

THE MERCHANTS' MAGAZINE

AND COMMERCIAL REVIEW.

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JANUARY, 1864.  
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PROSPECTS OF IRELAND.

THE emigration from Ireland, increasing as it does, month after month, has given rise to much discussion as to the future of that portion of the United Kingdom. The *present* effect is clearly seen in the published returns. Population is decreasing, while, at the same time, there is a progressive diminution in the amount and value of live stock, as well as in the amount of land under tillage. The following table shows the population of Ireland at various periods during the last forty years :

POPULATION OF IRELAND.

1821.....	6,801,827	1841.....	8,185,124	1856.....	6,000,000
1831.....	7,767,401	1851.....	6,552,385	1861.....	5,764,543

We thus see that since 1851 there has been a decrease in population of 787,842, and since 1841, a decrease of 2,420,581. These are certainly not very encouraging figures, and especially when taken in connection with the greatly increased emigration of the present year. Bear in mind, too, that emigrants are for the most part in the prime of life—four-fifths of them being under thirty years—and we see how the vital force of Ireland has been drawn away. In the five years from the end of 1846 to the end of 1851, the emigration from Ireland amounted to 1,422,000. In the eleven succeeding years, that is, to the close of 1862, the account runs thus :

EMIGRATION FROM IRELAND.

1852	368,966	1858	68,093
1853	329,937	1859	84,599
1854	323,429	1860	84,600
1855	176,807	1861	64,300
1856	176,554	1862	70,100
1857	212,875		
		Total	1,960,260
Previous five years.....			1,422,000
		Total emigration from Ireland since 1846.....	3,382,260

The increase in emigration this year over past years may be more clearly understood by the following comparison for the first seven months of the last four years :

EMIGRATION FOR THE FIRST SEVEN MONTHS OF EACH YEAR.

1860	55,782	1862	45,899
1861	45,508	1863	80,500

The above proportionate increase will probably be sustained for the year. Such, then, are the workings of emigration and other natural causes on the population of Ireland.

If now we turn to the agricultural results of such loss in population, we find them just what we should naturally expect to find from the foregoing statements.

Thus, it will be seen in the following table that the live stock has gradually decreased since 1859 :

LIVE STOCK IN IRELAND.

	Horses.	Cattle.	Sheep.	Pigs.
1859.....	629,075	3,815,598	3,592,804	1,265,751
1860.....	619,811	3,606,374	3,542,080	1,271,072
1861.....	614,232	3,471,688	3,556,050	1,102,042
1862.....	602,894	3,254,890	3,456,132	1,154,324
1863.....	579,179	3,138,275	3,303,931	1,064,802

So also the extent of land under cultivation has decreased, while the amount laid down in grass has increased.

EXTENT OF LAND UNDER EACH CROP.

	1859.	1860.	1861.	1862.	1863.
Wheat.....acres	464,175	466,415	401,243	357,816	264,766
Oats	1,982,662	1,966,304	1,999,160	1,974,737	1,948,986
Other grain	207,900	206,600	224,500	219,600	195,000
Total cereals.....	2,654,737	2,639,319	2,624,903	2,552,153	2,408,752
Potatoes.....	1,200,347	1,172,079	1,133,504	1,017,317	1,023,626
Other roots.....	403,000	394,000	407,000	448,000	423,000
Flax.....	136,282	128,595	147,957	150,012	213,900
Vetches, meadow & clover	1,470,000	1,654,000	1,580,000	1,583,000	1,590,000

The flax crop shows a steady increase, but the cereals have all decreased—the natural result of the diminished population.*

Yet, notwithstanding the facts above stated, we believe that the gloomy forebodings respecting Ireland, which are heard on every side, are entirely uncalled for. True, the aggregate population is decreasing, and England is thus losing its richest recruiting ground, yet Ireland will not eventually lose, but gain by it, *for it is over-peopled.*

Few persons know, and no one who has not traveled in that country can fully realize how large a portion of the surface of Ireland is not only uncultivated, but unfit for cultivation—much of it being absolutely irreclaimable, more quite incapable of repaying the cost of reclamation. One-third of the measured area consists of water, marsh, bog, or stones. Many districts which nature never meant to be peopled at all, are made to support a scanty population on a scanty subsistence by taking advan-

tage of small patches of ground lying amid rocks, clearing away all removable blocks of stone, and carrying thither soil and manure painfully scraped together. The following table exhibits the facts of the case at a glance:

POPULATION AND AREA OF IRELAND.

Provinces.	Total acreage.	Acres available for cultivation.	Population in 1861.	Total acres per head.	Available acres per head.
Leinster.....	4,876,000	3,976,000	1,439,600	3.4	2.8
Munster.....	6,064,000	3,890,000	1,503,200	4.0	2.6
Ulster.....	5,476,000	3,416,000	1,910,400	2.8	1.8
Connaught.....	4,392,000	2,225,000	911,300	3.6	2.4
Total.....	20,808,000	13,507,900	5,764,500	3.6	2.35

Now there is not much manufacturing industry in any part of Ireland—in Connaught absolutely none, in Munster next to none. The people subsist almost entirely on the produce of the soil, or by the sale of that produce. Yet we find that the amount of land for each person averages only 3.6 acres, including even what is of scarcely more value for the support of life than the bays and creeks by which it is surrounded; while of actually cultivated or cultivable land, the share of each man is less than $2\frac{1}{2}$ acres. With such facts as these before us, the following from a correspondent in Ireland of the *London Times*, in November last, is not surprising. This correspondent says:

"I have now for the last ten years settled in the midst of an agricultural population. I have anxiously observed the wretchedness with which I am surrounded, and my observation of facts has forced upon me several conclusions. I see that, as a class, the small farmers are doomed, and that nothing can save them from the effects of the process which sweeps them away. I see that even large farmers can only succeed by giving up all tillage, except what is absolutely necessary for their stock, and that they are universally aware that they never again can compete with America and the Baltic, etc., in the matter of corn, but that they are able to compete successfully with the world, as to butter and meat; that neither rents nor profits result from tillage, and that both can be made and realized, as well as at any former period, by stock and pasturage.

"I see, as the necessary consequence, the miseries of an unemployed laboring class, unable, after repeated trials and failures of the potato crop, to live upon the land on which they are squatted, if they had it rent free. * * * * *

"The laboring people of my neighborhood esteem themselves well off if they can get a shilling a day, without house, meat, or drink, for three or four days of each week for the next six months, and this is actually what the fortunate few receive, and what the one resident proprietor who endeavors to find employment for them gives. In the summer they borrow a little to feed them while cutting their turf, and throughout the winter the wife, the son, or the father, takes the ass-load of turf five Irish miles to sell for 8d and 10d, and often 6d, which is to feed and pay for the ass and the guide, and meet the demand of the loan fund. These people are wretchedly fed, clothed, and housed."

Can we wonder, after reading such statements as these, that emigration should increase? And is it not evident that until the population is much less than it now is, so that the proportion of land to each person is greater than at present, emigration must continue to be of great advantage, both to Ireland and the emigrant. It is a remedy, not a disease.

UNITED STATES BANKS AND PAPER CURRENCY vs. STATE BANKS AND THE SUB-TREASURY.

THE Secretary of the Treasury has announced in his annual report that the object of the National Bank System is to introduce "a permanent national currency." This is a very grave announcement. It is no less than reversing with a sweep of the pen the decision of the American people in relation to paper money in general, and particularly in relation to a national bank connected with the Government and controlled by political influences. If any one question can be considered as fully and clearly settled by public opinion, after a long discussion of fifteen years, it is most certainly the condemnation of Government connection with banks. Yet, in a moment of extreme distress—almost of national dissolution—the Secretary of the Treasury seeks to reimpose a system worse than any before tried in the country. It was first suggested as an aid to our finances, at a time when Government stocks were slow of sale, but is now put forth as "a permanent currency" plan; and in discussing this question it should be remembered, therefore, that this bank system is not proposed as a *war* measure—a system necessary for the support of Government in these trying times—but as a *peace* establishment, a "*permanent* currency." Any temporary *war* measure we should support, if we considered it an assistance to Government in its present efforts to raise money; but when the idea is announced by the Secretary of the Treasury that he is about to fasten permanently upon us the evil of a paper currency and Government banks, it becomes all thoughtful men to hesitate before they give in their adhesion to any such plan. This proposition of the Secretary is the more wonderful when it is remembered that, during the long struggle with the National Bank and paper money interest, Mr. CHASE was among the advocates of the "constitutional" specie currency and "divorce of bank and State."

For a moment let us look at the past. This Government was organized amidst the ruins of a paper money system which had sapped the strength of each of the States and ruined the credit of the Confederation. There was then (in 1780,) no paper of any credit afloat, and but about \$5,000,000 of specie.* The credit of the Federal Government was restored by the grant to it from the States of the sole right to collect duties on imports; but it was without a currency, and the means of internal communication were very difficult. The fiscal affairs of the Government required under such circumstances, according to Mr. HAMILTON, a national bank, which was chartered, in 1791, for twenty years, and not to issue notes under \$10. Several State banks also came into operation about the same time. In 1811, when the charter of the bank expired, the paper circulation, according to GALLATIN, was \$36,000,000, with \$30,000,000 of specie in the country. Congress then refused to recharter the United States Bank, and a great number of State banks started to take its place, so that in 1814, during the war, the paper circulation was \$46,000,000 and the specie had declined one-half. The banks suspended and specie rose to 17 premium. The New Orleans banks stopped April, 1814; the Philadelphia banks suspended August 30, 1814; those of Ohio and Kentucky, January 1, 1815, and those of Nashville, August, 1815. Some of the Maine banks suspended, but other banks in New England sustained specie payments. The

* HAMILTON'S Life, page 359, vol. 1.

whole circulation was then \$75,000,000,* of every shade of discount from 3 to 60 per cent. In this currency the revenues of the Government were collected, and the banks were the depositories of the Government. On the return of peace, in order to restore the currency, the "new" National Bank was chartered in 1817 for twenty years, but it was a long time before the currency was fully at par. During the existence of that institution State banks multiplied, failed, and despoiled and disgusted the people in all the States. Many devices were employed to keep bankers from failing, but without much success. Vermont and New York tried safety funds, and other States put many kinds of limitations upon the power of corporate banks. Boston devised the "Suffolk system," which operates to compel each bank in New England to be ready at all times to redeem its notes at the financial center, and that plan is, perhaps, the only effective one. Meantime the National Bank had grown up into a great political machine, and, as the limit of its charter approached, it struggled to prolong its existence by exerting its political influence. The Government removed its deposits from the custody of the concern and placed them once more with State banks, all of which, with the National Bank, suspended specie payments in 1837, with \$149,000,000 circulation outstanding. The banks of New York and New England resumed specie payments May, 1838. The United States Bank, together with a large number South and West, were unable to do so. Their assets were taken at inflated prices and could not be realized in specie prices except at a total loss of capital. It was therefore impossible to resume. Nevertheless, the resumption in New York compelled the attempt, and January, 1839, the United States Bank resumed and staggered on until October 11, 1839, when, after a desperate attempt to force a second failure in New York, it went down and was liquidated. Two hundred million dollars of bank capital then went out of existence South and West.

The time had now come for reform. The people were weary of the continual expansions, inflations, and suspensions of the banks and of the paper currency with which they flooded the country and robbed the public. The Government recognized the evil, and reformed the coinage in 1837 in such a manner as to tend to keep gold in the country. It forbade the sale of lands for anything but specie, and projected the Independent Treasury plan of finance, by which all the revenues of the Government were to be collected and disbursed in specie, and an entire divorce of Bank and State perfected. On the 7th of January, 1841, Congress required of the Secretary of the Treasury, LEVI WOODBURY, 1st, A return of the losses that had been sustained by the Government by using banks as depositories, and by its connection generally with banks; 2d, The amount the people had lost by banks and their issues. The replies were in substance as follows:

Losses sustained by the Government to the year 1837....	\$15,492,000
Losses by bank failures sustained by the public.....	108,835,721
Losses by bank suspensions and depreciation of notes....	95,000,000
Losses by destruction of bank notes.....	7,121,332
Losses by counterfeit notes beyond losses by coin.....	4,444,444
Losses by fluctuations, revulsions, sacrifices of property, etc.	150,000,000
Aggregate	\$380,943,497

† Secretary CRAWFORD.

The House Committee of Ways and Means, in 1830, estimated the losses on depreciation of bank notes issued prior to 1817 at \$30,000,000. They embraced, in this estimate, the loans made by the Government in depreciated paper and subsequently paid in gold. Thus, in 1824, \$100 in gold was paid in the redemption of a stock which had been issued at 88 for bank notes, at 12 per cent discount for specie—equal to 77 for specie. The Government thus paid 10 years' six per cent interest, \$60, and \$100 principal, making \$160 for the use of \$77. All these evils of the paper system determined Congress to pass the Independent Treasury law; that is, a law by which the Treasury should be independent of all banks, receiving and paying out the "Constitutional currency" only. The Whig party came into power, March, 1841. They called an extra session, and immediately repealed the Treasury law, throwing the Treasury again into the hands of deposit banks in various parts of the country, but all of which were required to give ample security for the public funds. At the next election this party lost power, and the Independent Treasury law was re-enacted in 1846, continuing in force down to February, 1862, a period of sixteen years, to the entire satisfaction of the people, the banks, and the Government. No disturbance of the currency was created by it; the Government did not lose a dollar; and its action, by keeping up a constant demand for coin for all public dues, and emitting a stream of metallic currency through the channels of public expenditure, kept the metals active and wonderfully promoted the increase of the metallic currency. In all that period, the finances were in New York administered with great ability by Mr. J. J. Cisco, Assistant Treasurer.

In the meantime, each State had taken similar action against bank credits. New York had, in 1838, established the security system, by which no bank can issue notes not secured on New York or United States stock. Illinois prohibited banks altogether, but subsequently allowed the security system, but had provided for the collection of State duties in specie. Ohio had similar provisions, and throughout the country there was a steady approximation to a purely specie currency. The New York security law was adopted in the following States :

	Stocks held, 1860.	Circulation, '60.
Michigan.....1849	\$192,831	\$222,197
New Jersey.....1850	962,911	4,811,832
Virginia.....1851	3,584,078	9,812,987
Illinois.....1851	9,826,691	8,981,723
Ohio.....1851	2,153,552	7,983,889
Iowa.....1858	101,849	568,806
Indiana.....1852	1,349,466	5,390,246
Wisconsin.....1854	5,031,504	4,429,855
Missouri.....1856	725,620	7,884,885
Tennessee.....1852	1,233,432	5,538,978
Louisiana.....1857	5,842,096	11,579,313
Minnesota.....1858	50,000	50,000
Total.....	\$57,951,954	\$97,212,827

The effect of all these movements was greatly to diminish the use of paper as a currency, but the extraordinary degree to which this diminution took place is not generally appreciated. The following figures will give

some indication of it. They show, per census, the annual productions of the country at three periods, with the imports and exports, and bank circulation :

	Annual production.*			Population.	Circulation.	
	Manufactures.	Agriculture.	Imports & ex.		Bank notes.	Specie.
1840...	\$483,278,265	\$621,163,977	\$39,229,466	17,000,000	\$149,000,000	\$83,000,000†
1850...	1,055,595,899	994,093,842	830,037,028	23,191,871	155,012,911	112,615,603
1860...	2,000,000,000	1,910,000,000	762,284,237	31,000,000	202,005,767	275,000,000‡

The paper circulation in 1840 was about nine dollars per head of the population. It was sixty per cent of the imports and exports, and thirteen per cent of the annual productions. In 1860, the circulation was less than seven dollars per head of the population, thirty per cent of the imports and exports, and only five per cent of the annual productions. Had it borne to the latter the same ratio as in 1840, the amount would have been \$560,000,000. The increase required by business was made up, it appears, by specie. Thus the whole currency had become either specie, or paper secured upon State and United States stocks, and this to an extent that was quite safe, because the rule that the bank notes of each State should be secured on the stocks of the State afforded far greater security than if all were secured on one kind of stock. Thus New York State stock will always be a favorite with New York capitalists; the citizen of Massachusetts prefers his own State stock. The surplus capital of each State naturally seeks investment near home, where its value is controlled by no rival interests. It is apparent from the above table that the course of the Government in separating its finances from the banks, and making the currency of the Constitution the only medium between it and the people, and causing it to flow actively through the Treasury, was an eminently wise one. It is also apparent that the restraint put upon paper money by State laws operated in a most salutary manner in the same direction, and induced the immense development of business which grew out of the great production of the country, to be carried on in a strictly specie currency. If it is assumed that all goods and produce produced are sold five times only before being consumed, then the trade of 1840 would be represented by \$5,500,000,000, which turned upon a mixed currency of \$232,000,000. In 1860, by the same rule, the transactions were \$20,000,000,000, and turned upon a mixed currency of \$477,000,000. Thus four times the business was done, with double the circulation, because being specie it was more effective.

Such, then, are the lessons of the past. It was only through fire and water, as we have seen by our hasty review, that the country reached this comparatively safe position financially. And we are now in this war reaping the blessed fruits of this policy, for the great increase of specie capital of the country thus brought about has been of immense service in this hour of the nation's trial. Let us reflect what would have been the case now, had the country been as bare of coin, and its currency as dependent upon rotten banks, as in 1836-37? The first disturbance caused by the war would have swept all into insolvency, and left the Government without credit and without resources. So far from that, when the Treasury came forward for aid in 1861 the banks loaned \$150,000,000 in gold to the Government, and would have been able to have maintained specie payments notwithstanding, but for the unfortunate inspiration of the Secretary, which

* Census reports.

† Treasury reports.

‡ Mr. CHASE.

induced Congress to emit \$150,000,000 of paper money, and so alarm the public, that \$20,000,000 in specie were drained from the banks in thirty days after the reading of Mr. CHASE'S first annual report. The country then accepted the necessity of Government paper money as a war measure. They recognized the fact that it was a resource within a fixed limit, although very few thinking men accepted the dogma that it is "borrowing without interest," since all know that it is the most expensive mode of borrowing that can be adopted by either Government or people. The Secretary, in his late report, fully admits this fact, and asserts that "additional loans in this mode would, indeed, almost certainly prove illusory; for diminished value could hardly fail to neutralize increased amount." "Sufficient circulation having been provided, the Government must now borrow like any other employer," etc. With these views, Mr. CHASE'S future policy is certainly marvelous, it being no less than to add to the outstanding issue of the Government \$300,000,000 of inconvertible bank paper, of a less value than the Government notes of which he complains, and to make the system of issues "a permanent national currency"! There have been organized, he informs us, one hundred and thirty-four of these banks, with an aggregate capital of \$16,081,200, which is an average of \$120,000 each. At this average, the number of banks under the law will be two thousand, with \$226,000,000 of capital, and authorized to circulate \$203,400,000 of paper notes, receivable for public dues and redeemable in greenbacks. If these banks do any business besides emitting circulation, it must be to loan their notes and the Government deposits that they are to have, on values inflated at present fifty per cent, and the action of their own notes will still further inflate prices, because they will increase the existing paper money fifty per cent. These facts are a guarantee that those banks can never pay specie, because a return to specie payments by the old banks would sweep away half the assets of the new institutions, as was the case with the late National Bank in 1839. Let us suppose that these concerns should hold the whole of their \$100,000,000 of Government deposits—and it is intended that they shall hold much more than that—and that they have loaned the money on securities inflated one half. On the approach of peace, the Government will want its money; the old banks may resume; and the new banks attempt to realize to pay the Government, while their notes are run in for redemption. They would have to sacrifice \$100,000,000 of assets to pay the Government, while at the same time they would be compelled to sell stock to redeem the national circulation, which would become worthless from discredit. At such a moment, the insolvency of the whole mass of banks would involve the Treasury in dishonor and the Government in ruin.

In this connection consider the nature of this "uniform currency," for it is this idea of uniformity that is continually dwelt upon in speaking of these bank issues. Will it then be uniform? Greenbacks are, and why not this? The answer is very simple and plain, that it will not be, *for it is redeemable* (that is, convertible into legal tender,) *only at the point of issue*. Suppose one were to receive one of these notes issued in Oregon, in some out-of-the-way village, and redeemable only there, what would be its value in New York city? Of course it would only be what the redeeming agent in that city (if it had one, if not, what the broker) chose to give for it, and he would buy it at a discount just in proportion to the expense and difficulty of making the conversion. It would be more difficult to send a note to Oregon to be redeemed than it would be to send one to Chicago, and

therefore the discount on it would be greater. Hence these notes will be at every shade of discount, and as far from uniformity as anything could well be. Greenbacks differ in a very essential particular; they are a *legal tender for all debts*, and, of course, when notes are a legal tender their *point of redemption is everywhere where there is a purchase to make or a creditor to pay*. These new bank issues are not to be a legal tender between individuals, and are only to be redeemed (that is, converted into legal tender) at the point of issue.

And in this uncertain discount on these notes will consist the chief profits of issue. The history of the New York law is the proof of this. Nearly all the amendments of that law through many years were directed to circumventing the banks of issue, who kept agents to buy up their own notes at a discount. The plan is this: The law allows five individuals—two men and three clerks—to organize in an inaccessible village a bank of \$50,000. They are to pay in one-third, say \$15,000, and one-third of that is to be put into bonds, say \$5,000. On these bonds they get \$4,500 circulating notes, with which they buy more bonds and get for them \$4,150 more notes, and, repeating this operation six times, they will have lodged \$26,000 of stocks and have out \$24,000 of notes. The account will then stand—

Capital	\$10,000
Stocks lodged	26,000
	<hr/>
	\$36,000
Notes out	24,000

They draw \$2,520 per annum interest from the Government in gold on the stocks, and lend the \$10,000 at 7 per cent. The circulation cannot be redeemed, because the "place of issue" *cannot be found*. The owners have a place of redemption in Wall Street, where they charge from $\frac{1}{2}$ to 5 per cent, according to the panic which they can excite. The creation of panics is one portion of their craft. If there is no alarm redemptions are sluggish and profits small, and circulation bankers are disgusted. Means are taken to alarm the public and cause a rush for redemption, when the rate rises to 5 @ 10 per cent. The "uniform currency banks" rake down the profit and then soothe the public mind until they get the circulation out anew. If they redeem six times per annum, at 2 per cent, they make \$2,880, and the profits are—

Gold interest on stock.....	\$2,520
Interest on capital.....	700
Discount on redemption.....	2,880
	<hr/>
Profit 40 per cent on investment.....	\$6,100

This is a mere circulation bank, and does not take into account the profits of Government deposits without interest on security. It is simply a "uniform currency" machine. It is easy to see that this system will, sooner or later come to the ground; that the notes, when panic is carried too far, will not be paid by the banks, but will fall upon the Treasury. How will the Treasury meet the demand in that hour? By selling the stock held by

the banks. What will \$300,000,000 of stocks bring at a moment of dissolution of the currency?

The laws of the State of New York, after the experience of twenty years' operation of the security system, gradually improved until the currency in the State had become very uniform—nearly on a par with specie, and, therefore, on a par with other well regulated banks in other States. This was done by requiring State and United States securities. Thus, take any New York bank, say Commercial Bank of Whitehall. Its position is as follows:

New York stocks.....	\$52,000
United States 6 per cent stocks.....	60,000
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Total stocks.....	\$112,000
Circulation	101,888

Now, if this bank lodged its stocks in Washington, instead of Albany, would its notes be any more secure, or uniform, or national, or nearer to specie standard? Certainly not. Let us go to Indiana. The Farmers Bank has \$53,000 Indiana 5's to secure \$45,810 circulation. If Mr. CHASE compels it to sell its State stocks and buy United States stocks, will the purposes of currency be any better subserved? Besides, in case of general disaster, would it not be better that the stocks should be part State stocks, so that such a mass of United States securities might not be thrown on the market at once.

Thus we see that there is no "permanency" and no "uniformity" in this currency. It is a mere irredeemable issue of bank notes, petted and fostered by the Government, and, therefore, if the system had any permanency it would only become an immense political machine. The benefit Government expects to receive is really the most wonderful part of the plan. Mr. CHASE tells us that it will create a demand for United States securities as a basis for the banks. How strange it sounds to have such a reason as that urged, when we know that the plan contemplates the depositing of the bonds with the Treasury of the United States and the issuing on them, by the Government, of 90 per cent in currency. That is, Government pays these petted banks 6 per cent in gold on its bonds for the privilege of issuing to them this currency, when it might just as well have issued greenbacks without the intervention of banks or bonds and without paying any interest. Such a benefit as that is certainly marvelous! And yet this is urged as the great reason why this system should be supported, and Government feels so very grateful for the privilege (?) thus granted that it intends to deposit all its funds with these corporations without asking any security, and is to tax them very gently.

A NATIONAL CURRENCY.

BY A. K. SHEPARD.

In a country like ours, where commerce is the chief pursuit, many social evils are directly attributable to radical faults in business, which are very easily corrected, and yet are allowed to exist for generations.

For example, counterfeiting is a crime alarmingly on the increase, and one which leads to others of even worse character, and its very existence is due to the business of the country which tolerates such a system of currency as that with which we are afflicted.

It is not too much to say openly, and from the results of observation and study, that our paper money, as it now exists, is an intolerable nuisance, unworthy the genius of a people making as high pretensions as Americans.

In the State of New York are some three hundred banks, with a circulation, in June, 1863, of \$32,000,000. Each bank issues notes of the various denominations from \$1, to \$500, and very frequently using several plates for engraving the same denomination.

In new England are over five hundred banks, issuing all sorts of notes, and in the Western and other loyal States are eight hundred more, making a total of sixteen hundred banks in the country, issuing notes.

Most of these notes are quoted at various rates of discount, from $\frac{1}{8}$ per cent to 20, and even 40, per cent. Most of them are unbankable out of their own State; many irredeemable by reason of dangerous counterfeits; and these counterfeits in circulation by thousands—a premium on crime and rascality. Banks and brokers thrive, while the community is fleeced and annoyed.

There are no less than one thousand different kinds of bank-notes, which every business man in New York or New England is called upon to criticize and examine, and pay discount on, and suffer more or less from, in the ordinary course of trade.

We talk of the inconvenience of traveling on the continent of Europe, caused by the difference in the coins of each petty State, while the citizen of Pennsylvania or Illinois must visit the broker before he can visit New York or Massachusetts.

Now, opposed to this confused and anomalous condition of the currency, is a system of paper money supplied by Government; one which it is as much the prerogative and duty of Government to provide as to issue coin, and which should represent the whole wealth and material resources of the country; a currency that would pass equally well in Maine and Minnesota, and whose simple eight or nine denominations would not require the skill of an adept to distinguish from counterfeits. Such a system the progress of the age requires, and the commerce of the country should demand of Congress, at its present session, such legislation as will suppress the illegal issues which infringe upon the constitutional rights of the general Government.

What is our State banking system but an attempted evasion of Art. I., Section 10, of the Constitution of the United States, which expressly states that "no State * * shall emit bills of credit."

Are not our State bank bills registered and entered by State officers, and

does not the State hold the securities and stand godfather to the whole transaction? The bills are as much State "bills of credit" as if issued directly by the State.*

The best corrective yet proposed to these abuses, is a good system of banking to be authorized by Congress, and the people owe it to themselves to lend it their hearty support. The present law may have its defects; but, if it has the act can be easily amended and the system perfected. To the whole country belong the profits upon currency, because upon the whole country are visited the evils resulting from it, and this can only be secured by a national currency. Nor can the banks complain. †

In June, 1863, the banking capital of the State of New York was \$108,499,653, and the aggregate profits on that capital, in round numbers, \$18,000,000, or about 17 per cent. Taking from the banks their \$32,000,000 of circulation, would still leave the aggregate profits on their entire capital 14½ per cent.

* We think our correspondent is in error here.

1. A bank bill can in no sense be said to be issued by the State, any more than the promissory note of any corporation is the note of the State. It is not upon the *credit* of the State that the bills are issued. The State does not guarantee their payment, it does not in any way lend its credit to the banks, it forces no one to take the bills they issue, and becomes in no way responsible for them. The bank issues stand solely on the credit of the bank whose promises to pay they are.

2. What agency, then, it may be asked, has the State in the matter? We reply, that it simply *regulates* this branch of business, as it regulates others within its own territory. The State does not *grant* the right itself, but it *restricts* the right to issue bank bills to those persons and associations who give certain security by which the public is saved from imposition and loss. No one contends, of course, that the Constitution of the United States contains any provision prohibiting the issue of notes or bills by private persons or associations. And if no clauses of *State* Constitutions and no State statute intervened, what would there be to prevent any man or set of men issuing notes and circulating them? For "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people. The State, however, as we just said, steps in to *regulate* this branch of trade, *restricting* this right to those persons, etc., who give security, thus saving the public from imposition and loss. This is the sole agency the State has in the matter. Those who maintain that the charters of banks, granted by State governments and allowing the issue of notes, violate the Constitution, might with more force argue that the issue of State bonds or State stocks is an infringement of the prohibition against bills of credit, because these are pledges of the *credit of the State*.—ED. HUNT'S MER. MAGAZINE.

† We do not understand how, by transferring the currency from State banks to United States banks, the country is to receive any benefit. The country *does* get the benefit of the present "greenbacks;" but all the profit of the United States bank currency goes to the United States banks, just as the present profit on State currency goes to the State banks. If, therefore, we want a uniform currency, and think the Government should have the profits, the present issues must be continued, and State currency taxed out of existence. We see no other way of accomplishing these ends.—ED. HUNT'S MER. MAG.

The business world has many short comings to answer for. Does the modern merchant or banker ever think what a responsibility rests upon him? To be faithful to the duties required of him is not the easy task it was a century ago. With increased facilities for doing good, the temptations to do evil have also increased ten-fold.

Suppose that when Venice was the great commercial center, one of her "merchant princes" was extravagant, reckless, speculative. It affected only himself; his transactions were mostly cash—his relations limited. Few suffered if he went down. But, to-day, in New York, with our complex system of trade and credit, into which every man is woven with meshes that are unseen, but sensitive to the least disturbance, if a great house fails it scatters devastation far and near.

Sitting in his counting-room, the merchant has the resources of the world at his command. The strokes of his pen are wafted thousands of miles; the vast and complicated machinery of steam and electricity are set at work in distant cities and States to further his combinations and projects. If those projects are formed in ignorance of fundamental laws, can the projector hope to escape with mere personal inconvenience? It may well be questioned whether our wisdom has increased with our facilities for applying it in life.

A commercial literature is the thing we need—a literature of which *Hunt's Magazine* is the exponent, and which shall discuss and bring home to every man of business the questions of principle and policy which are so often through ignorance disregarded.

Of these questions not the least important are those resulting from abuses of paper money, and the easiest solution of their difficulties lies in the hearty support of a national banking system—a system which shall give us a uniform currency over the whole country.

COMMERCIAL LAW. No. 9.

AGENCY.

AGENCY IN GENERAL.

THE relation of principal and agent implies that the principal acts by and through the agent, so that the acts in fact of the agent are acts in law of the principal; and only when one is authorized by another to act for him in this way, and to this extent, is he an agent. One may act as the agent of another who is disqualified from contracting on his own account; thus infants, married women, and aliens may act as agents for others.

A principal is responsible for the acts of his agent, not only when he has actually given full authority to the agent thus to represent and act for him, but when he has, by his words, or his acts, or both, caused or permitted the person with whom the agent deals to believe him to be clothed with this authority. And a man may thus be held as a principal, because he has in some way authorized *all* persons to believe that he has constituted some other man his agent, or because he has authorized only the party dealing with the supposed agent to so believe. For all responsibility rests upon two grounds, which are commonly united, but either of which is sufficient: one, the giving of actual authority; the other, such appearing to give authority as jus-

tifies those who deal with the supposed agent in believing that he possesses this authority.

A general agent is one authorized to represent his principal in all his business, or in all his business of a particular kind. A particular agent is one authorized to do only a specific thing or a few specified things. It is not always easy to discriminate between these; but it is often important, by reason of the rule that the authority of a *general* agent is measured by the usual scope and character of the business he is empowered to transact. By appointing him to do that business, the principal is considered as saying to the world that his agent has all the authority necessary to the doing of it in the usual way. And if the agent transcends his actual authority, but does not go beyond the natural and usual scope of the business, the principal is bound, unless the party with whom the general agent dealt knew that the agent exceeded his authority. For if an agent does only what is natural and usual in transacting business for his principal, and yet goes beyond the limits prescribed by him, it is obvious that the principal must have put particular and unusual limitations to his authority; and these cannot affect the rights of a third party who deals with the agent in ignorance of these limitations. But, on the other hand, the rule is, that, if an agent who is specially authorized to do a specific thing exceeds his authority, the principal is not bound; because the party dealing with such agent must inquire for himself, and at his own peril, into the extent and limits of the authority given to the agent. Here, however, as before, if the party dealing with the agent, and inquiring, as he should, into his authority, has sufficient evidence of this authority furnished to him by the principal, and, in his dealings with the agent, acts within the limits of the authority thus proved, he cannot be affected by any reservations and limitations made secretly by the principal, and wholly unknown to the person dealing with the agent.

HOW AUTHORITY MAY BE GIVEN TO AN AGENT.

It may be given under seal, in writing without seal, or orally. And an oral appointment authorizes the agent to make a written contract, but not to execute instruments under seal. Nor, as it seems, if an agent has parol authority to make a contract, and affixes a seal to it, will the seal be treated as a nullity, in order to give to the instrument the effect of a simple contract. But an instrument under seal, signed and sealed in the principal's presence, and by his request and authority, will be regarded as the principal's deed, made by himself. One employed by another to act for him in the usual trade or business of the agent, as auctioneer, broker, or the like, acquires thereby authority to do all that is necessary or usual in that business. And if a person puts his goods into the custody of another whose ordinary and usual business it is to sell such goods, he authorizes the whole world to believe that this person has them for sale; and any person buying them honestly, in this belief, would hold them.

Therefore, if fraudulent by-bidding be procured or permitted by the auctioneer, even without the knowledge of the owner of the goods, the owner is answerable for this fraud of his agent, and the buyer has a right to refuse to take the goods. So neither party is bound until the agreement of sale is completed. Therefore the auctioneer may withdraw any article, and a bidder may withdraw any bid, until the article is "knocked down," but

not afterwards; for then the sale is completed, and the property in (or ownership of) the article passes to the buyer.

If one is repeatedly employed to do certain things—as a wife or a son to sign bills or receipts; or a domestic servant to make purchases; or a merchant or broker to sign policies, and the like—in all these cases, one dealing with the person thus usually employed is justified in believing him authorized to do those things with the assent and approbation of his employer; and in the way in which he has done them, but not in any other way. Thus, if a servant is usually employed to buy, but always for cash, this implies no authority to buy on credit.

An agency may be confirmed and established, and in fact created, by a subsequent adoption and ratification; and a corporation is bound by the ratification of an agent's acts, in the same manner as an individual would be. But no ratification would be effectual to bind the principal, unless made by him with a knowledge of all the material facts. And there can be ratification only where the act was done by one purporting to be an agent, or by an assumed authority. Generally, one who receives and holds a beneficial result of the act of another as his agent, is not permitted to deny such agency; and in some cases this is extended even to acts of such agent under seal.

Thus, if an agent sell under seal property of a supposed principal, which might be a corporation, and receive payment and hand this over to the principal, if the principal could show that the agent had no authority, he might avoid the sale and recover the property; but he could not do this and also hold the money paid for it. And if one, knowing that another has acted as his agent, does not disavow the authority as soon as he conveniently can, but lies by and permits a person to go on and deal with the supposed agent, or to lose an opportunity of indemnifying himself, this is an adoption and confirmation of the acts of the agent. Nor can a supposed principal adopt a part for his own benefit, and repudiate the rest of the supposed agency; he must adopt the whole or none.

If an agent makes a sale, and his principal ratifies the sale, he thereby ratifies the agent's representations made at the time of the sale and in relation to it, and is bound by them. Nor can there be a ratification by one party of an act which he did not authorize, if by the ratification he creates a duty on the part of another, or a claim for damages against him. Thus, he cannot ratify a demand of money or property on which to ground an action, or to defeat a tender, if he had not authorized any such demand before it was made.

The act of ratification must take place at a time, and under circumstances, when the ratifying party might himself have lawfully done the act as principal. Thus, we have seen that a consignor or seller may stop goods *in transitu*, by reason of the insolvency of the consignee or buyer. And this he can do by any authorized agent. But if a friend steps forward to stop them for the consignor, without authority, the consignor may ratify this and make the stoppage good before the transit is ended; but he cannot, after the transit is ended, ratify a stoppage made before, because he cannot himself stop the goods after the transit is ended.

The whole subject of mercantile agency is influenced and governed by mercantile usage. Thus, as to the difference between factors and brokers, the law adopts a distinction usual among merchants, although it may not always be regarded by them. A factor is a mercantile agent for sales and

purchases, who has possession of the goods; a broker is such agent, but without possession of the goods. Hence, a factor may act for his principal, but in his own name, because the actual owner, by delivering to him the goods, gives to him the appearance of an owner; but a broker must act only in the name of his principal.

A purchaser of goods from a factor may set off against the price a debt due from the factor, unless he buys the goods knowing that they are another's, and perhaps even then; not so, if the purchaser buy from a broker. Again, a factor has a lien on the goods for his claims against his principal; but a broker generally has not.

One may be a factor as to all rights and duties, who is called a *broker*; as an exchange broker, who has notes for sale on discount, certificates, etc., delivered into his possession; and such broker, being actually a factor, would have a lien on the policies of insurance or other documents held by him, for his commissions and charges about those documents.

A cashier of a bank, or other official person, may be an agent for those whose officer he is, or for others who employ him. He has, without special gift, all the authority necessary or usual to the transaction of his business. But he cannot bind his employers by any unusual or illegal contract made with their customers. The same law, and the same qualifications, apply to the case of officers of railroad companies, or other corporations. Their acts bind their employers or companies, so far as they have authorized those acts, or have justified those who dealt with the officers in believing that they possessed such authority; but no further.

Nor would the acts or permissions of such officer have any validity if they violate his official duties, and are certainly and obviously beyond his power, even if sanctioned by his directors; as if the cashier of a bank permitted overdrawing, or the like. And all parties who deal with such agent in such a transaction would be unable to hold the principal, because of their knowledge or notice of the agent's want of authority; for the law would consider them as knowing that the officer could have no right to do such things.

Therefore, the general agent of a corporation, clothed with a certain power by the charter or the lawful acts of the corporation, may use that power for an authorized, or even a prohibited purpose, in his dealings with an innocent third party, and render the corporation liable for his acts, if they be really within the power given him, or seem to be within it by the fault or act of the corporation; but not otherwise.

EXTENT AND DURATION OF AUTHORITY.

A general authority may continue to bind a principal after its actual revocation, if the agency were known, and the revocation be wholly unknown to the party dealing with the agent, without that party's fault.

An authority to sell implies an authority to sell on credit, if that be usual; otherwise not; and if an agent sells on credit without any authority, or by exceeding his authority, the principal may claim his goods from the purchaser, or hold the agent responsible for their price. Neither an auctioneer, nor a broker employed to sell, has any right to sell on credit, unless this authority is given them expressly, or by some known and established usage. And the agent is generally responsible if he blends the goods of his principal with his own, in such a manner as to confuse them

together, or takes a note payable to himself, unless this be authorized by the usage of the trade.

If the agent (or factor) takes a note payable to himself, and becomes bankrupt, such note belongs to the principal, and not to the agent's assignees.

A power to sell gives a power to warrant, where there is a distinct usage of making such sales with warranty, and the want of authority to warrant is unknown to the purchaser, without his fault; and not otherwise. Thus, it has been held that an authority to sell a horse implies an authority to sell with warranty, because horses are usually sold with warranty. A general authority to sell goods carries with it an authority to sell by sample. General authority to transact business, or even to receive and discharge debts, does not enable an agent to accept or indorse bills or notes, so as to charge his principal. Indeed, special authorities to indorse are construed strictly. But this authority may be implied from circumstances, or from the usage of the agent, recognized and sanctioned by the principal. Where a confidential clerk was accustomed to draw bills for his employer, and this employer had authorized him in one instance to indorse, and on two other occasions had received money obtained by his indorsement of his employer's name, the court held that a jury might consider the clerk authorized generally to indorse for his employer. An agent to receive cash has no authority to take bills or notes, except bank-notes.

If an agent sells, and makes a material representation which he believes to be true, and the principal knows it to be false, and does not correct it, this is the fraud of the principal, and avoids the sale.

If an agency be justly implied from general employment, it may continue so far as to bind the principal after his withdrawal of the authority, if that withdrawal be not made known, in such way as is usual or proper, to all who deal with the agent as such.

Revocation, generally, is always in the power and at the will of the principal; and his death operates of itself a revocation. But the death of an agent does not revoke the authority of a sub-agent appointed by the agent under an authority given him by the principal. If the power be coupled with an interest—as where one gives a person power to sell goods and apply the money for his own benefit, or the like—or it is given for a valuable consideration; and if the continuance of the power is requisite to make the interest available, then it cannot be revoked at the pleasure of the principal. Marriage of a woman revokes a revocable authority given by her while single.

If an agent to whom commercial paper is given for collection be in fault toward his principal, the measure of his responsibility is the damage actually sustained by his principal. He must give notice of the dishonor of such paper to his principal, who must notify the indorsers; and the agent need not notify the indorsers.

If a bank receive notes or bills for collection, although charging no commission, the possible use of the money is consideration enough to make them liable as agents for compensation; that is, liable for any want of due and legal diligence and care. But by the prevailing, though not quite uniform authority, if the bank exercise proper skill and care in the choice of a collecting agent, or of a notary, or other person or officer, to do what may be necessary in relation to the paper committed to them, the bank is not liable for *his* want of care or skill.

In general, an exigency, or even necessity, which would make an extension of the power of an agent very useful to his employer, will not give that extension. A master of a ship, however, may sell it, in case of necessity, or pledge it by bottomry, to raise money. But this is a peculiar effect of the law-merchant, to be considered more fully in the chapter on the Law of Shipping; and no such general rule applies to ordinary agencies.

THE EXECUTION OF AUTHORITY.

Generally, an authority must be conformed to with great strictness and accuracy; otherwise, the principal will not be bound, although the agent may be bound personally. Thus, if A, the agent of B, signs "A, for B," it has been said that this is not the act of B, but of A for him. But if he signs "B, by A," this is the act of B by his instrument A. This strictness is now abated considerably; and, whatever be the form or manner of the signature of a common contract, it will be held to bind the principal, if that were the certain and obvious intent. In the case of sealed instruments, it would seem that the ancient severity is more strictly maintained.

That the authority must be conformed to with strict accuracy, in all matters of substance, is quite certain; but the whole instrument will be considered, in order to ascertain the intention of the parties and the extent of authority. A power given to two cannot be executed by one; but some exception to the rule as to joint power exists in the case of public agencies, and also in many commercial transactions. Thus, either of two factors—whether partners or not—may sell goods consigned to both. And where there are joint agents, whether partners or not, notice to one is notice to both.

In commercial matters, usage, or the reason of the thing, may sometimes seem to add to an authority; so far, at least, as is requisite for the full discharge of the duty committed to the agent in the best and most complete manner. Thus, it is held that an agent, to get a bill discounted, may indorse it in the name of his principal, unless he is expressly forbidden to indorse. So a broker, employed to procure insurance, may adjust a loss under the same; but he cannot give up any advantages, rights, or securities of the assured, by compromise or otherwise, without special authority.

LIABILITY OF AN AGENT.

Generally, an agent makes himself liable by his express agreement, or by transcending his authority, or by a material departure from it, or by concealing his character as agent, or by such conduct as renders his principal irresponsible, or by his own bad faith. If an agent execute an instrument the language of which would hold him personally, he cannot exonerate himself by evidence showing that in fact he signed it as agent, and that this was known to the other party. Because this would be to vary the terms of a written contract by evidence, which is not permitted, as we have before stated. A party with whom an agent deals as agent cannot hold him personally, on the ground that he transcended or departed from his authority, if that party knew at the time that the agent did so. If he exceeds his authority, he is liable on the whole contract, although a part of it is within his authority. One who, having no authority, acts as agent, is personally responsible. But if an agent transcends his authority through an ignorance of its limits, which is actual and honest, and is not imputable to his own neglect of the means of knowledge, it may be doubted whether he would be held. But we think he would be held in some form, if an innocent

party dealing with him as agent would otherwise suffer loss. Thus, if the wife of a person abroad bought family supplies on the authority of her husband, and continued to do so after the death of her husband had in fact revoked the authority, but before his death was known, we should say the wife would be held, if the estate of the deceased was not. But the authorities are not in agreement on this point.

RIGHTS OF ACTION GROWING OUT OF AGENCY.

If an agent intrusted with goods sell the same without authority, the principal may affirm the sale and sue the buyer for the price, or he may disaffirm the sale and recover the goods from the vendee.

In case of a simple contract, that is, a contract not under seal, an undisclosed principal may show that the nominal party was actually his agent, and thus make himself actually a party to the contract, and sue upon it; but if the other party has previously in good faith settled with the supposed agent, or paid him anything, in cash or by charge, or in account, this other party must not lose by the coming forward of the principal. So, too, an undisclosed principal, when discovered, may be made liable on such contract; thus, if A employed B to buy for him of C certain goods for a certain price, and B did so buy them and receive the goods and deliver them to A, and C charged B with them, supposing he bought them for himself, and B failed or refused to pay, and C then discovered that B was only the agent of A in the purchase, C could sue A for the price. Any principal unknown at the time of the contract, and discovered afterwards, would, however, be protected, if his accounts or relations with his agent had been in the meantime changed in good faith, so as to make it detrimental to him to be held liable; as if, for example, in the case before supposed, A had paid B the price, supposing that B had paid or would pay C. If one sells to an agent, knowing him to be an agent, and knowing who is his principal, and elects to charge the goods to the agent alone, he cannot afterwards transfer the charge to the principal.

In any transaction effected through an agent, the knowledge of the principal is said to be the knowledge of the agent; we should doubt whether it were so always, at the instant of the principal's acquiring it; but it certainly is when the principal has had the means of communicating the knowledge to the agent; and therefore the principal will be bound in the same way as if he had communicated what he knew to the agent. A familiar example may be, if one in New Orleans orders insurance to be made on a ship, in a Boston office, by an agent in Boston, and learns that his ship is lost in season to inform his agent, by telegraph or otherwise, before the insurance is made, the insurance is equally void whether he so informs his agent or not. But if he does not know it until it is impossible for him to inform his agent, and prevent his effecting the insurance, the policy, we think, would be good.

Notice to an agent before the transaction goes so far as to render the notice useless, is notice to the principal. And knowledge obtained by an agent in the course of the transaction itself, is the same thing as knowledge of the principal. Notice to an officer or member of a corporation is notice to that corporation, if the officer or member, by appointment, or by usage, had authority to receive it for the corporation; but notice to any member is not necessarily notice to a corporation.

If money be paid to one as agent of a principal who has color of right

the party paying cannot try that right in an action against the agent, but must sue the principal. But where the principal has no right, the action may be brought against the agent, unless he has in good faith paid the money over to his principal, or made himself personally liable to him for it. If he received the money illegally, he may be sued, although he has paid it over; so he may, if he has paid it over when he should not have done so; as if he pays it before a certain condition, precedent to the payment, be performed; or if he paid it over after receiving sufficient notice from the payer not to pay it over to his principal.

If A does an injury to B by conspiring with C, the agent of B, B may generally bring an action against A in his own name; and then may have the evidence of the agent. If an agent and a third person have used the principal's money illegally, as in the purchase of lottery tickets, though the agent could bring no action, the principal may, if personally innocent. And where an agent has been induced, by the fraud of a third person, to pay money which ought not to have been paid, either the agent or the principal may bring an action to recover the money back.

An agent in possession of negotiable paper may be treated with as having full authority to dispose of the same, by any person not having knowledge of the absence or limitation of authority. But if the paper was given only in payment of, or as security for, the pre-existing debt of the agent, there is, perhaps, reason for saying that the receiver does not take it as an indorsee or purchaser generally does, but takes only the right and interest of the party from whom he receives it. Such, at least, has been the decision in some cases, on the ground that this was not a proper business use of negotiable paper. But we are not entirely satisfied either with the reason or the conclusion.

COMMERCIAL CHRONICLE AND REVIEW.

INTEREST IN THE ANNUAL REPORTS—ANTICIPATED APPRECIATION OF THE CURRENCY—NEW TAXES—SPECULATIVE ACTION—TREASURY REPORT—NO MORE U. S. CURRENCY—NEW BANKS—PROSPECTIVE ISSUES—SCARCITY OF CURRENCY—FIVE-TWENTY INVESTMENTS—RATE OF INTEREST—BANK RETURNS—DEPOSITS—CAUSES OF DEAR MONEY—TREASURY DEMAND—RISE IN INTEREST IN EUROPE—NEW BANKS—SPECIE EXPORTS—NEW NATIONAL BANK STOCKS—UNITED STATES STOCKS—PRICES—GOLD INTEREST—IMPORTS—TABLES—COMMODITIES—EXPORTS—BALANCE—SPECIE MOVEMENTS—AMOUNT IN BANKS—EXCHANGE—RATES OF GOLD—DEMAND.

DURING the first portion of the last thirty days the markets were in a very dull and inanimate condition. Most business people were awaiting the annual message and reports with much anxiety. The chief desire, however, was to see the financial report, and to learn the views and intentions of the Government as to raising the necessary funds the coming year, since the impression had become strong that a policy would be pursued, or some measures would be attempted, looking to an appreciation of the currency of the country. It was understood that such an attempt would be attended by a fall in prices, and such a change in the currents of business as would affect most leading interests seriously. Indeed, it had become known that a tax would be recommended on tobacco and spirits, and those articles were consequently the objects of an active speculation, which carried the prices as high, if not higher, than even the anticipated tax would warrant. General business was, however, to be

affected by such measures as would be adopted to meet the large financial wants of the Government. The report of the Secretary of the Treasury did not, however, fully relieve the public mind in this respect. It took ground, indeed, strongly against any further issues of United States notes, but did not indicate any intention of diminishing the amount now out: on the other hand, it strongly advocated the full operation of the national banking law, which provides for the emission of \$200,000,000 of bank notes, redeemable in United States notes, and implied the emission of \$50,000,000 of deposit reserve United States notes, as well as \$350,000,000 more of interest-bearing legal tenders. The latter are authorized to the extent of \$400,000,000, and carry with them the right to be either of themselves a legal tender or convertible into legal tenders, in which case \$150,000,000 of United States demand notes are authorized to meet the demand for conversion. The Secretary of the Treasury does not regard the interest-bearing notes as an addition to the circulation, but rather in the light of an investment that will not circulate as money. This view has not been admitted generally, and experience only will decide how far legal tender notes, of denominations from \$10 up to \$100, but bearing five per cent annual interest, will enter into the circulation before much interest shall have accumulated upon them. A ten dollar note will bear only four cents per month interest. If money was very cheap and five per cent interest not easily procurable, the notes would be readily taken as an investment. But currency is in Chicago 10 @ 15 per cent interest, in Cincinnati 10 per cent, and in New York brisk at 7 per cent. Hence the notes are worth more for circulation than for investment. Under these circumstances the effect of the report seemed to be that there would be a considerable increase to the circulation of the country. Thus outstanding, December—

United States notes.....	\$400,000,000
Due banks, interest Treasury notes.....	50,000,000
Deposit reserve United States notes.....	50,000,000
National notes being printed.....	20,000,000
<hr/>	
Total.....	\$520,000,000
Issuable interest Treasury notes.....	350,000,000
“ national currency.....	200,000,000

This seemed to be the scope of the present power of the Secretary, who asked for no more paper, but authority to issue \$900,000,000 stock, payable at any time within forty years. Under the influence of this report, business seemed to revive in some degree, and prices of stocks and commodities rose in value, although money kept pretty firm at seven per cent, with an active demand. The subscriptions to the five-twenty stocks of the Government continued at the rate of more than \$1,000,000 per day. The investments in this stock were one cause of the demand for money, sustained by the speculative action induced in some commodities by the projected taxes and by the usual demand for money at the West for moving the crops.

The amount of five-twenties unsold on the 1st Dec. was \$111,000,000, and this was reduced to \$85,000,000 by the middle of December. Some takers were of opinion that they would command a premium when all

should have been taken up, on the ground that there will be no more gold-bearing notes issued. Inasmuch, however, as the law of March 3d, last, authorized the issue of \$900,000,000 more, redeemable in ten to forty years, with gold interest, and the Secretary asks for \$600,000,000 more of those bonds, and does not propose any more paper money issues, it is difficult to see how further issues may be avoided. The rate of money continued, however, very high up to the close of the year, there being little disposition to operate. The bank returns, which will be found under the usual head, indicate in the reduction of deposits down to the close of November the payments on account of the loan to the Government. After that account was closed, the deposits began again to accumulate, but without producing much desire to lend on the part of the institutions. The two leading causes of distrust were, in addition to the probable operations of the Treasury, to which we have alluded, the rapid rise of interest in England and on the continent, and the aspect of the new banking law.

The rise of interest in London to 8 per cent, as a consequence of the growing magnitude of the cotton drain of specie to which in former numbers we have called attention, was heightened by the political aspect of affairs in Europe, causing hoarding of gold and a demand for that metal on the part of each of the governments, which seeks to strengthen their reserves in case of possible hostilities. The demand for gold abroad has not so direct an influence upon the money market now as at times when the currency here is on a specie basis. At such times a demand which would cause an unusual export would induce a contraction of loans on the part of the banks, and produce revulsion. At present gold is not currency; its presence here is only as a commodity. It has indeed a purchasing power, but only as other capital. Its exportation would involve its conversion into circulating money and increase the amount seeking investment. The basis of the circulation now is the paper of the Government, and that is not dependent in any degree upon the supply of the metals.

The organization of the new banks under the national law causes a demand for much capital. Of these, some one hundred and sixty have been organized, with an aggregate capital of \$25,000,000, in different parts of the country. This is a positive demand for and a locking up of capital before it becomes ready for loans. In New York city an institution of \$5,000,000 capital was organized December 21, with the Hon. GEORGE OPDYKE president. This gentleman has been before the public in a number of essays upon financial matters, and, with Mr. PETER COOPER and other members of the new institution, were a few years since the projectors of a "bullion bank," which designed to operate entirely upon a specie basis.

The organization of these new institutions at a time like the present, when the amount of mercantile credits created in the operations of business is less than usual, is calculated to produce some change in the currents of business, and therefore to throw the old banks upon the defensive, the more so that the Secretary of the Treasury has asked of Congress such discriminating taxation in favor of the new banks as will be likely to force the old ones to wind up. That a conflict is about to arise between the two systems seems very probable, and Congress may be called upon to alter the law so that the public deposits may not be placed with

any banks. It has been, however, proposed by the controller, in order to disarm opposition on the part of the New England banks, that the rate of interest should be made uniform at 7 per cent. This would be an advance of 1 per cent on the rate for those banks, but the taxation is likely to leave them no better than before. All these disturbing elements in the markets have been against the free circulation of capital, and have therefore tended to raise the rate of interest.

The continued and regular demand for Government stocks has aided in forcing upon the banks a contraction of loans. A greatly diminished action was apparent in the stock market, causing prices to decline. There were also a quantity of stocks returned from Europe for sale. They had been sent thither during the rapid rise in bills, but had not found buyers. The Government stocks, however, maintained firm rates as follows:

PRICES UNITED STATES PAPER.

	—6's, 1881.—		5's, 1874.	73-10, 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 53	51
" 21, ..	96½	97½	91½	103½	95	...	53½ a 64	62
" 28, ..	100½	102½	97	103½	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	106	...	54½ a 54½	..
" 28, ..	104½	105	96½	106½	100	...	41 a 41½	..
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, ..	138½	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	143 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	105½	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	..

		—C's, 1831.—		7 3-10.	1 year certif.		August demand		
		Reg.	Comp.	5's, 1874.	3 years.	Old.	New.	Gold.	notes.
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	..
Dec.	5..	104	109	98	106½	101½	98	152½ a 152½	..
"	12..	104½	109	98	106½	102	98	150½ a 150½	..
"	19..	104½	109½	98	106½	102½	98½	151½ a 151½	..
"	26..	104½	110	99	106½	102½	98	151½ a 152	..

The five-twenties, for which a steady demand was sustained, sold at par with the accumulated interest. There were some sales of 5 per cent Texan Indemnity stock, which, to the extent of \$3,400,000, matures January 1, 1865, and which will be paid in gold at \$1 25. The one-year certificates, payable in gold, are maturing, and are replaced by the "new" certificates payable in paper. All of the former will have matured by the 3d of March. The interest on the Government stocks payable January 1, amounts to about \$3,500,000, and the Treasury holds about \$11,000,000, which, with the customs receipts, which average \$1,000,000 per week, will suffice to meet the interest on the 1st, the maturing interest on the one-year certificates, and the interest on the 7.30's due Feb. 19.

The importations at the port of New York for the month of November were much larger than for the corresponding month last year, and the quantity put upon the market was nearly 75 per cent more than in that year, and nearly three times as much as in the previous year. The return is as follows:

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	—Entered for—		Total.
			Consumption.	Warehouse.	
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	7,980,281	5,437,404	14,324,923
June	109,997	780,963	6,328,581	5,377,885	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
November	103,144	665,207	10,326,929	4,950,415	16,045,695
Total 11 months	\$1,409,318	\$10,732,926	103,878,853	\$54,467,382	\$170,488,479
" 1862....	1,311,961	21,341,121	97,652,911	41,273,706	161,579,699

The quantity put on the market is represented by the amount entered for consumption and that drawn from warehouse. The former for the month was \$10,326,929, and the latter, \$4,084,183—together, \$14,411,112 against, in the same month last year, \$8,480,168, an increase of \$5,930,944. A considerable portion of this increase was composed of cotton, wool, hides, and other raw material which had entered largely into consumption through the short supplies of Southern cotton. That article is not only imported from East India and elsewhere in considerable quantities, but wool, flax, linen, etc., are also in large demand as substitutes for cotton. The reduced stocks of goods and their advanced prices had stimulated the demand for raw materials, which had swollen the amount while they had

changed the character of imports. The receipts from customs duties have been large for the month, reaching \$5,075,846, and are about 38 per cent average.

The exports from the port for the month of November are less than last year in nominal amount by \$2,500,000, and in actual value \$3,000,000, arising mostly from the decline in the exports of breadstuffs, of which the home demand sustains the price above the export level. The exports have been 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
November.....	5,438,363	56,534	383,948	11,413,591	17,292,436
Total 11 months	\$44,495,013	\$986,657	\$4,966,004	\$151,403,026	\$201,845,700
“ 1862....	55,763,909	2,745,359	4,548,481	144,374,479	197,432,228

The imports and exports for the month indicate the following results in respect to the specie balance :

	1862.	1863.
Imports.....	\$10,309,393	\$16,045,695
Exports.....	14,390,691	11,854,673
Price, specie.....	133	150
Specie value of exports.....	10,793,018	7,902,715
Excess imports.....	.....	8,142,980
Specie exports.....	6,213,251	5,438,363

This considerable adverse balance was in some degree met by sterling from New Orleans and from California. There was, however, on one hand a hesitation about remitting specie, under the impression that its price would fall, and, on the other, it was supposed that the demand for the metal abroad would raise its price. The shipment was as follows :

SPECIE AND PRICE OF GOLD.

	1862.		1863.		Gold in bank.	Prem. on gold.
	Received.	Exported.	Received.	Exported.		
January 3.	.....	442,147	.....	681,448	35,954,550	34½ a 34½
“ 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 50½
“ 31.	.....	310,484	.....	1,331,027	38,894,840	48½ a 60½
February 7.	854,000	976,235	301,860	1,277,000	38,243,839	57½ a 57½
“ 14.	614,146	1,156,154	359,978	1,152,546	38,426,460	53½ a 53½
“ 21.	759,247	934,512	.....	520,017	37,981,310	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	1,050,158	34,317,691	41 a 42

		1862.		1863.			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem on gold.
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	46 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	58½ a 47
"	16.	604,632	1,093,031	.....	661,996	38,556,552	49 a 49½
"	23.	501,204	938,032	258,570	438,745	38,544,865	48½ a 49
"	30.	224,911	881,452	.....	279,994	37,632,634	44½ a 44½
June	6.	553,035	1,647,299	318,066	411,483	37,241,670	46 a 46½
"	13.	352,391	1,990,327	.....	235,364	37,884,128	48 a 48½
"	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	919,325	.....	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 42½
"	10.	807,616	2,255,513	268,282	2,555,656	29,927,281	46½ a 47
"	17.	.....	1,714,551	.....	1,206,950	28,382,473	51½ a 52
"	24.	763,121	2,024,380	267,911	1,243,273	28,804,281	45½ a 46
"	31.	.....	351,547	.....	585,302	28,124,921	46½ a 46½
Nov.	7.	.....	711,606	547,338	646,017	28,783,281	47½ 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	28,054,514	46½ a 54½
"	28.	.....	797,360	265,101	1,331,057	27,555,175	48 a 49
Dec.	5.	735,112	1,469,087	.....	1,771,021	27,099,695	48½ a 48½
"	12.	.....	874,296	305,650	1,409,455	26,439,354	48½ a 51
"	19.	.....	999,438	297,899	1,466,497	25,789,860	49½ a 51½
"	26.	Ariel.	286,880	.....	730,306	25,541,603	51½ a 52½
Total....		10,171,916	43,237,818	11,037,229	49,832,515	.....	.....

This return does not include \$20,000,000 sent on French account to Mexico. The outward current, however, strengthened as the year drew to its close. The demand for the custom-house, which was about one million per week, was to some extent met by the payments of gold interest on maturing one-year certificates. There were also some receipts of coin from New Orleans, from California, and from the interior; hence the bank account showed a slower decline in specie than the large export would indicate.

The rise in the rate of interest abroad, being 9 @ 10 per cent in London, and the uncertainty of the future caused a desire to buy short bills, and the rate ranged ½ @ 2 per cent higher than for 60-day bills.

The demand for sterling was steady, and as the speculative action subsided and the market worked clear of bills held for speculation, and which generally bring somewhat less than newly drawn bills, the rates became more firm, 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 113
" 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,	158 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 62½	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 62	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 61½	60 a 60½	52½ a 53½	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
" 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 93
" 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 59½	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,	168½ 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 53½	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
" 28,	157 a 158	3.62½ a 3.56½	59 a 60½	59½ a 60½	51½ a 52½	105 a 106½
Dec. 5,	160 a 161½	3.50 a 3.46	60½ a 61	61 a 61½	53½ a 54	107 a 108
" 12,	164 a 165	3.45 a 3.41	61½ a 62	62 a 62½	55 a 55½	109 a 109½
" 19,	164 a 166	3.45 a 3.40	62½ a 62	62½ a 63	55½ a 55½	109 a 110½
" 26,	165½ a 166½	3.43½ a 3.40	62½ a 62½	62½ a 63	55½ a 55½	110 a 111

The position of the Bank of France and other institutions in Europe indicate that a demand for gold would arise of a character which would diminish here the gold price for bills.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

BANK RETURNS AND BANK ITEMS.

CITY BANK RETURNS.—The bank returns are improving, the loans having very greatly decreased, and the banks reached a position of greater safety. Still the money market is very stringent. This is undoubtedly owing in part to the high rates paid in England and on the continent. The loans in the New York city banks have decreased thirty-four millions since October 17th, and the deposits about forty-five millions since September 19th.

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

NEW YORK BANKS.

NEW YORK BANKS. (<i>Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.</i>)						
Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.	
January 3,	\$173,810,009	\$85,954,550	\$9,754,355	\$159,163,246	\$186,861,762	
" 10,	175,816,010	36,770,746	9,551,563	162,873,249	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	9,033,419	168,269,228	298,861,366	
" 31,	179,823,501	38,894,840	8,906,110	169,951,376	.....
February 7,	179,892,161	33,243,839	8,780,154	166,342,777	302,352,571	
" 14,	178,103,592	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	
March 7,	181,098,322	39,705,089	8,693,175	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	277,831,351	
" 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,	170,845,283	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,	177,364,956	36,846,528	7,201,169	167,696,916	355,657,732	
" 9,	180,114,983	33,102,633	7,080,565	163,656,513	367,560,731	
" 16,	180,711,072	38,556,642	6,901,700	168,879,130	353,346,664	
" 23,	181,319,851	38,544,865	6,780,678	167,655,668	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	289,757,539	
" 13,	180,808,823	37,884,128	6,210,404	159,551,150	302,377,276	
" 20,	177,083,295	38,314,206	6,120,252	157,123,201	259,483,221	
" 27,	175,682,421	38,271,702	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,	175,022,768	38,566,395	5,927,071	160,733,496	319,945,652	
" 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	32,116,548	5,706,024	155,268,116	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	156,588,095	373,755,630	
" 29,	176,748,618	32,030,055	5,475,964	156,671,695	392,404,680	
Sept. 5,	178,477,037	31,989,381	5,456,916	158,110,687	394,314,312	
" 12,	200,028,980	32,018,107	5,457,366	178,538,622	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	5,377,386	186,050,773	354,208,025	

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
October 3,	206,412,874	30,064,614	5,375,586	182,653,494	375,032,638
" 10,	206,966,903	29,927,281	5,522,178	180,037,283	399,288,092
" 17,	206,638,749	28,382,473	5,618,764	178,059,317	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	460,676,757
" 28,	173,515,860	27,555,175	6,126,411	139,645,665	390,824,960
Dec. 5,	172,957,251	27,099,695	6,178,414	138,195,914	456,633,341
" 12,	172,585,406	26,438,354	6,166,077	140,015,995	394,140,067
" 19,	173,492,886	25,789,860	6,139,301	141,543,939	413,645,131
" 26,	172,688,163	25,541,603	6,125,172	139,660,287	344,355,135

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	34,803,000	17,070,700	14,095,600
" 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	14,446,600
" 16,	79,636,134	7,609,238	7,780,062	32,955,149	17,250,300	13,434,500
" 20,	77,935,500	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,	73,459,160	7,799,315	7,278,506	33,209,742	14,132,000	12,658,000
" 27,	73,558,000	7,383,800	7,040,000	32,781,500	13,303,000	11,966,700
May 4,	73,218,155	7,854,731	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
" 18,	73,068,593	7,794,046	7,167,327	32,192,770	12,863,500	11,732,000
" 25,	72,874,000	7,777,000	7,011,760	33,000,000	12,787,000	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	7,733,557	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	12,235,500	10,541,000
" 22,	73,351,000	7,697,000	7,344,500	31,355,800	12,504,600	10,914,700
" 29,	73,421,034	7,683,987	7,040,624	31,477,596	12,388,000	10,900,000
July 6,	73,548,918	7,744,327	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. 2,	72,390,364	7,793,916	7,317,402	28,334,096	12,655,000	9,646,000
" 10,	71,997,503	7,793,276	7,440,212	28,247,266	12,822,673	10,135,180
" 17,	71,860,078	7,813,497	7,198,917	27,998,073	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	7,227,704	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	7,606,556	31,143,583	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,	73,358,337	7,707,106	7,620,371	34,495,540	13,315,000	12,138,000
Oct. 5,	77,798,427	8,042,062	8,107,720	35,435,811	13,493,000	13,765,600
" 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	35,127,597	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	13,331,000	12,206,000

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
" 9...	78,554,017	7,975,057	9,527,161	34,557,547	12,668,006	12,172,000
" 16...	76,412,358	7,908,760	9,618,158	33,165,071	11,726,600	12,069,000
" 23...	75,544,964	7,794,227	9,486,925	32,960,173	11,398,600	11,743,600
" 30...	75,612,363	7,729,708	9,745,094	32,366,237	11,640,300	12,420,000
Dec. 7...	74,741,227	7,728,551	10,620,994	31,635,785	11,905,500	12,230,000
" 14...	75,251,334	7,659,676	9,733,910	31,036,733	11,905,500	12,230,000
" 21...	74,843,297	7,573,741	9,704,087	31,391,629	12,371,000	12,457,000

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	6,890,963	1,848,932
" 19...	37,416,694	4,549,369	4,382,520	27,877,069	7,050,847	2,275,908
" 26...	37,479,712	4,572,419	4,284,947	28,773,517	6,755,980	2,638,985
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	2,758,862
" 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...	39,458,384	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	29,171,233	6,504,758	2,168,007
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	5,953,359	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	2,808,169	32,455,953	4,623,392	2,480,714
June 1...	37,143,937	4,357,021	2,706,953	31,888,763	4,970,278	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	2,065,912
" 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	1,961,814
" 13...	34,866,842	4,360,003	2,507,253	28,701,813	4,784,343	2,530,552
" 20...	34,662,966	4,361,999	2,482,936	29,931,608	4,580,322	2,981,867
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
" 24...	35,296,376	4,113,309	2,292,607	30,195,167	4,551,031	2,129,071
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	4,116,683	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	2,085,819
" 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	4,337,325	1,911,936
Nov. 2...	39,180,421	4,164,804	2,106,284	31,805,965	4,697,888	1,843,362
" 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	1,925,700
" 23...	37,236,183	4,155,768	2,085,634	30,186,124	4,050,351	2,000,333
" 30...	35,583,624	4,166,057	2,098,512	29,662,167	3,933,696	2,203,019
Dec. 7...	36,414,704	4,165,939	2,104,174	29,374,165	3,859,130	1,923,878
" 14...	35,798,343	4,167,144	2,096,106	28,937,137	4,205,599	2,106,892
" 21...	35,696,114	4,173,206	2,077,921	29,419,486	4,228,958	2,170,269

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 28.....	\$6,375,384
“ 29.....	6,952,150	Oct. 5.....	6,278,091
July 6.....	5,953,622	“ 12.....	6,342,746
“ 13.....	6,916,751	“ 19.....	6,525,827
“ 20.....	7,066,593	“ 26.....	6,775,401
“ 27.....	7,903,732	Nov. 2.....	6,101,541
Aug. 3.....	8,430,782	“ 9.....	5,416,212
“ 10.....	7,780,640	“ 16.....	6,185,740
“ 17.....	7,530,339	“ 23.....	5,655,248
“ 31.....	6,853,540	“ 30.....	5,496,397
Sept. 7.....	7,382,810	Dec. 7.....	5,472,113
“ 14.....	7,081,480	“ 14.....	5,699,105
“ 21.....	6,573,404	“ 21.....	5,921,604

EUROPEAN FINANCES—BANK OF ENGLAND.—During the past month the minimum bank rate of discount of the Bank of England has been raised to eight per cent. This became necessary on account of the rise in the India exchanges. No new advance by the Bank of France has yet been made, although expected, the rate still remaining at seven per cent. It is stated that the stock of coin and bullion in the Bank of France is not so low as to occasion uneasiness, it being about 204,000,000*f*. As the returns for the month are not yet received, this statement cannot be relied upon. This rapid rise in the value of money in England, being four per cent since November 28, must cause embarrassment and trouble, if not failure, among Anglo-American banking firms, which will react disastrously on this side of the Atlantic, unless proper precautions are taken.

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, December 2d :

At corresponding dates with the week ending December 2, 1863.	1861.	1862.	1863.
Circulation, including bank post bills..	£20,748,662	£20,554,545	£21,685,732
Public deposits.....	5,206,334	8,195,360	7,234,894
Other deposits.....	13,273,192	13,649,958	12,924,545
Government securities.....	10,892,859	11,034,517	10,710,330
Other securities.....	16,224,428	19,323,241	21,173,559
Reserve of notes and coin.....	9,779,298	9,905,529	6,675,850
Coin and bullion.....	15,139,763	15,009,814	13,048,475
Bank rate of discount.....	3 per cent.	3 p. cent.	8 per cent.
Average price of wheat.....	60s. 6d.	47s. 8d.	40s. 3d.

Subjoined is our usual table with the returns brought down to December 2d, 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	30,227,066	13,855,349	4 “

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
" 28...	20,771,236	5,416,863	14,414,763	30,238,865	13,611,823	5 "
Feb. 4...	20,709,154	6,351,617	13,852,287	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	13,232,605	31,096,327	14,328,178	4 "
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	14,963,855	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	15,848,492	3 1/2 "
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...	20,909,819	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,337	13,896,450	32,389,044	14,225,553	4 "
" 10...	21,080,460	9,782,830	13,783,263	33,240,192	14,556,121	4 "
" 17...	20,635,473	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	14,824,669	4 "
" 15...	22,194,996	4,918,458	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	13,790,855	30,289,227	14,843,185	4 "
" 12...	21,937,198	5,754,863	13,578,358	29,657,833	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	30,180,384	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...	21,515,781	8,291,491	12,859,580	30,960,809	15,532,858	4 "
" 30...	22,312,747	9,270,486	13,717,460	33,751,403	15,277,885	4 "
Oct. 7...	22,545,407	9,510,057	12,893,642	33,329,764	14,856,037	4 "
" 14...	22,360,695	4,616,052	16,352,818	32,332,508	14,570,611	4 "
" 21...	22,824,466	4,437,835	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	13,799,328	6 "
" 11...	22,115,423	5,624,339	13,664,311	31,121,796	13,460,765	6 "
" 18...	21,778,354	6,451,850	13,403,442	31,407,245	13,419,602	6 "
" 25...	21,154,252	7,040,534	12,802,411	30,830,216	13,368,332	6 "
Dec. 2...	21,685,732	7,234,894	12,924,545	31,980,889	13,048,475	8 "

NEW YORK CLEARING-HOUSE—ANNUAL MEETING.—The tenth annual meeting of the New York Clearing-house Association was held at the Clearing-house on the 6th day of October last. The following officers and committees were elected for the ensuing year, viz:

Chairman—JOHN Q. JONES, President of the Chemical Bank, in place of THOMAS TILESTON, resigned.

Secretary—ROBERT BAYLES, President of the Market Bank, in place of M. M. FREEMAN, resigned.

Clearing-house Committee—J. D. VERMILYE, Cashier Merchants' Bank; J. M. MORRISON, President Manhattan Company; E. D. BROWN, President Mechanics' and Traders' Bank; S. R. COMSTOCK, Cashier Citizens' Bank; R. H. HAYDOCK, Cashier Fulton Bank.

Conference Committee—JAMES GALLATIN, President National Bank; JACOB CAMPBELL, Jr., President Pacific Bank; GEORGE W. DUER, Cashier Bank of State of New York; A. S. FRASER, Cashier Seventh Ward Bank; W. H. FOGG, President Park Bank.

The following Committees were appointed by the Chairman, viz:

Committee on Admission—H. BLYDENBURG, President Nassau Bank; D. R. MARTIN, President Ocean Bank; CHARLES F. HUNTER, President Peoples Bank; E. W. DUNHAM, President Corn Exchange Bank; LUCIUS HOPKINS, President Importers and Traders Bank.

Committee on Arbitration—H. L. JAQUES, Vice-President Metropolitan Bank; WM. L. JENKINS, Cashier of Bank of America; J. P. YELVERTON, President Bank of North America; SHEPHERD KNAPP, President Mechanics' Bank; B. LEWIS, Jr., President Butchers and Drovers Bank.

For Specie Depository—BANK OF AMERICA.

The Clearing-house Committee reported that the business of the Clearing house had been unprecedentedly large, the exchanges having been more than double the average amount of that of the nine preceding years.

For the year ending October 1st, 1863, the exchanges were.....	\$14,867,597,848 60
And for the nine preceding years.....	57,575,807,880 01
Total for ten years.....	\$72,443,405,728 61
The balances received and paid for the tenth year were.....	\$677,626,482 11
And for the nine years preceding.....	3,042,965,329 25
Total balances for ten years.....	\$3,720,591,811 66
Total business for ten years.....	\$76,163,997,540 27

The following resolution was adopted by the meeting, viz:

Resolved, That a committee of five bank officers be appointed to examine the system of banking initiated by the present Secretary of the Treasury of the United States, as to its prospective effects upon the currency and credit of the country, and to report whether any action on the subject by this Association is necessary.

On motion of the same gentleman the following resolution was also adopted, viz:

Resolved, That from and after the 1st day of December next, the Loan Committee shall be authorized to apportion the U. S. Legal Tender Notes in such manner that each of the Associated Banks shall hold of such notes not less than ten per cent of their net deposits.

A motion was made by the President of the Bank of America, JAMES PUNNETT, Esq., seconded by JAS. GALLATIN, Esq., President of the National Bank, to amend the above resolution so as to make the percentage of U. S. Legal Tender Notes to be held by the banks twenty-five instead of ten per cent, and the rate of interest for the Loan Certificates—seven per cent per annum—was lost.

The Chairman of the Loan Committee, C. P. LEVERICH, Esq., then read

the following letter, addressed by M. B. FIELD, Esq., Assistant Secretary of the Treasury, to JOHN J. CISCO, Esq., Assistant Treasurer, New York:

TREASURY DEPARTMENT, *November 27th, 1863.*

SIR: The National Bank Note Company has, in error and contrary to instructions, prepared the plates for the two-years five per cent Treasury Notes of the denomination of One Hundred Dollars with coupons on the left instead of the right-hand side.

Please confer with the Associated Banks in regard to it, and ascertain if they would prefer to take the notes with coupons thus attached, or incur the delay which would necessarily arise in preparing new plates.

Very respectfully,

M. B. FIELD,

JOHN J. CISCO, Esq.,

Assistant Treasurer, New York.

Assistant Secretary of the Treasury.

P. S. All the other coupons will be on the right-hand side.

On motion of the Cashier of the Bank of Commerce, H. F. VAIL, Esq., the letter of the Assistant Secretary of the Treasury was referred to the Loan Committee with power.

On motion of the Cashier of the Merchants' Bank, J. D. VERMILYE, Esq., the following resolution was adopted, viz:

Resolved, That the Chairman of the Loan Committee be authorized to draw upon the Associated Banks for the sum of \$1,420,1³⁷/₁₀₀, being the amount advanced to the Associated Banks by the Clearing-house Association to the 1st day of October, 1863, and also for such expenses as may be incurred by the Loan Committee.

The Chairman of the Loan Committee asked for instructions in relation to the collection of the interest accrued upon the Loan to the U. S. Government of \$35,000,000, from the 8th of September to December 1st.

On motion, the consideration of the subject was referred to the Loan Committee.

A motion, made by the President of the American Exchange Bank, GEORGE S. COE, Esq., that the two-year five per cent Legal Tender U. S. Treasury Notes, when delivered to the banks, shall be used by them as a medium for the settlement of balances at the Clearing-house, was, after some debate, withdrawn.

This loan has now all been paid. We give below a list of the payments with the date of each:

PAYMENTS OF THE BANKS ON THE \$50,000,000 TO GOVERNMENT.

	New York banks.	Other banks.
5 per cent when loan was taken.....	\$1,750,000	\$750,000
10 " Sept. 19.....	3,500,000	1,500,000
10 " " 26.....	3,500,000	1,500,000
10 " Oct. 3.....	3,500,000	1,500,000
10 " " 19.....	3,500,000	1,500,000
10 " Nov. 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
10 " " 25.....	3,500,000	1,500,000
5 " " 30.....	1,750,000	750,000
Total.....	\$35,000,000	\$15,000,000
Making the payments of all the banks.....		\$50,000,000

Hunt's Merchants
Magazine

vol 50

Jan - June
1864

303

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Government has not yet issued the interest-bearing notes to the banks for this loan, but will probably do so about the first of January. In this connection, we would suggest one important question, and that is, What prevents the banks cutting off the coupons as soon as the notes are received, and paying out the notes for their face as legal tenders, while retaining the coupons and collecting each as it becomes due? The law (act of March 3, 1863), under which the loan is made, reads as follows :

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury be and he is hereby authorized to issue, on the credit of the United States, four hundred millions of dollars in Treasury notes, payable at the pleasure of the United States, or at such time or times, not exceeding three years from date, as may be found most beneficial to the public interests, and bearing interest at a rate not exceeding six per centum per annum, payable at periods expressed on the face of said Treasury notes; * * * and said Treasury notes may be made a legal tender to the same extent as United States notes, for their face value, excluding interest. * * * * *

There is no limit to this provision, making these notes a legal tender (such as, for instance, that the unmatured coupons must remain attached), and, in fact, there is no provision whatever made in regard to coupons, Congress probably forgetting, or not contemplating, that there would be any. Why, then, could not these coupons be cut off, and still the note be a legal tender for its face? If this is so, of course the law should be amended.

REPORT OF THE SECRETARY OF THE TREASURY.

SOME of the suggestions contained in the Report of the Secretary of the Treasury we have noticed elsewhere, and probably shall have occasion to refer to others hereafter. We give below the more important facts and figures of the Report :

The receipts, estimated and actual, for the last fiscal year, ending on the 30th of June, 1863, were, including balance from the preceding year, as follows :

	Estimated.	Actual.
From customs.....	\$68,041,736 59	\$69,059,642 40
From lands.....	88,724 16	167,617 17
From miscellaneous.....	2,244,316 32	3,046,615 35
From direct tax.....	11,620,717 99	1,485,103 61
From internal revenue.....	85,456,303 73	37,640,787 95
Balance from last year.....	13,043,546 81	13,043,546 81

Total receipts from all ordinary sources.....	\$180,495,345 60	\$124,443,313 29
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The additional sums, actual or estimated, necessary to meet disbursements, were, of course, derived, or estimated as derivable, from loans.

The disbursements, estimated and actual, were as follows :

	Estimated.	Actual.
The civil service.....	\$32,811,543 23	\$23,253,922 06
Pensions and Indians.....	5,982,906 43	4,216,520 79
War Department.....	747,359,828 98	599,298,600 83
Navy Department.....	82,177,510 77	63,211,105 27
Interest on debt.....	25,014,532 07	24,829,846 61

Total gross estimate.....	\$893,346,321 48	\$714,709,995 56
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But this amount, it was supposed, would remain undrawn at the end of the year, and was therefore deducted from the gross estimate

\$200,000,000 00

Making actual estimate..... \$693,346,321 48

In his last report the secretary stated that if the appropriations should equal the estimates, the balance unexpended at the end of the year would probably reach \$200,000,000, and that this sum should therefore be deducted from the departmental estimates, to make the aggregate correspond with probable conditions. The above statement shows that the aggregate of estimates, thus reduced, was \$693,346,321 48, while the expenditures were \$714,709,995 58, exceeding the reduced estimates \$21,363,674 10.

From the actual expenditures, \$714,709,995 58, there must be deducted the actual receipts, \$124,443,313 29, in order to show the amount derived from loans, \$590,266,682 29, which sum, added to the amount of the debt on the 1st July, 1862, \$508,526,499 08 (heretofore erroneously stated at \$514,211,371 92), gives us the true amount of debt on the 1st July, 1863, \$1,098,793,181 37.

The following is a statement of the actual receipts and disbursements :

RECEIPTS AND EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 1863.

RECEIPTS.

The total receipts, including a balance on hand July 1, 1862, of \$13,043,546, were \$907,125,674, as follows :

From customs.....	\$69,059,642
From lands.....	167,617
From miscellaneous sources.....	3,046,615
From direct tax.....	1,485,103
From internal duties.....	37,640,787
	<hr/>
	\$111,399,766
From loans :	
For three years 7-30 bonds.....	\$17,263,450
For five-twenty years six per cent bonds..	175,037,259
For two years Treasury notes, under act March 2, 1861.....	1,622
For U. S. notes, under act Feb. 25, 1863..	231,260,000
For United States stock, Washington and Oregon war debt.....	145,050
From temporary loan, under act February 25, 1862.....	115,226,762
From certificates of indebtedness, under acts March 1 and 17, 1862.....	157,479,261
For 20-years 6 per cent bonds, under act July 17, 1861.....	76,500
From United States fractional currency...	20,192,456
	<hr/>
	776,662,361
Aggregate receipts.....	\$888,082,128

Balance in Treasury July 1, 1862.....	\$13,043,546
Total resources.....	\$901,125,674
From which, however, should be deducted receipts from new loans, applied during the year in payment of exist- ing funded or temporary debt, and therefore only nomi- nal receipts	181,086,635
Making the total amount of receipts	\$720,039,039

EXPENDITURES.

The expenditures were—

For the civil service.....	\$23,253,922
For pensions and Indians.....	4,216,520
For interest on public debt.....	24,729,846
For the War Department.....	599,298,600
For the Navy Department.....	63,211,105
Total.....	\$714,709,995

To which add payments on account of public debt, as follows:

Redemption of Treasury notes, under acts prior to July 22, 1846.....	\$50
Redemption of Treasury notes, under acts December 23, 1857, December 17, 1860, and March 2, 1861.....	2,211,650
Repayment on account of temporary loan, under acts Feb. 25 and March 17, 1862	67,516,993
Redemption of United States stock loan of 1842	2,580,743
Redemption of 7.30 coupon bonds, under act of July 17, 1861.....	71,500
Redemption of United States stock, Wash- ington and Oregon war debt.....	69,650
Redemption of United States notes under act of July 17, 1861.....	56,177,390
Redemption of United States notes under act February 25, 1862.....	2,099,000
Redemption of certificates of indebtedness under acts March 1 and 17, 1862.....	50,359,758

Making the aggregate expenditures..	\$895,796,630
But from this aggregate should be deducted payments of existing funded and tempo- rary debt, all which are made from new loans, and are therefore only nominal payments.....	181,086,635

Making the actual expenditures for the year.....	\$714,709,995
Leaving a balance in the Treasury July 1, 1863, of.....	\$5,329,044

ESTIMATES FOR THE YEAR ENDING JUNE 30, 1864.

The estimates for the current fiscal year 1864 are founded on actual receipts and disbursements for the first quarter, which ended September 30, 1863, and on opinions formed upon probable events and conditions as to the other quarters.

The following statement exhibits what is actually known and what, after careful reflection, the Secretary thinks himself warranted in regarding as probable:

For the first quarter, which ended September 30, 1863, the actual receipts were—

From customs.....	\$22,562,018 42
From internal revenue.....	17,599,719 59
From lands.....	136,182 99
From miscellaneous sources.....	641,542 04

Total receipts for first quarter....	\$40,939,456 14
To which add balance July 1, 1863..	5,329,044 21

Making total receipts of first quarter, except loans. \$46,268,500 35
For the three remaining quarters, ending on the 30th of June, 1864, it is estimated there will be received:

From customs.....	\$50,000,000 00
From internal revenue.....	60,000,000 00
From lands.....	300,000 00
From miscellaneous sources.....	5,000,000 00
	<hr/> 115,300,000 00

Making a total of receipts from ordinary sources, actual and estimated, and including balance of... \$161,568,500 35
To which add actual and estimated receipts from loans 594,000,000 00

Making a total of actual and estimated receipts from all sources for 1864..... \$755,568,500 35

The expenditures may be stated as follows:

For the first quarter ending September 30, 1863, the actual disbursements have been:

For the civil service.....	\$7,216,939 31
For pensions and Indians.....	1,711,271 95
For War Department.....	144,387,473 97
For Navy Department.....	18,511,618 86
For interest on public debt.....	4,283,628 37

Actual expenditures for first quarter..... \$176,110,932 46
For the remaining three quarters the estimates, founded on appropriations and estimated deficiencies, are as follows:

For the civil service.....	\$27,050,872 21
For pensions and Indians.....	6,129,042 86
For War Department.....	741,092,037 14

For Navy Department.....	94,467,567 74	
For interest on public debt.....	54,881,508 01	
		<u>923,621,027 96</u>
Making a total aggregate of actual and estimated expenditures of.....	\$1,099,731,960 42	
But as these estimates include all unexpended balances of appropriations from former years, they are necessarily much too large, and there may be safely deducted from their aggregate, as likely to remain unexpended at the close of the fiscal year, the sum of		<u>350,000,000 00</u>
Leaving the total actual and estimated expenditures for 1864.....	\$749,731,960 42	
The total of expenditures being deducted from the total of receipts, there will be an estimated balance on the 30th of June, 1864, of.....		<u>5,836,539 93</u>
From this statement it appears that the total receipts required for the probable disbursements of the year, and including estimated balance at its close, will amount to.....	\$755,568,500 35	
Of which there have been provided and applied during the first quarter.....		<u>176,110,932 46</u>
Leaving to be provided.....	\$579,457,567 89	
Of which it is estimated there will be received from ordinary sources during the three other quarters..		<u>115,300,000 00</u>
Leaving yet to be provided by loans.....	\$464,157,567 89	

The amount of debt created during the quarter is ascertained by deducting from the total expenditures \$176,110,932 46, the aggregate of ordinary receipts and balance from last year, amounting together to \$46,268,500 35, which gives as the increase of debt, \$129,842,432 11. To this sum, if there be added the sum yet to be provided by loans, \$464,157,567 89, the result will be, \$594,000,000 00, from which, if there be deducted the estimated balance on the 1st July, 1864, \$5,836,539 93, the remainder will be \$588,163,400 07, and will represent the total increase, on the basis of these estimates, of public debt during the year. The debt on the 1st of July, 1863, was \$1,098,793,181 37; to which, if this estimated increase be added, the total debt on the 1st of July, 1864, will be \$1,686,956,641 44, instead of \$1,744,685,586 80, as estimated in the report of last December.

The following detailed statement of the indebtedness of the United States will be found very valuable for future reference. It gives the popular name, the date of passage, and a synopsis of each act under which the loans composing the entire present indebtedness have been made, together with the length of loan, when redeemable, rate of interest, amount authorized, amount issued, and the amount outstanding of each loan, and the total debt at three separate dates, to wit: March 4, 1861, June 30, 1863, and September 30, 1863:

Acts Authorizing Loans, and Synopsis of Same.

LOAN OF 1842.—Acts of July 21, 1841, and April 15, 1842—Authorized a loan of \$12,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable at the will of the Secretary, after six months' notice, or at any time after three years from the 1st of January, 1842. The act of April 15, 1842, authorized the loan of an additional sum of \$5,000,000, and made the amount obtained on the loan, after the passage of this act, reimbursable after six months' notice, or at any time, not exceeding twenty years, from the 1st day of January, 1843. This loan was made for the purpose of redeeming outstanding Treasury notes, and to defray any of the public expenses.

LOAN OF 1846.—Act of July 22, 1846—Authorized an issue of \$10,000,000 in Treasury notes, bearing interest at a rate not exceeding 6 per cent per annum, and payable one year from date. Instead of issuing the whole amount in Treasury notes, authority was given to borrow any part of it, and issue therefor bonds in the same form and under the same restrictions, limitations, and provisions contained in the act of April 15, 1842. The whole amount of Treasury notes and bonds issued under this act not to exceed \$10,000,000. Authority was given the Secretary to purchase the Treasury notes at any time.

LOAN OF 1847.—Act of January 28, 1847—Authorized the issue of \$23,000,000 in Treasury notes, bearing interest at a rate not exceeding 6 per cent per annum, with authority to borrow any portion of the amount, and issue bonds therefor, bearing interest at a rate not exceeding 6 per cent, and redeemable after the 31st of December, 1867. The 13th section authorized the funding of these notes into bonds of the same description. The act limited the amount to be borrowed or issued in Treasury notes and funded as aforesaid to \$23,000,000, but authorized funding of Treasury notes issued under former acts beyond that amount. The excess of the \$23,000,000 is made up of Treasury notes funded under the 14th section.

LOAN OF 1848.—Act of March 31, 1848—Authorized a loan of \$16,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable at any time after twenty years from the 1st of July, 1848. Authority was given the Secretary to purchase the stock at any time.

TEXAN INDEMNITY.—Act of September 9, 1850—Authorized the issue of \$10,000,000 in bonds, bearing 5 per cent interest, and redeemable at the end of fourteen years, to indemnify the State of Texas for her relinquishment of all claims upon the United States for liability of the debts of Texas, and for compensation for the surrender to the United States of her ships, forts, arsenals, custom-houses, etc., which became the property of the United States at the time of annexation.

<i>Length Loan.</i>	<i>When Redeemable.</i>	<i>Rate of Interest.</i>	<i>Amount Authorized.</i>	<i>Amount Issued.</i>	<i>Outstanding March 4, '61.</i>	<i>Outstand'g June 30, '63.</i>	<i>Outstand'g Sep. 30, '63.</i>
Twenty years.	After Dec. 31, '62.	*6 per cent.	\$17,000,000	\$3,343,886	\$2,883,364	\$302,620	\$242,620
Ten years.	After Nov. 12, '56.	*6 per cent.	10,000,000	4,999,149	1,000	.....	.....
Twenty years.	After Dec. 31, '67.	*6 per cent.	23,000,000	23,207,150	9,415,250	9,415,250	9,415,250
Twenty years.	After July 1, '68.	*6 per cent.	16,000,000	16,000,000	8,908,341	8,908,341	8,908,341
Fifteen years.	After Dec. 31, '64.	*5 per cent.	10,000,000	5,000,000	3,461,000	3,461,000	3,461,000

OLD FUNDED DEBT.—Consisting of unclaimed dividends upon stocks issued before the year 1800 and those issued during the war of 1812.

TREASURY NOTES.—Acts prior to 1857—Different issues of Treasury notes.

TREASURY NOTES.—Act of December 23, 1857—Authorized an issue of \$20,000,000 in Treasury notes, bearing interest at a rate not exceeding six per cent per annum, and receivable in payment of all public dues, and to be redeemed after the expiration of one year from the date of said notes.

LOAN OF 1858.—Act of June 14, 1858—Authorized a loan of \$20,000,000, bearing interest at a rate not exceeding 5 per cent per annum, and reimbursable at the option of the government at any time after the expiration of fifteen years from the 1st of January, 1859.

LOAN OF 1860.—Act of June 22, 1860—Authorized a loan of \$21,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable within a period not beyond twenty years, and not less than ten years, for the redemption of outstanding Treasury notes, and for no other purpose.

TREASURY NOTES.—Act of December 17, 1860—Authorized an issue of \$10,000,000 in Treasury notes, to be redeemed after the expiration of one year from the date of issue, and bearing such a rate of interest as may be offered by the lowest bidders. Authority was given to issue these notes in payment of warrants in favor of public creditors at their par value, bearing six per cent interest per annum.

LOAN OF FEBRUARY, 1861.—Act of February 8, 1861—Authorized a loan of \$25,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable within a period not beyond twenty years nor less than ten years. This loan was made for the payment of the current expenses, and was to be awarded to the most favorable bidders.

TREASURY NOTES.—Act of March 2, 1861—Authorized a loan of \$10,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable after the expiration of ten years from July 1, 1861. In case proposals for the loan were not acceptable, authority was given to reissue the whole amount in Treasury notes, bearing interest at a rate not exceeding 6 per cent per annum. Authority was also given to substitute Treasury notes for the whole or any part of the loans for which the Secretary was by law authorized to contract and issue bonds, at the time of the passage of this act, and such Treasury notes were to be made receivable in payment of all public dues, and redeemable at any time within two years from March 2, 1861.

OREGON WAR.—Act of March 2, 1861—Authorized an issue, should the Secretary of the Treasury deem it expedient, of \$2,800,000 in coupon bonds, bearing interest at the rate of 6 per cent per annum, and redeemable in twenty years, for the payment of expenses in-

Demand	On demand	*3 and 6 per cent.	114,118	114,115	114,115
Demand	On demand	1 mill to 6 per c. 5 and 5½ per cent.	104,811	104,561	104,511
One year.	One year after date.	5 and 5½ per cent.	20,000,000	20,000,000	4,636,800 13,000 12,900
Fifteen years.	After Dec. 31, '73.	5 per cent.	20,000,000	20,000,000	20,000,000 20,000,000 20,000,000
Ten years.	After Dec. 31, '70.	5 per cent.	21,000,000	7,022,000	7,022,000 7,022,000 7,022,000
One year.	One year after date.	*6 and 12 per cent.	10,000,000	10,000,000	10,000,000 1,600 600
Twenty years.	After June 1, '81.	*6 per cent.	25,300,000	12,115,000	1,981,000 18,415,000 18,415,000
} 2 years.	Two years after date.	*6 per cent.	22,468,100	.....	776,750 512,900
	60 days after date.	*6 per cent.	12,896,850	.....	.....
20 years.	After July 1, '81.	*6 per cent.	2,800,000	1,090,850	..... 1,021,300 1,016,000

1864.]

The Indebtedness of the United States.

Acts Authorizing Loans, and Synopsis of Same.

curring by the Territories of Washington and Oregon in the suppression of Indian hostilities during the years 1855-56.

TWENTY YEARS SIXES.—Acts of July 17, 1861, and Aug. 5, 1861—Authorized a loan of \$250,000,000, for which could be issued bonds bearing interest at a rate not exceeding 7 per cent per annum, irredeemable for twenty years, and after that redeemable at the pleasure of the United States.

7.30 NOTES, (two issues).—Treasury notes bearing interest at the rate of 7.30 per cent per annum, payable three years after date; and **DEMAND NOTES.**—United States notes without interest, payable on demand, to the extent of \$50,000,000. (Increased by act of February 12, 1862, to \$60,000,000) §

The bonds and Treasury notes to be issued in such proportions of each as the Secretary may deem advisable.

TWENTY YEARS SIXES.—The supplementary act of August 5, 1861, authorized an issue of bonds bearing 6 per cent interest per annum, and payable at the pleasure of the United States after twenty years from date, which may be issued in exchange for 7.30 Treasury notes but no such bonds to be issued for less than \$500, and the whole amount of such bonds not to exceed the whole amount of 7.30 Treasury notes issued.

U. S. NOTES (new issue), FIVE-TWENTIES, TEMPORARY LOAN.—Act of February 25, 1862—Authorized the issue of \$150,000,000 in legal tender United States notes, \$50,000,000 of which to be in lieu of demand notes issued under act of July 17, 1861, \$500,000,000 in 6 per cent bonds, redeemable after five years, and payable twenty years from date, which may be exchanged for United States notes, and a temporary loan of \$25,000,000 in United States notes for not less than thirty days, payable after ten days' notice, at five per cent interest per annum. (This last was increased to \$100,000,000 by the following acts:)

Act of March 17, 1862—Authorized an increase of temporary loans of \$25,000,000, bearing interest at a rate not exceeding 5 per cent per annum. (Included above.)

Act of July 11, 1862—Authorized a further increase of temporary loans of \$50,000,000, making the whole amount authorized \$100,000,000. (Included above.)

CERTIFICATES OF INDEBTEDNESS.—Act of March 1, 1862—Authorized an issue of certificates of indebtedness, payable one year from date, in settlement of audited claims against the government. Interest 6 per cent per annum, payable in gold on those issued prior to March 4, 1863, and in lawful currency on those issued on and after that date. Amount of issue not specified.

UNITED STATES NOTES.—Act of July 11, 1862—Authorized an additional issue of \$150,000,000 legal tender notes, \$35,000,000 of which

Length Loan.	When Redeemable.	Rate of Interest.	Amount Authorized.	Amount Issued.	Outstanding March 4, '61.	Outstand'g June 30, '63.	Outstand'g Sep. 30, '63.
20 years.	After June 30, '81.	7 1/2 per cent.	250,000,000	50,000,000	.....	50,000,000	50,000,000
3 yrs. {	After Aug. 18, '64.	7.30 p. c.		53,003,300	.....	52,981,000	52,725,350
	Sept. 30, '64.			86,995,700	.....	86,989,500	86,953,650
Payable on demand.	Demand ...	*No interest		60,000,000	.....	3,351,019	2,022,178
20 years.	After June 30, '81.	*6 per cent.	150,000,000	Exch'd for 7.30 notes.	.....	28,500	320,000
.....	*None		150,000,000	150,000,000	147,767,114
5 or 20 years. Not less than 30 days.	After April 30, '67.	*6 per cent.	500,000,000	Being issued	.....	168,880,250	278,511,500
	After ten days' notice.	*4 and 5 per cent	100,000,000	do	.....	102,384,085	104,934,102
One year.	One year after date.	*6 per cent.	Not specif'd	do	.....	156,784,241	156,918,437
.....	.....	*None	150,000,000	150,000,000	.....	150,000,000	150,000,000

might be in denominations less than five dollars. \$50,000,000 of this issue to be reserved to pay temporary loans promptly in case of emergency.

POSTAL CURRENCY.—Act of July 17, 1862.—Authorized an issue of notes of the fractional part of one dollar, receivable in payment of all dues except customs, less than five dollars, and exchangeable for United States notes in sums not less than five dollars. Amount of issue not specified.

Resolution of Congress, Jan. 17, 1863.—Authorized the issue of \$100,000,000 in United States notes for the immediate payment of the army and navy; such notes to be a part of the amount provided for in any bill that may hereafter be passed by this Congress. The amount in this resolution is included in act of March 3, 1863.

Act of March 3, 1862.—Authorized a loan of \$300,000,000 for this and \$600,000,000 for the next fiscal year, for which could be issued bonds running not less than ten nor more than forty years, principal and interest payable in coin, bearing interest at a rate not exceeding six per cent per annum, payable on bonds not exceeding \$100 annually, and on all others semi-annually. And Treasury notes (to the amount of \$400,000,000) not exceeding three years to run, with interest at not over 6 per cent per annum, principal and interest payable in lawful money, which may be made a legal tender for their face value, excluding interest, or convertible into United States notes. And a further issue of \$150,000,000 in United States notes for the purpose of converting the Treasury notes which may be issued under this act, and for no other purpose.

UNITED STATES NOTES (new issue).—And a further issue, if necessary, for the payment of the army and navy, and other creditors of the government, of \$150,000,000 in United States notes, which amount includes the \$100,000,000 authorized by the joint resolution of Congress, January 17, 1863. The whole amount of bonds, Treasury notes, and United States notes issued under this act not to exceed the sum of \$900,000,000.

Act of March 3, 1863.—Authorized an issue not exceeding \$50,000,000 in fractional currency (in lieu of postage or other stamps), exchangeable for United States notes in sums not less than three dollars, and receivable for any dues to the United States less than five dollars, except duties on imports. The whole amount issued, including postage and other stamps issued as currency, not to exceed \$50,000,000. Authority was given to prepare it in the Treasury Department, under the supervision of the Secretary.

.....	*None	.....	Not specif'd	20,192,456	.....	20,192,456	17,766,056
.....	None	.....	150,000,000	104,969,937	.....	89,879,475	104,969,987
.....	.....	.....	50,000,000	.....	.....	.....	.....
Total						\$68,482,686	1,098,793,181	1,222,118,559

§ Act of February 12, 1862, authorized an increase of \$10,000,000 demand notes, included in above statement.

† Fifty million dollars at 89.32 to make an equivalent to seven per cent investment.

* Price of emission — Par.

† Thirteen million dollars at a premium of 3.25; balance at par.

REPORT OF THE SECRETARY OF THE NAVY AND THE CHIEF OF THE BUREAU OF ORDNANCE.

THE reports of the Secretary of the Navy and Chief of the Bureau of Ordnance contain many interesting facts. In regard to the blockade, the Secretary of the Navy states that it now extends over a distance of three thousand five hundred and forty-nine statute miles, with one hundred and eighty-nine harbor or river openings or indentations, presenting a double shore to be guarded. In addition to the coast blockade, a naval force of more than one hundred vessels has been employed, during the year, in patrolling the rivers, cutting off rebel supplies, and co-operating with the armies in the suppression of the rebellion. The distance thus traversed and patrolled by the gunboats on the Mississippi and its tributaries is 3,615 miles, and the sounds, bayous, rivers, and inlets of the States upon the Atlantic and the Gulf, covering an extent of about 2,000 miles, have also been penetrated and watched with unceasing vigilance.

In the last report, the Secretary mentioned that the naval force at the commencement of this administration consisted of seventy-six vessels, and of these only forty-two were in commission. In the following table an exhibit is presented of the actual number and description of our naval vessels, at the date of the last report and at the present time :

COMPARATIVE EXHIBIT OF THE NAVY, DECEMBER 1862 AND 1863.

	No. of vessels.	No. of guns.	Tonnage.
Navy at the date of present report.....	588	4,443	467,967
Navy at the date of last report.....	427	3,268	340,036
Increase, exclusive of those lost.....	161	1,175	127,931

VESSELS OF THE NAVY LOST SINCE DECEMBER, 1862.

In what manner lost.	No. vessels.	No. guns.	Tonnage.
Captured.....	12	48	5,947
Destroyed to prevent falling into rebels' hands.	3	29	2,983
Sunk in battle or by torpedoes.....	4	28	2,201
Shipwreck, fire and collision.....	13	61	4,854
Total.....	32	166	15,985

VESSELS PLACED UNDER CONSTRUCTION SINCE DECEMBER, 1862.

Description.	No. vessels.	No. guns.	Tonnage.
Double-end iron steamers, 1,030 tons each....	7	84	7,200
Single turret iron-clads, 614 tons each.....	20	40	12,280
Double turret iron-clads, 3,130 tons each....	4	16	12,520
Clipper screw-sloops, 2,200 tons each.....	12	96	26,400
Screw-sloops, spar-deck, 2,200 tons each.....	8	160	17,600
Screw-sloops of great speed, 3,200 tons each...	5	40	16,000
Screw-sloops of great speed, 3,000 tons each...	2	16	6,000
Total.....	58	452	98,000

GENERAL EXHIBIT OF THE NAVY WHEN THE VESSELS UNDER CONSTRUCTION
ARE COMPLETED.

	No. vessels.	No. guns.	Tonnage.
Iron-clad steamers, coast service.....	46	150	62,513
Iron-clad steamers, inland service.....	29	152	20,784
Side-wheel steamers.....	203	1,240	126,517
Screw steamers.....	198	1,578	187,892
Sailing vessels.....	112	1,323	70,256
Total.....	588	4,443	467,967

There have been added to the navy during the past year, by purchase, some thirty tugs, over fifty steamers for blockading and supply purposes, and over twenty other vessels for tenders and store-ships. At least twenty of the steamers were captured in endeavoring to violate the blockade.

THE ORDNANCE OF THE NAVY, 1861-63.

From the record, it appears that the ordnance of the navy, at the commencement of 1861, consisted of two thousand four hundred and sixty-eight heavy guns, and one hundred and thirty-six howitzers, of the following calibres:

32 pounders.....	1,872
8 inch.....	575
10 inch (old model).....	27
*X inch (Dahlgren).....	19
IX inch (Dahlgren).....	305
XI inch (Dahlgren).....	32
Heavy guns.....	2,830
24 pounders.....	29
12 pounders.....	107
Boat howitzers.....	136

Exclusive of howitzers, which were then seldom used as deck pieces these guns were distributed in the batteries of our ships, as follows:

In frigates.....	100
In sloops.....	232
In storeships.....	7
In screw frigate.....	12
First class steam sloops.....	90
Side-wheel steamers.....	40
Second class steam sloops.....	45
Third class screw steamers.....	28
Steam tender.....	1
Total.....	555

The remainder were either on board vessels in ordinary, receiving ships, or parked in the several navy yards on the Atlantic coast; not a gun belonging to the navy was to be found upon the Mississippi or its tribu-

*The Roman numerals are adopted by Rear Admiral Dahlgren to distinguish the guns of his design from the old system.

taries, and nearly all of our cruisers were absent upon foreign stations.

To add to the general embarrassment experienced in every department of the Government and increase the difficulties of its position, the Bureau of Ordnance was abandoned at this crisis by many of those who from long service in it, ample experience, and a thorough knowledge of its business, could have best served the country at that critical period.

Fortunately, however, the men who succeeded them clearly understood the necessity for immediate action and unceasing effort to place in the best condition and equip for effective service every available gun, in order to arm the vessels then belonging to the Government, and meet the requirements of those that were being rapidly purchased.

Consequently, the somewhat obsolete ordnance of the old system of armament was necessarily placed at once in service, while, at the same time, orders were given to the only foundries then prepared to do such work to fabricate, as rapidly as possible, IX-inch, X-inch, and XI-inch guns. The necessity for prompt measures was greatly increased by the calamity at Norfolk and the occupation of the navy yard at Pensacola by the insurgents, whereby a large amount of ordnance stores and a considerable number of IX-inch and XI-inch guns, which then constituted the most effective pieces in the batteries of our ships, were lost to the navy.

The following tabular statement affords a comprehensive view of the facts embraced in the foregoing remarks, and illustrates the rapid increase in the number of effective guns of smooth bore, and the addition of rifled pieces, which has been made in the ordnance of our navy:

Class of gun.	On hand March, '61.	Made since.	On hand Nov. '63.
Howitzer, 12 pounder, light.....	57	26	83
Howitzer, 12 pounder, heavy.....	50	208	258
Howitzer, 24 pounder.....	29	508	537
Howitzer, 12 pounder, rifled.....	..	325	325
32 pounders, 27 cwt.....	177	..	177
32 pounders, 32 cwt.....	376	..	376
32 pounders, 42 cwt.....	562	..	362
32 pounders, 46 cwt.....	57	..	57
32 pounders, 51 cwt.....	200	..	200
32 pounders, 57 cwt.....	700	..	700
8 inch, 55 cwt.....	172	..	172
8 inch, 63 cwt.....	385	..	385
8 inch, 106 cwt.....	14	..	14
8 inch, 90 cwt.....	4	..	4
10 inch, 87 cwt.....	27	..	27
IX inch Dahlgren.....	305	503	808
X inch Dahlgren.....	19	10	29
XI inch Dahlgren.....	32	291	323
13 inch mortars.....	..	200	200
20 pounder Parrott.....	..	214	214
30 pounder Parrott.....	..	237	237
100 pounder Parrott.....	..	180	180
150 pounder Parrott.....	..	60	60
XV inch smooth bores.....	..	36	36
20 pounder, rifled (Dahlgren).....	..	13	13
Total.....	2,966	2,811	5,777

The old system of armament is represented in this table by the class of 10 inch, 8 inch, and 32 pounders; the new system by the rifled pieces and the smooth bore IX inch, X inch, and XI inch guns of Rear Admiral DAHLGREN, and the rifled guns of Mr. PARROTT, to which are added the ponderous and powerful XV inch guns introduced by Assistant Secretary Fox, as the special armament of the Monitors and other turreted vessels.

Of the new system, it is probable that over seven hundred guns of different calibres that are now in process of fabrication will be completed and added to the number given in the table by the end of the current year.

In arming our vessels, the primary object has been, recently, to place on board of them the heaviest and, consequently, the most effective guns which they could safely carry without reducing their speed or endangering their seagoing qualities.

The following general statement of the batteries of vessels of different classes, exemplifies the manner in which the guns of the navy are at present distributed :

COMPOSITION OF BATTERIES.

MINNESOTA—FIRST RATE.

One 150 pounder, rifled, } pivot.
 One XI inch, smooth, }
 Forty-two IX inch, smooth, } broadside.
 Four 100 pounders, rifled, }
 and two howitzers, }

BROOKLYN—SECOND RATE.

One 100 pounder, rifled, in pivot.
 Twenty-two IX inch, smooth, } broadside.
 One 30 pounder, rifled, }
 and two howitzers, }

EUTAW—THIRD RATE.

Two 100 pounders, rifled, in pivot.
 Four IX inch, smooth, } br'side.
 Two 24 pounder howitzers, }
 Two 20 pounders, bronze, rifled, }

OWASCO—FOURTH RATE.

One XI inch, smooth, } pivot.
 One 20 pounder, rifled, }
 Two 24 pounder howitzers, broadside.

NIPSIK.

One 150 pounder, rifled, pivot.
 Two IX inch, smooth, broadside.
 Two howitzers.

The armament of purchased vessels is conditioned according to their character, varying from fifteen guns in the

VANDERBILT.

Two 100 pounders, rifled, pivot; twelve IX inch, broadside, and one howitzer.
 In the active little tug Dandelion, two howitzers.

For the turreted iron-clads, we have in the

ROANOKE.

Two XV inch, two XI inch, and two 150 pounders, rifled.

And for the Monitors, in the

WEEHAWKEN.

One XV inch, and one XI inch.

Finally, as the representative of an iron-clad frigate, in the

IRONSIDES.

Two 150 pounders, rifled; fourteen XI inch, smooth; two 50 pounders, rifled, and two howitzers.

The armament of the Western gunboats, built for special service, is shown in the

CARONDELET.

Four IX inch, four 8 inch, one 32 pounder, and two rifled guns.

The large number of light draught steamers were furnished with batteries of two, four, and six howitzers.

To the above should be added the mortar schooners, carrying 13 inch mortars, and broadside batteries of 32 pounders or 8 inch guns.

PROJECTILES.

The projectiles commonly used in the navy may be divided into two classes, the smooth and the rifled, and are used almost exclusively in their respective guns.

For the smooth bores we have the shot, shell, shrapnel, grape and canister, and the same for the rifles, excepting the grape and canister, which are not generally provided. The former are spherical, the latter elongated and of different forms and devices, as embraced in the systems of PARROTT, HOTCHKISS, SCHENCK, and others.

It is hardly possible to state with exactness the number of each kind of projectiles on hand and available March 1, 1861; but the following tabular statement may be of interest as showing the vast amount of all kinds which has been made at the yards or purchased at private establishments, for the use of the navy since that time:

CAST AT THE NAVY YARDS.

For smooth bores—			
Shells.....	262,174	Grapeshot, lbs.....	1,322,559
Shot.....	37,095	Canister shot, lbs....	5,475,084
Shrapnel.....	128,600		
For rifles—			
Shells.....	53,489	Shot.....	6,641

PURCHASED.

For smooth bores—			
Shells.....	113,579	Shrapnel,	} lbs. 2,637,237
Shot.....	7,489	Grape & canister,	
For rifles—			
Shells.....	249,375	Shot.....	29,167
		Shrapnel.....	19,068

GUNPOWDER MANUFACTURED.

Since March 1, 1861, there has been manufactured for the navy by the several powder mills in the loyal States:

Powder from foreign nitre.....	tons	2,676
Powder from domestic nitre.....		260
Purchased from individuals.....		44
Total tons.....		2,980

ORDNANCE MATERIAL IN THE CONTROL OF THE WAR DEPARTMENT.

In this connection, we give the following from the report of the Secretary of War, showing the quantities of the principal articles of ordnance materials in the control of the department at the beginning of the war, the quantities of those articles that have since been procured, and the quantities of those articles on hand on June 30, 1863.

Articles.	On hand beginning of the war.	Procured since war began.	Issued since war began.	On hand for issue June '63.
Siege and sea-coast artillery.	1,052	1,064	2,088	927
Field artillery.....	231	2,734	2,481	484
Firearms for infantry.....	437,433	1,950,144	1,550,576	836,001
Firearms for cavalry.....	31,263	338,128	337,170	42,226
Sabres.....	16,133	337,555	271,817	82,671
Cannon balls and shells.....	363,591	2,562,744	1,745,586	1,180,749
Lead and lead bullets, lbs. . .	1,301,776	71,776,774	50,045,515	23,024,025
Cartridges for artillery.....	28,243	2,238,740	2,274,490	492,504
Cartridges for small arms . . .	8,292,300	522,204,826	378,584,104	151,013,012
Percussion caps.....	19,808,000	749,475,000	715,036,470	74,246,530
Friction primers.....	84,425	7,004,709	6,082,505	1,005,629
Gunpowder in pounds.....	1,110,584	13,424,363	13,071,073	1,463,874
Saltpetre in pounds.....	2,923,348	5,231,731	.....	8,155,079
Accoutrements for infantry..	10,930	1,831,300	1,680,220	162,010
Accoutrements for cavalry..	4,320	194,466	196,298	2,498
Equipments for cav'ry hors's..	574	216,658	211,670	5,582
Artillery harnesses, double..	586	18,666	17,485	1,767

EXPENSES AND ESTIMATES.

The following are the expenses for the year, and the Secretary's estimates for the coming year :

The appropriations made for the fiscal year ending June 30, 1863, were.....	\$71,587,052 00
Expenses of the department during the same time...	63,211,105 27

Leaving an unexpended balance of \$8,375,946 73

This amount will, however, be absorbed in the completion and armament of vessels under contract, and the payment of other liabilities incurred prior to the close of the fiscal year.

The expenditures have embraced, besides the ordinary disbursements for the naval establishment, the construction in whole or in part, and the repair, of seventy-one iron clad vessels on the Atlantic and Western waters, the purchasing, repairs, and alterations of three hundred and sixty vessels, as well as the charter money for the ordinary service, and for the search after piratical vessels on the coast.

The estimates submitted for the fiscal year ending June 30, 1864, are as follows :

Pay of the navy.....	\$19,423,241 00
Consumption and repair of steam machinery.....	39,363,000 00
Construction and repair of vessels.....	32,575,000 00
Construction of armor plated sea steamers.....	19,600,000 00
Ordnance and magazines.....	8,603,946 00
Fuel, hemp, and equipment of vessels.....	7,540,000 00
Provisions and clothing.....	6,915,605 00
Contingent and miscellaneous.....	3,869,850 00
Navy yards and superintendents.....	2,558,448 00
Marine corps.....	1,445,321 85
Surgeons' necessaries and hospitals.....	358,500 00
Tables of navigation, nautical instruments, and Naval Academy.....	366,873 55
Total.....	\$142,618,785 40

These estimates are, as the Secretary says, large, but they are made upon a war basis, and the present extraordinary cost of material and labor renders a corresponding increase of estimates necessary. On the assumption that the war will continue—and no other rule is a safe one—large additions are to be made to our naval force, and the hard service to which all our squadrons are subjected makes the repairs and refitment expensive.

PRIZES.

On this subject the Secretary says:

The number of vessels captured by the squadrons and reported to the department on the 1st of November, is 1,045, classified as follows: schooners, 547; steamers, 189; sloops, 181; brigs, 30; barks, 26; ships, 15; yachts and small boats, 117. This is exclusive of a large number destroyed on the Mississippi and other rivers and on the coast. A table giving their names, dates of capture, and other particulars, is appended to this report.

At the close of the war of 1812 there were 301 vessels, including armed gunboats and tenders, in the navy, and the entire number of captures of armed and unarmed vessels made by them was 291. Five hundred and seventeen commissioned privateers were afloat during the war, and their captures numbered 1,428—making the total number of captures by public and private vessels 1,719.

The value of prizes sent to the courts for adjudication since the blockade was established is not less than \$13,000,000. The value of those already condemned, and of which notice has been received at the department, is \$6,538,683 40; the expenses have been \$607,407 64, leaving for distribution \$5,897,970 36, as appears by the following table:

	No. of cases.	Gross amount of sales.	Costs and expenses.	Net amount for distribution.
Boston	13	\$864,322 15	\$25,188 44	\$839,133 71
New York	89	2,218,263 29	281,162 07	1,937,101 21
Philadelphia	57	*1,859,434 76	149,806 06	1,670,512 97
Key West	71	1,432,952 30	133,291 55	1,504,053 51
Washington	44	72,091 62	11,966 12	60,909 08
Illinois	11	91,619 28	5,993 40	85,625 88
Total	285	\$6,538,683 40	\$608,407 64	\$5,897,970 36

One-half of the net proceeds arising from the sale of prizes is by law set apart as a fund for the payment of naval pensions. The pension roll on the 6th of November last amounted to \$159,812 55, and the estimated increase during the remaining eight months of the fiscal year is \$32,570. The moiety of prize money dedicated as a pension fund, and now accumulating, should be made a permanent investment in registered government securities. Were such the case, it is believed that the annual interest would be sufficient to meet all liabilities for naval pensions. At least \$2,500,000 can now be invested without interfering with the prompt payment of pensions. I recommend that the fund now on hand be made permanent, and that hereafter, whenever the amount shall reach \$100,000, at least one-half shall be invested in registered government securities bearing six per cent interest.

SYNOPSIS OF THE POSTMASTER-GENERAL'S REPORT.

THE Postmaster-General reports that during the last fiscal year the financial condition of his department has been one of unusual prosperity. The revenue has nearly equalled the expenditures, the latter amounting to \$11,314,206 84, and the former to \$11,163,789 59. There is good reason to believe that the department will be self-sustaining in a brief period of time.

* The sum of \$39,115 73 allowed to claimants by decree of court.

The whole number of post offices existing on the 30th of June, 1863, was 29,047, being an increase on the preceding year of 172. Eight hundred and thirty offices have been established, and 658 have been discontinued.

The number of special agents on June 30, 1863, was 16, with an aggregate salary of \$26,500; and 387 route agents, at an aggregate salary of \$289,260; also 45 local agents, at \$27,824. Baggage masters in charge of express mails had received \$7,440.

The total cost of transatlantic mail steamship service was \$332,184. This price covered one hundred and thirty-two round trips to various European ports.

The Postmaster-General regrets to state that no progress has been made in negotiations for a new postal convention with Prussia, embracing the States comprising the German Austrian Postal Union, on account of some obstacle presented by Austria in regard to territorial transit charges.

He renews his recommendation of March 3, 1862, to the postal committees in Congress, that all private ships departing from the United States for foreign ports should be required, as a condition of clearance, to convey mails on such terms as may be allowed by Congress.

During the year the increased length of routes has been 5,585; but the annual cost of mail transportation has decreased \$113,258, or about two per cent.

The value of stamps issued to postmasters during the year is \$9,683,382, stamped letter envelopes \$634,821, and stamped newspaper wrappers, \$20,545. The total value of these sold to the public was \$9,624,529, being an excess over the previous year of \$2,714,397.

The Postmaster-General renews his last year's recommendation to Congress to authorize him to adjust and allow the claims of postmasters who have sustained losses of stamps and stamped envelopes by reason of the occupation and robbery of their offices by bodies of armed men.

These claims thus far presented amount to about \$3,000. He calls attention also to the fact that these postmasters have suffered greatly in the loss of private property.

He requests additional legislation in respect to post office thefts, and recommends that the stealing of letters and stamps be made a penal offence.

THE DEAD LETTER OFFICE.

There has been a continued increase of letters, containing money and other valuables. The number of dead letters covering deeds, bills of exchange, drafts, and other valuable papers, received, registered, and returned for delivery to the writer was 8,322, with an aggregate nominal value of \$1,544,277—of these 7,559 were delivered to the owners.

Letters registered and mailed containing money numbered 18,219. Of these 15,048, containing \$63,627, were finally delivered.

Sixteen thousand seven hundred and sixty-three letters of less value were received, nearly 10,000 of which contained daguerreotypes, and 8,273 were returned to their writers or owners.

The Postmaster General recommends that a postal order money system be established to facilitate the transmission of small sums through the mails, which he is confident would prove not only a great convenience to soldiers and citizens, but almost entirely obviate the loss of this class of remittances.

In regard to letters addressed to points in the rebellious States, the Postmaster-General says: "By reason of the continued suspension of regular postal communication with sections of the country under insurrectionary control, a considerable number of letters, amounting in the aggregate to 24,314, found their way, by various channels, to the Dead Letter Office. Of this number 3,312 were foreign, and were returned to the countries where they originated. Those originating in the loyal States were turned over to the military authorities, and, after examination, most of them sent by flag of truce to their destination.

The Postmaster-General has instructed postmasters to forward to the Dead Letter Office, except in special cases, all letters remaining unclaimed one month after being advertised, instead of two months as formerly.

In conclusion, he asks the consideration of Congress of the revised code of laws submitted by him at the last session, which is mainly a digest of existing postal laws.

TREASURER'S REPORT OF THE STATES IN REBELLION.

THE following extracts taken from the Treasurer's report of the Confederate States is full of instruction, and shows the wisdom of all we have said in these pages respecting the danger of Government paper issues. Owing to our greater wealth and resources we have as yet been able to stand up under the unfortunate financial policy that has been pursued. But can we do so if this war is to be continued two or three years longer and our paper money correspondingly increased? We are extremely glad to see that Secretary CHASE, in his last report, states that it is his determination hereafter to raise by taxation and by borrowing what we need, and we trust this course will be pursued. When the war broke out we advised to tax the wealth and the productions of the country to an amount sufficient each year to pay at least half of the expenses which the war would be likely to bring upon us, and then to raise the balance by going into the market and borrowing. A moderate amount of treasury notes might have been issued, perhaps, without raising prices, for the increased expenditures of the Government made room for increased currency. Still, that time is past, and now all we can do is to provide against future expenditures. We should act on the supposition that this war is to be carried on two or three years longer; for if we do not so act and the war does continue, our system will be as flat as is that of Mr. MEMMINGER'S, and its fall will prostrate, as it has in the South, the vital interests of the whole country.

We do not see, however, how the Southern Congress can solve the problem they have before them. Their Government is, certainly, financially in a very bad condition. Taxation, and that of the most positive character, can alone relieve them, and this will sorely try the earnestness and ability of their people the coming year. We hope these additional sacrifices, thus to be met, will lead them to conclude that peace is better than war.

The following are the receipts and expenditures of the States in rebellion, with the funded and unfunded debt for the past year, exclusive of the foreign loan for the same period:

RECEIPTS FROM JANUARY 1 TO SEPTEMBER 30, 1863.

For eight per cent stock.....	\$107,292,900
For seven per cent stock.....	38,737,650
For six per cent stock.....	6,810,050
For five per cent call certificates.....	22,992,900
For four per cent call certificates.....	482,200
Cotten certificates, act April 21, 1862.....	2,000,000
Interest on loans.....	140,210
War tax.....	4,128,988
Treasury notes.....	391,623,530
Sequestration.....	1,862,556
Customs.....	934,798
Export duty on cotton.....	8,101
Patent fund.....	10,794
Miscellaneous, including repayments by disbursing officers	24,498,217
Total.....	\$601,522,893

EXPENDITURES DURING SAME PERIOD.

War Department.....	\$377,988,244
Navy Department.....	38,437,661
Civil, miscellaneous, etc.....	11,629,278
Customs.....	56,636
Public debt.....	32,212,290
Notes canceled and redeemed.....	59,044,449
Total expenditures.....	\$519,368,559
Total of receipts.....	601,522,893
Balance in treasury.....	\$82,154,334
From which is to be deducted the amount of treasury notes which have been funded and brought in for cancellation, but have not yet been regularly audited, estimated.....	65,000,000
Total.....	\$17,154,334

The public debt (exclusive of the foreign loan) at the same period was as follows:

FUNDED.

Eight per cents.....	\$207,128,750
Seven per cents.....	42,745,600
Six per cents.....	41,006,270
Six per cent cotton interest bonds.....	2,035,000
Total.....	\$292,915,620

UNFUNDED.

Treasury notes: general currency.....	\$603,632,798
Two-year notes.....	8,477,975
Interest notes at 3.65.....	627,450

Interest notes at 7.30.....	\$122,582,200
Under \$5.....	4,887,095
Five per cent call certificates.....	26,240,000
Total.....	\$766,447,519
Deduct amount of treasury notes funded and canceled.....	65,000,000
Total.....	\$701,447,519

In order to estimate the amount of treasury notes in circulation at the date of this report, there must be added the further sum of one hundred millions for the two months which have elapsed since the date of the above schedules.

The balance of appropriations already made by Congress, and not drawn on September 30, stood as follows:

War department.....	\$395,502,698
Navy department.....	24,413,645
Civil, miscellaneous, etc.....	56,240,996
Customs.....	294,460
Total.....	\$476,451,799

The estimate submitted by the various departments for the support of the government, are made to 1st July, 1864, the end of the fiscal year, and are as follows:

Legislative department.....	\$309,005
Executive ".....	52,350
Treasury ".....	22,583,359
War ".....	438,078,870
Navy ".....	13,624,945
Post-office ".....	8,908
State ".....	544,409
Justice ".....	222,587
Total.....	\$475,498,493

If these estimates be extended to embrace the remaining six months of the calendar year, they must be doubled, and that sum added to the undrawn appropriations would make an aggregate of \$1,427,448,778.

Mr. OLDHAM of Texas submitted to the Rebel Senate, on the 22d of December, a plan of financial relief, the main feature of which is the levy of such a tax as will extinguish a large portion of their debt. For instance, he proposes a tax of fifty per cent on all outstanding Treasury notes, and a certain other tax on all Government securities, on the ground that the amount left after the tax would be worth as much as the whole is now. This plan is similar to that suggested by JEFFERSON DAVIS in his message.

ARE UNITED STATES TREASURY NOTES A LEGAL TENDER?

DECISION OF THE COURT OF APPEALS OF NEW YORK.

WE have already announced the decision of the Court of Appeals of New York State, holding that Congress had the power to declare treasury notes lawful money, and to make them a legal tender. This question has now been carried to the Supreme Court of the United States, and in order that our readers may fully understand the points at issue and examine and weigh for themselves the arguments used, we give this month the opinion of two of the judges of the Court of Appeals, to wit: that of Justice BALCOM, in favor of, and Justice DENIO against the conclusion of the court. We should be glad to give the opinions of the other judges, but their great length prevents our doing so. It will be remembered that in July last we published opinions of two of the justices of the New York Supreme Court on this same question.

LEWIS H. MEYERS, Plaintiff and Appellant *vs.* JAMES J. ROSEVELT, Defendant and Respondent.

The facts of the case are as follows: The defendant held a bond and mortgage, that the plaintiff had obligated himself to pay, and which became due in August, 1857. They were given to secure the repayment of a loan of \$8,000, made by the defendant in gold, or its equivalent, in 1854.

In June, 1862, the plaintiff, desiring to pay and discharge the mortgage, tendered to the defendant \$8,170 (being the full amount of principal and interest due on the same), in notes of the United States, issued under the act of Congress, approved February 25, 1862, entitled "An act to authorize the issue of United States notes, and for the redemption and funding thereof, and for funding the floating debt of the United States."

The defendant refused to receive the same, as legal tender, and claimed that the repayment should be made in gold coin of the United States, as being the money in which the loan was made. But he received the notes conditionally, under an agreement with the plaintiff, that the question, whether said notes were a legal tender in payment of the mortgage debt and interest, should be submitted to the court; and if the court should decide that said notes were a legal tender and discharge of said bond and mortgage, then the defendant should deliver up said bond and mortgage, and acknowledge satisfaction thereof, and discharge the same of record. But if the court should decide otherwise, the plaintiff should pay to the defendant the further sum of \$326.78, with interest from the 11th day of June, 1862, to entitle him to the bond and mortgage and to have the same canceled of record.

The Supreme Court held that the United States notes were not a legal tender in payment of said mortgage debt; and that the plaintiff must pay the defendant the further sum of \$326.78 and interest from the 11th day of June, 1862, and gave judgment accordingly in favor of the defendant. The plaintiff appealed from the judgment to this court.

OPINION OF JUDGE BALCOM,

HOLDING THAT UNITED STATES NOTES ARE A LEGAL TENDER, AND REVERSING
THE JUDGMENT OF THE SUPREME COURT.

BALCOM, J. The bond and mortgage which the plaintiff offered to pay to the defendant, in notes of the United States, were given to secure the repayment of a loan of \$8,000, made in gold or its equivalent, in 1854. The borrower was to pay the interest thereon semi-annually, and the principal in August, 1857. The plaintiff obligated himself to pay the bond and mortgage; and the question in the case is, whether he could discharge the same by a tender of the amount due thereon in notes of the United States.

The notes tendered were issued under and by virtue of the act of Congress, approved February 25, 1862, which authorized the Secretary of the Treasury of the United States, to issue on the credit of the United States, one hundred and fifty millions of dollars of United States notes, not bearing interest, payable to bearer, at the treasury of the United States, in denominations not less than five dollars; and the act declares that such notes "shall be lawful money, and a legal tender in payment of all debts, public and private, within the United States," except duties on imports and interest on certain bonds of the United States.

The principal point made by defendant's counsel is that Congress had no authority to pass this act; and the principal questions in the case are, whether Congress has power to make anything but gold and silver coin a tender in payment of debts, or to pass any law impairing the obligation of contracts.

I agree that Congress does not possess this power if it is not conferred upon it by the Constitution of the United States; for whatever power or authority it has is granted to it by that instrument.

The Constitution expressly confers power upon Congress "to borrow money on the credit of the United States;" "to coin money, regulate the value thereof and of foreign coin;" "to declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water;" "to raise and support armies;" "to provide and maintain a navy;" "to provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions;" and "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof." (Cons. art. 1, § 1.) It declares that, "the United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion." (Art. 4, § 4.) Also that "this Constitution and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby; anything in the Constitution or laws of any State to the contrary notwithstanding." (Art. 6, sub. 2.)

The Constitution authorizes the formation or erection of new States within the jurisdiction of others; and also the formation of new States by the junction of two or more States, or parts of States, by the consent of the legislatures of the States concerned as well as of the Congress.

(Art. 4, § 3.) All the States (subject only to this exception), must forever remain in the Union in the same shape they were admitted. No right of secession is reserved to any State, or its citizens, by the Constitution, and none can be implied or spelled out from its provisions or history, or by the application of any principle of public law. The Union is indissoluble except by an amendment of the Constitution, or its abrogation, in a legal manner.

The doctrine that the federal Constitution is but a compact between the States, and that any State can lawfully withdraw from the Union by a legislative act of such State, or a resolution of a convention of its people, needs no special notice. It is almost as absurd as the idea that the Constitution of a State is a mere compact between counties, and that a county can secede from a State government at the pleasure of the inhabitants of such county.

I have enumerated but a small number of the powers specifically granted to Congress and the government of the United States by the Constitution. But I think I have mentioned enough to show that the Constitution provides a strong government, which has the right of self-preservation, against all unlawful combinations or revolutionary proceedings for its overthrow. And no one can doubt that an army and navy, as well as the militia of the several States, are lawful and constitutional means, when others are insufficient, for putting down a rebellion and preserving the Union. The authority to call forth the militia to execute the laws of the Union, suppress insurrections and repel invasions, implies no prohibition against employing the army and navy for such purposes; nor does it imply that the militia cannot be used for suppressing a rebellion, as well as a mere insurrection. A contrary doctrine would make the government of the United States almost as feeble as the old confederation was, which was abandoned by reason of its weakness.

These views are entirely consistent with all legitimate State rights. They only make such rights subordinate to certain great powers that the people granted to Congress and the national government, by the adoption of the Constitution of the United States, in order to form a more perfect union, establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to themselves and their posterity. (Preamble to Const.)

No State can coin money; make anything but gold and silver coin a tender in payment of debts; or pass any law impairing the obligation of contracts. (Art. 1, sec. 10, sub. 1.) But Congress is not prohibited from doing either of these things, although it is prohibited, as well as the States, from passing any bill of attainder, or *ex post facto* law, or granting any title of nobility. (Art. 1, §§ 9, 10.)

At the time the act in question was passed, the legislatures, or conventions, in nine States of the Union, had adopted pretended ordinances of secession from the Union; and a large portion of the inhabitants of such States, if not a majority of them, were in open rebellion against the government of the United States, and at least three hundred thousand of them were armed and doing all they possibly could to overthrow such government; and their numbers were rapidly increasing.

So formidable a rebellion had never been known; and the means to be provided for its suppression were necessarily greater than any government, ancient or modern, had ever furnished suddenly for any purpose. It fore-

bode the greatest and bloodiest civil war the world has ever seen. The very existence of the Union was imperiled and at stake; and the question that agitated all minds was, can the federal government be maintained, or must it be overthrown by the wickedest and most groundless rebellion ever organized in any age or country.

These facts show that a navy of unprecedented magnitude and an army of at least half a million of soldiers, besides the militia of the several States, were necessary to preserve the government, maintain the Constitution, and execute laws of the Union.

Congress had the authority, and it was its duty, to provide and maintain such a navy—to raise and support such an army, and to provide for calling forth the militia. But such a navy could not be provided and maintained, or such an army raised and supported, and the expense of calling forth and supporting the militia defrayed, without adequate pecuniary means and without the expenditure of vastly more money than could have been borrowed in the entire world.

Could Congress have been justified, by the Constitution, if it had permitted the republic to perish, because enough gold and silver coin could not be borrowed to save it? I answer no; and the Constitution itself answers no.

The Constitution plainly requires Congress to pass all laws which were necessary and proper for raising, maintaining, and supporting a navy and armies, large enough and powerful enough to put down the rebellion, and preserve the Union and the Constitution. And when Congress could not do all this without making the notes of the United States a legal tender in payment of private, as well as public debts, it was its duty to do that, even though the act impaired the obligation of contracts.

It seems to me to be very plain that the Constitution authorizes Congress to pass such a law whenever necessary and proper for raising, maintaining, and supporting a navy and armies to maintain the Union, preserve the Constitution and execute the laws of the United States. And the word *necessary*, in this connection, may mean needful, requisite, essential, or conducive to. (*McCulloch v. The State of Maryland*, 4 Wheaton, 316.)

It is not probable that such an act will ever be deemed necessary or proper in time of peace; and the one in question will undoubtedly be repealed, and the notes issued under it called in, and a metallic currency restored, as soon after the present rebellion shall have been suppressed, as the interests of the people shall require, or as such a course will conduce to the general welfare.

Whether this act was necessary and proper at the time it was passed, was for Congress to determine. But I do not doubt that it judged correctly and wisely when it determined this act was necessary and proper in view of the then existing condition of our national affairs. That it judged wisely in passing this act the astonishing success that has attended its execution fully proves. No nation has ever succeeded so well financially, in any great war, as the United States has in this, by reason of this law. All loyal citizens have prospered pecuniarily from the time it was passed. Such a thing as pecuniary distress, in the loyal States, on account of the war, or by reason of the financial measures of the government, has not been heard of.

Without this law there must have been the most terrible distress

throughout the land. We should have had the most frightful intestine commotions; anarchy would have taken the place of law and order in our cities and most populous towns. And it is probable the republic itself would have been subverted ere now, or have become too weak to be respected by other nations, if this law had not been passed.

I cannot doubt, as the States only are prohibited by the Constitution from making anything but gold and silver coin a tender in payment of debts, or from passing any law impairing the obligation of contracts, that Congress may enact that the notes of the United States shall be a legal tender in payment of debts, and designate such notes lawful money; and also pass laws impairing the obligation of contracts, whenever such laws are necessary and proper for carrying into execution any of the powers expressly conferred upon Congress, or vested in the government of the United States by the Constitution. And as this act was necessary and proper for carrying into execution powers expressly granted to Congress by the Constitution, to wit: the powers to borrow money, to raise and support armies, to provide and maintain a navy, to provide for calling forth the militia to execute the laws of the Union and suppress insurrections, Congress had power to pass it, unless it is an *ex post facto* law, or deprives persons of property without due process of law, as to which I shall soon speak.

I will not say this law could not be sustained on the broad ground that the government of the United States has the right of self-preservation, and that it was necessary for that purpose. Nor shall I hold that Congress was not authorized to pass it, by virtue of the power granted to it to coin money and regulate the value thereof. A very able argument has been made by one of the defendant's counsel, to show that this power authorized the passage of this law, in which he quotes from Blackstone, that "money is an universal medium, or common standard, by comparison with which the value of all merchandise may be ascertained; or it is a sign which represents the respective values of all commodities." (1 Blk. Com., 276.) But it is unnecessary to determine these questions and I will not express any opinion respecting them.

This act is not an *ex post facto* law. For it is well settled that the phrase "*ex post facto* laws" is not applicable to civil laws, but only to penal and criminal laws. (*Watson v. Mercer*, 8 Peters' Rep., 89.)

Nor is this act in conflict with the constitutional inhibition against depriving persons of property without due process of law. (Amendments, art. 5.) It does not deprive any person of property, although it requires creditors to take notes of the United States in payment of debts, which their debtors had previously agreed to pay in gold or its equivalent: for it makes such notes as valuable as gold coin, in the hands of every person receiving them, for all commercial purposes, and for the payment of all debts, except those for duties on imports; and this exception is too insignificant to justify a holding that the act deprives persons of property in any legal sense of the term. I of course lay out of view the fictitious difference created by brokers and speculators between the value of gold coin and such notes, as having no legitimate bearing upon the question. That difference cannot be regarded, because it is not recognized by law; and all agreements to pay any such difference are utterly void.

A judgment cannot be recovered for more than one thousand dollars, besides interest, for the wrongful conversion of one thousand gold dol-

lars, whatever premium may be paid therefore at the board of brokers in the city of New York or elsewhere, and such a judgment may be paid, dollar for dollar, in notes of the United States.

Each five dollar note, issued under this act, is precisely of the same value, in legal contemplation, as a piece of gold coin of the denomination of five dollars; and if all citizens would strictly observe this law, as they should, any person could obtain five dollars in gold coin for one of these notes at any place where such coin is to be had.

If a promissory note should now be given for one hundred dollars, for a loan of twenty of these notes, and this law should be repealed before the repayment of such loan, the person making the loan could exact one hundred dollars and interest, in gold and silver coin in satisfaction of the debt.

This law must be judged as if every person lived up to it and had full faith in the ability and willingness of the federal government to pay these notes in coin and to maintain itself under all conceivable circumstances; and when it is judged in this manner, it does not deprive any person of property in a legal sense of the term.

I have not deemed it either necessary or expedient to go into the history of the Constitution, or to refer to the debates of the convention that framed it; or to cite many authorities to sustain the foregoing positions or conclusions. They seem to me to be so clearly correct and so well grounded in good sense, that such labor is wholly unnecessary.

I will, however, remark that there is nothing in the history of the Constitution, or in the debates of the convention that framed it, or in any book of authority, in conflict with the views and conclusions I have expressed.

For these reasons I am of the opinion the act of Congress, approved February 25, 1862, is not repugnant to any provision of the Constitution of the United States, and is valid.

It follows that the judgment of the Supreme Court, in the case, should be reversed, and one given for the plaintiff, declaring that the notes of the United States, issued under such act, were and are a legal tender in payment of the defendant's bond and mortgage, and that he deliver the same to the plaintiff to be canceled, and acknowledge satisfaction of the mortgage and cancel the same of record, and that the plaintiff recover the costs of the appeal to this court.

OPINION OF JUDGE DENIO,

HOLDING THAT UNITED STATES NOTES ARE NOT A LEGAL TENDER.

DENIO, C. J. The subject of private contracts, embracing the manner in which they may be made, and in which they may be discharged, lies within the domain of State legislation. The States were distinct political communities at the formation of the Constitution, retaining, notwithstanding the confederation under which they associated during the revolutionary contest, nearly all the powers of municipal government and local administration. It was not the system of the Constitution to abolish or materially abridge these powers of the State governments, though they were subjected to some important restraints and qualifications, all

of which, however, assume, so far as private contracts between citizen and citizen are concerned, the general jurisdiction of the States over the subject. Contracts when once made in conformity to the laws of the State, cannot, according to a provision of the Constitution of the United States, be impaired by State legislation. But it may be done by Congress incidentally. Under the power to establish a uniform system of bankruptcy, for example, debtors may be discharged from their obligations, through the agency of the general government. Nor is this all. Many express powers of great importance, and which were considered, and were in fact necessary to the existence and perpetuation of the national government, were conferred upon Congress; which was, moreover, invested with the power to make all laws which should be necessary and proper for carrying these powers into execution. In exercising these federal powers, it has sometimes happened, and it may occur again in more ways than can be enumerated or anticipated, that the pecuniary and business arrangements of citizens may be interfered with, and their contracts, though lawfully valid when made, may be annulled or modified. Under the power to regulate commerce, and to declare war, acts may become impossible or unlawful, which were before legitimate subjects of business stipulations, and in respect to which such stipulations had been actually entered into. These are the necessary results of another provision of the Constitution which declares, in effect, that itself, and the laws of the United States made in pursuance of it, and public treaties, shall be the supreme law of the land, and shall prevail against the State Constitutions and laws, when in conflict with them. But with these qualifications, the whole subject of private property, its acquisition and forfeiture, its mode of enjoyment and transmission between living persons, and its devolution by will and upon intestacy, and all executed and executory contracts respecting it, are left to be regulated wholly by the laws of the respective States.

It seemed necessary to state these principles, for, although no question has been made respecting them, they have an important bearing upon the controversy which we are called upon to decide, and indeed, form the basis of all just reasoning, upon the powers of the general government. The mortgage executed by BOWNE and his wife to the defendant, the alleged payment of which was in question in this case, was a lawful contract by which real estate in this State was conveyed to the latter to secure the payment of a certain amount of money. It is stated to be payable in lawful money of the United States of America, but I lay no stress upon that expression. It was a security for the payment of money, and that is all which seems to me important. The lands thus conveyed by way of mortgage, have been transferred to the plaintiff subject to the lien; and he claims a right to pay the debt and redeem the incumbrance, by giving to the creditor, the defendant, an amount equal to the principal and interest, in the treasury notes of the United States, issued pursuant to the late act of Congress. The defendant refuses to accept these notes as payment, and the question is, whether he is compellable by law to do so. The contract was a valid one under the laws of this State, and it calls for the payment of a certain sum of money. The question as to what shall amount to payment or performance, is, *prima facie*, one which is to be determined by the State laws. The federal Constitution, which is a part of the law of the State, prohibits anything being made a tender

in payment of debts, by State authority, but gold and silver coin. It is clear, therefore, that the offer of the treasury notes was not a lawful tender of payment, unless the act was a legitimate measure for the execution of one or more of the powers which the Constitution has conferred upon Congress. That act declares in express terms, that the treasury notes of the class which were offered to the defendant, shall be lawful money and a legal tender for all debts, public and private, within the United States, except duties on imports and interest on government bonds and notes. (37th Cong., 2d sess., ch. 33, § 1.) The single question in this case is, whether Congress had the constitutional right to enact this law; and that depends upon a comparison of its provisions with the powers with which the Constitution has clothed Congress. The problem to be determined is, whether the relation of means and end exist between them. I shall confine myself to that feature of the law which provides for forced payment of private debts; for it is not doubted by any one but that the government may declare its own obligations receivable in payment of debts due to itself.

It has been argued that there is no warrant in the Constitution for the issue of federal securities for the purpose of being used as a currency, though unaccompanied with a provision making them a legal tender among individuals. If this position could be established the notes which were tendered in this case, being illegal, would be ineffectual for any purpose. In the view I have been compelled to take of the principal question, this subordinate one is not necessary to be considered. It is proper, however, to say that it could scarcely become a judicial question in any case. The right to issue the obligations of the government for money borrowed or for property or services furnished for national purposes is not and cannot be questioned. The form and denomination of such securities are matters which belong to the discretion of the government making them; and if an issue could be raised upon the intent to have them circulate as the representative of money, I should still think that it would be legally unobjectionable to so accommodate them to the business wants of the community, as to make it the interest of successive holders to continue them in circulation, and thus benefit the treasury by deferring the time of their presentment for payment. It has been urged that such issues of paper would be an emission of bills of credit, as understood at the time the Constitution was framed, and that the making of them was expressly forbidden to the States and not committed to Congress. In support of this view it is shown that an express authority to issue such paper was at one time inserted in the draft of the Constitution, in connection with the power to borrow money, but was stricken out on the motion of a deputy from New York. Upon an examination of the extract from the debates which was referred to in the argument, I am of opinion that it cannot be affirmed that this change was made from an intention positively to prohibit the issue of such obligations, but that it was done from the apprehension that if the power to make them was expressly conferred, the legislature might, under the idea of declaring their effect, have engrafted upon them the quality of a legal tender. If the authority was left as an incident to the power to borrow money, purchase property, or pay debts, no such consequence, it was thought, would follow. If it had been designed to prohibit their issue, under any circumstances, by the government of the Union as well as by the States, it is

presumed that a similar prohibition would have been applied in terms. If the effect of this debate was different from what I conclude it to be, I should still hesitate to allow it any considerable weight in construing the Constitution. The only safe way, in my opinion, to deal with that instrument is to look at its language in connection with its contemporaneous history and the known circumstances of the times, and to attach such meaning to it as we conceive the people who adopted it would have given. I shall assume, therefore, that there does not exist any constitutional objection to the currency which was issued under the act of Congress, which we are considering; and that the only question which we can entertain arises upon the mandate that the notes shall be a legal tender in the payment of private debts.

The express power committed to the general government "to coin money, regulate the value thereof, and of foreign coin," and the denial of that power to the States, may be considered as a further qualification of the State jurisdiction over private contracts. Without these provisions the right to determine what should constitute money in transactions between citizens, would have remained, along with the mass of general legislation, in the several State governments. But the inconvenience which had arisen from the different denominations of money which were in use in the several States, and which had grown out of their separate existence as colonies, and the desire to establish a system of coined money upon the decimal principle, which should accurately represent the money of account, led to the vesting of the power over the subject of coined money in the new government.

I shall spend no time in proving that the coining power referred to relates, and is limited to the fabrication and regulation of *coins* properly so called. I have carefully considered the ingenious argument on that subject, which has been submitted orally and in writing by one of the counsel who maintained the validity of the legal tender provision; but those suggestions have not created in my mind the slightest doubt that the language is to be understood in its most obvious and natural sense. Coins are, in our language, pieces of metallic money; and the coining of money is the formation of such pieces by such mechanical means as are appropriate to such an operation. There is not the smallest reason to suppose that the word was used in the Constitution in any non-natural, recondite or figurative sense.

The language is, to my mind, so distinct and precise as not to admit of reasoning. But if it were in any manner equivocal, the connection in which it is found in the several places where it is used in the Constitution would determine its meaning to be such as I have mentioned. In the principal clause the value of the coin to be made is to be regulated by Congress; but this could not be predicated of the obligations of individuals or of governments, the value of which is either the absolute amount stipulated to be paid, or their worth arising out of the fluctuating considerations of the pecuniary means and ability of the promisors, and the interest to be paid, and the time of payment of the principal—the last of which circumstances must vary every day by the efflux of time. The value of foreign coin is also to be regulated, but it is impossible to suppose that this could refer to securities executed in foreign countries. Then in the clause referring to the punishment of counterfeiting, a sharp distinction is apparent between the public *securities* and the current *coin* of

the United States; and in the clause prohibitory of the power of the States, it is forbidden to them to coin money and to emit bills of credit, which plainly shows that these are separate and distinct acts; and in the same sentence, where the prohibition is inserted against making anything but the precious metals a tender, it is called gold and silver coin. If the determination of the case depended upon the meaning of the express power to coin money, I should not, as I have mentioned, be able to entertain the smallest obligations of the general government in whatever form they may be issued.

Let us then consider whether the power to make these notes a legal tender results from any of the express powers conferred on Congress. Among the attributes expressly conferred is the very extensive power to regulate commerce; and the enactment of the legal tender provision has sometimes been referred to that clause. But it has no bearing upon the transactions of citizens which are limited to a single State; the power relating only to commerce with foreign nations, and among the several States, and with the Indian tribes. This enactment does not propose to regulate foreign or inter-state commerce, or to be in any sense a regulation of that subject. It compels the citizens in all places, and at all times, and under all circumstances to receive the treasury notes in payment of debts, whether these debts had any connection with a commercial transaction or were wholly foreign to and independent of it. Whether a law introducing the treasury notes into foreign and inter-state commerce, and compelling their reception as money when offered in connection with transactions of that nature, could be sustained, will perhaps depend upon some considerations, to which I shall presently advert.

It may be said that any measure which tends to promote internal traffic, and facilitate domestic changes, would incidentally influence foreign commerce. The same may be said respecting the whole subject of private exchanges and contracts. But to embrace all these subjects within the power to regulate commerce, would be to break down all distinctions between the national and State governments, and commit the whole subject of internal government to the discretion of Congress.

I concede that it is not incumbent upon those who argue for the validity of the legal tender clause to select any one express power and to maintain that the provision is a legitimate execution of that power. They may group together any number of these grants of legislative authority, and if the right to enact that provision is fairly deducible from any or all of them—their position is established. The power to raise money, for raising and maintaining a public force by land and by sea, to pay the public debts, and indeed nearly all of the enumerated powers, require or at least suppose the necessity of the obtaining, possessing, managing, and disbursing moneys to a large and indefinite amount. No idea can be formed of the government of a great country, though the power of legislation should be restricted to external affairs, which would not require such government to be an immense dealer in money and commodities of almost every kind. The strong public necessity for obtaining pecuniary means to carry on the government and to effectuate the great purposes for which it was established, have not been and cannot be overstated, whether we advert to the imminent crisis which is this day upon us, or consider it in its usual condition of peace and tranquillity. It was quite appropriate to advert to the present condition of the country to

show that the necessity for obtaining funds may be so sudden, fluctuating, and spasmodic that the public needs will not wait upon the regular receipts of revenue, but must sometimes be met by extraordinary exertions, and entail pecuniary sacrifices upon the public and individuals. Still the Constitution furnishes the measure of the national authority, in war as in peace; and, as judges, our duties are limited to the construction of that instrument, according to our best judgment of its actual meaning. The immediate question is, therefore, as has been stated, whether the various powers committed to Congress, which require, in order to their due execution, the acquisition and use of large and often fluctuating amounts of money, empower the national government to annex to the notes, which I concede it has a right to issue, a quality which shall compel individuals to receive them in payment of debts against their will.

It is a circumstance connected with the inquiry, though not material to the view which I take, that by the arrangements of the act the notes are not payable in coin; for the quality which makes them receivable for all public and private debts, authorizes the government to redeem them in other notes of the same kind, so that they are to constitute a medium of payment and exchange which is to be quite distinct from gold and silver money, and not convertible into it, and which, by the well known laws of currency, will displace the latter from circulation, and will cause it to depreciate, in comparison with that standard, in proportion to the amounts which may be issued. To force them upon the creditor as payment contrary to the general laws of the States, which do not authorize debtors thus to discharge their obligations, is to enter into the domain of the State legislature and to supersede to that extent the operation of the State laws. This is not necessarily a fatal objection, for if the provision annexing the quality of legal tender to the notes is a necessary and proper law for carrying into execution the powers expressly conferred upon Congress, and is not forbidden by any part of the Constitution, it changes or abrogates, by virtue of the pre-eminence attributed to federal legislation, when constitutional, all State laws and Constitutions so far as the exigency of the case may require.

We are to consider, then, whether the provision in question is necessary and proper to the execution of the various enumerated powers which require the obtaining and disbursal of moneys for national purposes. And we observe in the first place that certain means are specifically provided by the Constitution for obtaining funds for public objects. Congress is empowered to levy and collect taxes, duties, imposts, and excises to an extent limited only by the public purposes to which moneys may be applied; and to borrow money to the like extent on the credit of the United States. In addition to these means, it may dispose of the territory and other property of the United States, and of course may receive the equivalent for such disposition in money. I do not at this moment inquire whether the controverted provision is within any of these last mentioned express powers, namely, those of taxation and borrowing, but whether, under the other delegations of authority which require for their execution the possession of pecuniary means, it was competent for the government to oblige the citizen to accept these notes as cash, for the purpose of gaining, by means of the circulation which such a quality would give them, additional pecuniary resources for the purposes of the

government. I am of opinion, that this would be quite too far removed from the delegation of power to be considered an enactment framed for its execution. I think, moreover, that the Constitution did not contemplate and does not admit of the raising of moneys from the people except by taxation and by borrowing, or by the sale of the public lands and property. Pecuniary means gained by the circulation of paper not bearing interest, are the profits which bankers acquire by their peculiar business. It is a well known pursuit in which individuals may engage, by government license, when that is required by law, and without it, when it is not exacted by some legal requirement. I think that so far as the immediate question is concerned, the government has an equal right to authorize the national treasury to embark in any other of the pursuits of business by which money is acquired as in this of making profits by the forced circulation of its notes, under this legal tender clause. Hence I conclude that the disputed measure cannot be justified as an execution of any of the powers requiring the possession and authorizing the expenditure of money.

Then as to the express power to borrow money on the credit of the United States, which is the delegation of authority principally relied on. The ordinary operation of effecting public loans is sufficiently simple and obvious, and I have already said that I perceive no valid objection to arranging the securities in such a form as that the lenders, and those who may take such securities by transfer, shall be willing to hold or circulate them instead of immediately presenting them for redemption. The power to borrow money implies the giving of obligations for its repayment. The form of these is matter of convention between the parties to the loan, and is an incident of the principal power. To the extent which they will circulate upon the credit of the government, the incidental advantage is legitimately obtained.

But it is a step far beyond this to require that all persons shall receive them in payment of all manner of obligations. This has no natural relation to the contract of borrowing. The parties who are thus obliged to receive the borrower's obligations are not parties to the loan, and have no necessary connection with it. True, they are subjects, for some purposes, of the same political sovereignty which is the borrowing party, and if that sovereignty was universal in its objects, and was not restrained by constitutional limitations, the duty of receiving the obligations could be rightfully imposed like any other burden created by legislative authority. But private contracts and the manner in which they are to be performed and discharged or enforced are, as has been stated, embraced in the reserved rights of the States, and Congress has no general legislative power over the subject. If they have any power whatever, it is not direct, but oblique or collateral. If in the execution of the enumerated powers it becomes necessary and proper to enter upon the domain of State legislation, the State laws must yield. This may be made more clear by cases which may be supposed. The States have the general right to regulate the interest upon money loaned. Suppose a State legislature to enact that none of its citizens should loan money to any party, private or public, at a rate of interest above five per cent, and that Congress, considering the rate too low, should provide by law that seven per cent might be lawfully required of any borrower by any lender. Such an act of course would be void as an attempt to legislate upon a subject not committed to

the general government, but reserved to the States. Yet there could be no objection to a statute of Congress which should authorize the borrowing of money upon the credit of the United States at any rate, however excessive, which it was thought expedient to allow, and at which citizens might be willing to lend. This would necessarily change and modify the State law *pro tanto*, but it would be sustained, because it would be a law made to carry into effect a power expressly conferred upon Congress, namely, the power to borrow money, which would embrace all the usual incidents of loans. Then suppose that with a view to facilitate federal loans, and to give the public bonds a ready reception, Congress should attempt to subject all individual borrowing in the States to a low rate of interest, while the federal treasury was allowed to contract at a higher rate. This would bear some resemblance to the law which is now questioned, and yet it would be preposterous to consider it a law passed in the execution of the power to borrow money on the credit of the United States.

The question how far an act of Congress could be considered to have been passed in the execution of an enumerated federal power has been discussed in a variety of forms as particular laws or projects of laws have come under consideration in the administrative, legislative, and judicial branches of the government. The discussions most material to be considered, because they are absolutely authoritative with us, are the judgments of the Supreme Court of the United States. The debates in these cases usually turned upon the words *necessary and proper*, as used in the Constitution. To a certain extent, the necessity and propriety of an enactment must rest in the discretion of the legislature. But to hold that the exercise of that discretion is final and not subject to the examination of the judiciary would be to break down all limitations upon the power of the general government. Accordingly, I think no judge has ever intimated the existence of any such extreme doctrine. On the other hand, the question whether a given measure is the most suitable or efficient for the execution of an enumerated power must of course be left to the discretion of Congress, and that discretion cannot be reviewed by the courts. The difficulty lies in determining in a particular case whether the disputed enactment has such a relation to the power which it is said to be passed to carry into execution, that it can be affirmed to be necessary and proper for that purpose. The most thorough examination of the subject was that which was had on the several occasions when the constitutionality of the Bank of the United States came before the Supreme Court. (*McCulloch v. The State of Maryland*, 4 Wheat., 316; *Osborn v. The United States Bank*, 9 Ed., 738.) The act was sustained on the theory that it was a necessary arrangement for carrying on the financial operations of the government. It was not supposed to be absolutely necessary, but to be so in the sense of being appropriate, and directly convenient and useful. That judgment is to be accepted by the State tribunals as a true exposition of the Constitution on this point; but the resemblance in principle between the legislation then in question and that which we are considering, is not so striking as to afford much aid in the present difficulty. The principles, however, announced by the eminent chief justice, seem to me irreconcilable with the validity of the legislation in question. It was conceded that the powers of the government were limited, and that those limits were not to be transcended; but it was maintained by

a course of reasoning which cannot easily be controverted, that the national legislature possessed a discretion in the adoption of the means by which the powers conferred by the Constitution were to be carried out. It was conceded that the means must be such as were *appropriate* and were *plainly adapted* to the end authorized to be accomplished. In another part of the opinion it was intimated that the means, in order to be legitimate, and to fall within the qualifying words, *necessary and proper*, must be such as were either *needful, requisite, or conducive* to the principal object embraced in the delegated power. Was it ever before supposed to be incident to the contract of loan, that the rights of other persons, strangers to the transaction, were to be controlled or affected? Either the borrower or the lender may insist upon any stipulation to which the other will consent, and when the former is a sovereign State, it may agree to any concessions on its own part not inconsistent with its constitutional limitations, and insist upon imposing any terms of the lender which it may be thought expedient to require and to which he will consent. The arrangement of these mutual stipulations embraces all which is material or which can be appropriately attached to the contract of loan. A provision which is to control other parties not connected with the transaction, to their loss though to the advantage of the lender, cannot be appropriate, for it is foreign to the nature of the transaction, and has never before been employed in connection with such arrangements. A consolidated government might annex such terms to the contract, for it has plenary authority over all its citizens when not constitutionally restrained. As to being *needful, requisite, or essential*, it is not so in any sense which would enable the government to impose on the citizens who should have business relations with the holders of the securities, conditions which would only conciliate such holders.

The power which the Constitution confers upon the government to effect loans, is not one to be exercised *in invitum*, like the taxing power. It requires only a party willing to advance the funds upon the terms which may be offered, and it does not imply anything coercive as to any one. It requires a consenting party only; unlike the taxing power which implies legal coercion, and does not seek the consent of any other party.

But for a single authority, which I will now mention, I should think it very plain that the power to borrow money on the credit of the United States, did not authorize Congress to compel individuals to accept treasury notes in discharge of private debts payable in money.

In *Weston v. The City Council of Charleston* (2 Pet., 449), it was held that the power to borrow money on the credit of the United States contained in itself a prohibition to tax the securities given upon the loan by State authority. The tax, which was held illegal, was laid upon certain stock of the United States, *eo nomine*, and this court was of opinion that the case might have turned upon that circumstance, and that money invested by our citizens in federal loans was yet taxable along with the mass of the property of the citizens, under the laws of this State, which laws tax all property alike. (*The People v. The Commissioners of Taxes*, etc., 23 N. Y., 192.) On a writ of error to the Supreme Court of the United States, our judgment was reversed, that court disallowing the distinction on which we proceeded, and holding that the federal bonds were exempt from taxation in any form under State authority. An act of Congress had been passed, declaring in terms that the scrip of the public debt of the United States should not be subject to taxation by the

States. *A fortiori*, a State tax imposed upon stock issued since the declaratory act mentioned, cannot be sustained in the Supreme Court. The principle has some analogy to the one we are examining. The laws of the States on the subject of taxation for State purposes are as fully within the reserved rights of the States as those which relate to private contracts and the payment of individual debts. The general government has no jurisdiction respecting the legal arrangements which the States may make on either of these subjects; and yet it has been held that the power to borrow money alone confers upon the securities given for loans a quality which no other property has, by exempting them from taxation. I hope it will not be attributed to an unreasonable pride of opinion, that I feel compelled to say, that I have not been able to appreciate the reasons upon which that conclusion was reached. I, however, fully acknowledge the duty of following the adjudication of the supreme tribunal; and since the judgment referred to was pronounced, we have conformed our decisions in similar cases to the rule laid down, and shall continue to do so. I think the law exempting the federal bonds from State taxation was as foreign to and as unconnected with the power to effect federal loans as that which declares the treasury notes a legal tender in the payment of debts, and I acknowledge the analogy which exists between the cases. But the judgments of the Supreme Court did not proceed upon reasons which would justify the legal tender clause. Those judgments, according to the published opinions, regarded the public bonds as instruments or means employed by Congress to carry out the power to make loans, and as of the same general nature as the Bank of the United States. It clothed them with an immunity, but did not propose to render them instruments of coercion. Finding this distinction to exist, I do not think it proper to act upon the analogy which I have conceded. I am, therefore, of opinion that the clause in the act making the notes a good tender in the payment of private debts cannot be sustained under the power to borrow money, nor under any other of the express powers conferred upon Congress.

But I am of opinion that the legal tender clause is repugnant to express provisions of the Constitution. I refer to the prohibition imposed upon the States to make anything but gold and silver coin a tender in payment of debts, and to the provision which confers upon Congress the power to coin money and regulate the value thereof, and of foreign coin. These provisions are in *pari materia* and must be considered in connection with each other, and I think the result of both is, that it was the settled determination of the convention that compulsory payments should be made only in coin. This position is entirely distinct from the topic which I have thus far considered. If it were conceded that declaring the notes to be a legal tender was an allowable means for borrowing money upon them, still it could not be done if the fair result of other constitutional provisions were that coins of the precious metals were the only medium in which compulsory payments could be made. I have already considered the coining power in connection with the argument that it embraced in terms the power to fabricate money other than metallic coins, properly so called, and have nothing to add on that point. But it was the object of that provision to enable and to require the general government to cause coins to be manufactured which should be impressed with the stamp of the national authority, and should be received throughout the Union as absolutely authentic, and which should be deemed and

taken in all transactions whatever as money of the precise value indicated by the stamp of the national mint; and that they should in like manner prescribe the value of such foreign coins as they should think proper to have circulated as money. This provision belongs to the class to which I have referred as to some extent militating against the general system which left to the State governments the regulation of private pecuniary dealings and contracts. That system, if unqualified, would allow the States to exclude any medium of payment not established by their own authority; but they cannot, consistently with the provision, disallow the absolute authority of the federal coins. But the power to create money does not extend beyond the fabrication of coins.

Hence, I am unable to find the ground for further intrusion into the field of State legislation respecting the money to be used in private transactions. The federal legislation respecting coined money is absolutely binding upon all the people of the Union, and, in my opinion, it is exclusive of any power, residing anywhere, to make any other description of money. The subject with which the convention was dealing was that of money which was to be authentic and authoritative everywhere throughout the Union. It prescribed coins, to be made by federal authority as such money, and was silent respecting any and every other kind of currency. The argument *expressio unius exclusio alterius* applies, and would be of great force if there were no other, but a reason equally strong to my mind is, that the convention was acting upon a subject belonging generally to State jurisdiction, and cannot with propriety be understood as going beyond the provision actually made. The prohibition upon the State governments to coin money affords an invincible inference that the coins to be struck under the authority of Congress, were to be the only authentic money to be used in the United States. Certainly there is an unavoidable implication, that nothing shall be done by any authority in the nation which shall destroy the value and usefulness of this federal money. But can it be used for regulating exchanges and making payments, if another thing of less or even of different value is declared money? There cannot, in the nature of things, be two standards of value. If the treasury notes are of less value than the gold and silver coins, the latter will be superseded and become absolutely unavailable for all purposes for which money is required to be used; for no one will make use of a gold eagle, when with that coin he can purchase twelve or fifteen dollars, each of which will answer his purpose precisely as well as one-tenth of the eagle. The legal tender provision practically nullifies the coining power. For all practical purposes, it converts the federal coins, fabricated in obedience to the Constitution, into mere bullion. This appears to me plainly to conflict with the provision for the striking of such coins.

But the prohibition upon the States against making anything but gold and silver coin a tender in payment of debts, seems to me also conclusive upon the subject. The restraint, it must be remembered, is upon the sovereignty to whose jurisdiction this subject of debts and their payment belongs. The general government, as I have shown, had no power over that subject, except as it may be deduced incidentally from some express power. It should be further borne in mind, that the prohibitory mandate is not addressed to the State legislature alone, but to the judges as well. No authority of the States, legislative or judicial, can, by the terms of this clause, admit anything but coin fabricated from the precious met-

als to be a valid payment. It is to be observed, also, that the inhibition is not limited to values created by State authority. That subject was provided against by the language forbidding the States to emit bills of credit. The word *anything* embraces all imaginable subjects of which payment might be predicated, irrespective of their material substance, and of the authority by which they were created. To constitute payment, there must be coins, that is, stamped pieces of metal, and they must be composed of the precious metals. When the State legislatures, which are to establish the legal principles respecting payments, and the courts, which are judicially to determine what shall be payments in any given instance, are forbidden by paramount and supreme authority to make anything but coins struck from the precious metals a payment, the natural, and, I think, the inevitable result is, that nothing except such coins can be adjudged to be payment in any case whatever. And when, in connection with such inhibition, we find ample provision made by the same supreme authority, for the supply of such coins by fabrication, and by the adoption of those coming from abroad, I cannot doubt but that it was the persistent design of the Constitution, which contains these mandates, to require as a fundamental policy the exclusion of everything else than the coins indicated from the attribute of compulsory payments. We are to-day asked, by our judgment, to make the treasury notes of the United States a payment of the debt owing to the defendant. Our answer ought, I think, to be that we are forbidden by the supreme law of the Union to do it. That law has no regard to the value of the thing offered as a substitute, or to the authority by which it was created. It is forbidden absolutely, and under all circumstances.

An argument has been somewhat pressed upon us, arising out of the action of Congress upon the subject of legal tender. After providing for the establishment of the mint, and regulating the amounts of pure gold and silver to be contained in, and the value of the various coins to be struck, the legislature has, at various times, from an early period of the government, declared those coins to be a legal tender for the payment of all debts and demands. The argument is, that there is nothing in the Constitution expressly enabling Congress to declare anything to be a legal tender, and yet that body has, with universal acquiescence, passed the several acts referred to. Hence, it is insisted that the power of establishing a legal tender has been universally conceded to exist, and, if the power exist, it is within the legislative discretion to determine as to what shall be made such tender. In point of fact, the coins which have been declared a tender are such as were composed of gold and silver with sufficient of alloy of baser metals to give them the requisite consistency for convenient use. My opinion upon this point is, that the power to coin money and regulate its value is an authority to make money which shall be legally such in every part of the Union, and for every purpose for which money shall be required or needed to be used. The coins to be struck are national coins and money, and so of those which are adopted, and the value of which is declared, and where any law, State or national, or any lawful contract, or any other lawful exigency calls for the payment of money as such this national money is the thing indicated.

The word *money*, as used in the Constitution, *ex vi termini*, implies all that is expressed by the words *legal tender*, and without the use of these words in the acts of Congress the coins struck at the national mint, and

the foreign coins, the value of which has been regulated by Congress, could be used in forced payments in all cases. The express provisions respecting legal tender are employed for the purpose of explanation, and are only declaratory of the effect of the national currency when offered for the purpose of payment. In reference to what had been said respecting the ability of Congress to debase the national currency, I am of the opinion that the several clauses respecting coining and what may be made a legal tender by the States, together amount to a direction that the money to be created under the clause respecting coining shall be composed of the precious metals, as a principal ingredient, and that coins not composed of these substances cannot constitutionally be made national money or legal tender.

I have examined this question, and have come to a conclusion upon it, as though it involved no other consequence than the recovery, or the failure to recover, the small sum of money claimed by the defendant, and I do not know of any other method of considering a judicial question involving pecuniary considerations. The extended and very able discussion at the bar, in which considerations of a public character have been largely pressed upon us, have had the effect, to which they were certainly entitled, of inducing caution and very mature deliberation upon the legal points involved, but they cannot legitimately have any further influence.

I shall be well satisfied if a majority of my brethren, and the federal court in which our decision will ultimately be reviewed, can reconcile the legislation which the defendant challenges with a reasonable interpretation of the Constitution of the United States. It is not to be denied that it constitutes a part of a plan of public finance which, whether wisely organized or not, it is extremely important in the present crisis to maintain if it can properly be done. If my sense of duty would allow me to decide the case, as I should wish the law under the circumstances of this moment temporarily to be, I would unite in a judgment which should establish the validity of these legal tender notes; for the preservation of the federal Union, which is said to be involved, is the most ardent, I may say passionate, desire of my heart; and no one, I think, can honestly pretend that this can be accomplished except by the vigorous employment of the armed force of the nation. To that purpose, the realization and expenditure of immense pecuniary resources are plainly indispensable. No man can have a stronger sense of the absolute causelessness, nay, the utter wickedness, of the insurrection than that which I entertain; or of the duty of every citizen, whether in public office or a private station, to yield to the constituted authorities upon all questions of policy or expediency, not only implicit obedience, but a sincere and generous confidence and co-operation.

But we are placed here to determine the law as we understand it to be, in the controversies which are brought before us, and I should forfeit my own self-respect if I could unite in a judgment affirming the constitutional validity of the legislation in question, believing, as I must, that its provisions are repugnant to the letter and spirit of the Constitution.

SELDEN, J., concurred in the conclusions of Ch. J. DENIO; but all the other members of the court pronounced in favor of reversing the judgment of the Supreme Court, and holding that the United States notes are money and a legal tender for all debts.

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1863.

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, &c.:

BUFFALO ROBES.

Treasury Department, September 28, 1863.

SIR: ALEXANDER PAUL has appealed from your decision assessing duty at the rate of 15 per cent ad valorem on certain "buffalo robes" imported by him, and claims to enter them at 10 per cent.

This department decided, under date of January 28, 1862, that buffalo robes, not being enumerated under the act of March, 1862, were, by force of the 20th section of the tariff act of 1842, liable to same rate of duty as "furs on the skin," to wit., 10 per cent.

The act of July 14, 1862, section 13, imposes an additional duty of 5 per cent on "dressed furs."

It is admitted that the robes in question are dressed or tanned by the Indians, and consequently are subject to duty at the rate of 15 per cent ad valorem, by virtue of the decision of this department of January 28, 1862, and by force of the 20th section of act of 1842, as applied to the 13th section of the act of July 14, 1862.

The decision of the Collector is hereby affirmed.

I am, very respectfully,

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

To JOSEPH LEMAY, *Collector, Port of Pembina, Minn.*

HARES FURS.

Treasury Department, October 31, 1863.

SIR: Mr. EDWARD CONNOLLY has appealed from your decision assessing duty at the rate of 20 per cent on certain "hares furs" imported by him, per bark *Maryland*, from Bremen, and alleges that "the only duty which hares furs are entitled to pay is 10 per cent ad valorem, pursuant to the 24th section of the tariff act of March 2, 1861, which says: 'On all raw or unmanufactured articles not herein enumerated or provided for, a duty of 10 per cent ad valorem.' That the article in question is not imported as hatters' furs, and never used in the manufacture of hats as such, but merely worked into the bodies of hats for the purpose of imparting a pliancy thereto."

The article in question is a "fur not on the skin;" and is undressed, and under the 19th section of the act of March 2, 1861, is entitled to entry at the rate of 10 per cent ad valorem.

Your decision is hereby overruled.

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

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

STEEL RAILWAY BARS.

Treasury Department, October 30, 1863.

SIR: EDMUND SMITH, secretary, in behalf of the Pennsylvania Railroad Company, has appealed from your decision assessing duty at the rate of 35 per cent ad valorem on certain "steel railway bars," and claims to enter them at 25 per cent, as "steel in any form not otherwise provided for."

This department, under date of March 24, 1860, decided that "steel railway bars" were properly classified as manufactures of steel, not otherwise provided for; being fitted for immediate use without further manufacture.

There are no facts presented in the case under consideration which render necessary any alteration or modification of said decision, and your decision assessing duty of 35 per cent on the steel in question is hereby affirmed.

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

To WM. B. THOMAS, *Collector, Philadelphia, Pa.*

COD-LIVER OIL.

Treasury Department, October 30, 1863.

SIR: E. P. DUCONGE has appealed from your decision assessing duty at the rate of 50 per cent ad valorem on certain "cod-liver oil," imported by him in the ship *Maria Felicite*, from Havre.

"Cod-liver oil" is not considered a "proprietary medicine," and Treasury Regulations (page 576) authorize its classification as a "medicinal preparation not otherwise provided for," and under the act of March 2, 1861, it was liable to duty at the rate of 30 per cent ad valorem.

The act of July 14, 1862, imposed an additional duty of 10 per cent on "medicinal preparations not otherwise provided for," and consequently the present rate of duty to be assessed on cod-liver oil is 40 per cent ad valorem.

Your decision is hereby overruled.

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

To CUTHBERT BULLITT, *Special Agent and Acting Collector, N. O.*

LADIES' DRESS ORNAMENTS.

Treasury Department, November 9, 1863.

SIR: MESSRS. HUGHES & CREHANGE have appealed from your decision assessing duty at the rate of 35 per cent as "manufactures of worsted" upon certain merchandise imported by them, styled "buttons," and claim to enter them, as such, at 30 per cent ad valorem, under section 22 of the act of March 2, 1861.

Samples of the goods in question have been submitted to the experts of the customs, who report as follows: "In our opinion they are not buttons, either in fact, by commercial usage, nor within the meaning and intent of the law. They are too fragile, and in structure unfit for the proper purpose of buttons, but are worn as ornaments on dresses."

This department, under date of February 16, 1861, on the appeal of BACHMAN & LAURENT, decided an analogous case, upon similar grounds.

Your decision is hereby affirmed.

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

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

SHIRTING FLANNEL (SO CALLED).

Treasury Department, November 16, 1863.

SIR: I. LEWINE has appealed from your decision assessing duty, "as a manufacture of wool and worsted," at the rate of 18 cents per pound, and 35 per cent ad valorem, on certain goods imported by him, and styled "grey flannel of English manufacture, intended to be used for army shirt-ing," and claims to enter it at 35 per cent only, under the classification for "flannels."

The article in question was not, at the time of the passage of the present tariff, known or commercially recognized as flannel; nor is it flannel, according to the term, as well known and understood; differing from flannel in texture and dressing, being fulled, which at once takes it out of the flannel category.

The tariff acts now in force impose a duty of 18 cents per pound, and 35 per cent ad valorem, on "manufactures of wool, or of which wool shall be a component material, etc., etc., not otherwise provided for," and, in my opinion, the article in question comes clearly within this provision of the law, and your assessment was perfectly regular.

Your decision is hereby affirmed.

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

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

POWDERED ACORNS.

Treasury Department, November 17, 1863.

SIR: MESSRS. A. VOGELER & Co. have appealed from your decision assessing duty at the rate of three cents per pound on certain "powdered acorns," imported by them per barque *Maryland* from Bremen, and claim "that the said powdered acorns are only entitled to pay a duty, under existing laws, of 20 per cent ad valorem; that is to say, under section 24 of the act of March 2, 1861, which states, 'that on all articles manufactured in whole or in part, not herein enumerated or provided for, a duty of 20 per cent ad valorem;' that the above clause as quoted from the 24th section of the act referred to, has never been repealed by subsequent acts; and also, that the said 'powdered acorns' are imported solely for medicinal purposes, and not to be used for coffee in any sense."

The 8th section of the act of July 14, 1862, provides that a duty of three cents per pound shall be imposed on "acorn coffee and dandelion root, raw or prepared, and all other articles used or intended to be used as coffee, or a substitute for coffee, and not otherwise provided for."

The experts of the customs state that the article in question is the article enumerated in the above quoted section.

That Messrs. VOGELER & Co. intend or design the "powdered acorns" for medicinal purposes cannot avail; the enumeration or description of the article meant could not well have been more specific or clear; indeed, it is not denied or pretended that this is not the article which is "used as coffee, or as a substitute for coffee."

The decision of the collector is therefore affirmed.

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

To H. W. HOFFMAN, *Collector, Baltimore, Md.*

THE NATIONAL BANK CURRENCY.

The circulation for the banks established under the National Law is now being furnished; that is, the lower denominations, fives and tens. These are very unlike anything that bankers ever saw, and have not much resemblance to anything that has heretofore represented "money." The bills have neither face or back, so to speak, but both sides highly pictured, bordered, and wreathed—with very small figures and the beautiful engravings of the paintings in the Capitol Rotunda blurred by lettering. Somebody's "fancy" had a large scope to experiment itself in when these notes were gotten up. The following is a description:

5s. vignette, Columbus discovering America, on lower left end; right end Columbus introducing America to Europe, Asia, and Africa, shipping and ocean in back ground, the countries represented by female figures. Other side—vig. Landing of Columbus, ends ornamented by scroll and lathe work, containing in one oval national eagle and shield with "U. S.," and in another the State arms of, say, Ohio, or wherever the bank is situated to which the bill has been furnished.

The face contains the following inscription:

NATIONAL CURRENCY.

This note is secured by bonds of
THE UNITED STATES,
Deposited

With the United States Treasurer at Washington.

L. E. CHITTENDEN,

Register of the Treasury,

F. E. SPINNER,

Treasurer United States.

THE FIRST NATIONAL BANK OF

[Place of the date.]

Pres't.

Cashier.

On the back appears the following guarantee and warning:

"This note is receivable at par in all parts of the United States in payment of all taxes and excises and all other dues to the United States, except duties on imports, and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on public debt."

"Counterfeiting or altering this note, or passing any counterfeit or alteration of it, or having in possession any counterfeit plate, or impression of it, or any paper made in imitation of the paper on which it is printed, is felony, and is punishable by \$1,000 fine or fifteen years' imprisonment at hard labor, or both."

10s. vignette, Franklin drawing lightning from the clouds. Allegorical representation of Genius of America, a female figure upon an eagle in the clouds grasping a thunderbolt. Other side—vig. De Soto discovering the Mississippi.

20s. vignette, Battle of Lexington. Allegorical representation of Loyalty, figure of Liberty in fore ground, bearing national ensign, farmers, artisans, etc., rallying round the flag. Other side—Baptism of Pocahontas.

50s. vignette, Washington crossing the Delaware. Allegorical representation, Prayer for Victory. Other side—Embarkation of the Pilgrims.

100s. vignette, Battle of Lake Erie. Allegorical representation, Maintenance of Liberty and Nationality. Other side—Declaration of Independence.

500s and **1,000s** not decided, but the intention is to illustrate them by incidents of the present war.

THE BOOK TRADE.

Soundings from the Atlantic. By OLIVER WENDELL HOLMES. Boston: TICKNOR & FIELDS.

Every one, of course, loves to read everything Dr. HOLMES writes. We equally delight to have him electrify us with his poetic fervor, amuse us with his wit and humor, or instruct us with his earnest thoughts, expressed in good old Saxon. This volume which he now gives us is not a sea novel or essay on the sea, as some might, from the title, suppose, but a collection of the choicest papers which the witty doctor has contributed to the *Atlantic Monthly*. We are glad to see them in this form, as all will be who love good things served up in a good style. The title of these "Soundings" are as follows: "Bread and the Newspapers," "My Hunt after 'The Captain,'" "The Stereoscope and the Stereograph," "Sun-Painting and Sun-Sculpture, with a Stereoscopic Trip across the Atlantic," "Doings of the Sunbeam," "The Human Wheel, its Spokes and Feloes," "A Visit to the Autocrat's Landlady," "A Visit to the Asylum for Aged and Decayed Punsters," "The Great Instrument," and "The Inevitable Trial."

Keep a Good Heart. New York: D. APPLETON & Co.

If good books for children make good children, certainly the coming generation, on reaching manhood and womanhood, ought to surpass their fathers and mothers in all that is excellent. When we were children the books we saw, besides those at school, were ponderous histories or now and then the life of a good boy or girl, all of whom died *very* young. This latter class of publications have been laid aside of late (on the supposition that the early death was no inducement for following the good example), and in their stead we have books of real merit, the influence of which must be excellent. In fact, very many of them can be read with no little profit by the teacher as well as the scholar. As an illustration and confirmation of this remark, we would refer to the one above mentioned, "Keep a Good Heart." We have read it—every word of it—and shall be glad to read just as many more as the author or authoress can give us. The style is excellent (a point formerly neglected in children's books, and yet children know what good English is,) and the lesson taught is invaluable, while the mode of presenting the great truth is such that its effect must without doubt be lasting. We should certainly advise every one who has a child to bring up to put this book into its hands without fail. Give children good, attractive religious reading and religion will, to them, never wear the gloom with which some surround it, but will shine out with its own cheerfulness and loveliness, attracting rather than repelling.

The Pet Bird and other Stories. By COUSIN ALICE. New York: D. APPLETON & Co.

This little volume is the last that "Cousin Alice" will ever give her host of young readers. Her death a few months ago has saddened many a child's heart, and this final word from her pen will have, therefore, a double attraction. It contains fourteen short stories, written in the pleasant, graceful, earnest style for which she was noted—some matters of fact, and others matters of fancy—all delightful reading for the little ones. Each story is prettily illustrated.

Flowers, Fruit, and Thorn Pieces, or the Married Life, Death, and Wedding of the Advocate of the Poor, FIRMIAN STANISLAUS SIEBENKAS. By JEAN PAUL FREDERICK RICHTER. Translated from the German by EDWARD HENRY NOEL. With a Memoir of the Author by THOMAS CARLYLE. Boston: TICKNOR & FIELDS.

The translation of this work from the celebrated German author is issued by the publishers in two beautiful volumes. As may be judged from the title, a large portion of the contents is a narration of the writer's personal experience, his trials and sufferings in poverty, and the subsequent enjoyment of life more congenial to his taste. A deep pathos, plentifully besprinkled with fine thoughts and brilliant passages, together with keen insight into human character, is displayed throughout the work. In fact, as his translator says, JEAN PAUL is rich and redundant in language and georgeous in description. "Some he will please; others will criticise, perhaps lightly condemn; but his noble, poet's soul may stand, fearless of the judgment of every nation."

Levana; or, the Doctrine of Education. Translated from the German of JEAN PAUL RICHTER. Boston: TICKNOR & FIELDS.

This interesting work has many valuable suggestions upon home education and training, and indeed contains so many good hints and real truths, so pertinently put, that we wish it might be extensively read, especially by parents. Much of the time the lively wit of the author shines out brilliantly; indeed some reader may think he is not serious enough upon serious subjects, yet there is so much sound common sense running through the whole work, and the amount of interesting information is so large, that it is not worth while to be too critical respecting the manner in which it is communicated. The author loves and understands little children, and writes of them with a tenderness and pathos that is pleasant to read.

Gala Days. By GAIL HAMILTON. Boston: TICKNOR & FIELDS.

Unfortunately GAIL HAMILTON, in an inauspicious moment, wrote "Side Glances at Harvard." She there told us many good things, and some that it would have been as well to have left unsaid. Before that time her star was in the ascendant, but since then all Massachusetts has been after her. One Boston critic advises her, with a touch of sarcasm, never to write any more, while many others say she possesses none, or, it may be perhaps, the least atom (no more) of literary merit, and shows an entire "lack of real practical knowledge of all subjects she discusses." We certainly cannot agree with these critics. If her writings showed talent before she wrote about "Harvard," certainly she has it still; and who ever read her essay entitled "My Garden" without feeling that she possessed unusual cleverness and showed literary merit of no mean order? In "Gala Days" we have several of her most popular papers contributed to the *Atlantic Monthly*, and among them is this same "Side Glances at Harvard" which provoked so much criticism, as we have already stated. They are all written in a lively, agreeable style and will have very many readers. We trust she will continue to publish her thoughts in spite of the critics.

The Rejected Wife. By MRS. ANN S. STEPHENS. Philadelphia: T. B. PETERSON & BROTHER.

This is a very readable book. The author has taken the leading incidents of BENEDICT ARNOLD's life, and made of them, with the help of a good imagination, quite a thrilling romance. Of course, all the incidents are not facts; and yet historical events are so interwoven as to lend to the story an additional interest.

Appleton's U. S. Postal Guide. New York: D. APPLETON & Co.

This is just the book we have wanted and the public have wanted for a long time, giving, as it does, all the regulations of the Post Office, a complete list of the post offices throughout the United States, besides those thousand and one items of information which almost every person who mails letters (and who does not?) is continually asking for and ought to know. There are also in it many valuable suggestions, especially of interest to those having much correspondence.

History of the Romans under the Empire. By CHARLES MERIVALE, B. D., late Fellow of St. John's College, Cambridge. From the fourth London Edition. With a copious Analytical Index. Vol. I. New York: D. APPLETON & Co., 443 & 445 Broadway. 1863. Cloth, \$2.00; half calf, \$3.50 per volume.

We are very glad to see that the Messrs. APPLETON & Co. have begun the republication of this valuable work. The first and second volumes appeared in London in 1850, we think, and the others followed, from time to time, but it was not until last year that the seventh and last was issued. As, however, one by one, these volumes have been given to the public, they have met with a very warm reception. The *Edinburgh Review*, speaking of the two first issued, remarked:

"We have read these volumes with great pleasure, and we close them with even greater expectation. * * * There was room for a history of Rome, both absolutely, as regards the subject itself, and relatively, as regards the demands of the present age. Mr. MERIVALE appears to have discerned both the need for such a work, and the conditions under which it may be competently executed. * * * He has entered a field in which he has no rival, and scarcely a competent predecessor. * * * We may add, that the style is vigorous, and the arrangement lucid; that the descriptions are often striking, and that the occasional episodes are skillfully introduced. Our readers will perceive that Mr. MERIVALE's undertaking is nothing less than to bridge over no small portion of the interval between the interrupted work of ARNOLD and the commencement of GIBBON. He comes, therefore, between 'mighty opposites.' It is praise enough that in this, his first instalment, he proves himself no unworthy successor to the two most gifted historians of Rome whom English literature has yet produced."

Some years later, the same Review says:

"We greet with no ordinary pleasure each instalment of Mr. MERIVALE's work. * * * In the volumes before us we see no reason to modify the opinion which, nearly seven years ago, we ventured to give of their predecessors. The historian displays the same unwearied diligence, the same impartial judgment of men and events, and supports his opinions and his statements with the same exact and comprehensive learning."

As this work terminates where the narrative of GIBBON commences, it will be found an indispensable addition to every library.

In War Time, and Other Poems. By JOHN GREENLEAF WHITTIER. BOSTON: TICKNOR & FIELDS.

This pretty little volume is filled with poems, written in Mr. WHITTIER's usual earnest style, full of fervor and feeling, many of which have already appeared in the *Independent* and *Atlantic Monthly*. More than half the volume is devoted to subjects connected with the war, peculiarly adapted for enlisting the author's sympathies and exciting his impassioned muse. To our mind, however, the latter portion of the book, containing the "Home Ballads," and "Occasional Poems," has more poetical merit than the war lyrics; yet the fire of WHITTIER's genius shines through all, giving us many beautiful thoughts and stirring passages.

We are compelled to defer until next month the publication of many other notices of new Books intended for this number.

THE
MERCHANTS' MAGAZINE

AND
COMMERCIAL REVIEW,

CONTENTS OF No. I., VOL. L.

VOLUME L. JANUARY, 1864. NUMBER I.

ART.	PAGE
I. PROSPECTS OF IRELAND.....	5
II. UNITED STATES BANKS AND PAPER CURRENCY vs. STATE BANKS AND THE SUB-TREASURY.....	8
III. A NATIONAL CURRENCY. By A. K. SHEPARD.....	15
IV. COMMERCIAL LAW. No. 9. AGENCY.....	17
V. COMMERCIAL CHRONICLE AND REVIEW.....	24

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

BANK RETURNS AND BANK ITEMS.....	52
City Bank Returns.....	32
New York Banks.....	52
Boston Banks.....	33
Philadelphia Banks.....	34
European Finances—Bank of England Returns.....	35
New York Clearing-house—Annual Meeting.....	36
Report of the Secretary of the Treasury.....	39
The Indebtedness of the United States.....	44
Report of the Secretary of the Navy and the Chief of the Bureau of Ordnance.....	48
Synopsis of the Postmaster-General's Report.....	54
Treasurer's Report of the States in Rebellion.....	56
Are United States Treasury Notes a Legal Tender? Decision of the Court of Appeals of New York.....	59

COMMERCIAL REGULATIONS.

Decisions of the Treasury Department under the Tariff Act of July 14, 1862.....	77
Buffalo Robes.....	77
Hares Furs.....	77
Steel Railway Bars.....	78
Cod-Liver Oil.....	78
Ladies' Dress Ornaments.....	78
Shirting Flannel (so called).....	79
Powdered Acorns.....	79
The National Bank Currency.....	80

THE BOOK TRADE.

Notices of New Publications in the United States.....	81
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