port is 422,000 bales, of which 174,000 bales are American.

	Nov. 17.	Nov. 24.	Dec. 1.	Dec. 8.
Total sales.....	98,000	111,000	123,000	115,000
Sales for export.....	14,000	12,000	22,000	20,000
Sales on speculation.....	13,000	20,000	23,000	19,000
Total stock.....	539,000	526,000	486,000	445,000
Stock of American.....	88,000	74,000	57,000	41,000
Total afloat.....	371,000	369,000	382,000	422,000
American afloat.....	91,000	124,000	142,000	174,000

The following table will show the daily closing prices of cotton for the week:

Price	Sal.	Mon.	Tues.	Wed.	Thurs.	Fri.
Mid. Uplands. 9½@10	9½@10	9½@9¾	9½@10	9½@10	9½@10	9½@10
Orleans. 9½@10	9½@10	10@10	10@10	10@10	10@10	
Up. to arrive.	.....	.....	.....	.....	.....

Trade Report.—The market for yarns and fabrics at Manchester are more favorable, but do not affect the market.

EUROPEAN AND INDIAN COTTON MARKETS.—In reference to these markets our correspondent in London, writing under the date of Nov. 25, states:

LIVERPOOL, Nov. 25.—The following are the prices of American cotton, compared with those of last year:

	—Ord. & Mid—		Fair & G'd fair—		—G'd & f. —		—Same date 1870—	
	13	20	25	28	30	34	Mid. Fair.	Good.
Sea Island.....	22	30	33	41	50	15	17	26
Statined.....	13	20	25	28	30	34	15	17
	Ord. G.	Ord. L.	Mid. G.	Mid. M.	M. F.	Mid. G.	Mid. M.	M. F.
Upland.....	7½	8½	9½	9 9-16	9¾	10	9½	9 7-16
Mobile.....	7½	8½	9½	9 9-16	10	10	9½	9¾
N. Orleans & Texas	7½	9	9 9-16	9¾	10½	10½	9 7-16	9¾

BREADSTUFFS.

FRIDAY P. M., December 8, 1871.

We have had a very unsettled market during the past week. Reports by cable have been contradictory; gold has declined; freights have been irregular, and inland navigation has definitely closed for the season, but the quantity of grain which was prevented reaching its destination is estimated much smaller than early in the week.

Flour has arrived freely by rail, and we have had a very variable market; the trade bought very fairly on Monday and Wednesday, but on succeeding days was quiet; a few lines of shipping extra State sold at \$6 65@\$6 75, mainly the lower figure; but the market has really been without important feature. Rye flour has improved a little. To-day was quiet but firm, and good baker's brands brought more money.

Wheat has been firm, but very dull. As is customary at the close of inland navigation, the views of buyers and sellers have been wide apart. On one or two days the sales have been limited to car-loads and broken parcels. The most pressing demand appears to have been for choice white and spring red wheat. The feeling of holders generally has been strengthened by the marked reduction in receipts at the Western markets, as shown in the statistics below. To-day holders were firm, and for such quantities as buyers must have, full prices were realized; No. 2 Milwaukee sold at \$1 55, but our quotations are mostly nominal.

Indian corn has been fairly active and prices generally firm. There is better supply, both of yellow and white, and these descriptions have been weak, but prime mixed has ranged higher than last week. There is a moderate quantity of new corn coming forward by rail. To-day there was a moderate shipping demand at 79c. for prime old mixed, with some demand for white Western at 82c.

Rye has been in fair demand and firm. Barley has been less active, with some fluctuations in prices—the extreme advance noted in our last not being fully sustained. Canada peas continue very dull.

Oats have been in speculative request, and prices have advanced 1½@2c. Boat loads of prime Western sold yesterday at 55c. in store and 56½c. afloat, and to-day the market was quiet, with white oats very scarce.

The following are closing quotations:

FLOUR.		GRAIN.	
Superfine State and Western.....	\$6 00@6 50	Wheat—No. 2 spring, bush.....	\$1 52@1 55
Extra State, &c.....	6 00@6 85	No. 1 spring.....	1 50@1 53
Western Spring Wheat extras.....	6 60@6 75	Red Western.....	1 58@1 62
do double extras.....	7 00@7 50	Amber do.....	1 65@1 68
do winter wheat extras and double extras.....	7 00@9 50	White.....	1 62@1 77
City shipping extras.....	6 70@6 80	Corn—Western mixed.....	77@79
City trade and family brands.....	7 50@9 25	White Western.....	82@83
Southern bakers' and family brands.....	8 00@10 00	Yellow Western.....	80@82
Southern shipp'g extras.....	7 25@7 65	Southern white, new.....	82@83
Rye flour.....	4 50@5 20	Rye—State.....	95@97
Corn meal—Western, &c.....	3 75@4 15	Western.....	90@92
Corn meal—Br'wine, &c.....	4 15@4 25	Oats—Black Illinois.....	54@55
Buckwheat flour, p.100lb.	3 80@3 80	Chicago mixed.....	55@59
		White Ohio and State.....	57@59
		Barley—Western.....	96@1 02
		State.....	87@1 39
		Canada.....	1 10@1 39
		Peas—Canada.....	1 10@1 35

their goods. There have been reported some 5,893 bags Rio from stock, and 5,314 bags ss sold before arrival; 5,800 bags Maracaibo, 65 bags St. Domingo and 2,347 mats Singapore. At Baltimore, 6,193 bags Rio. At New Orleans' 5,700 bags Rio, and 1,050 bags Rio at other Southern ports.

Imports this week have included 4,300 bags Rio per "Thetis," 3,920 do. da. per "Eliza Sherris," 4,660 do. do. per "Elizabeth Brown," 496 do. do. per "Westphalia," and 3,528 do. Santos per "Innisfail." Of other sorts the imports have included 3,931 bags Maracaibo per "Iva," 2,742 do. do. per "Jenny," 600 do. St. Domingo per "Trait d'Union," 65 do. do. per "J. P. Auger," 130 do. do. per "Albert Treat," and 1,918 bags of sundries.

The stock of Rio Dec. 7, and the imports since Jan. 1, 1871, are as follows:

In Bags.	New York.	Phila. delphis.	Balti. more.	New Orleans.	Sav. &c.	Oal-veston.	Total.
Stock	52,933	7,900	9,402	8,850	4,000	77,475	
Same date 1871	41,601	4,509	25,574	13,980	4,392	6,000	99,050
Imports	612,356	14,805	505,074	171,597	70,511	22,220	1,396,563
" In 1870	631,252	3,100	438,367	127,742	37,222	20,112	1,263,895

Of other sorts the stock at New York, Dec. 7, and the imports at the several ports since January 1, 1871, were as follows:

In bags.	New York.	Boston.	Phladel.	Balt.	N. Ori'e's.	Total imports	
Java and Singapore	78,617	131,000	51,692	1,862	.....	.....
Ceylon	17,673	.....	1,630	.....	.....	.....
Maracaibo	9,428	98,005	.....	17,005	.....	.....
Laguayras	.....	36,686	.....	.....	.....	.....
St. Domingo	619	43,275	5,220	722	233	.....
Other	2,127	70,295	2,214	2,242	7,665	.....
Total	20,770	897,940	59,156	20,719	2,242	7,893	437,955
Same time, 1870	56,198	309,201	70,274	15,777	4,176	1,517	401,325

* Includes mats, &c., reduced to bags. † Also, 9,798 mats.

SUGAR.

The market for raws during the best portion of the week has again shown a generally dull tone, and not only have sales been slow and uncertain, but at times it was a somewhat difficult matter to induce any buyer to take interest enough to make a reasonable bid. The wants of the trade are small—probably more so than usual, even for this season. Refiners are consuming but little stock, and complain that they have no margin on their production at present, while the rate is rather declining than advancing, and thus the outlets for raws are reduced to a very small compass. The continued shrinkage on the gold premium also has some effect to induce buyers to show greater caution, and, taken altogether, there has probably been few, if any, purchases, made during the past week where a positive and immediate use for the goods was not already fully provided. With the dull condition of business there was to be noticed the usual tameness on prices, and moderate concessions could occasionally be obtained, questions rather favoring buyers on all grades, though for the most part somewhat nominal in the absence of leading transactions. Among holders, however, we do not find any decided loss of confidence, or that much of a desire to realize has been developed. The stocks on hand are not very large, and can be carried with comparative ease. The new crop Cuba promises to be late, and after refiners have concluded their usual repairs to machinery, clearing up of refineries, &c., it is thought that a good, steady business will set in. Reports of large purchases by refiners of the new crop to arrive during the early portion of the incoming year have attracted attention, but have produced no decided change in the bearings of the present position. A small amount of the new crop domestic has come to hand, but no large arrivals are anticipated for the present. Refined have met with a moderate demand, and even the current small production proving more than enough for all wants, prices gave way somewhat upon every grade yesterday, and to-day there was a firmer feeling shown on raws, and all the concessions made during the early portion of the week were recovered, with the greatest strength shown on the finer qualities. This was due to the rather sudden appearance of a number of refiners as buyers, most of whom, having held off until the latest possible moment, were finally compelled to come forward and secure a supply. The selling interest were of course enabled to secure an advantage, and, as compared with the opening, the week closes quite strong. A number of the transactions of late made public are old sales, some consummated two or three days previous to our last. We learn of 4,354 hds. Cuba, 280 hds. Porto Rico, 275 hds. Martinique, 675 hds. Demerara, 30 hds. Jamaica, 67 hds. New Orleans, 4,737 bags Brazil, 12,350 boxes Havana, and 500 hds. Melado.

Imports at New York, and stock in first hands, Dec. 7, were as follows:

Imports this week.	Cuba.	P. Rico.	Other.	Brazil.	Manila.	&c.	Melado
" since Jan. 1	335,071	203,065	87,514	58,200	61,196	591,180	43,586
" same time, '70	277,402	217,337	31,772	84,109	67,764	411,289	18,730
Stock in first hands.	49,452	32,124	.....	202,768	.....	8,107	.....
Same time 1870	82,013	32,692	.....	326,618	.....	742	.....
" 1869	93,471	59,212	.....	204,581	.....	576	.....

MOLASSES.

The market for foreign grades of all kinds has been extremely dull, and though some few holders feel a little hopeful that a portion of present supplies may find a fair sale before the new crop appears, no one is confident, and the general tone may be written as tame and unsatisfactory. On the first of the month the supply was found to be a little larger than anticipated, and in several cases the asking rates were further modified, but no concession seems to be attractive to buyers this season, and the outlet failed to increase. The distilling qualities are never mentioned, and it is quite difficult to say what they would bring; grocery stock can only be worked off in small odd parcels, and the refining grades are not in favor for the present, boilers reducing their production as the end of the year approaches, in order to entirely cease work, repair machinery, clean up, etc., and get their establishments in shape for the next season. Domestic has shown less general depression, and on some of the fine grades holders were inclined to a little firmness, but still buyers have not found the turn very much against them, and the supply available was at all times equal to the call, there being no desire to permit an accumulation of stock at this early portion of the season. Syrups of fine quality in fair demand and steady. Sugar-house molasses in rather better request at 18@19c in hds., and 22@23c in bbls. We note sales of 550 hds. Porto Rico and 2,996 bbls. New Orleans.

The receipts at New York, and stock in first hands, Dec. 7, were as follows:

Imports this week.	Cuba.	P. Rico.	Demerara.	Other.	N. O.
" since Jan. 1	82	3,254	3,256	26,506	1,648
" same time 1870	80,326	26,900	4,961	16,154	20,285
Stock in first hands.	1,387	4,078	3,643	500	.....
" same time '70	6,536	512	1,746	400	.....
" same time '69	10,515	433	3,587	400	.....

Imports of Sugar & Molasses at leading ports since Jan. 1.
The imports of sugar (including Melado), and of Molasses at the leading ports from January 1, 1871, to date, have been as follows:

	Boxes.		Sugar.		Molasses.	
	1871.	1870.	Hds.	Bags.	Hds.	Hds.
New York	335,071	277,402	351,379	208,519	652,476	501,562
Boston	41,284	21,023	25,554	32,622	579,303	224,208
Philadelphia	30,711	30,741	65,813	62,359	83,012	31,704
Baltimore	41,873	37,522	115,616	85,567	37,500	26,711
New Orleans	39,875	49,750	9,760	5,432	.....	.....
Total	511,903	431,233	626,187	334,923	1,851,291	786,218

* Including tierces and barrels reduced to hds.

SPICES.

We have again to note a dull and uninteresting market in a wholesale way, very few invoices changing hands either here or at Boston, and operators generally appearing to have withdrawn until after the opening of the new year. On most of the leading parcels here comparatively full prices are asked, and there does not appear to be any inclination to force business, but, with the present indisposition of buyers, a concession would be necessary in order to realize upon the various styles of goods. From jobbers' hands there has been a fair distribution in the way of very small lots as required to fill pressing orders, but nothing like activity, and the stocks in store are found to be fully equal to the call, while prices, as a rule, are easy. Holders refrain from pressure, but there are a good many odd parcels they are anxious to get rid of before the end of the year, and to attract buyers' rates are toned down somewhat.

FRUITS, &c.

There is rather more activity in the foreign dried fruit market, the demand principally for layer raisins, the prices of which have for some time been ruling below the cost of importation, and dealers rather holding off until prices had touched bottom. In the meantime the jobbing distribution has been free, and stocks have run rather low, thus forcing them to lay in supplies for the usual holiday demand. As a further inducement holders threatened to withdraw their stocks on account of the low prices ruling, and these facts together had the effect of creating a few demand, and the prices realized were 15@20c per box above the lowest point of the season. Currants were eased a little by fresh arrivals early in the week, but the market soon became rather bare again, and prices at the close show considerable strength. Sardines are in very light demand, and prices generally are firmly held. Layer figs have been in rather improved favor at a shade higher prices. Turkish prunes are more active. Citron is rather firmer. Almonds and nuts are in more request and prices firm. Valencia raisins continue quiet. The finer class of raisins, and also half and quarter boxes of layers are in active demand for the holiday trade.

In foreign green, oranges are in rather better supply, especially of West India descriptions, and prices are low. Havana are jobbing at \$7@8 per bbl. Lemons are more plenty and moderately active. Malaga and Palermo are jobbing at \$3@3.50 per box.

ADVICES FROM PRODUCING MARKETS.

From the London Produce Market Review we take the following trade returns for the United Kingdom for ten months ending Oct. 31, 1871:

	1870.	1871.	1871.
IMPORTS.			
Coffee	150,655,463 lbs.	173,041,889	Inc. 22,386,466
Unrefined sugar	564,288 tons.	537,088	Dec. 27,200
Tea	110,660,779 lbs.	133,360,667	Inc. 24,699,888
EXPORTS.			
Coffee	115,948,394 lbs.	146,207,715	Inc. 50,259,321
Unrefined sugar	11,138 tons.	10,081	Dec. 1,047
Tea	26,742,938 lbs.	33,426,007	Inc. 6,683,069
HOME CONSUMPTION.			
Coffee	25,726,775 lbs.	26,114,880	Inc. 388,105
Unrefined sugar	514,462 tons.	527,009	Inc. 12,543
Tea	88,366,028 lbs.	104,030,338	Inc. 5,664,311
STOCK.			
Coffee	73,689,755 lbs.	69,606,891	Dec. 4,082,864
Unrefined sugar	151,035 tons.	119,235	Dec. 31,799
Tea	73,219,235 lbs.	76,368,672	Inc. 3,149,437

PRICES CURRENT.

The following are Ruling Quotations in First Hands. On the Purchase of Small Lots Prices are a Fraction Higher.

Tea.		Duty paid.	
Hyson, Common to fair	40 @ 55	H. Sk. & Tw'ky Ex. I. to finest	55 @ 60
do Superior to fine	60 @ 75	Uccol. Japan, Com. to fair	65 @ 70
do Ex. fine to finest	80 @ 115	do Supr to fine	85 @ 90
Yongk Hyson, Com. to fair	40 @ 55	do Ex. I. to finest	75 @ 80
do Super. to fine	60 @ 80	Oolong, Common to fair	45 @ 50
do Ex. fine to finest	80 @ 115	do Superior to fine	60 @ 75
Gunp. & Imp., Com. to fair	58 @ 70	do Ex. fine to finest	85 @ 100
do Supr. to fine	80 @ 100	Soue. & Ceng., Com. to fair	45 @ 55
do Ex. fine to finest	100 @ 145	do Supr to fine	80 @ 100
Hyson Sk. & Tw. C. to fair	30 @ 40	do Ex. I. to finest	80 @ 115
do do Supr. to fine	45 @ 50		

Coffee.

Rio Prime, duty paid	gold. 20 @ 20 1/2	Native Ceylon	gold. 17 @ 19 1/2
do good	gold. 19 @ 19 1/2	Maracaibo	gold. 17 @ 20
do fair	gold. 18 1/2 @ 18 1/2	Laguayras	gold. 17 @ 19 1/2
do ordinary	gold. 18 @ 18 1/2	St Domingo, in band	gold. 12 @ 12 1/2
Java, mats and bags	gold. 28 @ 24 1/2	Jamaica	gold. 17 @ 18 1/2
" Brown	25 @ 25 1/2		

Sugar.

Cuba, 1st. to com. refining	8 1/2 @ 8 1/2	Hav's, Box, D.S. Nos. 19 to 20	12 1/2 @ 12 1/2
do 2nd. to good refining	8 1/4 @ 8 1/4	Havana, Box, white	11 1/2 @ 12 1/2
do 3rd. to fair	8 @ 8	Porto Rico, refining grades	8 @ 9 1/2
do fair to good grocery	9 @ 9 1/2	do grocery grades	9 1/2 @ 10 1/2
do pr. to choice grocery	10 @ 11 1/2	Brazil, bags	7 1/2 @ 9 1/2
do centrifugal, hds. & bxs.	9 @ 11	Manila, bags	7 1/2 @ 8 1/2
do Melado	4 1/2 @ 6 1/2	White Sugar	11 @ 11 1/2
do do do	6 @ 8	do do B	11 1/2 @ 11 1/2
do do do	8 1/2 @ 9 1/2	do do extra C	11 1/2 @ 11 1/2
Hav's, Box, D. S. Nos. 7 to 9	8 1/2 @ 9 1/2	Yellow sugars	10 1/2 @ 11
do do do 10 to 12	9 1/2 @ 10 1/2	Crushed and granulated	12 1/2 @ 12 1/2
do do do 13 to 15	10 1/2 @ 10 1/2	Powdered	12 @ 12 1/2
do do do 16 to 18	11 1/2 @ 12		

Molasses.

New Orleans new	50 @ 55	Cuba Clayed	27 @ 29
Porto Rico	28 @ 42	Cuba centrifugal	21 @ 24
Cuba Muscovado	28 @ 30	English Islands	30 @ 38

Rice.

Bangoon, dressed, gold in bond	3 1/2 @ 3 1/2	Carolina	3 1/2 @ 3 1/2
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Spices.

Cassia, in cases	gold. 1 lb. @ 36	Pepper, in band	(gold) 13 1/2 @ 14
Cassia to mats	do @ 38	do Sumra & Singapore	13 @ 19
Glanger, Race and Af (gold)	9 1/2 @ 10 1/2	Pimento, Jamaica (go d)	9 1/2 @ 9 1/2
Mace	do 1 40 @ 1 42	do in bond	do 4 1/2 @ 4 1/2
Nutmeg, esaks	do 9 1/2 @ 1 00	Cloves	do do 4 @ 4 1/2
do case Penang	1 00 @ 1 02 1/2	do in hand	do 8 1/2 @ 7

THE DRY GOODS TRADE.

FRIDAY, P. M., Dec 8, 1871

There has been very little doing in the market this week, either with agents or jobbers. The demand is mainly from the Western trade and is confined almost wholly to orders. Local buyers take such limited amounts as are required to meet their immediate wants, and near-by dealers come in occasionally, but are purchasing sparingly. The retail movement here and in the interior is very satisfactory, and has increased considerably since our last review, in consequence of the cold weather which has prevailed in the meantime. Retail stocks have become well broken and need frequent replenishing, but in view of the lateness of the period dealers purchase with marked caution, and only take such amounts as they are certain of an outlet for. Still the current trade is reported by wholesale dealers as being considerably in excess of that of the corresponding period last year, and there is more than the ordinary degree of firmness in quotations. The natural tendency of prices, is, of course, toward a decline, and in some instances quotations are shaded a little to effect current sales. A few quotable changes are reported in bleached fabrics, and some weakness is apparent in the market for brown cottons. Collections are coming in fairly from all quarters, with no more frequent calls for extensions than are usually made at this season of the year. No failures have been reported since our last review, and the fact that the trade so generally were able to pull through the losses attending the Chicago fires, and the subsequent stringency in money, may be considered indicative of a much sounder financial condition than was supposed to exist.

DOMESTIC COTTON GOODS.—The movement in brown cottons is confined to medium and low-priced qualities, for which there is a limited demand at full prices. Fine goods and standard weights continue slow of sale, though the range of prices is without material variation. In bleached fabrics the trade is more active in the medium and finer counts, though not very animated in any line. Low grades are off a shade, with a continued weakness, which may extend to the similar grades of browns. There is very little doing in colored cottons, and prices are steady. Printing cloths are steady but quiet at 7½c. for spot and contracts. Prints sell fairly in desirable patterns, and prices are maintained with a good degree of firmness. Canton flannels are dull, with prices weaker and, in some cases, nominal.

DOMESTIC WOOLEN GOODS.—There has been but very little animation in the market during the past week, and sales have been small. The cold weather creates a better retail demand for goods, but retailers generally are already well supplied and do not find it necessary to replenish their stocks to any great extent. A large auction sale of Waterville shawls was made on Wednesday with very satisfactory results, over 1,800 cases being placed at as good prices as were asked by the agents to store. The goods were nearly all purchased by large dealers on speculation, there being no prospect of closing them out this season for distribution. Some inquiry for flannels is reported, though the movement is not large. Repellants sell fairly, with a marked scarcity of gold mixtures. Heavy woollens are dull and entirely unchanged. Some spring weight cassimeres are selling to clothiers at private figures.

FOREIGN GOODS.—The market for all classes of imported fabrics rules very dull. Heavy dress fabrics are jobbing in moderate amounts for immediate distribution, and the aggregate transactions are sufficiently large to effect a perceptible reduction in jobbers' stocks. Importers are well sold out of really desirable goods, and are doing comparatively little in consequence. Some spring goods are arriving, and it is thought that the importations will be large, although the advance in prices here have not been proportionate with those abroad, and the prospects of establishing a profitable advance are not encouraging. Prices on most descriptions are weaker and generally nominal.

We annex a few particulars of leading articles of domestic manufacture, our prices quoted being those of leading Jobbers:

BROWN SHEETINGS AND SHIRTINGS.

Width.	Price.	Width.	Price.	Width.	Price.
Agawam F...	36 11	Dwight Y...	32 11	Lawrence J...	40 14½
Amoskeag A...	36 12½	do Z...	36 12	do Y...	35 12½
do B...	36 12	Indian Head...	36 13½	Nashua dne O...	33 12
Atlantic A...	36 13	do do...	48 19	do R...	36 12½
do D...	36 11½	Ind'u Orchard...	40 13½	do E...	40 15
do H...	36 12½	A...	40 13½	do W...	48 20
Appleton A...	36 13	do C...	37 12½	Pepperell...	7-4 25
do N...	30 10½	do B...	33 11½	do do...	8-4 30
Augusta...	36 11½	do W...	30 10-10½	do do...	9-4 32½
Bedford R...	30 10	Laconia O...	39 13	do do...	10-4 37½
Booth O...	34 11	do E...	37 12½	do do...	11-4 42½
do S...	40 12	do E...	36 11½	do do...	12-4 45
do W...	48 16½	Lawrence A...	36 11½	Utica...	36 17½
Common w/ib...	6 6	do D...	36 12½	do do...	10-4 30
O...	27 6	do XX...	35 13½	do do...	11-4 35
Continental C...	24 12½	do LL...	36 11	do fine Non...	40 19
Dwight X...	37 10				

BROWN DRILLS		BROWN DRILLS		BROWN DRILLS	
Appleton	14	Hamilton blue	17 17½	Pacific	11
Amoskeag	14½	Massach (ts O)	12	Pepperell	11
Hamilton	14	Massabetic	12½	Stark A	14
BLEACHED SHEETINGS AND SHIRTINGS					
Amoskeag	44 17	Booth O	31 13	Pepperell	9-4 31½
do do	43 16	do O...	30 11½	do do	11-4 40½
do A...	36 15	Ellerton W8	26 11	do do	11-4 40½
Androskog-		Fruit of the		Pocassett F	35 37½
gin L...	36 16½-17	Loom	36 17	Utica	5-4 35
Bartlett's	36 15½	Gr't Falls Q	36 16	do do	5-4 35
do do	33 13½	do S	31 11½	do Nonp	19 19
do do	31 12½	do A	33 15½	do do	9-4 60
Bates	45 19	do M	33 12½	do do	10-4 65
do XX...	36 17	Lonsdale...	36 17	do do	85 17½
do BB...	36 16	do Cambric	36 17½	do heavy B...	19½ 19½
do B...	33 14	N. Y. Mills	36 21	Wamsuta	45 37
Blackstone		Pepperell	6-4 35	do do	36 35
AA...	36 15	do do	7-4 37½	do XX	36 19½-30
Booth H...	36 14½	do do	8-4 42		
PRINTS					
American	11½	Glouce'r mourning	10½	Pacific	11½
Amoskeag	10	Lodi	11	Richmond's	11½
Bedford	8½	Manchester	11½	Hampson Mourning	11
Coheco	12	Merrimac D dk	11½	do black & orange	11
Garner & Co.	11	do W pk and pur	13	Sprague's fancies	11½
Gloucester	11½	do Shirting	11	Hamilton	11½
GLAZED CARRIAGES					
Amoskeag	8½	Manville	8½	Red Cross	8½
Garner	8½	Pequot	9½	Victory H	7½
Harmony	8				
AMERICAN DRESS GOODS					
Manchester Mills—		Royal Cords	32½	do mourning	18
Printed Delaines	20	Roubalx Poplins	27½	Armures	30
do Repps	22½	Alpacas 3-4, plain	20	do pl. & Glac.	19
Delaines	20	do 6-4, do	22½-25	Steel Lustres	22½
Saitcen Stripes	25	Pacific Mills—		Broche Cordes	20
do Diagonals	27½	Delaines	20	Elastic Serges	45-50
TICKINGS					
Amosk'g ACA	29½-30	Cordis ACE	28	Cordia No. 7	13½-14
do A...	24½-25	do No. 2	23½-24	Easton A...	12½
do B...	20½-21	do No. 3	20½-21	do B...	11½
do C...	18½-19	do No. 4	17½-18	Lewiston A...	36-30
do D...	17	do No. 5	15½-16	do B...	30-21
Cordia AAA	24	do No. 6	14½-15	Hamilton	31
STRIPES					
Albany	7½	Arkwright	19	Whitinton A.	6
Algodoa	12½	Easton	14	do BB.	11
American	11½-12½	Haymaker	11-11½	do C.	12½
Amoskeag	18-19	Hamilton	18-19		
CHECKS					
Caledonia, 70...	23	Caledonia, 11...	22	Park, No. 80...	20
do do	50...	do do	15...	do do	90...
do do	12...	do do	26½	do do	100...
do do	8...	do do	16		25
DENIMS					
Albany	13	Beaver Cr. AA	20	Manchester	30
Amoskeag	25	Chester D'k B	10½-11	Olla AXA	22
Arlington	15	Everett	25	do BB.	20
Bedford	14½	Haymaker Bro	13½	do CC.	17
Boston	11½	Hamilton	—		
CORSET JEANS					
Amoskeag	13½	Berkley	12½	Ind. Orch. Imp	12½
Androskog's sal	15½	Canoe River	10½	Laconia	13½
Bates	9½	Hallowell Imp	13½	Nunkeag	15½
Lonsdale	11	S. S. & Sons	11	Warren	12
PAPER CARRIAGES					
		High colors	1c higher.		
BAOS					
American	31 00	Kelley	27 50	Stark A	37 50
Amoskeag	32 50	Lewiston	33 00	do O 8 bush	50 00
Great Falls A.	32 50	Ontario A	37 50		
CANTON FLANNELS					
Brown.		Ellerton N...	22	Everett	19½
Tremont H...	12½	Amoskeag AA	27	Amoskeag, AA	29
do T...	15	do A	31	do A	22½
do X...	19	do B	20	do B	31½
do XX...	22	do H	18½	do H	19
do XXX	25	Bleached.		Ellerton P...	19
Nashua A...	15	Tremont H...	14	do N...	34
do XX...	22	do T...	16	do WH.	31
Ellerton P...	17½	do A...	17½	do H...	27
do H...	25	Hamilton F...	17		
IMPORTATIONS OF DRY GOODS AT THE PORT OF NEW YORK.					
The importations of dry goods at this port for the week ending Dec. 7, 1871, and the corresponding weeks of 1870 and 1869 have been as follows:					
ENTERED FOR CONSUMPTION FOR THE WEEK ENDING DEC. 7, 1871.					
		1869	1870	1871	
Manufactures of wool...	Pkgs.	Value.	Pkgs.	Value.	Pkgs. Value.
do do	358	\$117,473	434	\$161,159	375 \$143,806
do cotton...	507	125,794	720	163,082	630 167,179
do silk...	356	187,352	379	253,549	287 220,799
do fax...	3,962	125,117	1,000	140,085	797 183,970
Miscellaneous dry goods.	646	122,524	423	148,991	394 123,137
Total...	5,809	\$682,210	2,865	\$866,866	2,474 \$840,891
WITHDRAWN FROM WAREHOUSE AND THROWN INTO THE MARKET DURING THE SAME PERIOD.					
Manufactures of wool...	366	\$85,901	310	\$118,345	239 \$92,180
do cotton...	45	9,550	165	51,709	96 28,777
do silk...	40	43,040	68	54,882	43 49,484
do fax...	1,906	58,595	380	95,374	345 58,994
Miscellaneous dry goods.	42	8,309	70	23,130	402 27,310
Total...	2,299	\$215,395	983	\$344,649	1,125 \$235,765
Add ent'd for consumpt'n.	5,809	682,210	2,865	866,866	2,474 840,891
Total thrown upon m'rk't.	8,108	\$904,655	3,848	\$1,211,515	3,599 \$1,076,676
ENTERED FOR WAREHOUSING DURING THE SAME PERIOD.					
Manufactures of wool...	241	\$81,481	445	\$150,361	309 \$78,180
do cotton...	210	45,732	201	63,597	125 31,823
do silk...	85	61,488	73	97,870	27 27,887
do fax...	899	145,323	1,822	148,901	357 49,975
Miscellaneous dry goods.	565	19,403	190	53,515	90 23,950
Total...	2,023	\$303,460	2,661	\$514,662	708 \$212,475
Add ent'd for consumpt'n.	5,809	682,210	2,661	866,866	2,474 840,891
Total entered at the port.	7,832	\$1,041,730	5,326	\$1,880,915	3,182 \$1,053,366

Boston Bankers.

Page, Richardson & Co., BANKERS, 70 State Street, Boston. Bill of Exchange, and Commercial and Travellers Credits issued on The City Bank, AND Robert Benson & Co., LONDON. AND Munroe & Co. } PARIS. AND Marcuard, Andre & Co., } Circular Notes available for Travelers in all parts of Europe and the East.

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BANKERS, 31 DEVONSHIRE STREET, BOSTON, Buy and sell Western City and County bonds.

Philadelphia Bankers.

BK JAMISON & Co.

BANKERS, PHILADELPHIA. Transact a general Banking and Exchange business including Purchase and Sale of Stocks, Bonds, Gold etc. on Commission.

Western Bankers.

GILMORE, DUNLAP & Co., 108 & 110 West Fourth street, CINCINNATI, OHIO.

Dealers in GOLD, SILVER and all kinds of GOVERNMENT BONDS. COLLECTIONS MADE at all accessible points and remitted for on day of payment. CHECKS ON LONDON AND PARIS FOR SALE

Samuel A. Gaylord & Co, BROKERS IN WESTERN SECURITIES, 33 Wall Street, AND NEW YORK. 323 North Third St., ST. LOUIS.

SECOND NATIONAL BANK, TITUSVILLE, PENN., Capital - - - - - \$300,000 Deposited with U. S. Treasurer to secure Circulation and Deposits 500,000. C. HYDE, Cashier. CHAS. HYDE Pres't.

NATIONAL BANK OF THE STATE OF MISSOURI. In St. Louis. ESTABLISHED 1837. Capital paid in\$3,410,300 This Bank, having reorganized as a National Bank is now prepared to do a general banking business. Government Securities, Coin, Gold Dust and Bullion bought and sold at current rates. Special attention given to collections throughout the West. AMES H. BRITTON, Pres. CHAS. K. DICKSON, V Pres't EDWARD P. CURTIS Cashier

MORTON, GALT & Co., BANKERS, 150 West Main Street, Louisville, Ky., dealers in Foreign and Domestic Exchange, Government Bonds and all Local Securities. Give prompt attention to collections and orders for investment of funds. 1*

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Southern Bankers.

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THE CITY BANK OF SELMA.

Capital - - - - - \$100,000 JAS. ISBELL, of Talladega, President. WM. P. ARMSTRONG, Cashier. JNO. W. LOVE, Assistant Cashier. N.Y. Correspondent—Importers and Traders National Bank.

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Collections made on all accessible points in the Southern States.

WM. FOWLER. R. H. SOMMERVILLE. Fowler & Sommersville, BANKERS & BROKERS, MONTGOMERY, ALA.; Special attention given to purchase of Cotton.

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Cash Capital, - - - - - \$200,000 Special attention paid to Collections.

Edward C. Anderson, Jr. BANKER, FACTOR AND Commission Merchant, Savannah, Ga. Special attention given to consignments of Cotton, Gold, Stocks, Bonds and Foreign and Domestic Exchange, bought and sold. Collections promptly remitted for. Orders solicited for the purchase of sales of Produce and Securities. Prompt attention guaranteed. New York Correspondents: LAWRENCE BROS. &

J. W. WHEATLEY & Co., BANKERS AND BROKERS, AMERICUS, GA. Do a general banking business. Cotton purchased on order. Collections made and promptly remitted for. New York Correspondents—Messrs. Wm. Bryce & Co.

E. E. BUERUS, Pres't. A. K. WALKER, Cashier. First National Bank, WILMINGTON, N. C. Collections made on all parts of the United States.

G. TOWSEND. P. O. FAZENDE. W. R. LYMAN. Townsend, Lyman & Co. BANKERS & BROKERS, NEW ORLEANS. Particular attention given to business of Correspondents. Collections remitted for at current rate of Exchange. New York Correspondents Trevor & Colgate, Mortau Bly & Co.

JOHN A. KLEIN, C. C. FLOWERRE. GEO. M. KLEIN President. Vice-President. Cashier. Mississippi Valley Bank, A BANK OF DISCOUNT AND DEPOSIT, VICKSBURG, MISS. N. Y. Correspondent:—Bank of the Manhattan Co.

GEO. L. HOLMES. ALEX. MACBETH. HOLMES & MACBETH, STOCK AND BOND BROKERS, CHARLESTON, S. C. Key box 44.

G. P. CURRY, EXCHANGE BANK AUGUSTA, GA Southern Securities of every description, viz: Un current Bank Notes; State, City & Railroad Stocks, Bonds and Coupons. Collections made in all parts of this State and South Carolina and remitted for on day of collection, at current rate of New York Exchange.

New Orleans Cards.

UNION NATIONAL BANK OF New Orleans.

This Bank, organized under the general law of Congress with its capital of \$600,000 intact, is now fully prepared for Business. As the first of the Old Institutions of the State to improve the opportunity of furnishing our population with the facilities of a local circulation on which the interest accrues to our people we respectfully solicit a portion of your Business

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Insurance

OFFICE OF THE
ATLANTIC
Mutual Insurance Co.

New York, January 26, 1871.

The Trustees, in conformity to the Charter of the Company, submit the following statement of its affairs on the 31st December, 1870:

Premiums received on Marine Risks, from 1st January, 1870, to 31st December, 1870. \$5,270,690 09
Premiums on Policies not marked off 1st January, 1870. 2,155,733 61
Total amount of Marine Premiums. \$7,426,423 73

No Policies have been issued upon Life Risks nor upon Fire Risks disconnected with Marine Risks.

Premiums marked Off from 1st January, 1870, to 31st December, 1870. \$5,392,798 53
Losses paid during the same period. \$2,253,590 39

Returns of Premiums and Expenses. \$1,063,263 57

The Company has the following Assets, viz:

United States and State of New York Stock, City, Bank and other Stocks. \$8,843,740 00
Loans secured by Stocks, and otherwise. 2,377,350 00
Real Estate and Bonds and Mortgages. 217,500 00
Interest and sundry notes and claims due the Company, estimated at. 339,352 08
Premium Notes and Bills Receivable. 2,089,915 95
Cash in Bank. 316,125 45
Total amount of Assets. \$14,188,988 48

Six per cent interest on the outstanding certificates of profits will be paid to the holders thereof, or their legal representatives, on and after Tuesday, the Seventh of February next.

The outstanding certificates of the issue of 1867 will be redeemed and paid to the holders thereof, or their legal representatives, on and after Tuesday, the Seventh of February next, from which date all interest thereon will cease. The certificates to be produced at the time of payment and cancelled. Upon certificates which were issued (in red scrip) for gold premiums, such payment of interest and redemption will be in gold.

A dividend of THIRTY-FIVE Per Cent is declared on the net earned premiums of the Company, for the year ending 31st December, 1870, for which certificates will be issued on and after Tuesday, the Fourth of April next.

By order of the Board,

J. H. CHAPMAN, Secretary.

TRUSTEES:

J. D. Jones, Joseph Galliard, Jr.
Charles Dennis, C. A. Hand,
W. H. H. Moore, James Low,
Henry Colt, B. J. Howland,
Wm C. Pickersgill, Benj. Babcock,
Lewis Curtis, Robt. B. Minturn,
Charles H. Russell, Gordon W. Barnham,
Levell Holbrook, Frederick Chauncey,
R. Warren Weston, R. L. Taylor,
Royal Phelps, Geo. S. Stephenson,
Caleb Barstow, William H. Webb,
A. P. Elliot, Sheppard Gandy,
William E. Dodge, Francis Skiddy,
David Lane, Charles P. Burdett,
James Bryce, Robt. C. Ferguson,
Daniel S. Miller, William E. Bunker,
Wm. Sturgis, Samuel L. Mitchell,
Henry K. Bogert, James O. DeForest,
Dennis Perkins, Robert L. Stuart,
Alexander V. Blake.

J. D. JONES, President.

CHARLES DENNIS, Vice-Pres.

W. H. H. MOORE, 1d Vice-Pres.

J. D. NEWLUM, 2d Vice-Pres.

Insurance.

MERCHANTS
MUTUAL MARINE INSURANCE CO.
OF SAN FRANCISCO, Cal.

OFFICE, No. 60 WALL STREET.

Assets, - - - - - \$800,000, Gold.

No Fire Risks Disconnected with Marine Taken by this Company.

This Company issues Policies on Vessels, Freights, and cargoes, at current rates. Losses payable in New York, London, or San Francisco, at the option of the Assured.
J. B. SCOTCHLEN, Pres., JAMES HOWES, Vice-Pres.
R. W. BURTON, Sec. & Treas.
Messrs. MORTON, ROSE & CO., Bankers in London.
SUTTON & CO., Agents.

OFFICE OF THE

Pacific Mutual Insurance
COMPANY.

HOWARD BUILDING, 176 BROADWAY,
New York, January 12, 1871.

THE FOLLOWING STATEMENT OF THE affairs of the Company is published in conformity with the requirements of Section 12 of its charter:

Outstanding Premiums, January 1, 1870. \$166,924 04
Premiums received from January 1 to December 31, 1870, inclusive 484,840 67

Total amount of Marine Premiums. \$651,764 71
This Company has issued no Policies, except on Cargo and Freight for the Voyage.

No Risks have been taken upon Time or upon Hulls of Vessels.

Premiums marked off as Earned, during the period as above. \$506,733 79
Paid for Losses and Expenses, less Savings, &c., during the same period. 845,235 70
Returns Premiums. 42,670 02

The Company has the following Assets:

Cash in Bank. \$75,593 35
United States and other Stocks. 417,919 83
Loans on Stocks Drawing Interest. 212,510 00
Premium Notes & Bills Receivable. 776,990 73
Subscription Notes in advance of Premiums. 175,183 84
Reinsurances and other Claims due the Company, estimated at. 54,000 00
18,575 83
Total Assets. \$1,015,000 40

SIX PER CENT INTEREST on the outstanding Certificates of Profits will be paid to the holders thereof, or their legal representatives, on and after TUESDAY, the 7th day of February.

FIFTY PER CENT OF THE OUTSTANDING CERTIFICATES OF THE COMPANY, OF THE ISSUE OF 1-66, will be redeemed and paid in cash to the holders thereof, or their legal representatives, on and after TUESDAY, the 7th day of February, from which date interest on the portion redeemed will cease. The Certificates to be produced at the time of payment and cancelled to the extent paid.

A Dividend in scrip of TWENTY PER CENT, is declared on the net amount of Earned Premiums for the year ending December 31st, 1870, for which Certificates will be issued on and after TUESDAY, the 4th day of April next.

By order of the Board.

TRUSTEES:

John K. Myers, William Leconey,
A. O. Richards, Wm. T. Blodgett,
G. D. H. Gillespie, H. C. Southwick,
C. E. Milnor, Wm. Hegeman,
Martha Bates, James K. Taylor,
Moses A. Hoppock, Adam T. Bruce,
B. Bull, Albert B. Strange,
Horace B. Clafin, B. Augustus Now,
W. M. Richards, Emil Heinemann,
A. S. Barnes, Jehiel Head,
Egbert Starr, John R. Waller,
A. Wesson, William A. Hall,
John A. Bartow, Francis Moran,
Oliver K. King, Geo. W. Morris,
Alex. M. Earle, Stephen C. Southmayd,
JOHN K. MYERS, President,
WILLIAM LECONY, Vice-President.
THOMAS HALE, Secretary.

FIRE INSURANCE.

NORTH AMERICAN
Fire Insurance Company

OFFICE 192 BROADWAY.

Branch Offices,

Cooper Institute & 1429 Broadway.

INCORPORATED 1823.

CASH CAPITAL - - - - - \$500,000 00

SURPLUS - - - - - 205,237 93

Cash Capital and Surplus, July 1, 1869, \$795,237 93.

Insures Property against Loss or Damage by Fire at usual rates.

Policies issued and Losses paid at the Office of the Company or at its various Agencies in the principal cities of the United States.

R. W. BLEECKER, President,

WYLLIS SLACKSTONE, Vice-Pres.

F. H. CARTER, Secretary,

J. ORIN WOLD, General Agent.

Insurance.

Fire Insurance Agency,

No. 62 WALL STREET.

Aetna Insurance Comp'y,

OF HARTFORD.

Capital.....\$3,000,000 00

SPRINGFIELD

FIRE AND MARINE INSURANCE
COMPANY.

Capital.....\$500,000 00

NEW YORK, Oct. 20, 1871.

The above-named Companies, after paying the heavy losses sustained at CHICAGO, still are enabled to offer the security of an unimpaired capital against loss and damage by fire.

Policies issued and losses adjusted by
JAS. A. ALEXANDER, Agent.

IMPERIAL

FIRE INSURANCE COMPANY
OF LONDON.

Assets - - - - - \$8,000,000, Gold

CHIEF OFFICE IN THE U. S.

No. 40 and 42 Pine Street, New York.

The Liverpool & London & Globe Ins. Co.

Assets Gold, \$20,000,000

Assets in the

U. States, \$3,000,000

45 William St.

The North British
Mercantile Ins. Co.

of London and Edinburgh.

Capital Coin \$10,000,000

Assets in the

United States 1200,000

50 William St.

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COMMISSION MERCHANT,

AND

Cotton Factor,

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BUYERS OF COTTON,

FOR A COMMISSION.

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Reynolds & Brothers,

NORFOLK, VIRGINIA,

Buy Cotton, Grain, &c. on Commission.

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COTTON BROKER,

CORNER MULBERRY AND WASHINGTON STS.

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Bank, Vicksburg.

EDWARD FLASH.

EDWIN A. GRAVES.

FLASH & GRAVES,

COTTON BROKERS!

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NEW YORK.

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Georgia.

DAVIS & FRERET,

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for the past ten years.

During that time we have shipped not less than 1,300 Locomotives val- ued at \$12,000 each - - \$15,600,000	
12,000 Cars, average value	
at \$1,000 each - - - - \$12,000,000	
90,000 tons Steel Rails, at	
\$110 per ton - - - - - 9,900,000	
50,000 tons Iron Rails, at	
\$70 per ton - - - - - 3,500,000	
Total - - - - -	\$41,000,000

The coming year we shall extend our business, and
with increased facilities for transacting the same, we
invite the attention of the trade, and particularly
solicit shipments of RAILROAD IRON.

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rience in the construction and actual operation of
railroads, chiefly in the Western States, he will be able,
as he believes, to furnish economical and satisfactory
plans and systems of construction, and also correct
and intelligent opinions as to the value of proposed or
completed lines. Every effort will be made to furnish
accurate information to parties contemplating the
investment of capital either in the stocks or securities
of railroads, which will aid them in determining the
value of securities proposed. In deciding all legal
questions connected with the matters about which he
may be consulted, the subscriber will be aided, by
competent advice and assistance already secured.To mechanics, manufacturers and capitalists con-
templating Western investments, desirable opportu-
nities will be presented. Office over the People's
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Satisfactory references given.

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HAMILTON W'PENCKE, Attorney and Counselor.

EDWARD W. SERRELL,

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78 Broadway New York.

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Old Rails,

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ton England.
Supply all Railway Equipment and undertake all
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M. BAIRD & Co.,

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All work accurately fitted to gauges and thorough
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Finish and Efficiency fully guaranteed.M. Baird, Chas. T. Parry, Wm. P. Henzey
Geo. Burnham, Edw. H. Williams, Ed. Longstreth.
Wm. P. Converse & Co.,
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Gilead A. Smith & Co.,

BARTHOLOMEW HOUSE, BANK, LONDON

AND

NO. 62 BROADWAY, NEW YORK.

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amounts to suit remitters or travelers.

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Pascal Iron Works, Philadelphia.

Manufacturers of Wrought Iron Tubes, Lap Weld,

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Mains, Artesian Well Pipes and Tools,

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NEW YORK, BOSTON, PHILA.,

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CAST STEEL TYRES,

Cast Steel Frogs, and all other Steel Material for
Railway Use.

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34 Old Broad Street,

who give special attention to orders for

Railroad Iron,

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