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AND

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THE CRISIS IN EUROPE.

COTTON AN ABSORBENT OF SPECIE.

THE late news from Europe, of a sudden rise in the rates of interests at the great reservoirs of money, at a moment, too, of the realization of large harvests, admonishes the commercial world of the vast change which is taking place in the currents of commerce, and of the new condition of affairs that must result from a continuance of the present state of things for any length of time. Since the peace of 1815, the commerce of Western Europe has been immensely developed, and a material element of that development was the cotton drawn from the United States. Starting at comparatively small amounts, the purchases, mostly by England, rose to \$200,000,000 per annum of cotton alone, and that cotton was paid for altogether by the manufactured goods of England and Europe. Suddenly the supply from the United States ceased; the demand for goods stopped with it, and great distress resulted. Still, cotton must be had, and during the two last years the supply has been furnished by other countries, who demand not goods, but coin in payment, and at exorbitant rates. The drain of coin thus occasioned is producing the serious results of which the indications have reached us during the last few weeks. The normal condition of commerce left Great Britain largely in the United States' debt. The quantities of corn, cotton, tobacco, etc., which she purchased more than paid for the goods she sold to this country, and thus there remained a large balance due to the United States. This balance was drawn against in favor of France, for silks, wines, etc.; in favor of China, for tea, and of Brazil and Cuba, for coffee and sugar, in payment for all of which bills ran on London.

With France and the continent the operation was the reverse. She sold to the United States large amounts of goods in excess of her purchases, and for these goods she had a balance of bills running on London. To illustrate, the trade of France with the United States in 1860 was a follows:

France bought United States produce.....		\$40,834,986
Sold to United States direct.....	\$43,219,547	
Sold to United States via Europe.....	16,979,110	
		<u>60,198,659</u>
Balance due France.....		\$19,363,673
Shipped in specie.....		21,371,986

Thus, France in 1860 sold enough goods to the United States to pay for all the produce she bought of us, and received \$21,371,986 in specie besides. In 1861 her purchases of cotton, etc., were as large as ever; but in the summer and fall the imports of goods into the United States suddenly ceased. The consequence was, that instead of paying for the cottons as usual, in goods, she was compelled to pay in specie. Inasmuch as she did not sell her goods, she was deficient \$40,000,000 of bills on England, and in October, 1861, the Bank of France suddenly lost \$15,197,581. To remedy this sudden loss, the Bank of France was compelled in the first week in November to raise its rate of interest to 6 per cent, as it has now done. The same cause which made money scarce in France made it cheap in England, and the Bank of France borrowed \$5,000,000 at ninety days through the house of Rothschild in London, and \$5,000,000 through the house of Baring. These amounts were drawn against, and carried the Bank over the exigency.

In regard to the United States, they had sold their cotton, tobacco, and rice, but did not buy the goods, consequently the import of specie was very large. The specie movement at New York for four years was as follows:

	1859.	1860.	1861.	1862.
Imports.....	\$2,816,421	\$8,852,330	\$37,088,413	\$1,311,964
Exports.....	69,715,866	42,191,171	4,236,250	61,872,391
Excess imports..	.....	.....	\$32,852,163	.....
“ exports..	\$66,899,445	\$33,338,841	.....	\$60,560,427

This table shows the great perturbation which the war caused in the specie movement. The regular current of exports was checked, and a large amount of coin came back. Fortunately for the United States, at the moment when this cotton fund which paid so much of our imports was cut off, the circumstances of the crops in England and France required a large amount of United States food. The export of breadstuffs stepped in to supply the lack of cotton, and the drain of gold from this country, that would otherwise have been excessive, was checked. Meantime the supply of cotton from other sources has grown up, and with it an intense demand for money. The course of this trade has been rapid. Great Britain was the chief recipient of the cotton crops, and in 1861 purchased 1,262,607,800 lbs., for which she paid \$190,000,000, mostly in goods. The largest portion of the cotton—80 per cent of the whole—was of United States origin, and was of a quality and cheapness that could not elsewhere be reached. Indeed, as long as the United States crop was in full supply, that of India, Egypt, Brazils, etc., was only in incidental demand, and at prices which barely remunerated the grower, since long transportation and shipping charges absorbed most of the proceeds. When the United States supply was entirely cut off the prices rose rapidly. The rates in Liverpool have been as follows for middling:

	N. Orleans.	E. Indies.	Egypt.	Brazil.
1860.....	13 cts.	8 $\frac{1}{4}$	15 $\frac{1}{2}$	16
1861.....	21	12 $\frac{1}{2}$	20	20 $\frac{1}{2}$
1862.....	55 $\frac{1}{2}$	31 $\frac{1}{2}$	49	51
1863.....	55	39	52 $\frac{1}{2}$	55 $\frac{1}{2}$

The natural effect of this immense rise in price in the Liverpool markets was to stimulate production in every country where cotton will grow. It is an immense bounty held out to all the world to raise cotton for the English spinners. The effect of such a bounty cannot be realized for some years, since the means of planting and growing on a large scale do not exist. A drawback upon the effort to meet the demand exists in the uncertainty of its continuance, since a cessation of the war and a resumption of the growth on the part of the Southern States would gradually destroy the market for other cottons, as none of them can compete either in quality or price with the United States descriptions. It is also the case that where a new and large demand is made upon a country for raw products the only means of payment is specie, because the markets for goods do not grow in the same proportion. The operation of the demand is manifest in the following table of the quantities and values imported into Great Britain from each country in the first seven months in 1861 and 1863;

## COTTON IMPORTED INTO GREAT BRITAIN.

	1861.		1863.	
	Pounds.	Value.	Pounds.	Value.
United States..	758,881,000	\$116,108,938	2,399,697	\$997,770
Brazil.....	7,450,100	1,304,099	15,850,350	6,521,079
Egypt.....	28,802,700	4,867,529	63,108,337	26,345,455
East Indies....	117,202,200	12,385,347	174,863,812	57,599,835
Other countries	3,734,775	532,932	48,231,225	17,778,999
Total.....	916,070,775	\$135,198,845	304,353,421	\$118,243,138
Decrease.....			611,717,354	16,955,707

This is a curious result. In the present year England has procured only one-third of the quantity of cotton which she purchased in 1861, yet she has offered nearly three times the prices for it. In other words, the average price in 1861 was 14 $\frac{3}{4}$  cents, and in the present year 38 $\frac{1}{4}$  cents. The result of the demand is, that Brazil has received four times as much money as in 1861; Egypt, six times as much; India, nearly five times as much, and many minor sources of supply have increased some \$17,000,000 in value. The amount of it all is simply this—England has paid nearly as much in 1863 as she was called upon to disburse in 1861, but has got only one-third the cotton for it, and, what is of still greater importance, in the former year she paid mostly in goods, but this year she has been required to pay in the precious metals, or thus:

	1861.	1863.
Paid United States in goods.....	\$116,108,938	\$997,770
Paid other countries in specie.....	19,089,907	117,245,368

The payment of this large amount in specie has been possible only by reason of the supplies of the metal derived from the United States, which

in ceasing to supply cotton sent the gold to buy it elsewhere, and also food to make good the short harvests of England and Western Europe. The wealth thus conferred upon those comparatively poor and remote nations, at the expense of the wealthy central nations, will doubtless result in causing a greater growth of commerce with them hereafter. The capital, so planted, will doubtless become prolific of new industries when the usual course of trade in America, being resumed, shall have again caused their cotton industry to decline. The wants of the world are, however, so rapidly outgrowing the capacity of the United States to supply the cotton demand, that many years must elapse before, if ever, the old price is reached.

Meantime, the high prices of cotton, which have brought out these large supplies that are to be paid for in specie, continue to operate. The quantity arriving in England is increasing, and, as a consequence, the sum of coin to go becomes greater. For nine months, last year, the sum was £11,000,000, this year it is £26,000,000; next year, the amount may be again doubled, and the figures become formidable. Already they exceed the sum of the joint production of California and Australia. At the same moment, the political differences in Europe have caused much hoarding of gold, and the exports of the metals from England, for nine months, have been as follows:

	Silver.	Gold.	Total.
To Europe.....	\$7,689,620	\$38,583,375	\$46,272,995
To India, etc.....	31,736,970	15,817,650	47,554,620
Total .....	39,426,590	54,401,025	93,827,615

This drain of specie, added to the hoarding in Europe, has now produced pressure in Europe and England, both. The losses of the Bank of France compelled her, some time since, to raise the rate of interest to five per cent, and this was suddenly followed by the Bank of England on the 3rd to five per cent, and on the 5th to six per cent. The Bank of France immediately put the rate up to six per cent, and money rose in value in most other cities.

This has taken place, notwithstanding that the crops were never better than this year. Probably the crops are \$300,000,000 better in England and Western Europe than last season, and very fortunately so, since if they were compelled to purchase goods as largely as last year, the crisis would be greatly intensified. As far as England goes, it appears to be more a demand for money than capital, since the latter seems to be very abundant. That abundance, however, it must be borne in mind, is born of the great plenty and cheapness of money during the last two years, in which, although there has been much suffering among operatives for want of work, the manufacturers and holders of goods have realized fortunes in the rise of prices, which the forced diminution of production brought about. The reverse of the picture is now at hand: money is becoming very dear, goods hereafter can be produced only at enormously increased cost, the consumption will be, of course, reduced, and ability to export on former terms greatly lessened. She will be obliged to pay coin for materials, and compelled to sell her goods very cheap to get that coin. Other nations will be able to compete with her on better terms. Another year, too, may find her harvests deficient, and the chances are that the commercial preponderance of England may pass away amidst a suspension of specie payments brought about by the causes to which we have alluded, and which are daily being developed.

## THE DEPRECIATION OF GOLD.

OF the fluctuations that take place in the value of money, those which occur during limited periods and are governed by the greater or less emissions of *paper* money are the ones chiefly occupying the attention of merchants and bankers; and yet such fluctuations are by no means confined to a paper currency, nor restricted within the limit of a few weeks or months.

The ease with which paper may be put out or retired make the changes in prices dependent on its action more frequent and marked than those which attend the far more important, though slower, mutations in the value of the metallic currency recognized among all civilized nations. As these usually extend beyond the limits of a life-time, and produce results only in the lapse of generations, they interest less individuals engaged only in looking after their individual fortunes than they do the statesman who has, with a wise forecast, to care for the future of the nation over whose councils he is called to preside. Hitherto, in the experience of the world, money has been formed of the precious metals, because its value is very generally recognized, because it has an intrinsic value, and because that value has been more stable than that of most other commodities. Much discussion has, however, arisen of late as to the probable effect of the greatly increased supply of gold—whether it will not and has not caused a corresponding depreciation in the value of the precious metals. In a former number of the magazine we gave our reasons for believing that, compared with silver, gold would retain its relative value. We now propose, by very briefly tracing the history of the precious metals and their fluctuations, to show that, notwithstanding this wonderful increase in the production of gold, there is no reason for concluding the precious metals will depreciate. There will be, as there has been heretofore, fluctuations in its value—seasons of abundance and scarcity—but no permanent depreciation.

And in this connection it is important to remember that the fact that gold and silver have been used as currency constitutes, in a great measure, their intrinsic value. It is no doubt the case that a great deal of time, labor, and expenditure of capital are required to produce gold; but that expenditure is incurred because the gold is the universal currency. Take that function from it and one year's product in California would glut the markets of the world, and gold would be a very cheap metal. In the early ages of commerce, however, there was no California, and gold was supplied no faster than the comparatively limited numbers of the people and commerce of the world required. With the rising power of the Roman empire, absorbing the vast commerce of Carthage and adjoining States, the wealth and commerce of the world were concentrated, and the supplies of the precious metals governed prices in imperial Rome. The military operations of the empire required large expenditure, which were gathered from the lands and producers of that day. The taxes so imposed were proportioned to the prices which commodities commanded in the currency of that age. But the Roman world was surrounded with populous but barbarous nations, which were to be civilized and taught the arts of peace through the power of the Roman arms. Just so fast as new nations made progress in the production of wealth, and consequently in commerce, just so fast they required a portion of that gold currency which had theretofore only sufficed for the

wants of the imperial country. As there was no means of increasing the supplies of the precious metals, money became scarce in Rome. The imperial expenditures were, however, kept up *per force* at the former rate, and the weight of taxation increased in proportion as gold became dear, until towns and provinces were crushed and wealth perished where production ceased. During fifteen centuries succeeding the Christian era the value of gold rose in proportion to other commodities. From the time of AUGUSTUS to the discovery of the American mines it rose one-third in value.

As extended industry, increased wealth, and commerce were developed, the want of money was urgently felt, and many devices were resorted to, to make a "little money go a great ways." The favorite mode of doing this was to reduce the quantity of metal in the current coins. In England, from 1066 to the end of the eighteenth century, seven hundred and fifty years, the weight of silver coin was reduced thirteen times. One pound weight of silver was originally coined into twenty shillings, but the number of shillings was gradually increased until one pound of silver sufficed for sixty-six shillings. The same quantity of metal was made to do greater duty. The gold coins have fared worse. They have undergone twenty-four successive alterations, until an ounce of gold, instead of 20s. 10½d., is now made into 77s. 10½d. In Scotland, the quantity of silver in the same coin is reduced to one-fortieth of its original quantity. In every country of Europe, as wealth and trade demanded more money, without there being any means of increasing the supply of the material, the old stock was spread out more thinly to supply the deficiency. This was not done without great distress. The constant downward tendency of prices, occasionally relieved by the change of standard, which benefited debtors at the expense of creditors, was severely felt by the industrious masses. The progress of England and Western Europe may be said to have been strangled by the want of money. In the reign of HENRY VIII., the coin was greatly reduced. Under HENRY VII., one pound of silver had been coined into 37s. 6d.; it was now coined into 140s. 4d. This produced disaster. At that juncture, while the world was so suffering, the discovery of the mines of America poured forth relief. An immense supply of the metals made its presence felt, and enabled ELIZABETH to restore the English pound of silver to sixty shillings. Under the influence of this supply of metals, the trade of England and the prosperity of Western Europe took a new start. Commerce became more developed and prices improved, thus absorbing the metals. M. CHEVALIER estimates that in the last three centuries the mines have added \$10,000,000,000 to the supply of the metals, and the supply has had a three-fold operation. It has measurably supplanted barter trade with money transactions; it has raised the level of prices, by diminishing the value of money; and has stimulated the production of wealth, by increasing the reward of labor. This greater supply of money benefited producers at the expense of capitalists. Gradually, population and wealth increased faster than the supply of the metals. Money was again becoming dear, because of the vastly increased area for its use and the vigor of the demand for circulation. When peace took place in Europe, in 1815, and trade was everywhere resumed with vigor, under the influence of steam and new inventions, the demand for money was still greater, and it became perceptibly scarce, so much so as to produce the greatest distress among the people. In Great Britain, the distress manifested itself in popular disturbances, and resulted in the passage of the Reform Bill, which was supposed to be one

remedy for the prevailing trouble. The same causes produced the revolution in France in 1830, in Poland, in Spain, and the separation of Belgium from Holland. Financial revulsions were frequent, from paper inflations, that were designed to remedy the want of money which was strangling industry. The gold mines of the Ural Mountains then began to affect the markets of the world, and increased the supplies of the metals. But it was only when the common cause of distress produced the revolution in Europe, in 1848, that the era of relief was reached. The gold of California was then discovered, and began to pour its fertilizing stream over Europe at the moment a new Napoleon restored the empire to France. Australia soon after added its supplies, and since then Siberia, California, and Australia have vied with each other in furnishing the precious metals to the use of Europe. As a consequence, the general prosperity has been marvelous. The exports of the great nations have more than doubled. Prices have advanced, rents have risen, and the debtor classes have found their burdens gradually lightened at the expense of the creditors. The immense national debts of England and France have been virtually greatly reduced by the fact of a cheapened currency, in which the taxes are paid.

There is no prospect of any diminished yield to the mines. On the other hand, new mines on the Pacific slope, of greater richness, are continually discovered, and those of Mexico are now likely to be more efficiently worked. In South America, Major RICKARDS, inspector of the mines for the Argentine Republic, gives the most glowing descriptions of the exhaustless nature of the mines of the Andes. All these are only second to the great promise of the Siberian mines. In short, Australia, California, Oregon, Mexico, British Colombia, South America, and Russia all promise increasing supplies for at least a century to come.

With this prospect before the world, it would be natural to expect a great permanent depreciation in the value of the metals. Still, we do not think it will be the case, for there are counteracting agencies at work. Thus, for instance, in what has been said above, we have seen that there have been periods in the world's history, other than the present, when the precious metals were abundant; but they have been invariably followed by periods of scarcity; that the cause of this abundance was the sudden increase in production, as is the case now, but this increase stimulated industry, until the metals became spread over a greater surface of the earth, and then another season of scarcity followed. This same agency is at work now, and although the production of gold has greatly increased, it is rapidly being carried into new countries where there is a demand for it. Many seem to forget that really a *very small portion of the human race is yet stocked with gold.*

A professor of the University of Berlin has recently published the result of his researches as to the population of the earth, according to which Europe contains 272,000,000, Asia 750,000,000, Africa 89,000,000, America 200,000,000, and Polynesia 2,000,000—a grand total of 1,283,000,000 inhabitants. The population of Europe is not yet stocked with metals in a degree sufficient to produce any marked change in value. Of the population of America, about 50,000,000 may be added to that of Europe and we shall have 322,000,000, or not one-fourth of the human race, that are as yet under the influence of civilized commerce. Thanks to steam and other appliances, however, commerce is fast extending itself. The vast population of China, with their industrious habits and trading propensities, are

yet mostly addicted to barter, but, are thoroughly inoculated with the love of gold. The large population of India absorbs immense sums. In the last fifteen years, \$600,000,000 of specie has been sent thither from Europe. Africa is being penetrated by traders, and the circle of her commerce extending. At the same time gold is drawing crowds of industrious persons into the hitherto wild regions of Siberia, Australia, and California. Each of these gold seekers produces a value four times as great as before, and, as a consequence, employs four times as many producers of other commodities. In each of these regions new nations of great wealth are forming.

It follows that while new sources of gold supply are being discovered, still larger fields for its employment and absorption are being explored and opened. As if to give a new impulse to this outward current of gold, the vast production of American cotton is suspended, and India, Egypt, Brazil, and many countries of Africa are called upon to furnish cotton, to the extent of their capacities, at fabulous prices. The cotton fields of those countries have become to them rich placers, which attract gold in unwonted streams, raising prices, advancing values, stimulating industry, and promoting the general wealth.

It is obvious that if these or similar elements are to remain in full operation, expanded to gigantic proportions in the lapse of a prosperous century, there will be not only no depreciation in gold, but the present production will even fail to supply the increased demand.

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#### THE MONETARY UNIT AND FINANCIAL ECONOMY.

NOTWITHSTANDING the numerous pages I have contributed to your magazine on the subject of Political Economy, I have never given you my ideal of the true system of national finance. Dealing with things as they are, and opposing the factitious principles and arrangements of a false economy, I have scarcely thought it worth while to present views that may be deemed abstractions, however desirable may be their attainment. But it is clear to my mind that an entire change in our system of currency is inaugurated by the necessity on the part of the Government of providing a circulating medium in obtaining a loan of capital from the people. Common sense at once discovers the sophistry of the old system by contrast with the new. The people see that the capital they are now lending without interest on Government notes, they have all along been lending on bank notes, not only without interest, but that they have been needlessly and very absurdly paying interest on their own capital thus loaned to bring the bank notes into being—a system which has compelled the sale of goods on credit and covered the traders of the country with embarrassment. In this way they have been under the necessity of lending capital when they have no capital to lend—when their normal and necessary condition is that of borrowers.

With this knowledge, and the manifest advantage of *cash* sales, consequent upon a pre-existing circulating medium in the place of so much bank debt, besides the saving of taxes needlessly imposed for the benefit of fundholders on so much public stock that would otherwise be created, the public will surely give to the bank debt currency system leave to with-

draw. I consider it to be already virtually dead, requiring only an act of taxation to bury it beyond resurrection. Whatever good there is to follow will depend upon the aggregate truth and faithfulness to honest principle and real science in the ideas of the people. I wish, therefore, to present mine, however impracticable they may seem, as a contribution to the fund of general intelligence on which our future currency and financial economy must be founded.

It is not the proper business of traders in merchandise to lend capital. It is the business of banks and bankers to deal in loanable capital, and of traders generally to buy and sell goods, and borrow capital of banks and bankers when necessary or desirable. In this natural and proper way of doing business, the loans of the banks would be vastly increased, in being limited only by the amount of capital they could borrow. When we reflect on the great amount of merchandise sold on credit in this country, all of which is somebody's capital loaned and borrowed, we may form some conception of the vast business that would flow through the banks if they would give it freedom from the crippling operation of their debt currency in demand liabilities for debt against debt—for fiction against fiction.

My ideal of the true system of finance is, that everything unreal, factitious, and difficult of comprehension, in respect to it, should be discarded. I would, therefore, discard the unstable dollar to begin with, and adopt the troy ounce of gold as the unit of price and value; for the dollar is almost a myth, it means everything and nothing, in common apprehension, and is really a mysterious thing to some intelligent minds. It is silver, of various weights and various degrees of purity; it is of gold, or it is of paper, according to the notions that happen to prevail in any country where it is adopted as a medium or instrument of exchange. Nobody knows where it came from, nor when it first appeared on the face of the earth. Its authentic written history dates back to the beginning of the sixteenth century, when it became known in Bohemia as an ounce of silver of a certain purity and accuracy of coinage, which made it a reliable equivalent and instrument of exchange. Now it has shrunk in that country to 14 dwts. and  $6\frac{1}{2}$  grs., alloyed one-fourth; it is the "thaler," worth about 70 cents by our gold measure. In Italy, it is the "talavo," weighing 18 dwts. and 22 grs., alloyed 40 per cent, worth about  $71\frac{1}{2}$  cents. In Spain, it weighs 17 dwts. and 8 grs., and would be worth here as bullion \$1.06, payable in gold, and as a foreign coin it would fetch \$1.09 or \$1.10 for export to China. Our old silver dollar, coined prior to 1834, weighed 17 dwts. and 10 grs., and would now exchange as bullion for  $\$1.06\frac{1}{4}$  of gold. Recently, our dollar was, of gold, alloyed one-tenth, weighing 25.8 grs., worth 100 cents; to-day it is of paper, and the gold dollar is worth 156 or 157 cents. The legal paper dollar cannot be said to be worth anything—the worth it relates to being in our property, which the Government may take by taxation to pay it when necessary; it is not in the paper and in the property also, but we can borrow on the paper dollar 64 cents in gold. The passing of a paper dollar is merely borrowing capital on the credit of the promisor; it pays nothing. Thus we see the dollar is just about as uncertain a thing as can be contrived for an instrument of exchange; and the man who says it is always worth a hundred cents does not know what he is talking about. It is a staggering thing, thoroughly demoralized, that cheats one half of the community, and more

than nine-tenths of the traders, out of their just earnings. I would abolish it altogether.

I would have an established weight, a known reality, something plain to the commonest apprehension, as the unit of price and equivalent of other values. I would adopt the troy ounce of gold of the present standard purity, and coin the same in both a decimal and an octave division of numbers. There could be no mistake about this, and the Government could make nothing else of it but an ounce of gold. It would put at rest the fallacy that Government fixes the value of money by establishing the weight and purity of coin. Very few people comprehend that the act of the Government in coining is simply an act of inspection, like determining the quality and weight of a barrel of flour, and that the value depends, not upon the stamp, but upon the supply and demand in the one case as in the other. More gold cheapens gold, as more flour cheapens flour, and it could scarce fail to be seen, if bankers put upon the markets promises to deliver ounces of gold when they have none to deliver, that the promises being accepted as gold must produce a factitious increase of currency and local depreciation of gold in the market, and infallibly a loss to the community, dealing in such promises, of their whole amount. We cannot teach this truth to unpracticed thinkers upon the subject, because of the mysterious character of the dollar. It is an unequal fraction of the troy ounce, liable to alteration in character and quantity by the Government—everything by turns and nothing long—until people have come to consider it an artificial and temporary contrivance that anybody can make out of any sort of metal, or out of paper, as good as the best, with Governmental sanction.

An operation of this kind in wheat has recently been developed in Chicago, which illustrates, perfectly, the principle and effect of our fictitious currency. The warehousemen, seeing that their warehouses are replenished as fast as they are emptied, put upon the market warehouse certificates of wheat for delivery on demand, on their own account, when there was no such wheat; but they thought they could—and they generally could—meet the certificates without danger of defalcation. The consequence was, that there was constantly more wheat offered for sale in Chicago than had any existence.

A rudimental lesson in political economy was here plainly and practically taught. The owners of the wheat found its market price depressed to correspond with the apparent increase of quantity, and that they were competing against their own capital in the hands of the warehousemen for the sale of their own wheat. By the law of value, in supply and demand, they were losing, in the degradation of the value of wheat, as much as the fictitious certificates amounted to, and having acuteness enough to discover this in their special traffic, they procured the passage and enforcement of a law which put a stop to the damaging and abnormal business. Why had they not—why has not every man of common sense—acuteness enough to discover the same damaging principle in our fictitious currency? The owners of money, or of capital invested in the currency, are competitors against their own capital, precisely in the same way, and with the same result. Their warehousemen are the banks who issue on their own account certificates and credits for dollars of money, when there is no such money belonging either to themselves or others. The whole currency\*is depreciated by the imaginary dollars thus circulating in the

market; but the depreciation is in *value*, not in *price*, because the dollar is the unit and measure of price. The dollars of money lose so much of their exchange value, or purchasing powers, precisely like the bushels of wheat, by the offering in market of money that has no existence.

This simple truth is obscured by the mysterious character of the dollar; but as every person comprehends that an ounce of gold, like an ounce of anything else, may rise or fall in value, the adoption of the ounce as the unit of price would put an end to the sophistication by which the country is plundered of its capital in dealing with other countries, in paying a fictitious price of our own creation for imported commodities, while our exportable commodities must be sold to meet the foreign demand, in accordance with the measure of price of foreign markets, or remain at home. And it would abolish the iniquity by which individuals are plunged into bankruptcy and ruin, in making obligations to the banks and to each other to deliver dollars, or their equivalent in capital, never created, and which, consequently, can have no existence.

With the ounce for our unit in place of the dollar, the nomenclature of the inferior coins should be preserved of dime, cent, and mill. The following is a schedule of the proposed coins, with their equivalent values under our present gold dollar system:

1 ounce of gold—10 dimes, or 100 cents, or 1,000 mills—equal to \$18 60	
$\frac{1}{2}$ " " 5 " 50 " 500 " " 9 30	
$\frac{1}{4}$ " " $2\frac{1}{2}$ " 25 " 250 " " 4 65	
$\frac{1}{8}$ " " $1\frac{1}{4}$ " $12\frac{1}{2}$ " 125 " " 2 32 50	
1 dime " 10 " 100 " " 1 86	
$\frac{1}{2}$ " " 5 " 50 " " 0 93	
$\frac{1}{4}$ " " $2\frac{1}{2}$ " 25 " " 0 36.50	
1 cent of silver, 10 " " 0 18.60	
$\frac{1}{2}$ " " 5 " " 0 09.30	
$\frac{1}{4}$ " " $2\frac{1}{2}$ " " 0 04.65	
1 mill of nickel, " " 0 01.86	
$\frac{1}{2}$ " " " " 0 00.93	

The fractions of the dime, and, indeed, the dime itself, should be coined in the ring form, to avoid the diminutive size of the disk that would be unavoidable otherwise, in coins of such small weights. It would be better, for the sake of uniformity, to coin the fractions of the dime of gold than silver, which latter would be appropriated to the cent and its fractions, even if there should be some inconvenience in the diminutive size of the gold coins. Besides, gold is our staple product, rather than silver, and the greater the use we make of it the higher is its local value, and the more value we must obtain for it in international exchanges. The schedule, altogether, comprises precisely the same number of pieces as our existing coins. I think there would be no difficulty in expanding the diameter of the ring to avoid the inconvenience of diminutive size in any of the coins, and if the ounce, with its fractions, were coined solid, while the dime, with its fractions, were coined in a ring, the arrangement would be doubtless as convenient and as perfect as any that could be devised. Another, and perhaps weightier, argument in favor of the most extensive use of gold is, that it is our standard, and the closer we adhere to it in the coinage the more accurate are our values.

No one, accustomed to the use of a decimal currency, doubts its superiority to a system of vulgar fractions and duodecimals, like that of Great

Britain. But no system is perfect that does not admit of a ready division of the unit into eight parts, without remainder, to measure price by halves, quarters, and eighths, to correspond with the natural division of quantities. We do not buy the tenth of a bushel, or of a pound, or of a yard, of anything; we buy square quantities, and have square prices to pay for them; we need coins in square numbers to harmonize with this natural division of things. The currency of France is so inconvenient in this respect that French writers have proposed to abandon it for an octave system to measure price by eighths. But the diminutive nature of the French unit—the franc—is a still greater objection to it, because of the long array of figures required to express any considerable aggregate of prices. Our dollar is, in this respect, too small. The ounce, as here proposed, obviates this objection, while it provides a combination of decimal and octave numbers perfect for all purposes relating to the currency.

Troy weight is the most ancient of the weights used in Great Britain. It is the standard weight of the kingdom, and of course is referred to for the verification of all other weights. It has, from the earliest records of English commerce and science, been employed for the compounding of medicines, for the weighing of gold and silver and jewels, and for all experiments in chemistry and natural philosophy. It is, therefore, perfectly familiar to commerce and science, and while we employ it in weighing the precious metals the troy ounce seems to be the most natural as well as convenient weight for the unit of our money. It would be an effectual aid to the Government, in recovering its constitutional control of the currency of the nation, thus to change the nomenclature and the weight of the coins. We could the more readily distinguish the currency furnished by the Government from that created by the banks—accept the former, and discard the latter.

We should have, for a period, the trifling inconvenience of using the affix, *new*, for the new coins below the denomination of the ounce. We should say, the *new* dime, the *new* cent, and the *new* mill, until the old pieces were recoined or passed out of circulation; but this inconvenience would be no greater than we have already experienced in getting rid of the old silver dollars, and the old copper cents, which differ essentially in their value from the new ones. The process of changing the old currency to the new would be a very simple matter, which any schoolboy would at once comprehend. It would require merely to divide the sum of dollars and cents by the number 18.6; the quotient would be ounces and decimals of the ounce.

In the next place, I would recover the capital, that is, the money, belonging to our currency; an amount equal to about one-tenth the sum of our circulating capital, or one twenty-fifth part of the whole property of the nation, which is now deficient, by gradually, if not rapidly, converting the paper into money; because it would be a gain of business, as well as of individual and national wealth, at every step. Our people must produce commodities to exchange for gold and silver to recover this capital, or they must produce the gold or silver itself. In either case, they acquire so much capital individually, and, at the same time, augment by so much the wealth of the nation; for the wealth of the nation is but the wealth of individuals.

If you owe me and I owe you \$1,000, our assets and liabilities are so far alike, and so far neither of us is worth anything; a re-exchange of ob-

ligations annihilates the debt. This is the principle of our debt currency, whether created by the banks or the Government; there is nothing in it, and when the kiting is no longer agreeable or possible to either or both parties, a set-off annihilates so much currency and so much *price* along with it. The element of the debt currency of the Government is unassessed taxation; individuals owe the Government, and the Government owes individuals an equal sum, the adjustment of which leaves just nothing at all. There is no wealth, therefore, in the Government debt; the wealth is in the property of the people that is bound to pay it; we cannot double the wealth by adding the debt to the capital or property that is bound for it. Obviously, were all the debt of the Government and the people instantly annihilated it would make no difference in the aggregate wealth of the nation. But if you or I owe \$1,000 of gold, it is so much capital that the Government may borrow on its Treasury notes, over and above anything it can have if the gold is not here, and a debt currency occupies its place; it is so much individual and national capital and wealth. I say, therefore, I would recover this capital to the currency and to the nation which is now repelled by the demand notes and credits of the banks, and by the notes of the Government. I would have the money flow into the national treasury, or currency bureau, naturally, and either retire the notes, as convenient, by paying out coin instead of the notes, or I would retain coin and bullion in reserve, ounce for ounce, against the outstanding notes, and thus convert them into certificates of deposit. It is the most preposterous nonsense in the world to suppose that money and the promise to pay it can both be kept in circulation together and made available as capital, and that we can thus eat our cake and have it too. If we circulate the promise, without reserving the money against it, we must part with the money and lose so much capital, absolutely, by the depreciation of the value of money to correspond with the factitious increase of the currency. If we circulate the money, or the certificate of deposit with the money in reserve against it, we possess so much the more capital or working wealth for the prosecution of war or the arts of peace.

Nothing can be more certain than the fact that there is never a deficiency of currency in this country when we are exporting gold and silver, and the heavy exports of these metals now taking place from New York and direct from California, with the large and increasing premium on gold, demonstrate a depreciation of its value, from a plethora of debt currency, which can only be accounted for by extreme ignorance of the first principles of political economy on the part of those who manage the fiscal concerns of the nation.

To check, for the present, this ruinous course of debt, depreciation, and loss of capital, the Government should authorize the chartered banks and individual bankers, who hold the purse strings of the nation, to borrow capital already invested in their bank notes and pre-existing "deposits" by the people, as well as the capital invested in the demand notes of the Government. This fund would be paid into the banks by its lenders, in the pre-existing circulating medium, and loaned to the Government by the banks without augmenting the currency or depreciating the value of money at all. The same funds, having been distributed by the disbursements of the Government, would return to the banks in the deposits of the people in a very few days or weeks, on the average, when they would

be loaned again; and they might thus be returned and reloaned fifty times without expanding the currency or doing any harm to the capital of the country.

There is an abundance of capital for this purpose in the hands of the people of the loyal States; it is increasing faster than it is being consumed; the consumption of the war only stimulates production so much the more in excess of the demand. Two wars like the present would not diminish the aggregate capital of the Northern and Western States a fraction, since our power of production exceeds any demand that can be brought upon it. Never since the nation was born has its general business been so active and profitable and its aggregate wealth increasing so fast as now.

But the Government is embarrassing itself and the nation by creating currency in the fictitious credits of banks, instead of borrowing capital loaned on the pre-created currency of these institutions and on its own pre-created notes. When loanable capital was going a-begging at 4 per cent per annum in 1861, and the Secretary of the Treasury was authorized to pay  $7\frac{3}{10}$  per cent, with the currency reduced below the specie measure, the exchanges of the world consequently in our favor, and specie flowing into the country from all directions, he should have borrowed capital through their agency, and paid them a fair profit for it; instead of which he and they *kited* into existence a fictitious credit of \$150,000,000, increasing their demand liabilities from \$427,000,000 to about \$577,000,000, against \$87,000,000 of coin which they held, and thus created \$150,000,000, or thereabouts, of fictitious currency. Of course this depreciated our money, turned the foreign exchanges against the country, brought upon the banks a demand for specie which they could not meet, because they and all the other debtors of the country were being called upon to pay a spurious price of \$150,000,000, for which no equivalent value was ever created. When it comes to *paying* debt, instead of *kiting* it, a *value* must be produced and tendered—the product of capital and labor; the spurious price created by a debt currency declines with the decline of the volume of currency that makes it, and cannot be paid. An operation of this nature was taking effect in the fall of 1861. Money was being demanded to be taken out of the country for the \$150,000,000 of spurious currency, because enough of it had been put in circulation to exceed the natural money measure of the currency, to which extent it could not be paid; and the only alternative was a general suspension of money payments.

When gold and silver are mixed, and circulated as currency, there is a depreciation of their value, but there is a perfect compensation in the increase of capital. It is the same with wheat; an increase of quantity reduces its value, but it is an increase of capital and wealth, notwithstanding. The miner who produces gold, although the production reduces the value of gold, improves his fortune and increases the capital of the nation precisely as much as the miner who produces copper, or lead, or iron to an equivalent value; any surplus will be exported in exchange for other capital in either case. But he who produces a debt currency depreciates the value of gold and silver and expels so much capital in dead loss to the nation. There is no compensation, because there is no equivalent augmentation of capital to exchange for other capital. The wealth of the nation consists of *value*, not of *price*. It is well said by JOHN

STUART MILL, "If values remain the same, what becomes of price is immaterial, since the remuneration of producers does not depend upon how much money, but upon how much of consumable articles they obtain for their goods."

But to return to my ideal of the true system of financial economy. To recover the capital belonging to our currency, I would tax the debt currency of the banks out of existence, and restrain the paper issues of the Government, constantly, within the sum necessary to keep the foreign exchanges in favor of the United States, until the reserves should equal the circulating notes—a matter perfectly easy of accomplishment whenever the Government chooses to control the currency. The criterion of the natural money measure of our national currency is the nominal premium on sterling exchange of  $9\frac{1}{2}$  per cent, because London is the great clearing-house or center of the exchanges of the commercial world. It is the purest folly in the world to permit this nominal premium to be exceeded while there is a dollar of paper or of bank balance of currency in existence, and the specie exported in consequence, as it is being exported now, is so much national capital thrown away.

I would have the Government issue no new notes payable to bearer, and none whatever of a less denomination than *two ounces*—equal to \$37 20 of our present currency—for general circulation, that the people may become accustomed to the use of *money*, and familiar with the truth that all the gold and silver we get is capital, which comes by the employment of labor, to the increase of business and of public and private wealth; while paper currency can be made by the ream or the bushel, without augmenting the business or the wealth of the nation a single fraction. It is only creating a false price and destroying so much paper in the production of moonshine. But I would have the Government institute a system of post-office orders, by which, in exchange for coin, all persons could be accommodated with small orders for any fractional part of an ounce or of two ounces, payable to order, drawn by one postmaster on another in any part of the United States, charging some small fee to cover the cost of transporting gold to maintain this system of money orders. This would be necessary to accommodate the poorer classes with a safe and convenient method of remittance, and all classes with the means of paying small bills at a distance, such as newspaper subscriptions and the like. But all the larger operations in exchange should be left to bankers—the Government drawing only to collect its balances and suit its own convenience. Let the Government provide the currency, and bank and bankers attend to legitimate banking and the general business of dealing in exchange.

The circulating notes, without exception, should be drawn to order, that they may be endorsed from hand to hand when required, and, like the notes of the Bank of England, they should never be reissued. These provisions are for security against counterfeiting. Two ounces would be a sufficient magnitude of value to induce careful inspection, and place the notes in the hands of traders and bankers who have more or less skill as well as experience in the examination of currency notes; and their constant renewal at the office of issue would place them under the frequent observation of the issuers and of the experts of the office. Between the retailer and the consumer, as it is now in England, there should be no circulating medium but coin.

The rapid progress in the arts, it is apparent to everybody, is not confined to honest purposes, and the art of counterfeiting circulating notes is quite as forward as any other. I have seen bank notes, spurious beyond question, and struck from a counterfeit plate, that, although accustomed to careful scrutiny of bank notes, I could not distinguish from the genuine, nor could any one but the engraver of the genuine plate, without whose aid the bank would never have known which note to repudiate and which to pay. An almost boundless field of operation for counterfeiters is now opened in the immense issue of Treasury demand notes; and the recent act provides an issue of small denominations to circulate among the poor and ignorant, and generally between retailer and consumer, where no paper currency should ever be employed. There is no point of redemption—no place where the notes are necessarily subject to the scrutiny of an expert, and the signatures are engraved, not written. Under these circumstances, can any one doubt that counterfeits will be abundant, and pass in the interior, if not in the large cities, as well as the genuine? It appears to me there is great danger that the Government, by and by, will not know its own issue; that our currency will be disorganized, and the whole financial system of the country demoralized and broken down by the unfortunate policy of relying upon and expanding paper currency issues for the conduct of the war.

If it be objected that coin can also be counterfeited, I reply that it is difficult to put together the conditions that will prevent the detection of a piece of counterfeit money. There are, I think, only two metals that will resist acids and combine to produce the specific gravity of gold, *i. e.*, platina and silver, the former being heavier and the latter lighter than gold. But platina is very difficult to work in coining. "It is so impossible that no considerable portion of it can be melted by the strongest heats of our furnaces," and it is the most costly metal, next to gold, that could be mingled in coin, being five or six times as valuable as silver and nearly half as valuable as gold. The amalgam of platina and silver can not, I think, be colored to resemble gold; it could be used for loading the coin, that is, the amalgam could be plated with gold; but the ring, in any event, would be very different from that of a piece of gold coin, and as the production would be troublesome and costly, I think the danger of counterfeiting with that admixture is not very imminent, although the most so, undoubtedly, of any, because of its quality of resisting acids and the possibly exact similitude in specific gravity. As to any other admixture, the general use of a specie currency would soon furnish every trade with experience and skill enough to detect the spurious coin. There is a well known instrument—a small balance—so contrived as to furnish the three measures necessary to determine the specific gravity of every piece of coin with much accuracy, namely, the weight, the circumference, and the thickness; so that with the application of acids also, there are more means of detecting false coin than false notes, and such as any proper degree of scrutiny would render effectual.

The charge of the currency, including the mint, should be given to a board of currency, with a bureau entirely separate from the Treasury, with offices of issue and redemption in most or all of the chief cities, and these should be loan offices also, where public loans may be negotiated and the money collected, and where the principal and interest would be paid. The currency notes should be paid only at the office where issued,

and where the necessary proportion of coin would be kept in reserve; otherwise their circulation, I think, could not easily be maintained, if at all, especially at the West; because New York, being the creditor city, the notes would command a premium at the West, and rush to the New York office continually for redemption. The gold, it seems to me, would be in one part of the country and the notes in another, or the Government would be put to unnecessary trouble and cost in transporting gold to provide for this tendency or condition of the exchanges. But the chief advantage of the separation from the Treasury, would be the division of labor and of risk. The business of attending to the details of the currency, in addition to managing the great fiscal concerns of the nation, is too much for one man; and if the Secretary of the Treasury should happen to be a rebel, or a thief, (an occurrence that has befallen us already,) immense disaster would be likely to result from his command of the treasure and entire financial resources of the Government. I would have him deal with the bureau of currency as with a national bank, and restricted to the command of his own balances provided according to law. To have the bullion reserves all massed in one deposit at a central office, would be too great a temptation to disorder, especially since rebellion has weakened the bonds of loyalty in the nation, and given us one unprincipled Secretary of the Treasury as an example which other bad men might follow.

In conclusion, I have to say that, although objecting to its financial policy, I am not an opponent of the existing administration. On the contrary, I desire to do everything in my power to promote the success of the Government, especially in the prosecution of the present righteous war—the result of a rebellion as causeless as it is wicked. Nor do I entertain any doubt of the purity of intention or patriotism of the present Secretary of the National Treasury. I only wish that his political economy may be as sound and intelligent as his politics. I believe that the plan herein proposed would tend effectually to check the unnatural and unnecessary increase of the public debt, which, in a false price, created by a false measure, is rolling up frightfully in obligations to be paid in real value; an unequal and improper charge upon the industry of the country, for the benefit of capitalists and the makers of spurious currency. And, finally, I believe that this plan, faithfully executed would restore to the nation, through its constituted authorities, the normal power and command, which it does not now possess, of its industry and capital in war or peace for all future time.

## NAVIGABLE COMMUNICATION BETWEEN LAKE HURON, MICHIGAN, AND THE ST. LAWRENCE.

A COMMITTEE appointed by the Montreal Board of Trade to examine and report the most eligible route to the ocean for the productions of the great Western country has lately made a report, in which they recommend that route which was surveyed in 1856-7 by WALTER SHANLY, Civil Engineer, and in 1858-9 by T. S. CLARKE, Civil Engineer, namely, from the mouths of the French River, on the Georgian Bay, by way of Lake Nippissingue and the Mattawan and Ottawa Rivers to Montreal.

We give below copious extracts from this report, as this question is one of the very greatest interest. Yet, in our opinion, the Committee have failed to make out a clear case. Their chief endeavor would seem to be to show that the route proposed will be (1) shorter, and therefore (2) cheaper, and take (3) less time than any other. But we will let the Committee speak for themselves in regard to the advantages they expect trade will secure by this new avenue. They say :

The leading advantages to be secured by such a line of interior navigation as it is proposed to open, are to be classed under the following heads :

1st. *Time Saved.*—Because by this route grain could be taken from all ports on Lake Michigan and delivered to sea-going vessels in Montreal two days sooner than by the Welland route, or than by any other route that can be constructed ; and in fully eight days less than is required to lay down in the harbor of New York a cargo loaded in Chicago or Milwaukee. The better condition for final transfer to ocean vessels in which the grain will come to hand after the shorter as compared with the longer inland voyage is a point that will be conceded by all shippers, and is one of such moment that it should be prominently kept in view in contrasting the merits of the proposed route with the existing and more circuitous one between Lake Michigan and tide-water.

2d. *Expense saved.*—In the item of freight charges alone, the Montreal or Quebec merchant purchasing grain in Chicago or Milwaukee, can effect an average saving of fully four cents, after allowing a liberal estimate for tolls, on each bushel as compared with what it now costs him to bring it round by way of the Welland Canal ; while that which now goes from the same points to New York, by way of Lake Erie and the Hudson, at a cost, taking the average of the last eight years, of twenty-seven cents per bushel, can be delivered at the ship's side in our harbor for fifteen cents, or in Quebec for eighteen cents, per bushel, and, as already observed, in superior shipping order, not only on account of the shorter time it has been afloat, but also owing to the more favorable atmospheric conditions to which it has been subjected, in its passage through the cooling waters of the Ottawa.

As an index to what the saving in freight would amount to, even now, at the above differences in rates, we subjoin the following statement of grain, and flour reduced to grain, forwarded last year from Chicago, and received, by water only, at Montreal in 1862, and at New York in 1861.

Forwarded from Chicago by Lake and Railroad .....	bush.	56,477,104
Total receipts at Montreal by Canal only, .....		15,227,878
Total receipts at New York from Canals only .....		55,905,344

This all sounds very plausible ; but if we turn to the figures given they do not, in our opinion, justify such favorable conclusions. For instance, the Committee say :

The relative distances between the furthest west Lake-port, Chicago, and our sea-port of Montreal, by the existing (Welland Canal) route, and by the proposed new line of Communication by the Ottawa, compare as follows :—

	Miles.
<i>1st. Welland Route.</i>	
Lake Navigation.....	1,146
River ".....	132
Canal ".....	71
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Total distance to Montreal.....	1,348
<i>2d. Ottawa Route.</i>	
Lake Navigation (including Nippissingue).....	575
River ".....	347
Canal ".....	58
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Total distance Chicago to Montreal.....	980
Difference in favor of Ottawa Route.....	380
And carrying our comparisons a step further, we have, from Chicago to New York,	
<i>3d. The Erie Canal Route.</i>	
Lake Navigation Chicago to Buffalo.....	1,000
Canal " Buffalo to Troy.....	350
River " Troy to New York.....	150
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Total distance Chicago to New York.....	1,500
" " Chicago to Montreal by the Ottawa.....	980
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Difference of distance in favor of Montreal.....	520
Trans-Atlantic distances also compare favorably for us:	
New York to Liverpool.....	2,980
Montreal to Liverpool.....	2,740
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Difference in favor of Montreal.....	240
Difference in favor of Quebec.....	400
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Chicago to Liverpool by Lake Erie and New York.....	4,480
Chicago to Liverpool by Ottawa and Gulf of St. Lawrence.....	3,720
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Difference in favor of Ottawa and Gulf Route.....	760

Such is the case made out by the Committee. But even admitting all the figures to be correct, do they not suggest at least one awkward question, which must be answered before we can assent to the conclusion reached. For instance, we are told that the distance between Chicago and Liverpool, by way of Montreal and the Welland Canal, is 4,088 miles, while by the way of New York and the Erie Canal the distance is 4,480 miles; showing a difference in favor of Montreal of 400 miles. Yet, notwithstanding this, the Committee tell us, in the above quotations, that the total receipts of grain, and flour reduced to grain, at Montreal, by canal, in 1862, was 15,227,878 bushels, while the receipts at New York, by canal, were 55,805,344 bushels. Thus we see that, although the Montreal route was nearer Liverpool by 400 miles than the New York route, New York received nearly four times as much of these Western products for shipment. Why this was so, the Committee did not stop to tell us; yet, until this fact is explained, and the reasons for it given, we do not see how the further fact that the proposed new route is two or three hundred miles shorter than the Welland Canal route, can be conclusive proof that the latter, when completed, will command the trade. May not the same reasons why trade now seeks Liverpool through New York, in spite of its greater distance, rather than through Montreal, apply equally to the Ottawa avenue and prevent it from becoming the popular route? In this connection, there are some facts which might help us to reach a safe conclusion, had the Com-

mittee given them. For instance, they might have told us how much longer or shorter time it would take an ordinary sailing vessel, leaving Montreal for Liverpool, to go the first five hundred miles than it would one leaving New York; or what is the difference in time made between Montreal and Liverpool compared with New York and Liverpool; how many months in the year is Montreal shut out from the commercial world by ice, and what are the difficulties and dangers of St. Lawrence navigation at all seasons; what railroad connections the West has with New York, available in winter as well as summer, giving her a way of communicating with the markets of the world all the year round. These, and other facts, might have an important bearing upon the question discussed.

We trust, however, that this project will be carried through. If it proves to be half that is claimed for it, the Western producers will be greatly benefited. Besides, Canadian facilities will only lead to greater facilities in the States; and the West needs all the avenues it can obtain, and the shorter and cheaper the better, through which to pour out its unbounded wealth upon the markets of the world.

As to the capacity and probable cost of this work, the Committee say that they have had before them, to guide them to conclusions on these points, the Reports of WALTER SHANLY, Civil Engineer, and of T. S. CLARKE, Civil Engineer; both printed by order of the Legislative Assembly, the one in 1858, the other in 1860.

Mr. SHANLY recommends a navigation of the size represented by locks of 250 feet in length by 50 feet in width—capable of passing vessels drawing ten feet of water.

Mr. CLARKE proposed locks of similar length, but considers 45 feet as sufficient width, while he would provide for 12 feet draught of war.

The Committee add that experience in the grain-carrying trade in Canada goes to show that transhipment at the foot of Lake navigation from large steam and sailing vessels into river craft is not only *not* found to be an inconvenience, but is adopted by choice as the cheapest, most facile, and safest mode of delivering the grain in our harbor. Vessels loaded on the Upper Lakes now rarely come below Kingston, there transferring their cargoes to barges; the largest class of which now used in the trade measure 150 feet in length by 30 in width, draw nine feet of water, and carry some 22,000 bushels of wheat. Increasing their length to 160 feet and their beam to 33 feet, their draught could be lightened to eight feet and their load-capacity still preserved; and by further increase in length and beam, within the limits of the largest sized lock proposed, their capacity could be increased to 35,000 bushels without adding to the reduced (8 feet) draught of water.

Mr. SHANLY estimated the cost of completing his scheme of navigation at \$24,000,000.

Mr. CLARKE, not however taking into account the enlarging of the Lachine canal, or the removal in Lake St. Louis of the obstruction to a 12 feet, or even a 10 feet, navigation, makes a very much lower estimate; resorting largely to the plan of damming up the Ottawa and Matawan rivers to avoid extensive excavations. His estimate is a little over \$12,000,000.

Placing the question of cost in its least favorable light, by assuming the highest estimate, the Committee requested Mr. SHANLY to ascertain what the probable difference in cost between an eight feet and a ten feet navigation would be. His answer may be briefly stated thus:

"Leaving the locks of the dimensions as to length, width, and depth contemplated in his original estimate, but providing throughout, elsewhere, for eight feet draught only, would reduce the cost of the undertaking to \$16,000,000.

"And if the locks were to be reduced in size to, say, 160 x 33 x 8 feet depth, a further reduction in cost to the extent of about \$2,000,000 might be effected, bringing the entire outlay within the limit of \$14,000,000."

The deepening of a navigation, even where most practicable, is necessarily an expensive undertaking. To obtain the largest desirable carrying capacity, therefore, for river and canal craft, without recourse being had to great draught of water, the means of giving them increased length and width, with the increasing demands of trade, should be kept in view. The Committee accordingly express the opinion, that the size of lock designed by Mr. SHANLY, 250 feet long by 50 feet wide, is that best adapted to the "French River and Ottawa navigation," and with a view to the future adaptation of the route to ten feet available depth throughout, they recommend that in the construction of the locks the full depth of ten feet be also adhered to, and so obviate the necessity for the pulling down and sacrificing the original cost of such expensive structure, when further improvements come to be developed.

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## COMMERCIAL LAW. No. 8.

### NEGOTIABLE PAPER; OR, NOTES OF HAND AND BILLS OF EXCHANGE.

#### THE RIGHTS AND DUTIES OF THE INDORSER.

ONLY a note or bill payable to a payee or order is, strictly speaking, subject to indorsement. Those who write their names on the back of any note or bill are indorsers in one sense, and are sometimes called so; but are not meant in the law-merchant by the word "indorsers."

The payee of a negotiable bill or note—whether he be also maker or not—may indorse it, and afterwards any person, or any number of persons, may indorse it. The maker promises to pay to the payee or his order; and the indorsement is an order to pay the indorsee, and the maker's promise is then to pay the note to him. But if the original promise was to the payee or order, this "or order," which is the negotiable element, passes over to the indorsee, though not written in the indorsement, and the indorsee may indorse, and so may his indorsee, indefinitely.

Each indorser, by his indorsement, does two things: first, he orders the antecedent parties to pay to his indorsee; and next, he engages with his indorsee, that, if they do not pay, he will.

What effect an indorsement of a negotiable note or bill by one not payee, *before* the indorsement by payee, should have, is not quite certain. Upon the whole, however, we should hold, with some reason and authority, that, where such a name appears, as it may be made to have the place of a second indorser whenever the payee chooses to write his name over it, it shall be held to be so intended, in the absence of evidence. Such seems to be the well-settled law of New York; and the consequence of

this rule would be, that an indorsement by one not the payee gives no security whatever to the payee, and does not make the indorser liable in any way to the payee, without evidence that he indorsed the note with the intention and understanding that he thus bound himself to the payee. The reason why such indorsement gives the payee no claim against the indorser is, that a first indorser can have none against a second, but the second may have a claim against the first; because the first promises to pay to the second, the second to the third, and so on. But evidence is receivable to prove that the party put his name on the note for the purpose of adding to its security by becoming responsible for it to the payee. And then, if he indorsed the note before it was received by the payee, the consideration of the note attaches to him, and he may be held either as surety for consideration, or as a maker.

In Massachusetts, and some other States, this is supposed by the law to be the intention of such an indorsement, without any evidence; or, in other words, such an indorser is held as a co-maker. If the indorser wrote his name on the note after it was made, and at the request of the payee or other holder, he is bound only as guarantor or surety; and the consideration of the note being exhausted, and not applying to him, he is bound only if some new and independent consideration is shown. No one who thus indorses a note *not negotiable* can be treated or considered precisely as a second indorser, whatever be the names on the paper before his own; but any indorser of such a note or bill may be held to be a new maker or drawer, or a guarantor or surety, as the circumstances of the case indicate or require; but then either the original consideration or a new one must attach to him to affect him with a legal obligation; because it is only as to an indorser exactly so called, that the rule requiring consideration is suspended.

If the words "to order," or "to bearer," are omitted accidentally, and by mistake, it seems that they may be afterwards inserted without injury to the bill or note; and whether a bill or note is negotiable or not, is held to be a question of law.

By the law-merchant, bills and notes which are payable to order can be effectually and fully transferred only by indorsement. This indorsement may be *in blank* or *in full*. The writing of the name of a payee—either the original payee or an indorsee—with nothing more, is an indorsement in blank; and a blank indorsement makes the bill or note transferable by delivery, in like manner as if it had been originally payable to bearer. After a note has been indorsed by a payee, any person may write his name on the note under that of the payee, and be held as indorser—because any subsequent holder may write over the name of the first indorser a direction to pay the note to the next signer, and this makes the next signer an indorsee, and so gives him a right to indorse; and he or any holder may write over his name an order to pay the holder, or anybody else. If the indorsement consist not only of the name, but of an order above the name to pay the note to some specified person, then it is an indorsement in full, and the note can be paid to no one else; nor can the property in it be fully transferred, except by the indorsement of that indorsee; and he may again indorse it in blank or in full. If the indorsement is, Pay to A. B. *only*, or in equivalent words, A. B. is indorsee, but cannot indorse it over.

Any holder for value of a bill or note indorsed in blank, whether he

be the first indorsee or one to whom it has come through many hands, may write over any name indorsed an order to pay the contents to himself; and this makes it a special indorsement, or an indorsement in full. This is often done for security; that is, to guard against the loss of the note by accident or theft. For the rule of law is, that negotiable paper, transferable by delivery, (whether payable to bearer or indorsed in blank) is, like money, the property of whoever receives it in good faith. The same rule has been extended in England to exchequer bills; to public bonds payable to bearer; and to East India bonds; and we think it would extend here to our railroad and other corporation bonds, and, perhaps, to all such instruments as are payable to bearer, whether sealed or not, and whatever they may be called. If one has such an instrument, and it is stolen, and the thief passes it for consideration to a *bona fide* holder, this holder acquires a legal right to it, because the property and possession go together. But if the bill or note be *specialy* indorsed, no person can acquire any property in it, except by the indorsement of the special indorsee.

At one time no one could acquire property in negotiable paper, if it were shown that he received it from one who had no right to sell it, and that he did not take due care to ascertain what right the seller had. That is, if a holder lost his note, and a thief or finder passed it off to a *bona fide* holder, the property did not pass, if the circumstances were such as to show negligence on the part of the purchaser, or a want of due inquiry. But this question of negligence seems now to be at an end, and nothing less than fraud defeats the title of the purchaser. In New York, however, the courts show some disposition to return to the old rule, which makes negligence of the holder defeat his title, as well as fraud; and there are strong reasons for this.

It may be well to remark here, that the finder of negotiable paper, as of all other property, ought to make reasonable endeavors to discover the owner, and is entitled to use the thing found as his own only when he has made such endeavors unsuccessfully. If he conceals the fact of finding, and appropriates the thing to his own use, he is liable to the charge of larceny or theft.

The written transfer of negotiable paper is called an indorsement, because it is almost always written on the back of the note; but it has its full legal effect if written on the face.

Joint payees of a bill or note, who are not partners, must all join in an indorsement.

An indorser may always prevent his own responsibility by writing "without recourse," or other equivalent words, over his indorsement; and any bargain between the indorser and indorsee, written or oral, that the indorser shall not be sued, is available by him against that indorsee, but he cannot make this defence against subsequent indorsees who had no notice of the bargain before they took the note.

Every indorsement and acceptance admits conclusively the signature of every party who has put his name upon the bill previously in fact, and who is also previous in order. Thus, an acceptance admits the signature of the drawer, but not the signature of one who actually indorses before acceptance, because *acceptance* is in its nature prior to indorsement. By this is meant, that if an indorser—say a third indorser—is sued, he cannot defend himself by saying that the names of the maker and the first

and second indorsers, or either of them, were forged, because by indorsing it himself he gives his indorsee a right to believe that the previous signatures were genuine. And an acceptor cannot say that his drawer's name is forged; but he may say that an indorsement which was on the bill when he accepted it was forged, because an indorsement of a bill comes properly and in *order of law* after acceptance.

If a holder strike out an indorsement by mistake, he may restore it; if on purpose, the indorser is permanently discharged. A holder may bring his action against any prior indorser, and fill any blank indorsement specially to himself, and sue accordingly; but then he invalidates the subsequent indorsements. The reason is, that he takes from them all the right to indorse; thus, for example, if A makes a note to B, and B, C, D, E, and F successively indorse it in blank, and G, the holder, writes over C's name, "Pay to G," it is as if C had written this himself; and then G only could indorse, and, of course, D, E, and F could not, as they were mere strangers. And a holder precludes himself from taking advantage of the title of any party whose indorsement is thus avoided. And if he strikes out the name of any indorser prior to that one whom he sues or makes defendant, he cannot maintain his action against that defendant; because, by so doing, he deprived the defendant of his right to look to the party whose name is stricken out; and because the defendant thus loses security he is entitled to, the defendant is himself discharged.

One may make a note or bill payable to his own order, and indorse it in blank; and this is now very common in our commercial cities, because the holder of such a bill or note can transfer it by delivery, and it needs not his indorsement to make it negotiable further. A note to the maker's own order, if not indorsed by him, is, strictly speaking, of no force against him. But there seems to be some disposition in the courts to say that a holder of such note may sue the maker as if the note were to bearer.

A transfer by delivery, without indorsement, of a bill or note payable to bearer, or indorsed in blank, does not generally make the transferer responsible to the transferee for the payment of the instrument. Nor has the transferee a right to fall back, in case of non-payment, upon the transferer for the original consideration of the transfer, if the bill were transferred in good faith, in exchange for money or goods; for such transfer would be held to be a sale of the bill or note, and the purchaser takes it with all risk. But it seems not to be so where such a note is delivered either in payment or by way of security for a previously existing debt. Then, if the transferer has lost nothing by the reception of the note by the transferee, because if he had continued to hold the note he would have lost it, there seems to be no reason why the transferee should lose it. We have no doubt that such a transferer may make himself liable, without indorsement, by express contract; and that circumstances might warrant and require the implication that the bill or note so transferred remained, by the agreement and understanding of both parties, at the risk of the transferer. And every such transferer warrants that the bill or note (or bank-note is note) is not forged or fictitious, and is liable for it if it is.

An indorsement may be made on the paper before the bill or note is drawn; and such indorsement, says Lord MANSFIELD, "is a letter of credit for an indefinite sum, and it will not lie in the indorser's mouth to say that the indorsements were not regular." The same rule applies to an

acceptance on blank paper. So an indorsement may be made after or before acceptance, though strictly proper only after.

A bill or note once paid at or after maturity, ceases to be negotiable, in reference to all who had been discharged by the payment. If issued again, it is like a new note without their names. If a bill or note is paid before it is due, it is valid in the hands of a subsequent *bona fide* indorsee.

A portion of a negotiable bill or note cannot be transferred, so as to give the transferee a right of action for that portion of his own name. But if the bill or note be partly paid, it may be indorsed over for the balance.

After a holder's death, his executor or administrator may transfer. But it seems that, if a note needing indorsement was indorsed by the holder, but not delivered, although the executor may indorse and deliver the note himself, he cannot complete the transfer by delivery alone. The husband who acquires a right to a bill or a note given to the wife, either before or after marriage, may indorse it.

One who may claim payment of a bill or note, and of whom payment may also be demanded, or one who is liable to contribute for the payment of a note, cannot sue upon it; because the law will not permit A to sue B, if, as soon as A recovers, B can turn round and sue A for the same sum. If the technical rule—that the same party cannot be plaintiff and defendant—prevents the action, as where A, B & Co. hold the note of A, C & Co., so that if a suit were brought A would be one of the plaintiffs and one of the defendants also, which cannot be, A, B & Co. may indorse the note to D, who may then sue A, C & Co.

#### THE RIGHTS AND DUTIES OF THE ACCEPTOR.

Acceptance applies to bills, and not to notes. It is an engagement of the person on whom the bill is drawn to pay it according to its tenor. The usual way of entering into this agreement, or of accepting, is by the drawee's writing his name across the face of the bill, and writing over it the word "accepted." But any other word of equivalent meaning may be used, and it may be written elsewhere, and it need not be signed, or the drawee's name alone on the bill may be enough. But if accepted irregularly, or in an unusual way, the question whether it were accepted would generally go to a jury under the direction of the court. A written promise to accept a future bill, if it distinctly define and describe that very bill, has been held in this country as the equivalent of an acceptance, if the bill was taken on the credit of such promise. In New York this is provided by statute. In England and in this country, generally, an acceptance may be by parol. And it is said that a promise, whether written or verbal to *pay* an existing bill, is an acceptance. But the language, whether oral or written, although no form be prescribed for it, must not be ambiguous; thus where a drawee, on presentment of a bill for acceptance, said, "The bill shall have attention," it was held that this was not an acceptance, because the words might mean something else as well as that the drawee would pay it. They might mean, for example, that he would look over his accounts and see whether he had the funds to pay it. The words must distinctly import acceptance, or an agreement to do what acceptance would bind the party to do; and *mere detention* of the bill is not acceptance.

An acceptance acknowledges the signature and capacity of the drawer ; and the capacity *at that time* of the payee to indorse, which is also admitted by the maker of a promissory note ; and this cannot be afterwards denied by the acceptor, although the payee be an infant, a married woman, or a bankrupt. But the acceptance does not admit the validity of an existing endorsement ; nor, if it be by an agent, his authority ; if, however, the acceptor *knew* that the indorsement was forged or made without authority, he cannot use the fact in his defence. But if the bill is drawn in a fictitious name, the acceptor is said to be bound to pay on an indorsement by the same hand. In general, any party who gives credit and circulation to negotiable paper admits so far as he is concerned, and cannot afterwards deny, all properly antecedent names.

A banker is liable to his customer without acceptance, if he refuses to pay checks drawn against funds in his hands. So it seems that a banker, at whose house a customer, accepting a bill, makes it payable, is liable to an action at the suit of the customer, if he refuse to pay it, having at the time of presentment sufficient funds, and having had those funds a reasonable time, so that his clerks and servants might know it. And the banker has authority from the bill itself to apply to its payment the funds of the acceptor.

There cannot be two or more acceptors of the same bill not jointly responsible, as partners are. If accepted by a part only of those jointly responsible, or joint drawees, it may be treated by the holder as dishonored ; but if not so treated, the parties accepting will be bound.

An acceptance may be made after maturity, and will always be treated as an acceptance to pay on demand.

The acceptance may be cancelled by the holder ; and if this cancelling be voluntary and intended, it is complete and effectual ; but if made by mistake, by him or other parties, and this mistake can be shown, the acceptor is not discharged. And if the cancelling be by a third party, it is for the jury to say whether the holder authorized or assented to it.

If a qualified acceptance be offered, the holder may receive or refuse it. If he refuses it, he may treat the bill as dishonored ; if he receives it, he should notify antecedent parties, and obtain their consent ; without which they are not liable. But if he protests the bill as dishonored, for this reason, he cannot hold the acceptor upon his qualified acceptance.

A bill drawn on one incompetent to contract, as from infancy, coverture, or lunacy, may be treated by the holder as dishonored.

A bill can be accepted only by the drawee—in person or by his authorized agent—or by *some one who accepts for honor*.

#### ACCEPTANCE, OR PAYMENT, FOR HONOR.

If a bill be protested for non-acceptance or for non-payment, any person may accept it, or pay it for the honor either of the drawer or of any indorser. This he usually does by going with the bill before the notary-public who protested the bill, and there declaring that he accepts or pays the bill *for honor* ; and he should designate for whose honor he accepts or pays it, at the time, before the notary-public, and it should be noted by him.

A general acceptance *supra protest*, (which is the phrase used both by merchants and in law, meaning *upon or after protest*,) for honor, is taken

to be for honor of the drawer. The drawee himself, refusing to accept it generally, may thus accept for the honor of the drawer or an indorser. And after a bill is accepted for honor of one party, it may be accepted by another person for honor of another party. And an acceptance for honor may be made at the intervention and request of the drawee.

No holder is obliged to receive an acceptance for honor; he may refuse it wholly. If he receive it, he should, at the maturity of the bill, present it for payment to the drawee, who may have been supplied with funds in the mean time. If not paid, the bill should be protested for non-payment, and then presented for payment to the acceptor for honor.

The undertaking of the acceptor for honor is collateral only; being an engagement to pay if the drawee does not. It can only be made for some party who will certainly be liable if the bill be not paid; because by an acceptance, or by a payment, properly made, for honor, *supra* protest, such acceptor or payer acquires an absolute claim against the party for whom he accepts, or pays, and against all parties to the bill antecedent to him, for all his lawful costs, payments, and damages, by reason of such acceptance or payment. This is an entire exception to the rule that no person can make himself the creditor of another without the request or consent of that other; but it is an exception established by the law-merchant.

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#### OUR FOREIGN TRADE PASSING INTO FOREIGN BOTTOMS.

IN a war like the present, of course every interest must suffer, and yet it seems strange that two or three privateers should have been able to almost destroy our shipping interests. One would suppose that with a navy, such as that of which we now boast, some protection might have been extended to our foreign trade. Or, if the Navy Department now has no vessels fast enough for the purpose, certainly there is sufficient talent in the country to build them. There was a time, and it was not a very long while ago either, when Young America contended with the "mistress of the seas" for the supremacy, with every promise of wresting the sceptre from her. Our ocean steamers were the wonder of the world. In speed, size, and equipment, they left their British competitors far behind. Is there any reason why we cannot do again what we have once so well done?

Last month we published a list of the vessels captured by these privateers, but that list gives a very imperfect idea of the actual loss we are sustaining. It may surprise many to know that the forced sales to foreigners of vessels built and owned here has been going on steadily for a long time past, and now is proceeding with a celerity that bids fair to change the ownership of the finest bottoms in the United States mercantile marine, and to leave nothing under the American flag worth capturing. The following list of American ships lately sold by Mr. GEORGE CROSHAW & Co., of London, will show what is being done in this respect at the present time:

Name of vessel.	Tonnage.	Where built.	When.	Price.
Holyrood.....	1,046	Thomaston,	1857	£8,000
Samuel Lawrence.....	1,036	Medford,	1851	5,800
Elizabeth Watts.....	224	Thomaston,	1847	740
Arundle.....	1,052	Kennebunk,	1861	11,000
A. Dunbar.....	199	St. Mary's,	1849	965
John Porter.....	997	Newburyport,	1859	9,000
Huntress.....	677	Bath,	1850	4,400
Kate Swetland.....	527	Thomaston,	1852	2,000
Sabine.....	694	Portsmouth,	1851	3,850
Ina Russell.....	1,184	Kennebunk,	1854	5,575
Ocean Romp.....	862	Bath,	1848	3,500
Louisa.....	816	East Boston,	1860	8,700
Jacob A. Westervelt.....	1,418	New York,	1849	7,800
Ocean Telegraph.....	1,495	Medford,	1854	7,060
Otseonthe.....	1,023	Bath,	1852	7,250
Neptune's Favorite.....	1,346	Chelsea,	1854	8,000
Coronet.....	1,367	Belfast,	1854	5,000
Devonshire.....	574	Connecticut,	1856	4,050
Flying Childers.....	1,125	East Boston,	1852	5,050
Ivanhoe.....	868	Eastport,	1857	4,600
Sierra Nevada.....	1,750	Portsmouth,	1854	10,750
Mary E. Balch.....	1,199	Trescott, Me.,	1855	6,000
Walter Lord, (damaged).....	1,079	Richmond,	1855	3,450
Spitfire, (subject to owners reclassing)	1,520	Frankfort,	1853	9,000
Joseph Peabody.....	1,198	South Boston,	1856	7,650
Morning Light.....	1,713	Portsmouth,	1853	9,000
Sunda (late Gauntlett).....	1,854	Richmond,	1853	8,000
Daphne.....	1,049	East Boston,	1859	9,175
Virginian.....	399	Baltimore,	1848	1,750
Ganges.....	1,258	Boston,	1854	8,000
Evangeline.....	488	Scituate, Mass.,	1853	3,150
Napoleon.....	649	Medford,	1851	3,225
Hollander.....	498	Newburyport,	1849	2,100
Comet.....	1,836	New York,	1851	8,100
Isabella.....	1,100	Boston,	1850	12,500
Punjab.....	780	Medford,	1860	8,250
Aspasia.....	632	Mystic,	1856	2,250
John Haven.....	1,038	Portsmouth,	1849	4,800
Simoda.....	646	Licolnville,	1856	3,700
Morning Star.....	1,105	Medford,	1853	6,500
Rachel.....	818	Calais, Me.,	1856	2,550
Cherubim.....	1,798	Baltimore,	1856	12,500
Barnabas Webb.....	1,299	Thomaston,	1856	7,550
Lepanto.....	890	East Boston,	1860	7,750
Crimea.....	900	Kennebunk,	1855	6,125

Nearly all these are well known first-class vessels. Hitherto their flag has been an United States advertisement in every sea under the heavens, but henceforth they are destined to be known only as English, or other foreign property.

We are indebted to the *Journal of Commerce* for the following table, showing to what extent the carrying business had changed up to June 30th. The figures are for the same quarter in each of the last four years:

FOREIGN TRADE OF THE PORT OF NEW YORK, FOR THE QUARTER ENDING  
JUNE 30TH.

	In American vessels.	In Foreign vessels.
1860. Value of goods imported.....	\$35,197,101	\$18,142,622
"    "    exported.....	27,401,225	12,776,229
Total trade.....	\$62,598,326	\$30,918,051

	In American vessels.	In Foreign vessels.
1861. Value of goods imported.....	\$23,594,808	\$18,422,182
“ “ exported.....	24,305,568	10,630,751
Total trade.....	\$47,900,376	\$29,052,933
1862. Value of goods imported.....	\$16,314,354	\$23,82,070
“ “ exported.....	17,971,262	30,811,074
Total trade.....	\$34,285,616	\$53,993,144
1863. Value of goods imported.....	\$12,731,819	\$30,139,557
“ “ exported.....	10,672,011	35,750,296
Total trade.....	\$23,403,830	\$65,889,853

We think that no American can study these figures without a painful sense of humiliation. In 1860 the quarter's trade was \$62,000,000 under our flag, and \$30,000,000 under the flags of all foreign nations. This has rapidly changed as the war continued, until, for the last quarter returned, we find \$65,000,000 under foreign flags, and only \$23,000,000 under our own flag. Thus shippers all over the world have been deterred by fear of capture from the employment, as carriers, of American ships. It may be that our Navy Department has done all it could to protect our commerce; but a contrary impression prevails among those who are most interested.

It is not therefore surprising that the underwriters and merchants of New York should have made the following strong appeal to the Navy Department. The reply does not, however, seem to us to be very satisfactory. The object sought by the merchants' letter in question was, we suppose, not to know what had been done, but what additional could and would be done—not to be informed that the “navy is enlarging,” but to learn whether or no the ship-building talent of our country was to be taxed to its utmost until vessels could be built capable of catching these privateers. We have vessels in abundance, but none fast enough. It is to little purpose that thirty are sent after one rebel cruiser, if that one can outsail them all. The following is the letter and the reply:

NEW YORK, *October 28th*, 1863.

HON. GIDEON WELLES, *Secretary of the Navy, Washington, D. C.:*

SIR:—The continued depredations of the rebel cruisers on the mercantile marine of the country, have not only destroyed a large amount of the active capital of the merchants, but seriously threaten the very existence of that valuable part of our commerce.

Apart from the loss of so much individual wealth, and the destruction of so valuable a source of material power and enterprise, it is humiliating to our pride as citizens of the first naval power on the earth, that a couple of indifferently equipped rebel cruisers should for so long a period threaten our commerce with annihilation. It is a painful source of mortification to every American, at home and abroad, that the great highways of our commerce have hitherto been left so unprotected by the almost total absence of national armed vessels, as to induce rebel insolence to attack our flag almost at the entrance of our harbors; and to actually blockade our merchantmen at the Cape of Good Hope recently, an account of which you have here

enclosed, being a copy of letter recently received from a captain of one of the blockaded ships having a valuable cargo. We are conscious that it is no easy matter to capture a couple of cruisers on the boundless waters of the ocean, aided and abetted, as they too often have been, at ports where international comity if not international law have been set at defiance; and we have witnessed with satisfaction the patriotic zeal and energy of your department, and the glorious successes of our navy in subduing the rebellion which threatens our national union. Still, we think that the loyal merchants and ship-owners of the country, whose zeal and patriotic co-operation have generally furnished the funds to sustain the Government, are entitled to have a more energetic protection of their interest than has been hitherto extended to it. Your very arduous official duties have no doubt prevented you from investigating the serious inroads which the unprotected state of our carrying trade has produced on our tonnage; and without troubling you with the great loss which our ship-owners sustain in the almost total loss of foreign commerce, it is only necessary to call your attention to the inclosed table, prepared and published by one of the best informed commercial journals of the city, [The table alluded to is the one above taken from the *Journal of Commerce*.—ED. MER. MAG.], showing the loss of the carrying trade on the imports and exports of this city alone, by which you will perceive that, while during the quarter ending 30th June, 1860, we imported and exported over \$62,000,000 in American vessels and but \$30,000,000 in foreign vessels, we have in the corresponding quarter of this year only \$23,000,000 by our own ships, while we have \$65,000,000 by foreign vessels. The intermediate periods show a most painful decadence of our shipping interest and tonnage, by transfer and sale to foreign flags; which at this time of considerable commercial activity does not so much indicate a want of enterprise in this field of occupation, as a want of confidence in the national protection of our flag on the ocean.

The national pride of many of our patriotic ship-owners has subjected them to heavy sacrifices in difference of insurance against capture of two to ten per cent; while the underwriters of the country have been compelled to make heavy sacrifices in favor of American shipping; yet without materially affecting the result. And many of them encountering heavy losses by captures in quarters where they had every reason to believe our commerce would be protected by national vessels of efficiency and power. Indeed, the almost total absence of efficient naval force in many of the great highways of commerce has had a damaging influence on our prospects, by producing a great degree of temerity on the part of the rebel cruisers, and corresponding misgivings on the part of underwriters and others in interest, as to whether Government protection would be afforded to our ships laden with valuable cargoes. The want of adequate armed vessels on prominent naval stations for protection of our ships has become so notorious, that underwriters have no longer speculated on the chance of the capture of these rebel cruisers by any of our national ships, but calculate only the chances of escape of our merchantment, or the probable destruction of the piratical craft, from reported unseaworthiness or mutiny.

These statements are made with all candor, and in no spirit of captiousness; but with a desire to concede that the embarrassment of the department, which it may not be prudent or practicable to explain to the public, may fully justify the unfortunate position which want of naval protection has placed our commerce in. Yet it is respectfully urged that you will give

this subject the benefit of the same energy and ability which has so creditably marked the administration of your department in all other channels of your official duties. No one can better comprehend, than one in your position, the value of successful commerce at this time of great national expenditure; and a paralysis of so important an interest cannot be contemplated without horror at this period of our national struggle.

We beg leave, also, to inclose an extract from the *Commercial Advertiser* of the 26th inst., and request your attention to the paragraph marked.

We are sir, very respectfully,

Your obedient servants,

Richard Lathers, President Great Western Ins. Co.	E. E. Morgan, merchant ship owner.
J. B. Tappen, President Neptune Ins. Co.	Wm. Whitlock, Jr., merchant ship owner.
F. S. Lathrop, President Union Mutual Ins. Co.	Geo. Opdyke, Mayor of New York city.
M. H. Grinnel, President Sun Ins. Co.	August Belmont & Co, bankers.
Robert L. Taylor, merchant ship owner.	James G. King's Sons, bankers.
C. H. Marshall, merchant ship owner.	Archibald Gracie, merchant.
A. A. Low & Brother, merchant ship owners.	Howland & Frothingham, merchant ship owners.
Grinnell, Minturn & Co., merchant ship owners.	Williams & Guion, merchant ship owners.
Wilson G. Hunt, merchant.	J. H. Earl, Pres't N. Y. Mutual Ins. Co.
Charles Newcomb, Vice-President Mercantile Mutual Ins. Co.	Isaac Sherman, merchant ship owner.
Brown, Brothers & Co., bankers.	W. A. Sale & Co., merchant ship owners.
W. T. Frost, merchant ship owner.	Thomas Dunham, merchant ship owner.
Bogart & Kneeland, merchants.	Spofford, Tileston & Co., merchant ship owners.
Duncan, Sherman & Co., bankers.	Babcock, Brothers & Co., bankers.
Bucklin & Crane, merchant ship owners.	J. Pierpont, Morgan & Co., merchant ship owners.
	E. D. Morgan & Co., merchants.

REPLY.

NAVY DEPARTMENT, WASHINGTON, *November 14, 1863.*

GENTLEMEN: The department duly received your communication of the 28th ultimo, in reference to the depredations committed upon American commerce by the Alabama and other rebel cruisers. The pursuit and capture of these vessels is a matter that the department has constantly in view, and swift steamers have been constantly in search of them, and, at times, very close to them. They are under orders to follow them wherever they may go. The only vessel that had the impudence to attack our flag at the entrance of our harbors, the Tacony, was promptly pursued and her career was soon terminated. The department had about thirty vessels after her. I thank you for your expression that energy and ability have creditably marked the administration of this department in all other channels of official duties. A rigid blockade of the coast has been demanded, and its accomplishment has required all the available force that the department could bring to bear. To do this, it could not well dispatch a larger force than it has in search of piratical rovers. It will continue to give this subject its attention, and hopes, as the avenues to the insurrectionary region are becoming closed, and the navy is enlarging, to be able to have a larger force to pursue the pirates, and secure the safety of our commerce abroad.

Very respectfully,

(Signed)

GIDEON WELLES, *Secretary of the Navy.*

To RICHARD LATHERS, Esq., and others.

## COMMERCIAL CHRONICLE AND REVIEW.

DEARNESS OF MONEY—CAUSES OF PRESSURE—GOVERNMENT LOAN—BANK RESOURCES—IMPROVEMENT OF BUSINESS—SUBSCRIPTIONS TO FIVE-TWENTIES—BANK RESOLUTION—DEMAND FOR GREENBACKS—CALLING OF LOAN—LEGAL TENDERS EQUALIZED—CALLS FOR LOAN—LEGAL TENDERS AT A PREMIUM—NEW SUPPLIES OF CURRENCY—STOCK TRANSACTIONS—SMALL COMMENCEMENT OF OBLIGATIONS—IMPORTS—HIGHER COST OF GOODS—DUTIES—EXPORTS—DECLINE IN BREADSTUFFS—EXCHANGE—OPTIONS—SPECULATIVE PURCHASERS—RATES OF BILLS.

THE financial community has been visited during the month with a severe money pressure, which took by surprise many who supposed that the markets were beyond the reach of a high rate of interest while paper flowed from the three sources of one hundred and twenty new national banks, one thousand old institutions, and the large operations of the federal treasury. The decisions in the courts, in relation to the constitutionality of the legal tender, seemed to have removed all restraint from the issue, and there was apparently no reason why, at least, the current demands of business should not be freely supplied with the means of circulation. Nevertheless, a sudden combination of events seems to have produced one of the most severe pressures that the country has, perhaps, ever before encountered, and money has commanded very high rates. The immediate causes of this pressure originated in the loan effected by the treasury department from the associated banks, September 5th. At that time, the Banks of New York held, per their reports, about \$25,000,000 of legal tender notes. They also held about \$35,000,000 of interest-in-gold five per cent certificates of deposits, payable at the treasury in tenders, on ten days notice. They also held some \$60,000,000 of six per cent one-year certificates, fully due, and payable in legal tenders up to December 1st. The five per cent deposits were to draw interest in paper after November 1st, when they would be only a five per cent investment. Thus the banks held, apparently, \$160,000,000 of paper that was available for an emergency. At the same time, the current of payments was toward the city, and the investments in United States five-twenties had nearly ceased; and, in consequence of that cessation, the Secretary of the Treasury desired to borrow \$50,000,000 of legal tenders to pay off the troops' arrears, due September 1st. The terms of that loan were given in full in the October number. The banks were to pay up the whole in legal tenders during September and October, the loan to draw six per cent from September 1st until repaid in five per cent legal tender notes, which, it was said, would be ready about November 1st. There seemed to be no particular reason why the banks should not make the loan, but, nevertheless, there was a risk, and, on the occasion of making it, a resolution was passed that the city banks should equalize the legal tender notes every morning, with a view to prompt settlement of balances at the Clearing-house. This was to provide against the possible expansion of some institutions entangled with large stock loans. Under this arrangement, some \$17,500,000 on the loan was paid up, and the notes were, by the Government, sent to the army. At this juncture, there sprang up, prompted by the abundance of money growing out of a large fall business, a demand for the five-twenty stock, bearing six per cent in

gold. This demand reached about \$60,000,000 in October, and over \$30,000,000 in the last week. Their checks for this large amount, running against deposits in banks, could not be met in greenbacks. It was equivalent to a sharp run upon the banks holding but a moderate amount of legal tenders. They were, however, enabled to apply their five per cent deposits to the payments, as the Assistant Treasurer waived the required ten days' notice, and some \$17,000,000 were thus turned over. For the treasury, it was the same as converting so much five per cent certificates, payable in paper, into an equal amount of six per cent stock, payable in gold. It gave no ready money to the department, but forced upon the banks a severe contraction of stock loans, and compelled them also to put in force the resolution of September 5th, in relation to equalization of legal tenders, because the banks controlled by those who were interested in stock-holding were opposed to contraction, but which would become absolutely necessary if forced to make good balances to the Clearing-house in legal tenders. This was done on the 7th of November. The treasury was now again embarrassed, because the changing of five per cent certificates for six per cent stock gave it no money, and its outlay was large. The troops were again to be paid, hence, on the 9th, a call was made for ten per cent, or \$5,000,000, of the loan. This was again paid in five per cent certificates, and on the 11th the call was repeated, and the ten days' notice on the certificates insisted upon, which compelled the banks to pay up in legal tenders. This they were now enabled to do because the high rates of money had drawn notes from the interior, and the disbursements of the treasury had put more in circulation. The instalment of the 11th, however, left \$16,000,000 still due the treasury on the loan, and the banks, under the equalizing process, were compelled still to contract. Money remained, therefore, very dear, and the subscriptions to the loan dwindled to a small figure. Indeed, during the most intense pressure, the five-twenties sold at one-quarter discount at the board. It seems reasonable, however, that when the banks receive the \$50,000,000 five per cent legal tenders due them from the department, and which should have been ready November 1st, that ease will again be restored. This seems to be very desirable, in order to enable the department to meet the large amount of six per cent certificates that fall due. The circulating notes due the new national banks are also nearly ready.

Under the money pressure, stocks fell from 4 to 20 per cent, and United States securities stood as follows:

## PRICES UNITED STATES PAPER.

	-6's, 1881.-		5's, 1874.	7 3-10, 3 years.	1 year certif.		Gold.	August demand notes.
	Reg.	Coup.			Old.	New.		
January 3, . .	96½	98	88½	102½	96½	...	34½ a 34½	29
" 10, . .	97½	98	90	103	97	...	37½ a 38	35
" 17, . .	91½	91½	88½	101	95	...	49 a 46½	43
" 24, . .	95	96	90	102	96	...	47 a 48½	44½
" 31, . .	92½	94	86	101½	94	...	55 a 60½	53
February 7, . .	92	93½	85½	102	94	...	57½ a 57½	55
" 14, . .	94	96	87½	102½	96	...	53½ a 53½	51
" 21, . .	96½	97½	91½	103½	95	...	53½ a 64	62
" 28, . .	100½	102½	97	105½	98½	...	71 a 71½	71
March 7, . .	99½	100½	94½	105	98½	...	52½ a 53	53
" 14, . .	104½	104½	98	106½	100	...	54½ a 54½	53
" 21, . .	103½	104½	96	107	100	...	54½ a 54½	..
" 28, . .	104½	105	96½	106½	100	...	41 a 41½	..

		6's, 1881.		5's, 1874.	7 3-10, 3 years.	1 year certif.		Gold.	August demand notes.
		Reg.	Coup.			Old.	New.		
April	4, . .	104½	105	97½	104½	99	...	53 a	53½ ..
"	11, . .	104½	105	97½	105	100½	...	46 a	52½ ..
"	18, . .	104	105	96	105	101	...	53 a	53½ ..
"	25, . .	105	105	96	106	102	99½	151½ a	151½ ..
May	2, . .	105½	106½	97½	106½	102	99½	150 a	150½ ..
"	9, . .	106	107	97	106	101½	99½	152½ a	152½ ..
"	16, . .	108	108	97½	107	101½	99½	149 a	149½ ..
"	23, . .	108½	108½	97½	107½	101½	99½	148½ a	149 ..
"	30, . .	108	108	97½	107	101½	99½	144½ a	144½ ..
June	6, . .	104	108½	99	107	101½	97½	146 a	146½ ..
"	13, . .	104½	108½	99	106	101½	98	148 a	148½ ..
"	20, . .	103½	108½	98½	106	101	98½	142½ a	143½ ..
"	27, . .	102	107½	98	104	100½	97	146½ a	146½ ..
July	11, . .	104½	105	97½	106	100½	98½	132½ a	132½ ..
"	18, . .	104½	106	98	106½	101	99	125 a	125½ ..
"	25, . .	105½	106½	97	106½	100½	98½	126 a	126½ ..
August	1, . .	104½	108½	96½	106½	101	99½	128½ a	127 ..
"	8, . .	105½	106½	96½	106½	101	99½	126½ a	127 ..
"	15, . .	105½	105½	97	106½	101	99½	125 a	125½ ..
"	22, . .	106	107½	97	107	101½	99½	124½ a	125 ..
"	29, . .	106	107	95	107	101½	99½	124½ a	124 ..
Sept.	5, . .	106	106	95	106	100½	99½	132½ a	133 ..
"	12, . .	105	106½	95	106	101	99½	128 a	129 ..
"	19, . .	106	106½	96	106½	101½	99½	133½ a	133½ ..
"	26, . .	106½	106½	96	106½	101½	99½	139½ a	139½ ..
October	3, . .	107	106½	95	106½	101½	99½	142½ a	142½ ..
"	10, . .	107½	108	97	106½	101½	99½	146½ a	147 ..
"	17, . .	107½	109	97	106½	102½	99½	151½ a	152 ..
"	24, . .	108	110	98	107½	102	99½	145½ a	146 ..
"	31, . .	108½	...	98½	107½	102	99½	146½ a	146½ ..
Nov.	7, . .	108	109	98	107	101½	98½	147½ a	147½ ..
"	14, . .	108½	109	97½	106½	101½	98½	146½ a	147 ..
"	21, . .	108	108½	98	106½	102	98	150 a	150½ ..
"	27, . .	108	100	98	106½	101½	98	143 a	144½ ..

The fact that a large portion of the spring and fall trade had been done for cash prevented the most severe distress, since, had the usual amount of commercial obligations been outstanding during the pressure, the most wide-spread bankruptcy would have inevitably resulted. As it was, the pressure was little felt beyond the stock circles. Indeed, the abundance of means with the merchants who had converted their goods into currency may be said to have been a cause of the pressure, since it prompted the large investments in five-twenties.

The imports of the month of October were large, as follows:

	IMPORTS, PORT OF NEW YORK.				
	Specie.	Free goods.	Consumption.	Entered for Warehouse.	Total.
January.....	\$101,906	\$2,413,649	\$8,741,227	\$4,482,794	\$15,739,676
February.....	213,971	783,561	7,372,539	3,657,775	12,037,846
March.....	123,616	1,328,806	11,461,572	3,454,530	16,370,524
April.....	107,061	1,328,216	9,493,830	6,456,208	17,385,315
May.....	197,217	710,021	7,980,231	5,437,404	14,324,923
June.....	109,997	780,963	6,328,531	5,377,385	12,597,426
July.....	182,245	683,880	9,080,210	4,227,265	14,173,600
August.....	113,877	509,781	10,004,580	4,409,891	15,038,129
September.....	78,231	786,864	11,203,535	3,431,310	15,499,940
October.....	78,053	741,888	11,885,569	4,189,457	16,894,967
Total 10 months	\$1,306,174	\$10,067,719	\$93,551,924	\$49,516,967	\$154,442,784
" 1862....	1,202,253	19,814,625	91,087,726	39,165,697	151,270,391

These importations were to some extent the response to the second orders that were sent out on the revival of business in September, but they come out at much higher cost, since the prices had risen 15 @ 20 per cent, and the landing charges here, including duties and exchange, were very much higher when the goods arrived than when they were ordered. The average duty paid was as follows:

	1861.	1862.	1863.
Imports for customs .....	\$6,156,560	\$11,571,942	\$16,744,081
Duties.....	1,672,617	4,309,419	6,238,943
Per cent.....	27	37	37

The premium on gold being in the neighborhood of 50 per cent, the duties were really 55 per cent, and with the extra exchange 110 per cent average on the importations. Nevertheless, under the spur of paper money the demand was quite sufficient to sustain that increased cost, and the season closed with a small stock of goods.

The exports have really declined, although the paper prices in which they are quoted make the aggregate nominally higher. They were as follows:

## EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign.		Domestic.	Total.
		Free.	Dutiable.		
January.....	\$4,624,574	\$73,111	\$668,275	\$14,829,398	\$19,695,351
February.....	3,965,664	43,889	610,009	17,780,586	22,400,148
March.....	6,385,442	213,685	758,266	16,137,689	23,695,082
April.....	1,972,834	74,949	375,224	11,581,933	14,004,940
May.....	2,115,679	101,337	602,254	13,183,510	16,002,780
June.....	1,367,774	49,380	298,067	14,780,072	16,495,293
July.....	5,268,881	77,232	448,601	15,298,073	21,092,787
August.....	2,465,361	90,813	231,774	10,666,959	14,454,809
September.....	3,480,385	55,400	238,972	11,717,761	15,492,518
October.....	6,210,156	145,325	350,614	14,513,454	21,219,549
Total 10 months	\$39,056,650	\$925,123	\$4,582,056	\$139,989,435	\$184,553,264
" 1862.....	49,550,658	2,699,821	4,263,668	120,314,139	176,828,286

The decline in prices of breadstuffs and provisions abroad, at a time when a speculative demand sprung up here, placed the largest staple exports above the English rates, and corn and wheat ceased to be exported. The decline of commercial bills, added to the distrust attached to them, by reason of the long continued decline of prices abroad, sustained gold. Nevertheless, the demand for gold in the past two weeks has been less than was looked for, since the market was supplied by bills taken on speculation in the summer months. These operations are a new feature in market, and are born of the speculative character imparted to every business by the new Government currency. In ordinary times exchange seldom varies  $\frac{1}{4}$  @  $\frac{1}{2}$  per cent, and the importers buy what they want through brokers, or directly from the bankers. Under the paper system, when notes are based on gold, above and around which the paper flood surges from hour to hour, the matter requires to be closely watched to avoid great losses. The prudent importers possessed of capital, when gold is low, buy it and buy bills to prepare for the coming storm, by many not possessed of large means, and also speculators, buy "options" similar to those in the stock market.

They deposit perhaps 5 per cent, say \$5,000, with the banker, and agree to take any time, within sixty days, say \$100,000 of exchange at

1 or 2 per cent above the market price. Thus, if the rate is 145, they give 146½. The banker immediately covers his bill with gold and waits until it is called for. This is a very profitable business for him, but is expensive for the importer, since it is paying 1 per cent per month for money. For the speculator it has been profitable in the last sixty days, as the rate has risen in that time 25 per cent. These bills, called for by speculators, are now put upon the market, and, being already covered with gold, keep the demand for the latter limited.

The rates of exchange have been as follows:

		RATES OF EXCHANGE.							
		London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.		
Jan.	3,	146 a 147½	3.85 a 3.80	56 a 56½	56 a 56½	49½ a 49½	98 a 98½		
"	10,	149 a 152	3.72½ a 3.67½	56 a 58	57½ a 58½	50½ a 51½	99 a 100		
"	17,	160 a 162	3.52½ a 3.45	60½ a 61½	61 a 62½	54 a 55½	108 a 110		
"	24,	162½ a 163	3.50 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108½		
"	31,	171 a 177	3.32 a 3.15	65½ a 66½	65 a 67	57 a 58½	114 a 117		
Feb.	7,	169 a 173	3.30 a 3.25	65 a 65½	65 a 65½	57 a 57½	114 a 116		
"	14,	170 a 171	3.32 a 3.27	65 a 65½	65 a 65½	56½ a 57½	113½ a 114½		
"	21,	171 a 179½	2.20 a 3.12	67 a 68½	68 a 68½	59 a 60½	118½ a 119½		
"	28,	185 a 188	3.10 a 3.00	67½ a 71	70 a 71	61½ a 62½	123 a 124		
Mar.	7,	167 a 169	3.37½ a 3.30	64 a 64	65 a 66	55 a 55½	111 a 112		
"	14,	168 a 171	3.35 a 3.30	64 a 64	64½ a 65½	55½ a 56½	112 a 114		
"	21,	169½ a 171½	3.37½ a 3.27½	63½ a 63½	63½ a 64½	56 a 57	113 a 114		
"	28,	157 a 161	3.57 a 3.47	61 a 62	61 a 62	53 a 54	107 a 108		
April	4,	168 a 172	3.40 a 3.25	62½ a 63½	62½ a 64	55½ a 57	111 a 111		
"	11,	168 a 162	3.55 a 3.45	61 a 62	61 a 62	53½ a 54½	106 a 108		
"	18,	165 a 167½	3.37½ a 3.45	62½ a 62½	62½ a 63	54½ a 55½	108 a 110		
"	25,	163 a 165	3.47½ a 3.50	61 a 61½	61½ a 62	53½ a 54½	107 a 108		
May	2,	163 a 165	3.47½ a 3.42	61½ a 62½	61½ a 62	53½ a 54½	107 a 108		
"	9,	168 a 170	3.42½ a 3.32	62½ a 63	62½ a 63½	55½ a 56½	110 a 112		
"	16,	162½ a 164	3.50 a 3.45	61½ a 62	61½ a 62½	54 a 55	107 a 109		
"	23,	161 a 163	3.52 a 3.45	61 a 61½	61½ a 62½	54 a 54½	107 a 108		
"	30,	156½ a 158	3.62½ a 3.55	59½ a 60½	60 a 60½	52½ a 53	104½ a 106		
June	6,	158½ a 160	3.57½ a 3.52½	59½ a 61	60 a 60½	52½ a 53	105 a 106		
"	13,	156 a 161	3.55 a 3.47½	59½ a 61	60 a 61½	52½ a 54	104 a 107		
"	20,	155 a 157	3.62 a 3.57½	58½ a 59	58½ a 59½	51 a 52	103 a 104		
June	27,	159 a 160½	3.55 a 3.50	59½ a 60½	60 a 60½	52½ a 52½	106½ a 107		
July	11,	143 a 146	3.95 a 3.85	54 a 54½	54 a 55½	47½ a 48½	94 a 96		
"	18,	138 a 139	4.07 a 4.02	51½ a 52	50 a 52½	46½ a 46½	92 a 92		
"	25,	138 a 139	4.10 a 4.05	51½ a 52½	51½ a 52½	45½ a 46½	91 a 92		
Aug.	1,	140 a 141½	4.06½ a 4.00	52½ a 53	52½ a 53½	46½ a 47½	92½ a 93½		
"	8,	139½ a 140½	4.06 a 4.00	52½ a 52½	52½ a 52½	46½ a 47	92 a 92½		
"	15,	137½ a 138½	4.12½ a 4.08½	51½ a 52	52 a 52½	45½ a 46	91½ a 92		
"	22,	137½ a 138½	4.12½ a 4.08½	51½ a 52½	52 a 52½	45½ a 45½	90½ a 91½		
"	29,	135½ a 136½	4.10 a 4.15	51 a 51½	21½ a 51½	45 a 45½	90 a 91		
Sept.	5,	141 a 147	4.00 a 3.90	52½ a 56½	52½ a 52½	46½ a 48	95½ a 96½		
"	12,	142 a 144½	3.92½ a 4.00	53 a 53½	53½ a 54	47 a 48	93½ a 94½		
"	19,	146 a 147½	3.87½ a 3.83	54½ a 55	54½ a 55½	48 a 48½	95½ a 97		
"	26,	151 a 152½	3.77½ a 3.71½	56½ a 56½	56½ a 57	49½ a 50	99 a 100		
Oct.	3,	154½ a 157½	3.65 a 3.57	58 a 59	58½ a 59	51½ a 52½	103 a 104		
"	10,	160½ a 162	3.55 a 3.48½	60½ a 61	60½ a 61½	53 a 53½	106½ a 107½		
"	17,	163½ a 172	3.33½ a 3.27½	63½ a 64	64 a 64½	56 a 56½	111½ a 113		
"	24,	158 a 159	3.56½ a 3.51½	59½ a 60½	60 a 60½	53 a 53½	105 a 106		
"	31,	158½ a 159½	3.69 a 3.52½	59 a 60	60 a 60½	52½ a 53	105½ a 106½		
Nov.	7,	161 a 163	3.51½ a 3.46½	61 a 61½	61½ a 62	53 a 54	106 a 108		
"	14,	161 a 162	3.52½ a 3.47½	60½ a 61½	61 a 61½	53 a 53½	106½ a 106½		
"	21,	168 a 169½	3.36½ a 3.32½	62 a 63	63 a 63½	55 a 56	110 a 111½		
"	27,	157 a 158	3.62½ a 3.56½	59 a 60½	59½ a 60½	51½ a 52½	105 a 106½		

These rates, which in September were quite up to the gold rate under the speculative demand, have since been depressed under the sales of those

speculative bills, and the shipments of gold have been proportionately as follows :

SPECIE AND PRICE OF GOLD.

		1862.		1863.			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January	3.	.....	442,147	.....	681,448	35,954,550	34½ a 34¾
"	10.	885,928	1,035,025	1,277,788	726,746	36,770,746	34 a 39
"	17.	.....	547,703	.....	1,380,247	37,581,465	40 a 49
"	24.	627,767	322,918	678,841	780,816	38,549,794	47 a 50¾
"	31.	.....	310,484	.....	1,331,027	38,894,840	48¾ a 60½
February	7.	854,000	976,235	301,860	1,277,000	38,243,839	57¾ a 57½
"	14.	614,146	1,156,154	359,978	1,152,546	38,426,460	53¾ a 53½
"	21.	759,247	934,512	.....	520,017	37,981,810	54 a 64
"	28.	741,109	510,774	285,394	1,377,016	39,512,256	71 a 72
March	7.	679,074	585,236	1,243,551	733,643	39,705,089	52½ a 53
"	14.	677,058	477,335	.....	3,540,550	36,110,085	54½ a 54½
"	21.	.....	540,968	249,514	1,201,907	33,955,122	53 a 54½
"	28.	490,368	779,564	159,105	1,050,156	34,317,691	41 a 42
April	4.	581,293	673,826	250,778	473,385	34,257,121	53 a 54
"	11.	.....	1,505,728	250,728	607,059	35,406,145	48 a 52½
"	18.	617,279	693,436	217,602	158,437	36,761,696	52 a 53½
"	25.	635,546	1,151,300	256,604	629,855	37,175,067	47 a 51½
May	2.	410,804	712,275	.....	294,998	36,846,528	48 a 50½
"	9.	484,019	1,574,166	205,057	451,827	38,102,633	58¾ a 47
"	16.	604,682	1,093,031	.....	661,996	38,556,552	49 a 49½
"	23.	501,204	938,032	258,570	488,745	38,544,865	48 a 49
"	30.	224,911	881,452	.....	279,994	37,632,634	44½ a 44¾
June	6.	553,035	1,647,299	318,066	411,483	37,241,670	46 a 46½
"	13.	352,391	1,990,327	.....	235,264	37,884,128	48 a 48¾
"	20.	612,461	3,156,988	.....	522,147	38,314,206	42 a 43½
"	27.	393,212	3,094,101	187,082	134,432	38,271,702	46 a 46½
July	4.	.....	2,647,060	.....	347,807	38,302,826	44 a 44½
"	11.	641,451	2,424,916	254,947	401,936	38,712,397	32½ a 32½
"	18.	441,179	1,846,023	.....	2,190,781	38,254,427	23 a 23½
"	25.	.....	784,537	.....	1,725,748	35,910,227	26 a 26½
August	1.	G. Gate lost.	748,523	270,182	480,374	33,746,681	28½ a 29
"	8.	964,422	890,552	.....	530,044	33,156,548	26½ a 27
"	15.	.....	700,431	313,612	1,210,230	32,874,913	25 a 25½
"	22.	1,089,111	919,825	.....	238,398	31,520,499	24½ a 25
"	29.	.....	1,137,644	231,854	1,379,710	32,030,055	24½ a 24½
Sept.	5.	807,063	551,097	.....	309,799	31,989,381	32½ a 33
"	12.	.....	1,042,835	279,043	852,752	32,018,107	28 a 29
"	19.	934,415	490,865	193,584	535,796	31,014,411	32½ a 33
"	26.	758,286	996,892	277,380	1,411,611	30,008,566	39 a 39½
October	3.	.....	713,075	.....	803,583	30,064,614	42½ a 42¾
"	10.	807,616	2,255,513	263,282	2,555,656	29,927,281	46½ a 47
"	17.	.....	1,714,551	.....	1,206,950	28,882,473	51½ a 52
"	24.	763,121	2,024,380	267,911	1,243,273	28,804,281	45¾ a 46
"	31.	.....	351,547	.....	585,302	28,124,921	46 a 46½
Nov.	7.	.....	711,606	547,338	646,017	28,783,281	47¾ a 47½
"	14.	708,731	1,894,708	281,340	395,796	29,177,849	47 a 47½
"	21.	921,207	2,458,529	261,730	1,006,907	.....	46½ a 54½
Total....		10,171,916	43,237,818	.....	.....	.....	.....

The amount of gold in the country at the present time, as compared with 1861, when the war broke out, has been a matter of some interest. When the war commenced its first effect was to cause a large importation of gold, because the credits existed abroad for produce sold, and the usual imports of goods ceased.

## SUPPLY.

	Import.	U. S. Mint.	Total.	Export.
1861.....	\$4,358,175	\$31,220,101	\$45,578,276	\$27,741,484
1862.....	37,088,413	28,710,240	65,798,653	37,880,920
1863.....	1,981,230	20,814,290	22,795,530	50,414,049
Total.....	\$43,427,828	\$80,744,631	\$134,172,459	\$107,735,453
Excess supply.....				26,437,006

This must be corrected by the quantities of coin that have found their way to Canada and to the South. Of these there can be no correct data. The probability is that we have now \$50,000,000 less coin than when the war began.

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 THE ERICSSON IRON-CLADS NOW BUILDING.

THE 14th of October last the Manhattan, one of the new Ericsson iron-clads, was launched in Jersey City. The Manhattan is a one-turreted Monitor, resembling the original craft of that name in her general features. She will have no masts, no bulwarks, no structure of any kind on deck, except the turret. Although in the chief points of her construction there is great similarity between her and the first vessel of her kind, considerable difference exists in the details. To give an idea of the progress made in building this description of vessels, it will be interesting to recall the prominent features of our first and second batches of iron-clads. It will be observed that only in the dimensions and in some of the minor characteristics have we diverged from the original plan. The following is a correct statement of the peculiarities of these three classes:

	The original Monitor.	Passaic batch.	Manhattan batch.
Length.....	190 feet.	200 feet.	235 feet.
Width.....	30 "	40 "	46 "
Depth of hold.....	9 "	9½ "	14 "
Draught of water.....	9 "	10 "	14 "
Armor of sides.....	4½ inches.	4½ inches.	9 inches.
Thickness of turret.....	11 "	11 "	11 "
Diameter of turret.....	21 feet.	21 feet.	21 feet.
No. of turrets.....	1	1	1
Diameter of cylinders ..	30 inches.	35 inches.	40 inches.
Armament.....	2 11-in. guns.	11 and 15 in.	2 13-inch.
Tonnage.....	800	844	1,400

It will be observed that the most important difference between the power of the first Monitors and the Manhattan consists in the armor and armament—the offensive and defensive attributes. Instead of four and a-half inches of iron, we have nine inches; and instead of one eleven and one fifteen-inch gun, the Manhattan will have two thirteen-inch guns, which, however, will be able to burn more powder than the old fifteen-inch guns. It was impossible, when adding additional weight of armor to the ship, to make the draft of water as light as in the Monitor, if that were even desirable, which is a matter not decided on. One of the peculiarities of the Manhattan is that she has sponsons, which tighten the frame to the vessel, as it were. In the original Monitor this sponson was left out, and the consequence was that the overhang was said to have been the cause of the loss of that celebrated little vessel. Captain ERICSSON

does not believe it to have been so, but in order to comply with the wishes of a majority of the people at Washington, he introduced this sponson, which counteracts the influence of the overhang in a great measure and makes the vessel more compact. The machinery for working the guns in the turret will be preserved, although the thirteen-inch guns do not require half the care the fifteen-inch did. It is worth remarking that the English employ something like fifteen or sixteen men to work the Armstrong gun, throwing a much lighter ball than our fifteen-inch gun, while we can work the fifteen-inch gun with four men, owing to the splendid mechanical facilities in the turret. The accident that happened to one of the Monitors during DUPONT's attack on Charleston, which resulted in the temporary crippling of the turret, cannot happen to the Manhattan, because an immense band of iron, several inches thick, perfectly solid and massive, covers the whole external base of the turret, rendering it absolutely impossible for any shot or shell to pierce it. This will insure the freedom of the turret, so far as its revolving power consists, from being prevented by an enemy's shot. The ventilation of the Monitors has been a subject of great interest, and the Navy Department, as well as its officers, have given it a great amount of attention. In the original Monitor, when the hatch was closed down and the ship in battle trim, the air was very foul, and it was even difficult to exist. In the Passaic batch of vessels the air was much better, and indeed many thought that it was as good as it need be. Recently, however, improvements have been made, and the ventilation of the entire ship is now as good as that of a 150 line-of-battle ship with all her ports open. The invention which gives this advantageous result is due to Mr. STIMERS. The wind pipes run underneath the deck and branch off to the officers' ward-room, forcing a continuous current of air through the vessel, so that it is rendered cool and comfortable in the warmest climate. The propeller is driven by two powerful engines, with cylinders of forty inches in diameter and twenty-eight inches stroke of piston. It will be observed that the speed of the Manhattan will, in the natural course of things, be much greater than that of the original Monitors, as the dimensions of her cylinders are nearly ten inches greater than those of the other ships. This is one of the most important requirements of an iron-clad vessel, particularly of one presenting such an unusual bow to the water. The Passaic and Montauk class have not been able to make as many knots as was expected; but it is hoped the new batch will do better. The service speed of the Manhattan is ten knots an hour at sea—nearly double that of her sister Monitors. In still less important matters there are some points of difference. In keeping the anchor, for instance, an arrangement by which two holes are placed on each side of the bow, while in the other Monitors it was directly in the centre. The head room between decks is also greater than in the other Monitors. The officers and crew are on the same floor, the former in the forward and the latter in the aft of the vessel. They number seventy-five men. The berth deck contains sixteen state-rooms. In fastening the armor, rivets are substituted for bolts, as the latter give way and fly about when struck by heavy projectiles in a severe engagement. In the arrangement of the machinery, the air and circulating pumps and the surface condensers are independent of the main engines, and can thus be operated when the main engines are standing still, maintaining constantly a vacuum, and being able to keep up the condensation of steam, instead of blowing it

off into the atmosphere, which every naval officer will appreciate, because it has been one of the most intolerable annoyances of the introduction of steam in the navy that when orders were given on the deck the blowing of the steam rendered them inaudible, and it could not be silenced without danger of being blown up.

Thus, we see what are some of the defects of our own iron-clads, the changes that have been made to cure them, and the improvements that have been from time to time added. We believe they have now reached a point of excellence that will enable them to defy the attack of any European fleet that can be sent against us. In fact, neither England or France has, at present, an iron-clad vessel capable of safely crossing the ocean.

The following is the class of vessels to which the Manhattan belongs :

Name.	Tonnage.	Where building.
Canonicus.....	1,034	South Boston.
Catawba.....	1,034	Cincinnati.
Manhattan.....	1,034	Jersey City.
Manayunk.....	1,034	Pittsburg.
Mahopac.....	1,034	Jersey City.
Oneota.....	1,034	Cincinnati.
Saugus.....	1,034	Wilmington, Del.
Tippecanoe.....	1,034	Cincinnati.
Tecumseh.....	1,400	Jersey City.

The following is a list of all the iron-clad vessels now in course of construction from the plans of Captain Ericsson :

Names of vessels.	Contractors.	Local inspectors.
Dictator.....	John Ericsson.	Eng. E. D. Roble.
Puritan.....	John Ericsson.	Eng. E. Lawton.
Tecumseh.....	Secor & Co.	Eng. J. Farron.
Mahopac.....	Secor & Co.	Amos Broadnax.
Manhattan.....	Perine, Secor & Co.	Amos Broadnax.
Canonicus.....	Harrison Loring.	Eng. D. B. Macomb.
Manayunk.....	Snowden & Mason.	W. E. Roe.
Cawtawba.....	Niles Works.	Eng. C. H. Loring.
Oneota.....	Niles Works.	Eng. C. H. Loring.
Tippecanoe.....	Miles Greenwood.	Eng. C. H. Loring.
Saugus.....	Harlan, Hollingworth & Co.	Eng. H. H. Stewart.
Napa.....	Harlan, Hollingworth & Co.	Eng. H. H. Stewart.
Yazoo.....	Merrick & Son.	W. K. Thomas.
Junxis.....	Reany, Son & Archibald.	Eng. R. H. Long.
Umpqua.....	Snowden & Mason.	W. E. Roe.
Warsaw.....	A. & W. Denmead & Co.	G. B. Davids.
Casco.....	Atlantic Works.	Eng. E. Lawton.
Simcook.....	Globe Work4.	B. F. Leonard.
Chimo.....	Aquila Adams.	Seth Wilmarth.
Klamath.....	Alexander Swift & Co.	Robert Glynn.
Suma.....	Alexander Swift & Co.	Robert Glynn.
Naubac.....	William Perine.	R. Robinson.
Shawnee.....	Curtis & Tilden.	Eng. E. Lawton.
Cohoes.....	William F. Merritt.	J. Drake.
Koka.....	Willcoz & Whiting.	L. T. Spencer.
Squando.....	McKay & Aldus.	1st Asst.-Eng. E. Hoyt, Jr.
Moduc.....	J. Underhill.	J. G. E. Larned.
Nauset.....	Donald McKay.	1st Asst.-Eng. E. Hoyt, Jr.
Shiloh.....	George C. Beston.	D. G. Wells.
Etlah.....	Charles W. McCord,	D. G. Wells.

## JOURNAL OF MERCANTILE LAW.

## IMPORTANT INSURANCE DECISION.

A NOVEL litigated case, and one of much importance in the law of marine insurance, has recently been decided in the Supreme Court of Massachusetts, the details of which occupy a large space in the Boston *Daily Advertiser*. The suit was brought by T. W. HOXIE against the Pacific Insurance Company—BIGELOW, C. J. The facts of the case may be thus briefly stated:—The vessel which was the subject of insurance in the policy declared on, having sailed from Perth Amboy in New Jersey, in May, 1860, bound on a voyage to Aspinwall, was compelled by reason of sea damage to put back into the port of Bermuda, which she had previously passed in the prosecution of her voyage, for the purpose of making necessary repairs. There were in that port ample means and opportunities of putting the vessel in a state of complete repair, and of fitting her in all respects for sea. On the first day of September, 1860, she was still undergoing repairs, which were not finished until the fifteenth day of that month, soon after which she proceeded to sea in the further prosecution of the adventure on which she sailed from Perth Amboy. The policy declared on was effected on the twelfth day of September. As nothing is shown to the contrary, it must be assumed that, at the date of the policy and on the day when the risk began, the vessel was in such condition, undergoing repairs, that she was seaworthy for port, so that the policy attached.

In this state of facts, the question to be determined was, whether in a policy on time upon a vessel so situated there was an implied warranty for seaworthiness, similar to that which the law implies in case of a voyage policy—that is, that the vessel is not only seaworthy for port, but also in a suitable condition for sea, by a breach of which the insurers are discharged from liability for loss happening from any cause. This interesting and important question of commercial law was argued at great length—the code was pretty thoroughly overhauled, and all cases of apparent analogy cited—but, from the authorities produced, there would seem to be no foundation, in the opinion of the Judge, for the positions assumed by defendants that there is no warranty of seaworthiness in any policies on time—a warranty which is said to lie at the basis of the contract of marine insurance.

It is easy to see a good reason for holding that a policy on time effected on a vessel when at sea does not include any warranty of her seaworthiness at the commencement of the risk. In such case, the insurance is on a "vessel in an unknown sea in an unknown state." The insured has no means of knowing her actual condition, or, if she is injured and out of repair, of restoring her to a condition of seaworthiness. Both parties enter into the contract with a full knowledge of these facts. It would not only be pushing a rule of law to an unreasonable extent to say that under such circumstances the assured undertakes to warrant his ship, of the conditions and circumstances of which he could know nothing, to be then seaworthy for any purpose, but it would be contrary to the manifest intent and understanding of the parties. In such cases, the circumstances attending the making of the contract of insurance tend directly to rebut any implication of

a warranty of seaworthiness at the inception of the risk. But when it is attempted to go farther, and to say that, because in certain cases of insurance on time it cannot be reasonably held that there is an implied warranty of seaworthiness at the inception of the risk, there is no such implied warranty at all in any such policy, whatever may be the circumstances under which the contract was entered into, the reasoning seems to be fallacious and unsound. Certainly it would be contrary to all the received canons of legal exposition to construe policies of this nature as if they were isolated contracts, having no connection with or affinity to other similar contracts under the law-merchant, and to which only the general rules regulating the interpretation of ordinary written contracts are to be applied. These ought not to be taken out by the mere force of judicial construction from the class of contracts to which they belong, or from the rules and principles by which such contracts are interpreted, any further than is rendered absolutely necessary by the peculiar stipulation, which distinguishes them from other contracts of marine insurance. Indeed, it is with reference to these rules and principles, long established and well known by all persons engaged in commercial transactions and the business of insurance, that these policies must be presumed to be made; and to disregard and reject them in giving an interpretation to the provisions which they contain, would be clearly contrary to the plain intent and understanding of the parties. Every implied warranty, therefore, which according to the usages of insurance and the decisions of courts of law is presumed from the fact of making an insurance on a ship or vessel under the well known forms adopted for policies, is to be annexed to and form part of a policy on time, as well as of one for a specified voyage, unless inconsistent with the nature of the risk or the circumstances under which the policy was entered into.

It was suggested by the counsel for plaintiff that if any warranty of seaworthiness was implied in the policy declared on, it was fully complied with by proof of the fact that the vessel was seaworthy at Perth Amboy on her departure in the prosecution of the adventure during the continuance of which the policy was effected and the vessel was lost. "But we are unable," says the Judge, "to appreciate the soundness of this suggestion. It confounds the voyage insured with the actual voyage on which the vessel happens to be bound at the date of the policy; these two have no necessary connection." The conclusion arrived at by the Judge was, that there was an implied warranty of seaworthiness in the policy declared on, in analogy to that which would arise under similar circumstances in a policy for a voyage; and, that the insurance having been effected on a vessel while in port, to take effect from a certain day, which was before she sailed thence, the warranty includes seaworthiness for ports as well as seaworthiness in setting out therefrom, as in a policy at and from a particular place.

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#### INTERESTING QUESTION TO IMPORTERS IN U. S. COURT, BEFORE JUDGE NELSON.

MANUEL ECHEVERRIA ET AL. VS. HIRAM BARNEY.

THIS suit is brought to recover back an excess of duties paid under protest on an importation of wool, lead in bars, goat-skins and cotton, in the Spanish bark *Teresita*, by the plaintiffs from Matamoras, September 4th, 1862. The duty paid and protested against was a discriminating duty of

ten per cent, claimed under the third section of the act of 5th of August, 1861. The first and second sections of that act imposed certain duties on articles specially enumerated in each section. The third section provides that "all goods, &c., imported from beyond the Cape of Good Hope in foreign vessels not entitled by treaties to be exempt from discriminating duties, &c., and all other articles, goods, &c., not imported direct from the place of their growth or production, or in foreign vessels, entitled by reciprocal treaties to be exempt from discriminating duties, &c., shall be subject to pay, in addition to the duties imposed by this act, ten per cent *ad valorem*." It is admitted that Spain has no such treaty as is mentioned in the section, and hence there is no difficulty in imposing the discrimination against her in all cases where the section applies. But none of the articles in this importation, except "lead in bars," is charged with a duty in the two preceding sections, or in any other section of the act, and therefore the third section imposing the ten per cent does not apply according to its very terms. The words are—"in addition to the duties imposed by this act, ten per cent *ad valorem*." The first section had imposed "on lead in pigs or bars," a duty of one dollar and fifty cents per one hundred pounds—the third section, therefore, applied to this article, the Spanish vessel not being exempt by treaty from the discrimination, which, in addition to the above rate, charged it with the ten per cent *ad valorem*. Wool is charged with a duty under the twelfth section of the act of March 2, 1861, and goat-skins, and cotton, under the eighth section of the act of July, 1862. That section provided, that from and after the day and year aforesaid (1st of August, 1862), in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, and on such as may now be exempt from duty, there shall be levied, &c., the following duties:—"On cotton, one-half cent per pound; on hides, raw, and skins of all kinds, ten per cent *ad valorem*." Before this, the duty on "raw hides and skins of all kinds" was five per cent, under the tenth section of the act of March 2d, 1861, and under the twenty-third section of the same act, cotton was free of duty. Whether, therefore, we look to the third section of the act of August 5, 1861, itself, which subjects the articles, under the circumstances stated in the section, to a duty of ten per cent in addition to that imposed by the act in the previous sections, or to the eighth section of the act of 1862, which imposes the duty in lieu of the duties heretofore imposed by law, it is quite clear that the discriminating duty in the third section does not apply to the articles of wool, goat-skins, or cotton. The difficulty appears to me insuperable to undertake to apply the third section of the act August 5, 1861, to the article of wool, which is subjected to duty under the act of March 2, previous, or to the articles of goat-skins and cotton, charged with a duty under the act of July, 1862, when, by the very terms of the third section, the additional duty there imposed is in addition to the duty fixed by that act of which the section is a part. If the language had been as used in some of the sections of the act of July, 1862, "in addition to the duties heretofore imposed by law"—or had used language which has never yet been used, I think, in any tariff act—"in addition to the duties that may hereinafter be imposed by law," the construction claimed by the Government might very well have been sustained. But no such language is used; on the contrary, the language is, as we have seen, "in addition to the duties imposed by this act." Judgment for the plaintiff.

## JOURNAL OF BANKING, CURRENCY, AND FINANCE.

### BANK RETURNS AND BANK ITEMS.

**CITY BANK MOVEMENTS AND RETURNS.**—The past month has been one of unusual pressure with the New York banks, and consequently of great stridency in the money market. We would refer our readers to our usual money article (Commercial Chronicle and Review,) for a history of this crisis and its causes. It will be noticed that at the close of last month the loans had reached in New York alone \$204,000,000, and the deposits were \$173,000,000, while the banks held only \$16,000,000 in legal tenders and still owed their proportion of \$27,500,000 on the loan they had made Government. These few facts, together with the further ones that now the loans have been reduced to \$176,000,000 and the deposits to \$145,000,000, tell the whole story.

The following have been the payments on the \$50,000,000 loan :

	New York banks.	Other banks.
5 per cent when loan was taken.....	\$1,750,000	\$750,000
10 " September 20.....	3,500,000	1,500,000
10 " " 27.....	3,500,000	1,500,000
10 " October 3.....	3,500,000	1,500,000
10 " " 19.....	3,500,000	1,500,000
10 " November 10.....	3,500,000	1,500,000
10 " " 13.....	3,500,000	1,500,000
10 " " 18.....	3,500,000	1,500,000
10 " " 21.....	3,500,000	1,500,000
Total.....	\$29,750,000	\$12,750,000
Making the total paid.....		42,500,000
Leaving still to paid.....		7,500,000

Amount of loan..... \$50,000,000

On September 5, over two months ago, at a meeting of bank managers of New York, the loan committee was authorized to enforce the equalization of legal tender notes on any day that it pleased, by a simple order conveyed to the banks. This resolution to equalize the notes was not enforced until Saturday, November 7. The New York banks now hold about \$20,000,000 in legal tenders.

Below will be found our usual bank returns for the three cities, brought down to the latest dates :

#### NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3,.....	\$173,810,009	\$35,954,550	\$9,754,355	\$159,163,246	\$186,861,762
" 10,.....	175,816,010	36,770,746	9,551,563	162,878,249	249,796,489
" 17,.....	176,606,558	37,581,465	9,241,670	164,666,003	314,471,457
" 24,.....	179,288,266	38,549,794	9,083,419	168,269,228	298,861,366
February 7,.....	179,892,161	38,243,839	8,780,154	166,342,777	302,352,571
" 14,.....	173,103,592	38,426,460	8,756,217	167,720,880	265,139,104
" 21,.....	178,335,880	37,981,310	8,752,536	170,103,758	291,242,929
" 28,.....	179,958,842	39,512,256	8,739,969	173,912,695	340,574,444

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
March 7,.....	181,098,322	39,705,089	8,698,175	174,689,212	344,484,442
" 14,.....	177,875,949	36,110,085	8,657,016	172,944,034	307,370,817
" 21,.....	173,829,479	33,955,122	8,609,723	167,004,466	277,831,851
" 28,.....	172,448,526	34,317,691	8,560,602	163,363,846	281,326,258
April 4,.....	173,038,019	34,257,121	8,348,094	160,216,418	287,347,704
" 11,.....	170,845,233	35,406,145	8,178,091	159,894,731	264,468,080
" 18,.....	169,132,822	36,761,696	8,039,558	164,122,146	259,417,565
" 25,.....	171,079,322	37,175,067	7,555,549	167,863,999	258,654,781
May 2,.....	177,864,956	36,846,528	7,201,169	167,696,916	355,557,732
" 9,.....	180,114,983	38,002,633	7,080,565	163,656,513	367,560,731
" 16,.....	180,711,072	38,556,642	6,901,700	168,879,180	353,346,664
" 23,.....	181,319,851	38,544,865	6,780,678	167,655,658	380,304,748
" 30,.....	181,825,856	37,692,634	6,494,375	166,261,121	307,680,918
June 6,.....	182,745,080	37,241,670	6,341,091	162,767,154	289,757,639
" 13,.....	180,808,823	37,884,128	6,210,404	159,551,150	302,377,276
" 20,.....	177,088,295	38,314,206	6,120,252	157,123,301	259,483,221
" 27,.....	175,682,421	38,271,202	6,004,177	158,539,308	264,819,856
July 4,.....	174,337,384	38,302,826	5,998,914	158,642,825	267,785,773
" 11,.....	175,087,485	38,712,397	5,927,071	160,733,496	319,946,652
" 18,.....	173,126,387	38,254,427	5,880,623	163,319,544	251,168,769
" 25,.....	173,036,336	35,910,227	5,775,188	164,133,549	284,684,421
August 1,.....	176,208,597	33,746,681	5,700,452	161,173,146	292,211,321
" 8,.....	176,559,840	32,166,548	5,706,024	155,368,116	297,384,006
" 15,.....	175,305,471	32,874,913	5,613,177	155,950,043	298,936,160
" 22,.....	175,713,139	31,520,499	5,545,970	156,588,995	373,756,630
" 29,.....	176,748,618	32,080,055	5,475,964	156,671,695	392,404,680
Sept. 5,.....	178,477,037	31,989,381	5,456,916	158,110,687	394,814,312
" 12,.....	200,028,980	32,018,107	5,457,366	173,538,622	371,510,559
" 19,.....	207,679,456	31,014,411	5,414,643	185,576,199	343,263,949
" 26,.....	204,501,984	30,008,566	5,377,886	186,080,773	354,203,025
October 3,.....	206,442,874	30,064,614	5,375,586	182,653,494	375,032,638
" 10,.....	206,906,903	29,927,281	5,522,178	180,037,253	399,288,092
" 17,.....	206,638,749	28,382,473	5,618,764	173,050,317	427,981,203
" 24,.....	204,013,870	28,804,915	5,799,097	172,487,596	469,175,465
" 31,.....	203,222,418	28,124,921	5,971,733	171,176,254	443,205,385
Nov. 7,.....	193,436,841	28,783,281	6,100,335	159,499,193	459,438,709
" 14,.....	182,044,530	29,177,049	6,095,932	151,770,498	441,451,540
" 21,.....	176,702,428	28,054,514	6,122,379	145,248,846	400,676,757

BOSTON BANKS.

\* BOSTON BANKS. (Capital, Jan., 1863, \$38,231,700; Jan., 1862, \$38,231,700.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$77,339,046	\$7,672,028	\$8,190,496	\$33,372,648	.....	.....
" 12,...	77,427,173	7,751,000	8,373,000	33,063,800	17,006,000	13,520,000
" 19,...	76,624,700	7,710,600	8,199,600	33,332,000	16,547,800	13,727,700
" 26,...	76,354,000	7,710,700	8,008,500	33,847,000	16,811,700	13,958,000
Feb. 2,...	76,496,800	7,685,000	8,865,000	34,076,800	16,889,000	14,490,000
" 9,...	78,421,000	7,707,000	8,074,000	35,178,600	16,932,000	14,183,000
" 16,...	78,431,000	7,794,000	8,001,000	34,903,000	17,070,700	14,095,500
" 23,...	78,782,600	7,624,000	8,002,000	34,965,500	17,331,000	14,583,800
Mar. 2,...	79,127,500	7,553,000	8,001,980	35,245,500	17,523,500	15,004,000
" 9,...	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16,...	79,636,134	7,609,238	7,780,062	32,955,149	17,230,300	13,434,500
" 30,...	77,935,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,300
April 6,...	76,933,600	7,703,800	7,963,500	32,687,000	15,444,000	12,280,600
" 13,...	74,551,013	7,812,895	7,762,915	32,494,822	14,557,000	12,947,800
" 20,...	73,459,168	7,799,315	7,278,506	33,209,742	14,132,000	12,653,000
" 27,...	73,558,000	7,838,800	7,040,000	32,781,500	13,303,000	11,966,700
May 4,...	73,218,155	7,854,781	7,433,496	31,949,762	13,237,700	11,622,600
" 11,...	73,062,789	7,847,849	7,688,233	31,309,985	13,147,000	11,800,000

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
July 18,...	73,063,598	7,794,046	7,167,327	32,192,770	12,863,500	11,732,000
" 25,...	72,874,000	7,777,000	7,011,700	33,000,000	12,787,600	11,748,000
June 1,...	73,424,000	7,751,000	6,913,000	32,575,000	12,735,000	10,704,500
" 8,...	73,592,000	7,738,557	7,030,286	31,728,285	12,626,700	10,874,700
" 15,...	73,237,000	7,730,000	7,109,000	31,477,600	12,735,500	10,541,000
" 22,...	73,351,000	7,697,000	7,344,500	31,355,800	12,604,600	10,914,700
" 29,...	73,421,084	7,683,987	7,040,624	31,477,596	12,388,000	10,900,000
July 6,...	73,548,918	7,744,827	7,473,800	31,509,263	12,233,000	10,891,000
" 13,...	73,485,675	7,774,991	7,508,442	30,277,502	12,193,000	10,712,000
" 20,...	73,421,000	7,684,000	7,401,500	29,287,000	13,802,000	10,154,600
" 27,...	72,850,716	7,811,513	7,246,797	28,011,571	12,950,000	9,864,300
Aug. 3,...	72,390,364	7,793,916	7,317,402	28,384,096	12,655,000	9,646,000
" 10,...	71,997,503	7,798,276	7,440,212	28,247,266	12,822,673	10,135,180
" 17,...	71,800,078	7,813,497	7,198,917	27,898,073	12,765,527	9,603,257
" 24,...	71,447,520	7,780,905	7,303,757	27,510,154	12,662,321	9,573,673
" 31,...	71,478,116	7,752,516	7,327,704	27,762,955	12,614,000	9,820,500
Sept. 7,...	71,717,995	7,637,402	7,527,036	28,778,498	12,379,000	10,874,700
" 14,...	75,599,232	7,591,589	7,600,556	31,143,688	13,424,000	11,097,000
" 21,...	79,595,740	7,595,358	7,604,161	34,509,214	13,565,000	11,487,500
" 28,...	78,358,387	7,707,106	7,620,371	34,495,540	13,315,000	12,138,000
Oct. 5,...	77,798,427	8,042,052	8,107,720	35,435,811	13,498,000	13,765,500
" 12,...	78,160,899	7,991,999	8,399,769	35,734,989	13,909,500	14,123,700
" 19,...	78,216,435	7,880,832	8,323,451	36,127,597	13,506,500	13,967,000
" 26,...	78,746,728	7,850,547	8,086,072	36,682,299	13,909,500	14,123,700
Nov. 2,...	79,378,840	7,841,332	8,606,626	36,775,102	13,381,000	12,206,000
" 9,...	78,554,017	7,975,057	9,527,161	34,557,547	12,668,000	12,172,000
" 16,...	76,412,358	7,908,760	9,618,158	33,165,071	11,726,600	12,069,000

## PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$37,679,675	\$4,510,750	\$4,504,115	\$28,429,189	\$6,948,785	\$1,994,928
" 12,...	37,533,757	4,544,786	4,450,676	28,018,792	6,890,968	1,848,932
" 19,...	37,416,894	4,549,369	4,382,520	27,877,069	7,050,847	2,275,905
" 26,...	37,479,712	4,572,419	4,284,947	28,773,517	7,755,980	2,658,985
Feb. 2,...	37,268,894	4,562,580	4,181,503	29,231,753	6,698,210	2,909,857
" 9,...	37,336,367	4,319,706	4,039,918	28,062,164	6,953,215	2,518,036
" 16,...	37,710,851	4,272,347	3,888,185	28,759,049	7,452,563	2,432,073
" 23,...	37,720,460	4,276,761	3,772,781	29,342,596	7,413,249	2,703,196
Mar. 2,...	37,901,080	4,267,626	3,696,097	30,178,518	7,185,670	2,758,852
" 9,...	38,603,871	4,249,035	3,608,870	30,679,259	7,100,258	2,499,139
" 16,...	39,260,028	4,247,817	3,534,880	30,549,587	7,476,603	1,939,449
" 23,...	39,453,384	4,247,688	3,295,862	30,106,135	7,418,482	1,935,014
" 30,...	38,937,612	4,311,704	3,369,194	29,171,283	6,504,758	2,158,007
Apr. 6,...	37,516,520	4,339,252	3,374,417	29,531,559	5,768,558	2,770,129
" 13,...	36,250,402	4,343,242	3,296,685	30,117,527	5,953,809	3,014,229
" 20,...	36,295,644	4,343,988	3,185,042	31,059,644	5,306,809	3,018,727
" 27,...	36,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,868
May 4,...	36,587,294	4,355,324	2,989,428	30,859,231	5,328,898	2,891,087
" 11,...	36,593,179	4,359,365	2,901,600	30,949,781	4,975,939	2,542,792
" 18,...	36,887,301	4,357,119	2,866,121	31,892,308	4,640,623	2,536,279
" 25,...	37,116,093	4,357,169	2,808,109	32,455,953	4,623,392	2,480,714
June 1,...	37,143,937	4,357,021	2,706,953	31,888,763	4,707,278	2,363,548
" 8,...	37,157,769	4,357,076	2,649,283	31,549,339	4,645,712	2,313,744
June 15,...	37,228,627	4,357,025	2,621,098	31,648,959	4,914,425	2,892,278
" 22,...	37,219,216	4,356,744	2,596,115	31,293,830	4,868,495	2,065,913
" 29,...	37,250,665	4,359,543	2,556,855	31,466,204	5,116,692	1,820,600
July 6,...	35,936,811	4,360,745	2,564,558	28,504,544	5,060,096	1,961,314
" 13,...	34,866,842	4,360,003	2,507,253	28,701,313	4,784,343	2,550,552
" 20,...	34,662,966	4,361,999	2,482,986	29,931,608	4,580,322	2,981,867

Date.	Loans	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
July 27,...	34,517,347	4,227,448	2,418,463	30,448,430	4,805,045	3,034,009
Aug. 3,...	34,390,179	4,187,056	2,417,739	30,799,448	4,963,290	2,772,717
“ 10,...	34,645,243	4,112,013	2,380,720	30,513,961	4,740,391	2,538,096
“ 17,...	35,390,179	4,112,542	2,353,396	29,959,127	5,161,573	2,158,440
“ 31,...	35,296,376	4,113,309	2,292,607	30,195,167	4,551,031	2,219,071
Sept 7,...	35,773,596	4,113,162	2,258,306	30,654,672	4,574,037	1,997,534
“ 14,...	39,575,410	4,103,115	2,223,533	33,626,702	4,997,015	1,801,678
“ 21,...	40,175,698	4,102,701	2,224,632	33,039,035	5,079,742	1,802,889
“ 28,...	39,485,313	4,116,633	2,224,374	32,402,783	4,616,754	1,822,228
Oct. 5,...	38,798,830	4,227,265	2,193,000	32,258,554	4,427,097	1,976,561
“ 12,...	39,046,434	4,239,551	2,169,314	32,536,502	4,446,684	2,035,319
“ 19,...	38,833,337	4,238,677	2,159,638	32,684,915	4,361,072	1,926,707
“ 26,...	38,683,057	4,238,519	2,123,617	32,505,953	4,337,835	1,911,956
Nov. 2,...	39,180,421	4,164,804	2,106,284	31,805,965	4,697,888	1,943,382
“ 9,...	38,647,125	4,167,671	2,109,521	30,812,091	4,336,929	2,051,061
“ 16,...	37,376,645	4,158,884	2,089,990	30,732,600	4,076,614	1,925,740

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned :

June 22.....	\$6,082,729	Sept 14.....	\$7,081,480
“ 29.....	6,952,150	“ 21.....	6,573,404
July 6.....	5,953,622	“ 28.....	6,375,334
“ 13.....	6,916,751	Oct. 5.....	6,273,091
“ 20.....	7,066,593	“ 12.....	6,342,746
“ 27.....	7,903,732	“ 19.....	6,525,827
Aug. 3.....	8,430,782	“ 26.....	6,775,401
“ 10.....	7,780,640	Nov. 2.....	6,101,541
“ 17.....	7,530,339	“ 9.....	5,416,212
“ 31.....	6,853,540	“ 16.....	6,185,740
Sept. 7.....	7,382,810		

EUROPEAN FINANCES—BANK OF ENGLAND RETURNS.—We publish this month an article in reference to the serious aspect of European finances, at the present time. The drain of specie from those two great specie reservoirs, the Banks of England and France, has been carried on to such an alarming extent as to induce the directors of those two institutions to raise their rate to six per cent. This may relieve them temporarily, but as the purchase of cotton from India and other new sources is going on and must continue to go on so long as this war lasts, payment for which must be made in specie, it can be but a temporary remedy. We see that the London *Economist* proposes to alleviate the pressure by drawing on India for its home expenses, etc., which fall due about six months hence—that is, it would pay what it now owes by anticipating these demands. It says :

“It is to be remembered that the cause of the present difficulty is a drain of silver to the East which the Bank of France did not in due time provide against. We are suddenly obliged to send much bullion to India from hence. Now, it so happens that the Council of India are constantly drawing money from India. They accepted tenders for bills for £400,000 during the last week. It is the ordinary course of events that the Indian Government should remit hither money for their home expenses, which are more than £5,000,000 annually, and there is also a considerable amount of India debentures which fall due next spring. The normal state of things is, that the Secretary of State for India draws on India, where all his revenue is received, for all he has to expend in England, whether of ordinary outgoings or for the repayment of debt. For this purpose, he must get *cash* from India. We confess that it does not seem to be unreasonable that the Council of India should select the present moment for drawing to an unusual extent on India; for getting more cash from thence at this moment when we have so much to send thither. The effect of this will be that the

drain to India will be stopped, and that *no money will be sent either way*. The political demand of England on India will compensate and neutralize the commercial demand of India upon England.

"The Indian Government will be no loser by this operation. They never will be able to sell bills upon India in a better market. For the £400,000 they sold this week, the tenders within the prescribed limits amounted to the enormous sum of £2,830,000, and no seller can expect a better demand than this for his article. There is nothing unnatural or artificial in the operation we recommend. It is known that the cash balances in India are very ample, and that money is being remitted from thence. We do not wish a shilling to be brought home in consequence of the difficulty in our money market which would not otherwise have been brought home. We only suggest that what money is so drawn for should be drawn for now; that there be no risk of money passing both ways; that we should compensate for the neglect of the Bank of France, which has aggravated this sudden demand to India, by calling in our debts from India somewhat quicker than we should have otherwise asked for them."

This is all right and proper, we suppose, if the Government sees fit to do it, and yet it looks a little ridiculous for a wealthy nation, like Great Britain, to be living on its next year's income. A short time ago, all London was laughing at Paris, because the Bank of France was compelled to go to the former city and buy specie enough to carry it through the crisis. Now, however, England would go to India (she always goes to India when in trouble) to obtain help on a similar occasion. What will she do next year? There will be the same cotton to pay for, and the same balance (if not a greater) against her, on account of it.

The following comparative table will be of interest, showing as it does a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns, November 4th:

At corresponding dates with the week ending November 4, 1863.	1861.	1862.	1863.
Circulation, including bank post bills...	£21,575,597	£21,878,952	£22,783,018
Public deposits.....	4,240,889	6,271,105	5,066,818
Other deposits.....	13,515,241	14,979,889	13,861,173
Government securities.....	11,712,187	11,063,992	10,949,363
Other securities.....	16,460,864	19,627,192	20,009,524
Reserve of notes and coin.....	8,087,459	8,976,265	6,408,458
Coin and bullion.....	14,210,774	15,425,810	13,799,428
Bank rate of discount.....	8 per cent.	8 p. cent.	6 per cent.
Average price of wheat.....	59s. 5d.	48s. 7d.	41s. 2d.

Subjoined is our usual table with the returns brought down to November 4th, 1863:

## WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17...	£19,932,360	£8,507,144	£14,033,994	£30,539,363	£15,031,658	3 pr. ct.
" 24...	20,150,398	8,654,499	14,306,497	31,346,731	14,870,795	3 "
" 31...	20,516,435	8,338,717	15,469,254	32,488,020	14,956,421	3 "
Jan. 7...	20,927,993	8,782,808	14,393,308	32,620,233	14,635,555	3 "
" 14...	21,018,849	4,280,730	16,772,782	31,165,075	14,102,169	4 "
" 21...	20,893,931	4,965,798	14,993,225	30,227,086	13,855,849	4 "
" 28...	20,771,236	5,416,863	14,414,763	30,238,865	13,611,323	5 "
Feb. 4...	20,709,154	6,351,617	13,352,287	29,997,233	13,692,136	5 "
" 11...	20,444,454	6,952,808	13,596,356	30,288,406	14,070,651	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,715,828	7,901,658	13,367,153	29,709,079	14,614,096	4 "
Mar. 4...	20,322,055	8,036,003	13,368,086	30,880,805	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,327	14,323,178	4 "

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Mar. 17...	20,012,331	9,343,499	13,003,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,364,471	12,742,282	31,896,338	15,025,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,963,835	4 "
" 15...	21,326,820	5,769,276	15,013,391	29,974,677	15,229,237	4 "
" 22...	21,413,226	6,316,413	14,739,897	30,182,533	15,387,151	3 "
" 29...	21,452,800	7,178,312	13,606,939	29,994,349	15,348,492	3½ "
May 6...	21,376,999	7,241,739	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,735,137	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,268,315	7,610,278	13,983,654	31,484,815	14,529,451	4 "
" 27...	20,909,319	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,387	13,896,450	32,389,044	14,425,553	4 "
" 10...	21,080,460	9,782,830	13,783,263	33,240,192	14,556,121	4 "
" 17...	20,655,473	9,882,135	13,904,506	32,750,953	14,850,156	4 "
" 24...	20,525,655	10,279,053	13,809,996	32,756,459	15,026,118	4 "
July 1...	21,738,756	10,356,373	16,274,739	36,490,515	15,080,271	4 "
" 8...	22,038,478	5,593,834	18,595,718	34,647,336	14,824,969	4 "
" 15...	22,194,996	4,948,458	16,381,914	32,052,521	14,749,876	4 "
" 22...	22,230,612	5,386,948	14,675,625	30,975,774	14,620,872	4 "
Aug. 5...	22,340,809	5,577,268	13,790,355	30,289,227	14,843,185	4 "
" 12...	21,937,198	5,754,863	13,578,358	29,657,333	15,040,819	4 "
" 19...	22,003,176	6,126,668	13,005,322	29,503,127	15,081,152	4 "
" 26...	21,699,696	6,713,801	12,806,568	29,322,757	15,309,384	4 "
Sept. 2...	21,920,722	6,818,182	13,261,512	30,180,334	15,494,219	4 "
" 9...	21,646,811	6,997,402	12,909,484	29,919,543	15,345,488	4 "
" 16...	21,487,105	7,371,510	13,484,939	30,601,940	15,461,566	4 "
" 23...	21,515,731	8,291,491	12,859,580	30,960,809	15,532,838	4 "
" 30...	22,312,747	9,270,486	13,717,460	33,751,403	15,277,835	4 "
Oct. 7...	22,545,407	9,510,057	12,893,642	33,829,764	14,856,037	4 "
" 14...	22,860,695	4,616,052	16,352,818	32,382,508	14,570,611	4 "
" 21...	22,824,466	4,487,835	15,271,262	31,028,819	14,645,269	4 "
" 28...	22,600,408	4,462,163	15,015,128	30,785,852	14,437,574	4 "
Nov. 4...	22,783,018	5,066,818	13,861,173	31,055,887	13,799,428	6 "

UNITED STATES BANKS.—We see that the National Bank movement has extended to the Crescent City. The First National Bank of New Orleans is now in process of organization. The contemplated amount of capital is placed at \$500,000, of which about \$200,000 is said to have been subscribed. This being the first bank in the Southwest under the act of Congress of February, 1863, will of course receive the Government business, which, under the large and increasing disbursements in New Orleans, ought to be of advantage to the bank and stockholders.

There has been great delay in furnishing the banks with the new Government currency, and consequently many complaints have been made. Promises have been frequently given that it should be ready in a few days, but thus far they have not been kept. In this connection, the following extract of a letter from the Controller of the Currency to the President of the First National Bank of New York, will be of interest:

WASHINGTON, November 13, 1863.

I have been a good deal troubled about the delays that have occurred in the preparation of the National Currency, but I am now quite hopeful that those delays are about over, and that we shall be ready to commence the delivery of notes to the banks by the 1st proximo.

Yours truly,

H. McCULLOCH, Controller.

The books of subscription to the capital stock of the Five million National Bank.—NO. VI.

tional Bank of this city were opened on the 23d of November, at the office of the United States Trust Company. The capital of this bank, it will be remembered, is to be \$5,000,000, with power to increase to \$50,000,000. In our last number, we published the call for the meeting, at which the proposed institution had its inception, and also briefly stated the proceedings of those present. The next step toward organization is now being taken, and, judging from present appearances, the bank will soon be under way.

Thus our country moves on in the new course marked out for us, financially. We pray that it may be a safe one. And yet we can but tremble at the thought of a fifty million bank, and that bank only the head of perhaps fifty million others spread over the country. It is true, these corporations promise fair at present, and if in the future they continue to be guided by the present intentions of their instigators, their existence may not be regretted; but if in after time these corporations come within the grasp of designing men, who would not scruple to wield their immense power for the furtherance of their own ambitious ends, or if they should degenerate into speculating machines, like the old United States Bank, while in the hands of NICHOLAS BIDDLE, or, worse still, if they become the creatures of some future administration, selfish and corrupt, can we appreciate, even, the evils that await us from this one cause?

We learn from the Philadelphia *Commercial List & Price Current*, that the First National Bank of Philadelphia, on November 17th, increased its capital stock from \$150,000 to \$500,000, and purposes, at an early date, as soon as the business of the bank requires it, to make a further increase to \$1,000,000. O. W. DAVIS, who resigned the position of President, in order to devote his entire time to the duties of his profession, still retains the position of director. C. H. CLARK, of the house of E. W. CLARK & Co., bankers, has been elected in his stead. The following are the directors of the Bank as now organized: C. H. CLARK, JAY COOKE, S. A. CALDWELL, J. B. MOOREHEAD, W. S. RUSSELL, E. W. CLARK, O. W. DAVIS. The bank is understood to be mostly owned by the two well-known banking firms in that city, E. W. CLARK & Co., and JAY COOKE & Co.

CONDITION OF THE BANKS OF NEW YORK STATE.—The following shows the aggregate of the resources and liabilities of the banks of the State of New York as exhibited by their reports to the Superintendent of their condition on the mornings of September 26, 1863 and June 13, 1863:

	LIABILITIES.	
	Sept. 26, 1863.	June 13, 1863.
Capital.....	\$109,258,147	\$108,499,653
Circulation.....	33,423,230	32,261,462
Profits.....	17,119,176	19,403,336
Due banks.....	48,605,902	49,193,323
Due individuals and corporations other than banks and depositors.....	2,745,869	2,079,981
Due treasurer of the State of New York	4,389,248	4,707,306
Due depositors on demand.....	233,611,282	218,717,725
Amount due not included under either the above heads.....	25,971,848	2,496,394
Add for cents.....	525	505
Total.....	\$475,125,227	\$436,419,085

## RESOURCES.

Loans and discounts.....	\$203,462,460		\$183,647,438
Overdrafts.....	568,495		463,785
Due from banks.....	21,949,185		22,404,378
Due from directors.....	\$6,572,010	\$6,198,572	
Due from brokers.....	14,722,542	6,311,600	
Real estate.....	8,865,541	11,300	and 8,972,098
Specie.....	31,071,759		40,250,309
Cash items.....	53,253,433		43,482,170
Stocks, promissory and U. S. 7 3-10 notes and indebtedness certificates.....	120,856,200		109,491,478
Bonds and mortgages.....	5,579,543	\$86,000	and 5,731,518
Bills of solvent banks and U. S. demand notes.....	28,746,183		15,790,539
Bills of suspended banks.....	\$78 and 229	\$65 and	245
Loss and expense account.....	771,248		1,191,229
Add for cents.....	948		918
Total.....	\$475,125,227		\$436,419,685

In September three hundred and nine banks were in operation and reported, including the Pulaski Bank, which is voluntarily winding up its affairs.

The Bank of Canton, Lake Bank, Henry D. Barto & Co.'s Bank, and O. Paddock & Co.'s Bank, made their first reports.

The Perrin Bank, Rochester, is voluntarily winding up, and did not report.

The Hope Bank, of Albany, commenced operations since last report, but not in time to be included in the September report.

To show the remarkable changes in the returns during the war, we give the movement since September, 1861, in the four principal items of the quarterly report:

Date	Circulation,	Deposits.	Specie.	Discounts.
September, 1861....	\$28,015,748	\$111,895,016	\$38,089,727	\$176,055,848
March, 1862....	28,330,973	121,988,259	34,301,092	162,017,987
June, 1862....	33,727,382	150,438,244	32,882,693	184,501,261
September, 1862....	37,557,373	186,390,795	39,283,931	165,584,063
December, 1862....	39,182,819	191,537,897	37,803,047	173,922,536
March, 1863....	35,506,606	221,544,347	36,802,438	183,864,089
June, 1863....	32,261,462	218,717,725	40,250,309	183,617,438
September, 1863....	33,423,230	233,611,282	31,071,759	203,462,460

**DIVIDENDS OF THE PHILADELPHIA BANKS.**—The Philadelphia banks, with the exception of the Bank of North America, (which makes it dividends in January and July,) declared their semi-annual dividend the first of the month, and the *Commercial List and Price Current* of Philadelphia gives the following statement of these November dividends, compared with those of May last:

Banks.	Capital stock.	—When declared.—		Amount of dividend.
		May 5	Nov. 5	
Philadelphia.....	\$1,800,000	May 5	Nov. 5	\$90,000
Farmers and Mechanics.....	2,000,000	" 4	" 5	100,000
Commercial.....	1,000,000	" 4	" 5	50,000
Mechanics'.....	800,000	" 5	" 6	48,000
Northern Liberties.....	500,000	" 7	" 7	35,000
Southwark.....	250,000	" 7	" 8	20,000
Kensington.....	250,000	" 5	" 10	25,000
Penn Township.....	350,000	" 6	" 6	21,000
Western.....	418,600	" 5	" 5	21,900

Banks.	Capital stock.	When declared.		Amount of dividend.
		May 5	Nov. 6	
Manufacturers and Mechanics.	570,150	May 5	Nov. 6	34,200
Commerce .....	250,000	" 5	" 5	12,500
Girard.....	1,000,000	" 4	" 5	50,000
Tradesmen's.....	150,000	" 5	" 5	7,500
Consolidation.....	267,560	" 5	" 5	13,378
City.....	433,850	" 4	" 4	17,354
Commonwealth .....	286,425	" 4	" 4	11,473
Corn Exchange.....	300,000	" 5	" 5	15,000
Union.....	208,320	" 5	" 5	10,411
First National.....	150,000	Not 6 months in operation.		
Total.....	\$11,985,380			\$581,725

The dividends for the November semi-annual period have been generally increased, and all are payable clear of tax. The amount of dividends is \$581,725, against \$512,438 at the semi-annual period in May, being an increase of \$59,287.

REAL AND PERSONAL ESTATE, AND SEPTENNIAL ASSESSMENT, OF PHILADELPHIA.—The Philadelphia *Commercial List* also publishes the following statement of the value of the real and personal property of Philadelphia which has just been returned by the assessors, for the year 1864:

REAL AND PERSONAL ESTATE.					
Wards.	Real estate.	Furniture.	Horses, etc.	Carriages.	Personal.
1.....	\$5,726,239	\$600	\$16,085	\$825	\$7,286
2.....	3,329,925	...	5,855	2,060	5,469
3.....	2,555,802	400	1,260	30	3,152
4.....	2,986,594	1,600	1,000	450	3,610
5.....	12,805,665	97,700	9,480	9,240	3,071
6.....	20,504,920	32,250	3,070	1,720	2,901
7.....	7,525,686	354,750	10,835	8,375	4,257
8.....	13,060,303	684,700	49,465	31,800	3,619
9.....	11,159,375	242,450	29,775	18,150	3,588
10.....	8,149,888	195,660	26,490	21,610	4,340
11.....	4,599,270	2,800	9,930	1,070	3,440
12.....	4,092,836	80,600	10,955	7,030	2,234
13.....	5,343,425	116,190	4,100	3,115	3,630
14.....	5,187,460	29,500	5,185	2,355	4,261
15.....	7,583,849	29,800	25,395	2,900	5,923
16.....	3,092,325	4,400	4,370	1,120	4,199
17.....	2,041,311	.....	6,950	1,320	4,372
18.....	2,794,031	200	9,640	1,650	4,613
19.....	4,099,600	.....	15,210	210	6,506
20.....	6,795,809	57,600	35,930	6,120	7,023
21.....	3,232,978	13,900	27,875	3,055	3,157
22.....	4,901,594	69,425	70,875	23,375	4,166
23.....	3,471,252	14,700	56,310	10,430	3,662
24.....	5,569,237	25,420	79,926	7,073	4,530
25.....	3,058,994	5,150	13,940	2,100	2,305
	\$153,668,368	\$2,059,795	\$529,896	\$167,273	\$106,314

The above valuation is exclusive of property exempt by law. The assessed value of property returned as rural amounts to about \$18,000,000.

The returns of the taxable inhabitants of Philadelphia has also been made by the assessors, under the direction of the City Commissioner, in accordance with the act of 1821. The following are the complete returns to be sent to Harrisburg for the purpose of fixing the number of representatives for 1864 :

Wards.	Males.	Females.	Blind.	Deaf and Dumb.	Whites.	Colored.	Total Taxables.
1.....	7,384	334	2	2	7,619	99	7,718
2.....	5,573	504	10	6	6,049	28	6,077
3.....	3,039	152	1	1	3,177	14	3,191
4.....	3,012	19	1	0	3,030	1	3,031
5.....	2,088	186	1	0	3,158	16	3,174
6.....	2,692	111	3	2	2,803	0	2,803
7.....	4,978	418	2	3	5,306	90	5,396
8.....	4,007	723	6	0	4,655	75	4,730
9.....	4,025	1,158	5	1	5,143	40	5,183
10.....	4,319	282	2	1	4,596	5	4,601
11.....	3,301	52	2	3	3,352	1	3,353
12.....	3,307	164	0	3	3,466	5	3,471
13.....	3,807	559	3	0	4,366	0	4,366
14.....	4,502	198	1	7	4,696	4	4,700
15.....	7,151	555	20	3	7,703	3	7,706
16.....	4,706	293	3	4	4,998	1	4,999
17.....	4,769	54	4	1	4,822	1	4,823
18.....	4,608	132	5	3	4,740	0	4,740
19.....	6,807	474	5	4	7,270	11	7,281
20.....	7,218	522	8	3	7,732	9	7,741
21.....	3,578	299	4	0	3,875	2	3,877
22.....	4,286	249	3	0	4,524	11	4,535
23.....	3,906	344	11	4	4,191	59	4,250
24.....	5,055	215	4	1	5,234	36	5,270
25.....	2,159	98	1	0	2,248	9	2,257
	111,117	8,096	107	52	118,753	520	119,273

The return of blind and deaf and dumb in the various institutions in that city, not included in the above, is as follows ; In the Blind Asylum, there are 86 males and 75 females ; in the Deaf and Dumb Asylum, 97 males and 88 females ; at the Aimshouse, there are 45 blind and 5 deaf and dumb.

## STATISTICS OF TRADE AND COMMERCE.

## FOREIGN WOOL TRADE OF NEW YORK.

THE *Journal of Commerce* publishes the following statement of the imports of foreign wool at New York for the first six months of the current year, and also for the same time in 1862. The comparison shows the imports of the first half of this year to be more than those of the same time in 1862 by 27,094 bales, 11,509,348 pounds, and \$2,081,056 in value. At this time last year nearly all the new clip of domestic wool had been bought of the growers at 35 @ 45 cents, the latter figures being the price at that date, and foreign wools were held at prices which made them dearer than domestic. But at this date the facts are reversed. The new clip is nearly all held by the grower at 65 @ 75 cents, and the stock of foreign is offered at rates which make it cheaper to the manufacturer. And as there are few woolen fabrics which cannot be manufactured from foreign stock, but little domestic will be taken while the present prices remain. The stock of foreign wool in this market at the present time is considerably larger than that of this date a year ago, and it is estimated that the domestic clip of this year is fully twenty-five per cent larger than that of 1862 :

IMPORTS OF FOREIGN WOOL AT NEW YORK DURING THE FIRST SIX MONTHS OF 1862, AND FOR THE SAME TIME IN 1863.

From whence.	1862.			1863.		
	No. of bales.	Weight of pounds.	Entered value.	No. of bales.	Weight of pounds.	Entered value.
England .....	15,388	5,734,308	\$1,041,135	18,902	7,065,474	\$1,292,899
Buenos Ayres.....	4,967	4,384,295	617,298	9,421	8,196,049	1,192,162
France.....	8,208	3,203,806	451,636	15,152	4,418,399	768,033
Africa.....	1,679	586,361	121,497	5,933	2,449,363	458,183
Turkey.....	54	19,285	3,228	2,155	941,319	157,670
British pos. in Africa.....	.....	.....	.....	1,817	778,034	150,730
Chili.....	.....	.....	.....	3,160	757,445	143,643
Belgium.....	2,561	974,542	151,908	1,081	846,714	140,446
Russia.....	.....	.....	.....	1,891	790,193	116,251
Mexico.....	12	2,225	364	1,726	569,148	74,202
Brazil.....	459	306,790	46,654	573	464,813	64,268
Spain.....	419	127,313	14,988	749	222,274	35,817
Portugal.....	207	55,677	6,471	723	133,386	22,219
Bremen.....	242	111,400	18,236	238	86,340	21,437
Hamburg.....	293	84,495	14,979	125	67,099	10,292
Tuscany.....	568	224,228	26,733	161	59,785	9,520
Cisplatine Republic.....	.....	.....	.....	72	49,659	7,759
New Grenada.....	621	163,366	17,946	140	26,911	4,855
Dutch West Indies..	10	3,300	319	48	20,231	2,725
British East Indies..	.....	.....	.....	46	14,746	2,677
China.....	.....	.....	.....	39	20,844	2,287
Sardinia.....	561	202,200	26,841	55	15,740	2,033
Gibraltar.....	332	80,738	13,304	29	8,281	1,059
Malta.....	.....	.....	.....	6	2,772	666
Cuba.....	155	92,564	9,634	3	460	46
Central America....	339	90,983	11,942	.....	.....	.....
British West Indies..	65	39,701	4,568	.....	.....	.....
Montevideo.....	12	8,211	1,093	.....	.....	.....
Bombay.....	1	348	49	.....	.....	.....
Total.....	37,153	16,496,136	\$2,600,823	64,247	28,005,484	\$481,879

## THE IRON TRADE FOR THE YEAR 1862.

DURING the year 1862, prices in irons of all kinds were marked by a continually upward movement. This movement had none of the feverish excitement which characterized those of tin and copper. It slowly followed, indeed, the advance in gold, but it derived its chief impetus from the progress of the demand, arising from government consumption, and from the general revival of trade. It was, therefore, for the times, healthily and steadily moved forward through the season, unchecked by the temporary events or contingencies of the year. The restrictions to exportations hither, on English account, induced by the uncertainty of American politics, and the fluctuations of gold and exchange, tended greatly to the benefit of the American iron master, and gave him a fair start for that race of competition with England which must ensue in future years. These circumstances yielded to him a control of the home markets at a time of immense demand, and at prices the most liberally profitable. They secured to him an accumulation of capital to fall back upon in less prosperous times.

The trade of the year was done mostly for cash; credit, indeed, was seldom asked for. During the summer months, the Pennsylvania trade, at a meeting, resolved thereafter to shorten the time on cash bills to ten days, and on time bills to four months, from date of invoices. This was followed by similar action on the part of the trade here, except in Scotch pig irons, where, by the action of the leading house in the trade, the effort was made unavailing. Scotch pig irons are, therefore, sold at six months, or for cash.

The high prices of the past year have stimulated to the utmost the production of all kinds of iron. Old furnaces, rolling-mills and forges are put, or being put, into a condition for the most active operation; new ones are projected in various parts of the country, and many are near completion. The home supplies of iron will, in the course of a year or so, equal any demand. With the competition of English irons they may largely exceed the demand. That competition cannot, with our present tariff, be shut out, nor is it likely or desirable that any alteration in the latter will be made. The American iron master must, therefore, look, to insure his success, to the quality, uniformity, and evenness of size and gauge of his iron, and, above all, to their being carefully examined before being put in the market.

*Pig Irons.*—At the close of the year 1861, the surplus stocks of foundry, and, to a considerable extent, those of forge pig irons, were in speculators' hands.

The year 1862 opened with prices of No. 1, extra foundry, at \$20 cash, forge at \$18 to \$20 cash, and Scotch pig irons at \$22 cash, with little disposition on the part of consumers or of the trade to buy at these figures, beyond their more immediate wants. Indeed, many were convinced of a gradual decline in prices to the lowest points of the previous year; and this, notwithstanding the increasing demand, the absence of foreign competition, and the probable inflation of the currency. These views somewhat curtailed the spring demand for pig irons in the East, and buyers, for the most part, bought only for the present. In the West, however, contracts were made more freely.

In June, a destructive freshet occurred in Pennsylvania; it deranged the freighting rail-roads and canals to an extent so great that some months elapsed before some of them resumed their business. Some of the furnaces on the Lehigh were also badly damaged. In consequence of this accident, and of the really small stocks of pig iron, prices advanced \$4 per ton; that is, to \$24 for No. 1 extra. In July, August, and September, the labor question became one of great difficulty. Miners of iron ores and coal, attracted by the adventures of the war, or stimulated by patriotic feelings, freely enlisted; and the scarcity of all kinds of workmen soon became apparent, not only to the employer, but also to the employed. Strikers for higher pay and for new regulations commenced, in which the strikers were generally successful in gaining their ends. These troubles recurred with great frequency. Efforts were made to secure the immigration hither of European labor, which were only partially successful, notwithstanding the vast inducements of a most solid and enduring character offered the miner and the artisan in the United States; inducements that, to the sober, industrious and intelligent immigrant, result always in competence and a vastly better social condition than in his own country.

*Bar Irons*, in the early part of January, were current at \$42 cash, for common, and \$52 for refined, with moderate stocks of English and a small supply of American bars. These low prices, and the really promising condition of business, failed to attract the attention of the trade till late in February and early in March. At the close of the latter month, they had advanced to \$50 and \$59 for common and refined. From that time till the close of July they were steadily held, without much fluctuation; then an advance to \$58 and \$68 occurred. In October, prices reached \$67 and \$77 cash, at which they were steady till the close of the year. The supplies of American bar and rail-road irons will be greatly enhanced during the next few years. Like that of pig irons, the production has been stimulated by high prices, and mills have been started in various parts of Pennsylvania, and in New York and New Jersey. Their make, when the rolls are all in motion, will, with the older mills, be nearly adequate to supply the whole demand of our Eastern markets. The cheapness of producers' costs—because of proper location, contiguous to coal and ore beds, and the markets of New York and the Eastern and Western cities—may enable them to compete successfully with the English irons, and perhaps, indeed, to a large extent, drive them out of our markets.

*Charcoal Irons*, in January, opened at \$25 to \$35. Influenced by the same causes as acted on other irons, prices advanced gradually, and in December closed with inadequate supplies, and prices ranging from \$35 to \$65 per ton.

*Bloom Irons*.—Northern and Lake Champlain blooms are the merchantable blooms of the market. In January, holders were at \$35 cash, per ton, with few buyers. Later in the season, the plate mills filled with orders from government, and general trade came into the market largely for blooms, the prices of which rapidly advanced to \$70 and \$75, with transactions at these prices.

## IMPORTS INTO NEW YORK FROM JANUARY 1ST, TO DECEMBER 31ST.

	1860.	1861.	1862.
Pig iron..... tons	43,043	31,457	13,403
Bar iron and rails.....	42,117	16,651	24,003
Bundle iron, as hoop, sheet, band and small bar iron..... bundles	902,188	255,606	437,540
Plates (tinned and leaded),..... boxes	589,263	257,390	489,014

## PRICES AT THE COMMENCEMENT OF EACH MONTH OF THE YEAR 1862.

	Rate of gold.	Scotch pig iron. Per ton.	American No. 1 ex. pig iron. Per ton.	Common bar iron. Per ton.	Best bar iron. Per ton.
January.....	102	\$22 00	\$20 00	\$42 00	\$52 00
February.....	103 $\frac{1}{4}$	22 00	20 00	45 00	54 00
March.....	101 $\frac{1}{4}$	22 00	21 00	50 00	59 00
April.....	101 $\frac{1}{2}$	23 00	20 50	50 00	59 00
May.....	102 $\frac{3}{4}$	23 00	20 50	50 00	59 00
June.....	103 $\frac{1}{2}$	23 00	20 00	50 00	60 00
July.....	110	24 00	23 50	50 00	60 00
August.....	114 $\frac{1}{4}$	26 00	24 00	59 00	68 00
September.....	116 $\frac{1}{4}$	26 00	24 00	58 00	67 00
October.....	122 $\frac{1}{2}$	31 00	30 00	67 00	77 00
November.....	131 $\frac{1}{4}$	32 00	31 00	67 00	77 00
December.....	132	33 00	32 00	67 00	77 00

## AVERAGE YEARLY PRICE OF FOUNDRY PIG IRONS IN NEW YORK, DURING THE EIGHTEEN YEARS, ENDING WITH 1862.

	Per ton.		Per ton.		Per ton
1845.....	\$34 25	1851.....	\$19 25	1857.....	\$29 00
1846.....	33 50	1852.....	23 75	1858.....	23 00
1847.....	30 25	1853.....	32 00	1859.....	23 25
1848.....	23 25	1854.....	36 50	1860.....	21 50
1849.....	21 00	1855.....	29 25	1861.....	18 96
1850.....	19 50	1856.....	29 50	1862.....	23 87

In 1861, the lowest price of No. 1 was \$16 per ton. In 1862, the lowest price was \$20; the highest, \$32.

## TRADE OF CALIFORNIA.

The circular of J. T. COLEMAN & Co., received by the *Northern Light*, contains a summary of the trade of San Francisco for the six months ending June 30, 1863. The exports, as compared with the corresponding months of previous years, were as follows:

To	1861.	1862.	1863.
New York and Boston.	\$939,521 70	\$1,450,820 99	\$1,548,698 01
England.....	4,658,295 33	377,967 99	719,697 15
Mexico.....	576,388 55	371,795 94	1,034,742 06
Peru.....	38,718 80	141,115 87	99,663 29
Sandwich Islands.....	103,588 02	130,806 42	166,444 49
China.....	295,024 60	304,730 60	646,935 64
Australia.....	253,462 40	93,696 18	181,988 58

To	1861.	1862.	1863.
Victoria.....	557,810 49	1,172,447 87	931,064 30
Japan.....	5,486 50	4,578 00	18,621 16
Other countries.....	490,455 62	494,768 61	834,608 84
Total.....	\$4,947,956 71	\$4,542,728 61	\$6,183,454 52

Of these exports our breadstuffs form a leading item, amounting to about one-fourth the entire sum.

The exports of merchandise and treasure compared were:

Merchandise exports..	\$4,947,957	\$4,542,728	\$6,184,454 52
Treasure " ...	18,566,143	16,832,618	22,757,681 00
Total.....	\$23,514,100	\$21,375,344	\$28,941,135 52

A very important change in the drift of our treasure exports has been in progress this year, occasioned chiefly by our currency derangements in the Atlantic States, but in part by the danger apprehended under our own flag from rebel privateers. This change is exhibited in the following statement:

DESTINATION OF TREASURE EXPORTED FROM SAN FRANCISCO DURING THE FIRST HALF OF THE YEARS

	1860.	1861.	1862.	1863.
New York.....	\$17,071,387	\$15,916,290	\$11,290,851	\$15,650,976
England.....	1,280,404	1,103,948	4,216,841	15,008,427
China.....	2,213,241	1,343,247	1,007,272	1,603,659
Panama.....	163,533	187,514	232,007	305,380
Other countries... ..	257,480	15,144	85,645	190,083
Total.....	\$21,886,045	\$18,566,143	\$16,832,616	\$22,757,680

The large diversion from New York to England is the point of special interest.

The receipts of treasure from various sources during the six months were:

From California and Nevada .....	\$22,425,506
From Coastwise ports North and South.....	1,716,664
From foreign countries, including amount received from the wreck of the Golden Gate.....	1,500,848
Total receipts.....	\$25,648,018

The following figures serve to show the extent of the interior currency movement during the first half of the last three years:

	1861.	1862.	1863.
Coin remitted to interior....	\$6,665,451	\$5,775,983	\$9,012,610
Coin received from interior..	2,749,236	2,230,427	3,101,396
Balance added to interior circulation in first half of each of those years.....	\$3,324,215	\$3,545,556	\$2,918,214

## STATISTICS OF AGRICULTURE.

### LOUISVILLE ANNUAL TOBACCO STATEMENT—CROPS IN KENTUCKY AND MISSOURI FOR 1863.

LOUISVILLE, KY.—A late number of the *Louisville Journal* has in it a review of the tobacco business at Louisville for the season 1862-63, which closed October 31st. The sales of the past season amounted to thirty-six thousand seven hundred and twelve hogsheads, distributed among the different warehouses as follows :

Pickett warehouse.....	hhd.	16,073
Boone warehouse.....		8,766
Ninth-street warehouse.....		7,683
Louisville warehouse, (in eight months).....		4,190

Total number hogsheads sold..... 36,712

The receipts of the past year were as follows :

Pickett warehouse.....	hhd.	16,448
Boone warehouse.....		8,966
Ninth-street warehouse.....		7,858
Louisville warehouse.....		4,390

Total hogsheads received..... 37,662

Deducting the sales from the receipts gives nine hundred and fifty hogsheads as the amount now in warehouse unsold, distributed as follows :

Pickett warehouse.....	hhd.	375
Boone warehouse.....		200
Ninth-street warehouse.....		175
Louisville warehouse.....		200

Total..... 950

As compared with the receipts and sales for the season of 1861-62, the excess for 1862-63 is eight thousand seven hundred and fifty-four hogsheads, as follows :

	1861-62.	1862-63.
Hogsheads received.....	28,908	37,662
Hogsheads sold.....	28,270	36,712

The amount of the sales of the season of 1861-62 was distributed as follows: Pickett warehouse, 14,360 hhd.; Ninth-street warehouse, 7,862 hhd.; Boone warehouse, 6,685 hhd.

During the season just closed, prices have ruled unprecedentedly high, and the planters have realized more money for their crops than in any previous season for ten years. Quotations have ranged about as follows :

Lugs.....	\$10 00 @ \$13 00	Good....	\$20 00 @ \$30 00
Medium..	14 00 @ 18 00	Fine....	30 00 @ 36 00

The crop of last year was a very heavy one, but that of the present year, classing in all the grades, will be much larger. There will, however, be a decided falling off in the amount of strictly fine tobacco, a great deal of the

crop in the counties of Eastern and Central Kentucky, being badly injured by frost. In the Southern and Southwestern portions of the State, as we learn from reliable authority, the damage by frost was not as serious, and the product will be a full average as compared with last year's crop. In the counties of Christian, Todd, Trigg, Caldwell, Lyon, Logan, Muhlenburg, Marshall, Graves, and Calloway, and in the tobacco-growing counties of Tennessee, the frost did but slight damage, and the crop will be heavy.

The increase in the tobacco trade of Louisville during the past three years has been truly wonderful. From statistics in our possession, we learn that the sales in this city for the season of 1862-63 were but fifteen hundred hogsheads less than the total sale at either Liverpool or London, the great importing cities of the world in this staple. To-day Louisville ranks as the chief tobacco market of the United States, and her next annual tobacco statement will show that she is entitled to rank as the principal tobacco-shipping and selling market of the world. This vast business has been established and is being increased by the enterprise and energy of her dealers—the warehousemen and manufacturers.

In manufactured tobacco, this city also ranks as one of the principal manufacturing points in the Union. The manufacturing business has been fully doubled in the past twelve months, and the brands turned out here rank among the very best in the country. The coming year will witness large accessions not only to the manufacturing, but to the shipping and sales of Louisville in the great staple which has superseded King Cotton as the chief foreign marketable product of the country.

MISSOURI.—A correspondent of the *Missouri Republican*, under date of November 12th, in speaking of the tobacco crop in that region, says:

“Much inquiry and observation have convinced the writer, that the damage by frost is partial and not general, and confined almost entirely to districts of country north of the usual tobacco-growing region; for it must be borne in mind, that high prices for the last two years have stimulated the production of tobacco some three hundred miles north of the usual tobacco region before the war. The Great West has never cultivated tobacco as an export staple north of the Ohio river, except in Missouri. We now find tobacco extensively cultivated in Iowa, Illinois, Indiana, Ohio, and partially in all of the Northwest, embracing an area of country twice as large as the old region which embraced Missouri, Kentucky, the southern portion of Tennessee, Virginia, North Carolina, and Maryland.

“Future statistics will show that the Missouri crop of 1863 is decidedly the largest that the State has ever grown, and though much of it is in the hands of new beginners, and will prove of low quality, for want of full maturity, still the large bulk of the Missouri leaf is of fair quality and has been housed in good time and condition, and comparatively not injured by frost.”

#### TO THE GROWERS AND MANUFACTURERS OF FLAX AND HEMP.

The following notice has been issued in circular form and widely circulated by the Agricultural Department of Washington, addressed to the growers and manufacturers of flax and hemp:

DEPARTMENT OF AGRICULTURE, }  
WASHINGTON, D. C., Sept. 5, 1863. }

Congress having, at its last session, placed in the hands of the Commis-

sioner of Agriculture an appropriation of \$20,000 "for investigations to test the practicability of cultivating and preparing flax and hemp, as a substitute for cotton," the Commissioner, after consultation with members of Congress and manufacturers, determined to place the whole matter in the hands of three commissioners, and accordingly appointed Hon. J. K. MOREHEAD, of Pittsburg, Pa., JOHN A. WARDER, of Cincinnati, Ohio, and WM. M. BAILEY, of Providence, R. I. The commissioners met at the Department on Thursday, Sep. 3, 1863, chose Hon. J. K. MOREHEAD chairman, appointed O. A. STAFFORD, of the Department, their clerk, and passed the following resolution:

*Resolved*, That the Commissioner of Agriculture be requested to call upon manufacturers and experimenters to send to this Department, on or before the 20th day of November, samples of the fibers and fabrics prepared by them, to be accompanied, in all cases, by precise statements as to the various processes, and with estimates as to the probable expense per pound of the preparation of the material, and of the proportion of fiber that may be produced from a given quantity of the stalks or straw of flax and hemp.

All packages of specimens or samples, and all letters on this subject, should be addressed to the Commissioner of Agriculture, with the indorsement "For Commissioners of Flax Culture."

ISAAC NEWTON, *Commissioner*.

#### FALL CROPS OF 1863.

In the monthly report of the Department of Agriculture for September and October, the amount of the crops of 1863 were given.

ESTIMATES FOR SEPTEMBER.			
Corn.	Buckwheat.	Potatoes.	Tobacco.
449,163,894	17,193,232	97,870,035	258,462,413
ESTIMATES FOR OCTOBER.			
Corn.	Buckwheat.	Potatoes.	Tobacco.
452,446,128	15,821,305	101,457,144	267,302,770

These estimates exhibit a remarkably close approximation, and speak well for the system adopted by the department to ascertain the amounts, annually, of the leading commercial crops.

The amount of the crops of 1862 are as follows:

Corn.	Buckwheat.	Potatoes.	Tobacco.
586,704,474	18,722,998	114,533,118	208,807,078

The five principal States of the West for the production of sorghum molasses, are Missouri, Iowa, Illinois, Indiana, and Ohio. Their estimated production last year was 10,203,728 gallons; this year only 6,970,882 gallons—a decrease of nearly three and a-quarter millions of gallons. The amount of ground planted was much greater than in 1862, but the frost destroyed the yield.

The wheat, rye, and barley crops just sown are full average crops, both in amount and appearance. The fall weather has been highly favorable to them, and the correspondents of the Department speak most encouragingly.

The number of hogs in the great feeding States of Ohio, Michigan, Indiana, and Illinois, is one-fifth less than last year, causing a reduction in the number fattened in these States of 806,139. Their condition in these States is still lower.

## JOURNAL OF MINING, MANUFACTURES, AND ART.

## CALIFORNIA DISCOVERIES OF GOLD, SILVER, AND COPPER.

FROM California, in the first half of this year, 4,000 tons of copper ore were shipped from San Francisco, most of it going to the smelting works at Boston; and for the entire year the shipments will probably be ten thousand tons. Hereafter, much will go to the smelting works near New York. The ore averaged about twenty per cent. Prospects are considered very hopeful. The *Alta California* says:

"There is reason to hope that California will, at no distant day, be the first copper-producing country of the world. Cupriferous ore has been found in nearly every county, and rich lodes have been opened at both ends of the State and in its centre. The value of the copper mine and the character of the ore and vein can only be ascertained by examination at a considerable distance below the surface; and the prospecters have not had either the time or the money to make such examinations of most of the lodes. It is well known that a large proportion of the deposits of copper are not true veins, and that only a small share of the true veins will pay. It would not, therefore, be strange if nine out of ten, perhaps ninety-nine out of a hundred, of the copper veins in the State would prove worthless; but the remainder will do wonders."

The San Francisco *Mercantile Gazette*, in speaking generally of the mining interests, says that "in gold, silver, and copper, the discovery of new mines, and 'rich strikes' in old ones, form the staple news of the interior press. The metallic veins seem to be scattered everywhere—almost every part of the State and coast showing indications of mineral products; though a large portion have, thus far, proved unremunerative. The most striking feature in this department, during the quarter of the year just closed, has been the extraordinary discoveries in the Reese River District of Nevada Territory. The great number and richness of the lodes of silver ore; the peculiar character of that ore; its chemical combinations and great docility, are themes of universal remark, and have created quite a furore of emigration to the favored locality, which is already becoming populous. Large and busy towns are rising as by magic in its rugged canons, and the noise of mills and steam-engines reverberates among its mountains. We cannot believe all that we hear from that region, but enough is authenticated to satisfy us of its great wealth.

"An important movement also has been going on during the past three months in the direction of the Colorado. Reported rich discoveries in Arizona Territory have attracted much attention. We are told of placer diggings, where chunks of gold are picked from the crevices of the rocks and the dry arroyos of the desert. Many of these stories are doubtless fabulous; but we have seen rich ores from that region, and are assured by reliable men that they exist in abundance, and that capital and labor only are wanted to give Arizona a very high position among the gold and silver producing countries. If we mistake not, however, a very serious, if not insurmountable, obstacle to the prosperity of that Territory is the want of water. It is arid in the extreme, and possesses few attractions as a dwelling place for civilization."

The explorations of Mr. AUBRY in Arizona (a gentleman who was early identified with the history of California and New Mexico), and the recent official report of Gen. CLARK, have served to establish several important facts and conclusions, the most notable of which is, that near the line of the 34th parallel of North latitude and West of the 110th degree of longitude are gold fields of great value, and that within a few years they will be adding millions annually to the general wealth of the country. The *Santa Fe Gazette* is much elated with the mining prospects of this region, now that there is less danger from the excursions of hostile Indians, yet, to guard against too sanguine anticipations, says :

“Doubtless the reports which will go out in reference to the productiveness of these mines will induce many to try their fortunes among them. Indeed, at the last accounts we had from there, there were already about fifteen hundred persons at the mines, and more going. But it should be remembered that all who have any desire to emigrate thither that it is one of the most inhospitable regions of country, excepting the climate, that is to be found on the continent. It produces comparatively none of the necessaries of life. It cannot be made to support a large population. All supplies will have to be transported from New Mexico or California.”

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#### COPPER MINING PROSPECTS IN CANADA.

We observe says the *Montreal Commercial* of Nov. 3d, that no fewer than fifteen mining charters have been granted during the last session of Parliament, and chiefly for copper mines in the eastern townships; and we know of many other highly promising mines, the proprietors of which have not yet applied for acts of incorporation, such as the South Ham Antimony Mine, the St. Francois Copper Mine, and several valuable locations in Broom and North Sutton. We have been favored by a friend who has recently visited this last-mentioned district with some particulars as to the prospects of copper mining there, and we are pleased to find that they are of a highly encouraging nature. Two American companies are now working vigorously on mines about three or four miles apart, and have sunk shafts to the depth of upwards of twelve fathoms, and at various points intermediate the North Sutton and Broom Mining Companies have instituted extensive exploring operations with results equally and even more encouraging. The copper here is, for the most part, disseminated in thick beds of slate, in such a manner as to leave no doubt of its having been formed and deposited simultaneously with the earthy matter of the slate.

The peculiar value and importance of this form of cupriferous deposits, occurring as they do here in sufficient proportion to constitute a workable ore, consists in the fact that, unlike most metallic veins, they can be depended on for regularity and persistence, both in depth and over great areas of country. In such circumstances copper mining is divested of much of the risk usually attendant upon it, as the results can be estimated with considerable certainty before hand. Notwithstanding the comparative poverty of the ore generally throughout the Sutton district, it has been proved capable of yielding a higher metallic value of produce in proportion to the quantity of rock mined than the average at the Acton mine, while for regularity and persistence of yield the advantage is altogether on the side of the former.

The distance from a railway or other port of shipment is undoubtedly a difficulty under which the mining adventurers in Sutton and Broom labor; but as an ample set-off against this disadvantage are to be reckoned the low rate for wages, the cheapness of provisions, both of which are in a great measure attributable to this circumstance. We understand that it is the intention of the North Sutton Company to erect smelting works in the neighborhood of these mines, for which purpose provision is made in their charter. By this means, and at a very trifling expense, the ores, which flux very easily, will be reduced to a regulus of a high percentage, and much of the cost of dressing and transportation to the market will be saved.

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#### THE CHAUDIERE GOLD MINES.

The Quebec *Mercury* says that persons who have just returned from the Chaudiere Gold Mines state that the speculative fever continues to spread in that locality. It is stated that a systematic attempt is in progress to persuade all visitors that the mines are auriferous, with a view to the furtherance of speculative schemes; and that representations are made by interested parties which independent scrutiny show to be gross exaggeration. Those who have taken trouble to watch the operations of mining, and to collate facts as to the *bona fide* yield, appear to arrive at a conclusion for which the official report of Mr. JUDAH must have prepared the public mind. It is that, though gold is obtainable, the average productiveness is by no means large—certainly not sufficiently large to justify a wild rush to the mines, or the investment of heavy sums in the acquisition of mining privileges. The action of the Crown Lands Department is looked forward to with much interest, not unmixed with anxiety, as upon it to a large extent depends the healthy development of the Chaudiere District. The experience of Australia shows the necessity of extreme caution in the organization of any licensing system; whilst the testimony of the United States authorities is averse to the throwing open of gold-producing lands without exacting from them some substantial tribute to the State. The old tax in the form of royalty is susceptible of many objections, though perhaps the precious metals would form a reasonable exception to the rule against royalties, in cases where large tracts of land are bought in fee for speculative purposes. The public interest undoubtedly points to the discouragement of such sales, and the encouragement, by a liberal system of licenses, of a working population. So far as the most widely known portion of the Chaudiere region is concerned, we apprehend that the first point to be determined is the validity or the non-validity of the DE LERY patent, which we believe covers all, or nearly all, of the mines now worked. This disposed of, the duty of the Government will be to render available, by license, all adjacent auriferous lands yet possessed by the Crown, as well as lands which may have passed into private hands with the usual reservation of the rights of the Crown in respect to gold and silver.

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#### LAKE SUPERIOR SILVER LEAD DISCOVERY.

The *Houghton Gazette* says that the excitement consequent upon the first report that silver lead had been discovered in the vicinage of Marquette has assumed the phase of reality. Specimens of the ore have been brought

in by two or three persons, and an analysis made which proves beyond doubt that they are unusually rich in silver. The lowest return from the assays was an average of about eight pounds of silver to the ton of lead. The highest was twenty-five pounds. These are extraordinary yields, and the only question remaining to be solved is, whether the veins containing the ore are of sufficient size to warrant mining. Both of the gentlemen who made the explorations and obtained the specimens, aver that the veins are of greater width and length than is necessary for remunerative mining; in fact, they give a width which would be double that often found and opened to a profit. The location of these deposits is around a small lake, in the Northwest quarter of Town 49 Range 28 West. The formation is granite, and has long been considered metalliferous. The veins are either fissure or gash, though most probably the former, as the explorers state that they have traced them for a considerable distance, and find they have a regular course between North and East.

There are now four companies organized on the land entered in the vicinity of the lake, now called Silver Lake, two of which are organized under the laws of the State. As to the value of these lands, but little is really known beyond the fact that the Eldorado was located by Mr. MARTIN, the explorer, and a large share of the stock is held by him and his friends, which is presumptive evidence that it is the best he has seen. The silver lead was also entered by Mr. SMITH, the explorer, who is largely interested in it. The Silver Lake embraces eight or ten quarter sections scattered around the lake, and, when the country is explored, can hardly fail to be equally rich with the rest. Some fine specimens have been brought in from these lands.

#### SILVER MINING IN MEXICO.

We quote from the *Alta California* the notice below as an evidence of the faith in Mexican mines, held by San Francisco capitalists. The mines owned by the Refugio Company are said, upon abundant evidence, to be very rich and easily worked. A large amount has been expended for machinery, now on its way by the Mexican steamer from San Francisco, sufficient to work the mines on a large scale. The owners anticipate returns only equaled by those of GOULD & CURRY, and Ophir of Washoe, but produced with far less expense, on account of the cheapness of labor, provisions, etc., in Mexico—less than a third of the cost in Washoe or California.

SYLVESTER MOWRY, W. R. GARRISON, DONALD DAVIDSON, C. A. EASTMAN, E. PINNIX, and JOSEPH BLOCK have incorporated under the following title:

*Refugio Mining Company.*—Location, Jesus Maria District, Chihuahua, Mexico. Capital stock, \$206,700, in 4,134 shares, of \$50 per share. Trustees: W. R. GARRISON, DONALD DAVIDSON, C. A. EASTMAN, E. PINNIX, and JOSEPH BLOCK.

We give below an authorized statement of the product of the New Almaden Quicksilver Mines, from January 1st, 1855, to July 1st, 1863. At the present price of quicksilver, 60 cents per pound, the yield of the mines annually amounts to upward of a million and a-half of dollars, or in exact figures, \$1,579,348 80 per annum.

## PRODUCTION OF THE NEW ALMADEN MINE, UP TO JULY 1, 1863.

1855, 12 months.....	31,860 flasks.
1856, 12 months.....	28,123 “
1857, 12 months.....	26,000 “
1858, 10 months.....	39,939 “
—	—
Total 46 months.....	125,922 “

(The mine was closed by an injunction, issued by the United States Circuit Court, during the years 1859 and 1862.) Produced:

1861, 11 months.....	34,765 flasks.
1862, 12 months.....	39,671 “
1863, 6 months.....	19,000 “
—	—
Total 29 months.....	93,436 “

Production to July 1st, 75 months, 16,451,550 lbs.

The steamer Oregon took down among other freight for Arizona, via Guaymas, a small steam engine and other machinery, besides an invoice of goods, for the purpose of developing the San Antonio Silver Mine, situated in the Santa Cruz Mountains, Arizona, six miles from the Mowry Silver Mines. The San Antonio Mine has been purchased by a few gentlemen, and is not incorporated. Working tests of the ore in quantity, by the ordinary Mexican blast furnace and vase, give about \$200 per ton in silver, with a large percentage of lead. The character of the ores of the San Antonio is similar to those of the Mowry Mines, and can be worked by the simple process of smelting and refining. Among the purchasers of the San Antonio, we note the names of S. F. BUTTERWORTH, C. A. EASTMAN, CHAS. K. SMITH, E. L. GOULD, JOSEPH BLACK, and SYLVESTER MOWRY.

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 IRISH EMIGRATION.

THE large and continuous emigration from Ireland to the United States is naturally attracting a considerable share of attention. Week by week, and month by month, the people leave for New York, some in returning grain ships, some in steamers, some in stow-aways, as fast as opportunity serves. The London *Times* says, too, that it is the best portion of the Irish population—the young, the hale, the hopeful, the energetic—and that nothing will stop them. The strongest influences are weak and ineffectual before the all engrossing thought of America.

In this connection, the great decrease in the population of Ireland which the census returns just issued show, is of interest. For instance, in the Province of Connaught there were 1,418,782 inhabitants in 1841; in 1851 there were 1,012,006; and in 1861 there were but 913,125. The same return contains a summary for the whole of Ireland. It shows that in 1841 the inhabitants numbered 8,174,031; in 1851 they numbered 6,553,579; and in 1861, but 5,798,967. This gives a decrease of nearly two and a half millions of people in twenty years.

## COMMERCIAL REGULATIONS.

## DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1862.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production entered at the port of New York:

## METAL CLIPPINGS.

*Treasury Department, July 18, 1863.*

SIR: Messrs. L. BRANDIES & Co. have appealed from your decision assessing duty at the rate of 20 per cent ad valorem on certain "metal clippings," and claim "the article to be old brass, and fit only to be remanufactured, which is provided for in schedule 4 of the tariff of July 14, 1862, consequently paying only 15 per cent duty ad valorem."

The question is one of fact to be decided by the appraisers. They declare the article to be "Dutch metal clippings," which, by the decision of June 25, 1859, was classified as non-enumerated; subsequent tariff acts do not specially provide for it, and therefore it is subject, under the 24th section of the act of March, 1861, to a duty at the rate of 20 per cent.

Your decision is hereby affirmed.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

## IMITATION JEWELRY.

*Treasury Department, July 28, 1863.*

SIR: Messrs. I. ROSENTHAL & Co. represent that a certain importation made by them was classified by you as manufactures of brass, and assessed a duty of 35 per cent ad valorem, from which they appeal, claiming to enter the articles as jewelry at 25 per cent ad valorem.

The appraisers admit the article in question to be an *imitation* of jewelry, alleging however, that being an *imitation*, it is not entitled to entry at 25 per cent ad valorem, as claimed, but being composed of brass or composition metal, as its chief value, must be classified as manufactures of brass, and subject to a duty of 35 per cent ad valorem, under the acts of March, 1861, and July, 1862.

Section 21 of the act of March, 1861, provides that diamonds, cameos, mosaics, gems, pearls, rubies, and other precious stones, when set in gold, silver, or other metal, or on imitations thereof, and all other jewelry, shall be subject to a duty of twenty-five per cent ad valorem.

The article is imitation or mock jewelry, and in my opinion is entitled to entry at the rate of 25 per cent.

GEO. HARRINGTON, *Acting Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

CRUDE MUSK.

*Treasury Department, July 29, 1863.*

SIR: Mr. J. H. DULLES, Jr., has appealed from your decision assessing duty at the rate of 20 per cent ad valorem, under the fifth section of the act of July 14, 1862, on certain "crude musk" imported from Liverpool, and claims to enter the article in question as a drug at 20 per cent, under section 20 of the act of March 2, 1861, which imposes that rate of duty on "medicinal roots and leaves, and all other drugs and medicines in a crude state not otherwise provided for."

"That it is a drug," the appellant asserts, "is abundantly proved by its appearing in the several *Materia Medica* and *Pharmacopœie* in use in this country, and is particularly described in *WOOD & BACHE'S United States Dispensatory*, a work of high medical and chemical reputation."

The claim of the importer appears to be well founded. Musk is a drug, and if imported in a crude state is entitled to entry at 20 per cent ad valorem, under section 20 of the act of March 2, 1861.

It is admitted that the article in question is musk, and imported in a crude state; it follows, therefore, that the proper rate of duty is 20 per cent, and you will be governed accordingly.

The 10 per cent exacted under section 14 of the act of July 14, 1862, does not appear to be questioned.

GEO. HARRINGTON, *Acting Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

STEEL BARS, SLIGHTLY TAPERED.

*Treasury Department, September 17, 1863.*

SIR: On certain "round bar steel or bars slightly tapered" imported by Messrs. COLLINS & Co., per ships "Kangaroo," "City of Manchester," and "Guy Mannering," you assessed duty at the rate of 35 per cent, under the proviso in the steel clause of section 7 of the act of March 2, 1861, viz: "All articles partially manufactured, not otherwise provided for, shall pay the same rate of duty as if wholly manufactured."

The appellants allege, and such appears to be the fact, that to forge the bars in this form no additional work is required, nor is the cost increased thereby. They are drawn tapering through the rollers in the same way as bars of equal dimensions throughout, and are sold at same price per pound as any round or square steel.

That the steel in question is not a gun-barrel partially manufactured is apparent from the facts, that steel in this form may be as well applied to the manufacture of other articles as to gun barrels, and is forged in this form as readily, and without additional cost, as a square or round bar.

Nor can it be regarded as a "bar," as that term is used in the tariff. The "bar," as described in the tariff, is square, round, or any other simple form of uniform dimensions throughout.

In my opinion the article in question falls more properly within the

provisions of the 3d section of the tariff act of July 14, 1862, for "steel in any form not otherwise provided for," and should be subjected to duty at the rate of 25 per cent ad valorem, imposed on articles in that classification.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

MELADO.

*Treasury Department, September 5, 1863.*

SIR: Mr. HOPHNI EATON has appealed from your decision assessing duty at the rate of 2 cents per pound on a certain importation of seven hogsheds of "melado," so described in the invoice, but which the appellant alleges were "black and dirty molasses, and tank bottoms," and claims "the right to enter the same as molasses at six cents per gallon; three-quarters of the same being molasses of a very inferior quality, and the other quarter dirty sugar, commonly called "tank bottoms."

The question presented is one of fact, to be determined by the appraisers.

After a careful examination the article has been pronounced to be melado, and the proper duty being 2 cents per pound, as assessed by you, I hereby affirm your decision.

S. P. CHASE, *Sec. of the Treasury.*

JED. JEWETT, Esq., *Collector, Portland, Me.*

SHEATHING METAL.

*Treasury Department, September 15, 1863.*

SIR: Mr. W. H. PEROT has appealed from your decision assessing duty on certain "sheathing metal" imported per British brig "Chesapeake" "intended to be used in sheathing the bottom of said brig, and no portion of which is intended to be landed or used for any other purpose."

Mr. W. H. PEROT claims to have the amount of duty refunded.

There is no provision of existing laws extending exemption from duty to sheathing metal imported under the circumstances, as alleged by the appellant, and the remission of duties asked for cannot therefore be legally granted.

S. P. CHASE, *Sec. of the Treasury.*

HENRY W. HOFFMAN, Esq., *Collector, Baltimore.*

EMPTY CARBOY.

*Treasury Department, September 16, 1863.*

SIR: Mr. D. D. WALKER has appealed from your decision assessing duty at the rate of 35 per cent, as manufactures of glass, on certain "empty carboys" from Canada, and claims they are exempt from duty, being of "American manufacture, and were exported to Canada containing sulphuric acid, and are now imported empty, and have never become part of the common stock and merchandise of Canada, but are merely sent with the contents of domestic produce of this country."

It has been held by this Department that any article which has been exported filled, if returned to the United States empty, is not in the "same condition" as when exported, as provided for by the act of March 2, 1861.

The decision of the collector is therefore affirmed.

S. P. CHASE, *Sec. of the Treasury.*

THOMAS WILKINS, Esq., *Collector, Erie, Penn.*

THE following copy of a letter addressed by the Secretary of the Treasury to the Collector of Baltimore, in cases where the Collector's triplicate of invoice, from neglect or otherwise, fails to be received from the Consul at the time the consignee, importer, or agent presents his triplicate of invoice, and makes application to enter the goods, wares, or merchandise therein enumerated :

*Treasury Department, October 19, 1863.*

SIR : MESSRS. ALBERTI & Co., of Baltimore, have asked to be informed if they are required to give a bond to produce to you the triplicate of invoice, which it is the duty of the Consul to send to you, and which he neglects to send.

No such bond can be required of consignees, importers, or agents ; but, before goods can be obtained from the Custom-House, in such cases, the consignee, importer, or agent is to be required to give a bond to the Collector for the payment of any additional duty to which it shall appear by Collector's triplicate of invoice the said goods are subject over and above the amount of duties paid upon the consignee's, importer's, or agent's triplicate of invoice, which triplicate must be filed with the bond so given to the Collector, who shall retain the same until he shall have received from the Consul the triplicate of invoice required for his files and the completion of the entry. This done, the bond will be canceled, and the retained invoice be given up.

With great respect,

S. P. CHASE, *Secretary of the Treasury.*

TO HENRY W. HOFFMAN, *Collector, Baltimore, Md.*

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#### DIRECT STEAM COMMUNICATION WITH THE WEST INDIA ISLANDS.

THE departure of the *Tubal Cain*, Saturday, September 12th, for Bermuda, St. Thomas, &c., initiates an enterprise of the first consequence in its influence upon the commerce of New York. It supplies, as the *Journal of Commerce* well says, a desideratum long and urgently felt in affording direct communication by steam with St. Thomas, the great center of traffic—the distributing reservoir, so to speak, for mail matter destined for the West Indies and South America. The *Tubal Cain* took out a large mail, and was offered freight far beyond her capacity, besides having a good passenger list. This is a hopeful beginning.

The *Tubal Cain* was originally a blockade runner, but made one trip too many for the interests of her late owners, and fell into the clutches of Uncle Sam. She was then purchased from the government by the American West India Company, which has large landed interests in San Domingo, and having secured an advantageous contract for carrying the United States mails, has promise of a career of prosperity. She proceeded down the bay under steam with a number of invited guests on board, and was met near Sandy Hook by a steam revenue cutter with Mr. ANDREWS, the Surveyor of the Port, on board, specially detailed for this service through the courtesy of the Secretary of the Treasury. It is needless to say the trip was highly enjoyed. The collation given afforded an opportunity for speeches relating to the promised development of commercial interests through the agency of this new steam line, which was well improved.

This important enterprise was initiated less than a year ago by J. W. FABENS, late U. S. Consul General at Cayenne, who obtained from the Spanish crown forty thousand acres of land, rich in copper, and over two hundred thousand acres admirably adapted to the growth of cotton. Till now, a monthly line of steamers has been maintained, but the demands of trade have made a steam line indispensable, and the *Tubal Cain* will be joined by a consort after October 28th, together making trips once in every three weeks, and stopping at Bermuda, St. Thomas, St. John's, Mayaguez, and St. Domingo city; thus saving to New York merchants a journey of seven thousand miles, compared with the long detour, via Southampton.

At the collation, HIRAM KETCHAM, Esq., President of the American West India Company, occupied the chair, and, after appropriate remarks, introduced Mr. FABENS, who spoke of this line as connecting New York with the richest and most beautiful islands in the world, nearer to us than the ports of Texas and Louisiana, yet almost unknown, for want of a ready and suitable means of communicating with them.

Mr. ALVAREZ, Consul of Spain, congratulated the company on its prospects of success. Mr. KIMBALL, one of the directors, spoke of the valuable commercial facilities this line would afford, and of the charming fall and winter pleasure travel destined to take the circuit of those beautiful islands.

Mr. PHILLIPS, commercial agent of St. Thomas, said every merchant there would throw up his hat with enthusiasm when this pioneer steamer entered the harbor.

Mr. ELLIOTT, late Consul in the city of St. Domingo, said the island was rich in mines of copper and gold; vegetation was eternal, and the climate very healthy, except where the sea water mixes with the rivers of the interior. All that was wanted was more labor. Mr. KETCHAM added that the resources of San Domingo would yet astonish the world.

Capt. MARTIN was then introduced. He goes out in behalf of the West India Company to inquire into the sources of mineral wealth, &c.

W. H. HALLOCK, of the *Journal of Commerce*, and Mr. OTTARSON, of the *Tribune*, responded to the toast in honor of "The Press."

Mr. ANDREWS, Surveyor of the Port, was happy to contribute in any degree to the success of an enterprise which he felt assured would be conducive to the prosperity of New York and the United States Government. There was something poetical in the fact that while forwarding this enterprise, they were developing the resources of the island where CHRISTOPHER COLUMBUS first landed, and were bringing to New York the wealth of the Amazon, of a magnitude untold.

Mr. CLARK, Clerk of the U. S. Senate, spoke of the remarkable fact that at such a period in the history of the country we should be engaged in the peaceful pursuits of industry, as though there were no rebellion—or if any, it was of no possible account.

The *Tubal Cain* is a Clyde built iron steamer, with five water-tight compartments. She has been virtually rebuilt, by the skilful ship-joiners D. FARRINGTON & Son, at a cost of some \$15,000, and is a very handsome ship, with accommodations for fifty passengers in staterooms, and a large freight. She is commanded by Capt. ANDREW P. FOSTER.

## THE INTERNATIONAL POSTAGE CONVENTION.

## GENERAL PRINCIPLES AND REGULATIONS AGREED UPON.

THE delegates of the Postal Administrations of Austria, Belgium, Costa Rica, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, Portugal, Prussia, the Hawaiian Islands, Switzerland, and Hanseatic Cities, in pursuance of the deliberations held at the General Post Office in Paris, from the 11th of May to the 8th of June, 1863, have adopted the following general principles as being adapted to facilitate postal regulations between nations, and to form the basis of International Conventions for the regulation of those relations :

I. The articles which must or may be forwarded by the post from one country to another, are divided into six classes :

1. Ordinary letters.
2. Registered letters, without declaration of value.
3. Registered letters, containing declared value.
4. Corrected proof-sheets, business papers, and other written documents, not of the nature of letters.
5. Samples of merchandise (including grains and seeds), of limited weight and without mercantile value.
6. Printed matter of all kinds in sheets, stitched or bound, sheets of music, engravings, lithographs, photographs, drawings, maps and plans.

II. Wherever it is possible, the prepayment of postage upon ordinary letters should be at the option of the sender ; but in case of such optional prepayment of unpaid letters must bear a moderate additional charge.

III. Letters insufficiently prepaid by the postal stamps of the dispatching country, must be rated as unpaid, deducting, however, the value of the stamps affixed.

IV. Registered letters, whether with or without declaration of value, must in all cases be prepaid to destination.

V. All articles under bands, in order to take the benefit of a rate of postage less than that applicable to letters, must be prepaid.

VI. International correspondence of all kinds, duly prepaid to destination, shall not be charged with any additional rate whatever.

VII. The rates upon international correspondence shall be established according to the same scale of weight in all countries.

VIII. The metrical decimal system, being that which best satisfies the demands of the postal service, shall be adopted for international postal relations, to the exclusion of every other system.

IX. The single rate upon international letters shall be applied to each standard weight of 15 grammes, or fractional part of it.

X. The single rates upon corrected proof-sheets, upon written documents not of the nature of letters, and upon samples of merchandise (including seeds), shall be applied to each standard weight of 40 grammes or fractional parts thereof to one address.

XI. The standard weight for the single rate upon articles under hand embraced in the sixth class of the first resolution aforesaid, must be established by special convention between the contracting parties.

XII. The rate upon letters must be fixed according to the weight stated by the dispatching office, except in case of manifest error.

XIII. Registered letters, without declaration of value, shall be rated

with a moderate fixed charge in addition to the rate applicable to ordinary letters of the same weight.

XIV. Registered letters, containing a declared value, shall be rated with a charge in proportion to the amount of the declared value in addition to the postage and to their fixed charge applicable to the other class of registered letters.

XV. In case of loss of a registered letter, without declared value, and in case of loss or spoliation of a registered letter, with declared value, each office will be held responsible for acts upon its own territory, and in the service for which it has received a premium of insurance. Fifty francs should be allowed to the sender of an unvalued registered letter lost; and for a valued letter, so much of the declared value as shall have been lost or abstracted.

XVI. Wherever intermediate transit charges may be practicable, the rates upon international correspondence should be the same, by whatever routes the mails are conveyed.

XVII. Where there are different mail routes, correspondence once shall be dispatched by the route indicated by that upon the address, or by the rate of postage prepaid where present rates exist. In absence of such indication, the dispatching office will determine the route which it deems most advantageous to the public interest.

XVIII. Unpaid letters delivered by one Administrator to another, to a country for which prepayment is counted, shall be returned to the dispatching office as wrongly sent.

XIX. Articles under hand, and subject to a lower postage, with compulsory prepayment, shall, in case of insufficient prepayment, be dispatched to their destinations with a suitable extra rate. If such articles are wholly unpaid they shall not be dispatched.

XX. International postal accounts cannot be suppressed by a rule of general application; but they should be simplified as far as possible. Offices of exchange should not be required to return acknowledgments of receipt of mails, except for the correction of errors of the dispatching office.

XXI. International post offices, accounting with each other for the rules and charges upon correspondence exchanged between them, whether in open or closed mails, shall account, as far as possible, by the piece for the correspondence in the open mails, and by the net weight for the correspondence in closed mails.

XXII. Correspondence re-forwarded by reason of a change of residence of the person addressed, shall not, on that account, be liable to a supplementary charge in favor of offices interested in the postage previously accrued.

XXIII. Registered letters addressed to persons who have departed for a foreign country not interested in postage prepaid, shall be forwarded to the new residence of the persons addressed, charged with additional postage, and with a supplementary registration fee, to be paid on delivery.

XXIV. International correspondence which shall have become dead shall be returned, without cost, to the dispatching office.

XXV. As high transit charges upon correspondence present an insurmountable obstacle to the establishment of an international system of correspondence upon conditions advantageous to the public, the transit charge for each country shall never be higher than one half of the interior rate of the transit country; and for transit countries of small territorial extent, the transit charge shall be even less.

XXVI. The cost of sea conveyance claimed by one country from another shall in no case be higher than the rate charged upon its own correspondence by the country by whose vessels the conveyance shall be effected.

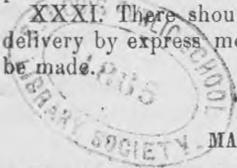
XXVII. It is desirable that postal administrations having accounts with each other should serve as intermediaries for the transmission of sums of money from one country to another, by means of international money orders, whenever this can be effected without complications disproportioned to the advantages resulting from it.

XXVIII. In case of the non-payment at the stipulated time of the balance due upon an adjustment of an international postal account, the amount of the balance shall bear interest from the expiration of the stipulated period, at the rate agreed upon by Convention.

XXIX. In the adjustment of uniform postal rates, the greatest possible number of countries should be included in the same zone and subject to the same rate.

XXX. A free conveyance to its official communications with other postal administrations should be granted to each postal administration.

XXXI. There should be a class of letters denominated "urgent," for delivery by express messengers, for which a supplementary charge shall be made.



MAXIMS TO LIVE AND THRIVE BY.

The following by JOHN GRIGG, Esq., of Philadelphia, are the foundations of his success :

1. Be industrious and economical. Waste neither time nor money in *small* and *useless* pleasures and indulgences. If the young can be induced to *begin* to *save* the moment they enter on the paths of life, the way will ever become easier before them, and they will not fail to attain a competency, and that without denying themselves any of the real necessities and comforts of life. Our people are certainly among the most improvident and extravagant on the face of the earth. It is enough to make the merchant of the old school, who looks back and thinks what economy, prudence, and discretion he had to bring to bear on his own business (and which are in fact the basis of all successful enterprise), start back in astonishment to look at the ruthless waste and extravagance of the age and people. The highest test of respectability with me is honest industry. Well-directed industry makes men happy. The really noble class, the class that was noble when "Adam delv'd and Eve spun," and have preserved their patent to this day untarnished, is the laborious and industrious. Until men have learned industry, economy, and self-control, they cannot be safely intrusted with wealth.

2. To industry and economy add self-reliance. Do not take *too much advice*. The business man must keep at the helm and steer his own ship. In early life, every one should be taught to think for himself. A man's talents are never brought out until he is thrown to some extent upon his own resources. If in every difficulty he has only to run to his principal, and then implicitly obey the directions he may receive, he will never require that aptitude of perception, that promptness of decision, and that firmness of purpose which are absolutely necessary to those who hold

important stations. A certain degree of independent feeling is essential to the full development of the intellectual character.

3. Remember that punctuality is the mother of confidence. It is not enough that the merchant fulfills his engagements; he must do what he undertakes precisely *at the time*, as well as in the way, he agrees to. The mutual dependence of merchants is so great that their engagements, like a chain, which, according to the law of physics, is never stronger than its weakest link, are oftener broken through the weakness of others than their own. But a prompt fulfilment of engagements is not only of the utmost importance because it enables others to meet their own engagements promptly; it is also the best evidence that the merchant has his affairs well ordered, his means at command, his forces marshaled, and "everything ready for action;" in short, that he knows his strength. This it is which inspires confidence, as much perhaps as the meeting of the engagement.

4. Attend to the *minutiæ* of the business, small things as well as great. See that the store is opened early, goods brushed up, twine and nails picked up, and all ready for business. A young man should consider capital, if he has it, or as he may acquire it, merely as tools with which he is to work, not as a substitute for the necessity of labor. *It is often the case that diligence in employments of less consequence is the most successful introduction to great enterprises.* Those make the best officers who have served in the ranks. We may say of labor, as COLERIDGE said of poetry, it is its own sweetest reward. It is the best of physic.

5. Let the young merchant remember that selfishness is the meanest of vices, and is the parent of a thousand more. It not only interferes with the means and with the end of acquisition—not only makes money more difficult to get, and not worth having when it is got, but it is narrowing to the mind and to the heart. Selfishness "keeps a shilling so close to the eye, that it cannot see a dollar beyond." Never be narrow and contracted in your views. Life abounds in instances of the brilliant results of a generous policy.

Be frank; say what you mean; do what you say. So shall your friends know and take for granted that you mean to do what is just and right.

6. Accustom yourself to think vigorously. Mental, like pecuniary capital, to be worth anything, must be well invested—must be rightly adjusted and applied, and, to this end, careful, deep, and intense thought is necessary if great results are looked for.

7. Marry early. The man of business should marry as soon as possible, after twenty-two or twenty-three years of age. A woman of mind will conform to the necessities of the day of small beginnings; and in choosing a wife a man should look at—1st, the heart; 2d, the mind; 3d, the person.

8. Everything, however remote, that has any bearing upon success, must be taken advantage of. The business man should be continually on the watch for information, and ideas that will throw light on his path, and he should be an attentive reader of all practical books, *especially those relating to business, trade, etc.*, as well as a patron of useful and ennobling literature.

9. Never forget a favor, for ingratitude is the basest trait of man's heart. Always honor your country, and remember that our country is the very best poor man's country in the world.

THE  
**MERCHANTS' MAGAZINE**

AND  
**COMMERCIAL REVIEW.**

CONTENTS OF No. VI., VOL. XLIX.

VOLUME XLIX.                      DECEMBER, 1868.                      NUMBER VI

ART.	PAGE
I. THE CRISIS IN EUROPE. COTTON AN ABSORBENT OF SPECIE.....	409
II. THE DEPRECIATION OF GOLD.....	413
III. THE MONETARY UNIT AND FINANCIAL ECONOMY.....	416
IV. NAVIGABLE COMMUNICATION BETWEEN LAKE HURON, MICHIGAN, AND THE ST. LAWRENCE. ....	426
V. COMMERCIAL LAW. No. 8. NEGOTIABLE PAPER; OR, NOTES OF HAND AND BILLS OF EXCHANGE.....	429
VI. OUR FOREIGN TRADE PASSING INTO FOREIGN BOTTOMS.....	435
VII. COMMERCIAL CHRONICLE AND REVIEW.....	440
VIII. THE ERICSSON IRON-CLADS NOW BUILDING.....	446

**JOURNAL OF MERCANTILE LAW.**

Important Insurance Decision.....	449
Interesting Question to Importers in U. S. Court, before Judge Nelson.....	450

**JOURNAL OF BANKING, CURRENCY, AND FINANCE.**

City Bank Movements and Returns.....	452
European Finances—Bank of England Returns.....	455
United States Banks.....	457
Condition of the Banks of New York State.....	458
Real and Personal Estate, and Septennial Assessment, of Philadelphia.....	460

**STATISTICS OF TRADE AND COMMERCE.**

Foreign Wool Trade of New York.....	462
The Iron Trade for the Year 1862.....	463
Trade of California.....	465

**STATISTICS OF AGRICULTURE.**

Louisville Annual Tobacco Statement—Crops in Kentucky and Missouri for 1863.....	467
To the Growers and Manufacturers of Flax and Hemp.....	468
Fall Crops of 1863.....	469

**JOURNAL OF MINING, MANUFACTURES, AND ART.**

California Discoveries of Gold, Silver, and Copper.....	470
Copper Mining Prospects in Canada.....	471
The Chaudiere Gold Mines.....	472
The Lake Superior Silver Lead Discovery.....	472
Silver Mining in Mexico.....	473
Irish Emigration.....	474

**COMMERCIAL REGULATIONS.**

Decisions of the Treasury Department under the Tariff Act of July 14, 1868.....	475
Direct Steam Communication with the West India Islands.....	478
International Postage Convention.....	480
Maxims to Live and Thrive by.....	482

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