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THE EX-SECRETARY OF THE TREASURY AND HIS SUCCESSOR.

THE finances of a great nation, in times of crisis, are often fatal to the minister that undertakes to guide them. That Mr. CHASE would, sooner or later, break down under the system he put in action, was very apparent to every reflective mind; but the immediate and sudden termination of his career was hardly looked for. Nevertheless, events seem, latterly, to have crowded so fast upon each other, the course of depreciation being so rapid, forcing the Secretary to the most desperate expedients to stem the downward torrent, that it became very evident he would speedily be swept away by it; and he, therefore, resigned on the 30th of June. The President immediately nominated DAVID TOD, Ex-Governor of Ohio, as his successor. Mr. TOD was known mostly as a politician, but had, in his career, identified himself so decidedly as a hard money advocate, that he won the *sobriquet* of "Pot Metal Tod." Although that gentleman promptly refused the office his antecedents, in that respect, were taken as indicative of Mr. LINCOLN'S views upon money questions. The Hon. WILLIAM PITT FESSENDEN, who has represented Maine two terms, as United States Senator, and who has served as chairman of the Finance Committee, was then nominated, and immediately confirmed as Secretary. This gentleman is a lawyer, and one whose financial theories and experience have been gained only in the Finance Committee; but he has personal qualities, which enable him to command more public confidence in that situation than would, perhaps, any other mere politician. If the country is fated to be governed by lawyers, in all its departments, perhaps Mr. FESSENDEN is as good a choice as may be made.

He has, however, a terrible task before him, to assume what may be called the *débris* of the splendid patrimony of the country, which, with *carte blanche*, was put into Mr. CHASE'S hands, but has, with his manipulation, been so wasted as to have the nation now, we might almost say, in a state of bankruptcy. To restore a currency which has once been so depreciated, and, at the same time, extract taxes and the means of carrying on the government, seems to the practical financier almost a hopeless task; since the restoring of the currency in-

volves falling prices. These cannot decline without causing losses, bankruptcy, diminished value of property, and suspended production, a state of affairs that destroys the power to collect taxes, and makes borrowing difficult, if not impossible. Yet this is the task from which Mr. CHASE shrunk, after causing the necessity for it, and which Mr. FESSENDEN has now to undertake.

When Mr. CHASE first assumed the position of Treasurer the personal property of the Northern States was, per census, \$2,500,000,000, the debt nominal, and the currency specie; at the last published statement the debt is given at \$1,720,000,000; but it is well known that the real amount is many hundred millions in excess of that sum; in fact the debt, we believe, is nearly equal to the personal property in 1860; while the personal property itself has greatly diminished in quantity during the war. Of this debt about \$800,000,000 is in various forms of paper money, which had depreciated to 40 cents on the dollar on the day of Mr. CHASE's resignation; so, also, two loans put on the market by Mr. CHASE, had failed. The expenses for the coming year, estimated some months since, are about \$1,000,000,000. Now with the currency 40 cents per dollar, with the loans unproductive, and with all prices at a high level of inflation, and daily rising, Mr. FESSENDEN is called upon to provide for the coming year. The task is not a light one. Its great difficulty consists in the fact of the present high and increasing prices for commodities, and that all the taxes of the government are taxes upon consumption or indirect taxes. There are no taxes upon property. This alternative then presents itself:—If the present level of currency is maintained the expenses of the government will be swollen by the high prices to an extent equal to the product of the new taxes. To illustrate—the Quartermaster's Department bought last year 283,940,284 lbs of corn, or 4,800,000 bushels, at 90 cents, making \$4,320,000. The same quantity now will cost \$7,100,000. Thus \$2,800,000 of the increased taxes is sunk in that one article. The pay of the troops is higher; the same number of men and subsistence will cost 50 per cent more this year; consequently the new taxes count nothing as a resource, unless the present prices are reduced.

On the other hand, if prices fall, the stringency and distress thereby caused tend to make the collection of taxes difficult and loans impossible. The revulsion set on foot by Mr. CHASE to cause a reduction in gold, has reduced the customs revenue to a point far below the wants of his interest account, and the prospect is not propitious for the future payments. Such, then, is the condition in which Mr. CHASE leaves our finances; and these facts should be well understood now, lest hereafter Mr. FESSENDEN be blamed for disasters, to avert which was beyond the power of man.

The initiative error of Mr. CHASE seems to have been a distrust of the people. He, apparently, in taking possession of the Treasury, understood that a large amount of money must be raised for the support of the war, but he was afraid that the patriotism of the country would not remain proof under the burden of taxes; that if he imposed such taxes as were indispensable to the maintenance of the war on a sound basis, the people might shrink from its prosecution. He therefore determined that the war should go on, and that by means of paper issues it should be made apparently profitable, always

promising that it should speedily end, and, perhaps, hoping that peace would come before bankruptcy.

In his report, Dec., 1862, page 22, he wrote:—"If, then, the war should be continued, contrary to hope and expectation, to midsummer, 1864, and the public debt shall reach the utmost limit now anticipated, of seventeen hundred millions of dollars, the excess of revenue will reduce the debt, in the first year of debt, more than three per cent."

Midsummer has come, and with it a debt of about two thousand millions, and the revenue he promised does not exist. These hopeful predictions, however, were a part of the expedients which Mr. CHASE adopted, and which have, in the absence of all plan or system, helped to produce such a constant succession of alarms and surprises. When, for instance, the public has been alarmed by the effects of paper money, it has been promised curtailment, but has been surprised by new issues. The distrust of all has, however, been aroused, perhaps, more than by anything else, through the attempt to overturn the whole national system of finance, by the introduction of a new system of National Banks of a very pernicious character. With the establishment of these, all dependant upon the Secretary, grew up a system of agencies, also taking their tone from Mr. CHASE, who, in his turn, reflected only the pernicious councils of interested parties. He was thus gradually estranged from the banking interest of the country, and then from the influential and practical private bankers, whose sagacity and skill were the most valuable aids the Treasury could have had.

Embarked upon the sea of paper money, and terrified by its effects, Mr. CHASE revived all the expedients of a past age; the sales of gold, the gold prohibition, besides many other devices, and numberless expedients that had no effect but to increase depreciation. Last year, when the Ohio elections were pending, Mr. CHASE could not avoid parading his seeming success before the people in stump speeches. He was then at his *apogee*. He plumed himself upon his discovery of a paper money that would not depreciate by increase of quantity. To be sure it did depreciate, but he said that was faction. He claimed for it permanency and uniformity. The former is, alas, too true, and the latter is seen in the rate of discount. He said he had paid all debts, and had \$25,000,000 in the Treasury; that he could pay the army Nov. 1, and had, therefore, time to electioneer. In recounting the course of his success, he stated that after he had borrowed all the gold he could get, he was struck with the remarkable fact that gold did not come back to him as fast as he had paid it away—an experience that must come home, we apprehend, to everybody who has expended borrowed money, and whose ability to borrow more is at an end. When he discovered that he could not borrow the notes of others, he concluded to pay out his own. This, however, he found was only another form of borrowing, and that there was the same indisposition to take his notes without interest as those with interest. He then conceived a new idea, and compelled them to take them by making them a legal-tender. On these paper wings he has floated higher and higher, while the whole community was being exhilarated and intoxicated by reason of his paper draught. At the same time gold has been demanded for duties. He has caused the importers, in the last year, to buy \$100,000,000 in gold to give him for duties, and the tell-tale price they were compelled to pay accurately measured the distance of his paper

flight from a substantial foundation. He then began to sell gold himself, while he sought to prohibit all dealing in it. But the crisis had arrived when Mr. CHASE was at the height of his paper flight, and while flaunting in the pride of his success, the process of his undoing was at work.

"ICARUS was very near the sun, but there was nothing to prevent the melting of the wax in his wings, and bringing him under a cloud of his own feathers."

We trust and believe our new minister of finance will show more wisdom, and though the task before him is a difficult one, yet, with confidence once restored, much may be done that seems now almost impossible.

THE NEW EMPIRE OF MEXICO.

A. K. SHEPHARD.

THE "Conquest of Mexico by France" in the June number of the *Merchants' Magazine* is an article both interesting and valuable as a history of the occupation of that country by the French, and yet its general drift is towards the popular fallacy which construes the occupation into an act of hostility towards the United States.

This country has always occupied a dog-in-the-manger position towards the Spanish American republics. While loudly protesting against any interference in their affairs, and professing to be the natural protectors of these weak and unfortunate States, we have suffered them to dash themselves to pieces on the rocks of civil discord.

Satisfied with proclaiming to the world our belief in the Monroe doctrine, we have never shown any consistency between our professions and our practice.

In the year 1858, when General Houston proposed in Congress the establishment of an American protectorate over Mexico, how much sympathy did his plan attract? And yet at that very time the Mexican people would have hailed such a protectorate with joy. The writer was then traveling in Mexico, and, so far as his observations extended, the intelligent portion of the community were unanimous in desiring American intervention. Wearied with civil wars, they were ready to accept as a blessing any interference in their affairs which, leaving them their own government, would still protect the country with the strong arm of law.

Again in St. Domingo, previous to the Spanish usurpation, the people were anxious to annex their fertile island to the United States. Everything was done on their part to bring about annexation, and how did the United States receive their overtures? With indifference, and this, by nature the richest of the West India islands, was suffered to fall into the grasp of Spain.

Incapacity has ever marked our conduct of Spanish American affairs, and now that we are reaping the fruits of our folly we lay the blame upon others. Is it that American genius is not suited to diplomacy? In a list of forty ministers and consuls-general why should one-eighth be foreigners?

In a somewhat extended acquaintance with Spanish American cities, the writer never saw but one United States consul who spoke the language of the country in which he resided. A similar lack of linguistic accomplishments generally falls to the lot of American ministers. It may be a matter of no importance, and yet to a casual observer it does seem that closer relations might be maintained by representatives who, thoroughly acquainted with the people to whom they are accredited and alive to their wants, should seek to turn their knowledge to the advantage of their own country. This is more particularly true of the South and Central American republics, in which proper effort would establish the United States as a leader and protector.

Mexico, New Granada, Chili and Peru were the seats of the highest civilization of the aborigines of this continent, and it is among the elevated table-lands of the Cordilleras and the Andes that the white race must yet attain its highest perfection in the new world.

In those equable and tempered climes are developed neither the sloth and indolence of a purely tropical climate, nor the apathy and plodding dullness of the north, where life itself is wrested from nature by hand-to-hand conflict, and the exertion to maintain it often takes from existence its greatest charms. In every northern country whole classes of community barely live.

The vicissitudes of climate, long, rigorous winters, the scant, unyielding soil all call for ceaseless labor. But on the fertile plains of Mexico, life is supported with scarce any exertion, and in a perpetual spring-time to live is in itself happiness. Perhaps it is in the mission of machinery to overcome the difference between the climates, and free man in the North from his many toils. Future centuries will develop that fact; as yet in natural capabilities for civilization the North is far behind.

It will perhaps be asked, if these southern countries are the natural home for civilization why do we find them as they are?

The answer is, that the proper race has not yet come into possession. Had the pilgrims landed where Cortez did, who can imagine the glories which Mexico would have attained? It is her mongrel race which has retarded her development, nor can we look for improvement till a different element is introduced.

Mexico for more than thirty years has been an abomination to civilized nations. No one who has resided there, a witness of ever-occurring deeds of violence and tyranny worse than ever disgraced a despotism, will grieve that the Mexican "republic" should have succumbed to any government which can guarantee stability and quiet. We might have assisted Mexico to a better state. We did not. France saw the advantages to be derived from so rich a country. Her claims upon it were unjust, but no government founded upon justice has existed in Mexico for years. The only question to decide is, whether the empire will prove beneficial to the country and not inimical to ourselves. Quixotish ideas with regard to freedom and republicanism should not be allowed to have weight. No one would recommend a republican government for the barbarous tribes of Africa. Even we (self-satisfied as we are), are a century behind our institutions.

Mexico has been tried and found wanting, and no one who has carefully observed the country from the Coatzacoalcos to the Rio Grande,—who has become familiar with the people, from the cultivated Spaniards

of the capital to the ignorant and unambitious Indians of the south, or the squalid rancheros of the north, can conscientiously say that from their present condition, any more than from their past history, are the Mexican people fit for self-government.

Complacent theorists may sit quietly at home, and while outrage upon outrage is perpetrated under their very noses through the folly of entrusting the sacred right of suffrage to unfit men, they may talk beautifully of the rights of man and universal liberty. But that scarcely proves that semi-barbarians should be allowed to usurp the privileges that belong only to those who have the intelligence to exercise them. The great fault with these theorists is, that they do not distinguish between the rights of men and their privileges. All men are entitled to "life, liberty, and the pursuit of happiness;" those are rights. The privileges of office should be entrusted only to those who are qualified to discharge its duties. What could an uneducated boor do at the head of the finances, or foreign affairs of a great State? And yet, look at the mismanaged municipalities, where matters that affect only property holders are almost entirely in the hands of men as unprincipled as they are penniless. This is our "model" country.

In the city of Mexico, and the larger cities of the interior, the political power has always been centred. Large districts of country are entirely isolated from the capital, and communication is difficult and dangerous over the rough roads and mountain barriers. These isolated districts have never had anything to do with making or unmaking governments. Exempt them from forced contributions and levies of troops and they care not if Maximilian is Emperor, or Santa Anna. If central Mexico can be held the country is subdued.

It is only a strong government that can develop Mexico, organize and manage her resources, and bring together the discordant elements that harass her. There is now in the country sufficient intelligence to prevent a despotism any worse than the so called republic has always been. Let the people remain quiet and they will grow into a republic. Already the French have inaugurated improvements in the country. Forty miles of railway from Vera Cruz towards the capital have been completed—a railway begun in 1856, but which could not be carried on under the protection of the republic. Twenty-five years of peace will place Mexico as much in advance of our land of fickle fortunes, principles, and weather, as the Aztecs were ahead of the Potawattomies.

What have we to fear from an empire in Mexico? Is it military expeditions? Let the timid study well the geography of Mexico, and they will fear as much the aggressions of Russia, from her possessions on the northwest corner of the continent. The only country on this hemisphere with which we have an important trade is the Empire of Brazil. To foster this trade Congress has wisely granted subsidies to a line of steamers. Shall we respectfully inform the Emperor that in accordance with the requirements of the Monroe doctrine he must change his form of government? Let us rather turn our energies towards fitting ourselves for the blessings of a free government which is much too good for us, and not thrust our republicanism upon people to whom it would bring as much good as Greek testaments to Congo negroes.

If France, or England, or Maximilian can bring a stable government to Mexico, let us be thankful, and foster our relations with the country, that

we may profit thereby. And before we cry out against "the destruction of the liberties of a free people," let us ascertain whether they ever were a "free people." Can any one doubt that a well ordered empire is better than an anarchy? Was France happier under Robespierre than under Louis Napoleon?

SANDWICH ISLANDS.

NUMBER I.—HONOLULU AND THE PAHRI.

H. B. A.

HONOLULU.

AFTER several weeks at sea the bold promontories and volcanic peaks of Oahu are very pleasant to the eye. As the ship sweeps past Diamond Head, under the strong north-east trade-winds that prevail for ten months of the year, we catch our first glimpse of Honolulu, its beautiful valley—Nuaanu—the long line of surf that marks the reef, and the few ships at anchor in the harbor beyond; and in a few moments we are at anchor among them. The view bursts upon the eye so suddenly that it dazzles and bewilders by its beauty and variety. All the wealth of the tropics cannot be gathered at a glance. The most easily remembered landmark is that first seen from the eastward—Diamond Head, an extinct volcano of irregular shape and great boldness of outline. It rises about five miles from the town, and at a distance appears a truncated cone, its single ridge, broken by inequalities, rising from the plain and attaining its greatest height at the sea-shore. On nearer approach, the sides and circular shape of a volcano are plainly visible. As in most of the extinct volcanoes of the Sandwich group, the outer rim of this crater is supported by bold and massive buttresses—a grand order of architecture designed by the great Architect of the universe. Man might profit by imitating them,—indeed, so similar in conception are the buttresses of gothic cathedrals, that one could almost believe them to have been modelled after the giant supporters of these mountain temples. These ponderous buttresses are the overflow of the lava dripping from many points on the rim of the bowl, and finding its way downwards until cut short by the sea.

At the foot of Diamond Head, on the side towards Honolulu, is an extensive grove of cocoa-nut trees, growing along the beach and forming with the volcano sure signs to remind us that we are approaching a tropical land. Glancing past these and along a strip of land washed by the surf for two or three miles, the eye rests upon a massive stone building, with belfry and clock-tower, the native church of Honolulu and the only structure of any size in the town. It is a very remarkable building—a landmark far off to the sailor approaching from China or Australia. Many a poor fellow, who has not seen the inside of a church for years, has been reminded of his duties or his privileges by this, the church of the Pacific. To the left of the stone church, and nestling at the foot of Nuaanu Valley, lies the town, looking like some quiet New England vil-

lage, with its neat white houses, its warehouses of brick and stone along the water's edge, and here and there a flag-staff with the Hawaiian, or, it may be the American flag displayed; and, let it be said, more frequently the latter than the former. The delusion is almost complete until the ship is moored to the wharf; only the singular mountains, bearing marks of fire, and the tropical cocoa-palms are there to break the charm; but on landing it is soon dispelled by the strange words of the dark-brown natives, their *aloha* of welcome, and the sight of a grass hut here and there among the houses of the foreign residents. Still, after a residence of several weeks, it is difficult to conceive of it as a Kanaka city, for an acquaintance with the listlessness and want of enterprise entering so largely into native character constantly reminds the stranger that the American-built houses and the comforts they contain are the results of foreign, not of native thrift and skill. True, the king and the nobles, as well as some of the most intelligent and industrious among the natives, possess similar houses, well furnished with most of the comforts of civilized life, but the great mass of the people are not capable of the continued effort necessary to procure them.

To tell the truth, as it was told me by one who visited it in 1840 with the United States Exploring Expedition, "Honolulu is an American colony, sir, quite an American town, sir." If this was true then it is much more so now from the gradual decrease of the native element and increase in the number of American residents since the opening of California. No doubt the English residents, especially since England has appointed a bishop for the islands, would take umbrage at such an assumption; but it is nevertheless true, the amount of English capital, trade and interests bearing but a very small proportion to those of America.

Excepting the churches, Honolulu can boast few public buildings. The palace of the king can be seen only by those honored by a presentation at court; the Custom-house and Court-house are stone buildings of no pretension whatever; the Queen's Hospital, at a short distance from the town, is not a very large or very elegant structure, while the Hawaiian theatre is an old, tumble-down affair, apparently given over to the rats and centipedes. The public offices, as they are termed, on Fort-street, are very unpretending wooden buildings, painted a Quaker drab and half hidden by a high wooden fence of an unexceptionable brown color. A Quaker congregation would be quite at home on the premises, notwithstanding the ominous sign-board, "*Department of Foreign Affairs and of War*"—which last bureau is a pleasing little fiction of the Hawaiian officials harming no one. The churches are, in reality, the most important and interesting of the public buildings. Of course the stone church, so conspicuous from the sea, is chief among them, gathering a congregation of some 3,000 natives on the Sabbath, and being the great town hall or "tabernacle" in which all public meetings or concerts are held during the week. Built, as it was, entirely by native contributions and mainly by native skill, it will be the monument of this people when the causes which are wasting them away shall have worked out their inevitable result, and the nation is extinct.

Although this end is seen approaching, the church is yet well filled on the Sabbath, and the services, conducted in the Hawaiian language, have many devout attendants who do not lose a single word of all that is told them from the pulpit. It would be well if their quiet and attentive de-

meanor could be transplanted to some of our own churches at home where the sleepers outnumber the hearers.

Besides the native church the Congregationalists have a chapel where regular services are held in English, and there is a seamen's chapel which, in the times of whaling, has often been crowded with sailors.

The Roman Catholics have a handsome, well-built cathedral on Fort-street which is quite largely attended by natives, whose love of finery overmasters their religious teaching; and the English Puseyites or Reformed-Catholics as they prefer to be called in Honolulu, have a small chapel and a smaller congregation at the entrance to Nuaanu Valley. They propose, however, to erect a large and suitable building for the new bishop.

In a small place like Honolulu the rivalry between these various sects soon becomes bitter, and just at present a strong mixture of political interests with those of the English Church affected by the advocates of the New Establishment, has given rise to more sharp feeling than has existed for some time past. The late king seemed disposed to unite church and state after the manner of Great Britain, and having sent to England for an Episcopal clergyman and received a bishop, he gave him a standing and position at court as Lord Bishop of the Isles, which has almost turned the head of the reverend gentleman. Much political capital is made of this, and the certainty, within a few years, of the Hawaiian dynasty becoming extinct, together with the advantage to be derived by either nation of possessing superior political influence at that time, when the islands will fall either to the United States or Great Britain, gives much interest to the matter, and in the minds of the people of foreign birth in the islands makes the slightest change in affairs appear a matter of stupendous importance to both countries. To hear some of them it would be supposed that the eyes of the whole world were upon the honorable gentlemen representing the great nations at the Hawaiian court, and that the slightest difference of opinion between them was an affair of national importance. Little questions of etiquette assume in their eyes a national importance. For instance: a prodigious sensation was made last May (1863), by the refusal of the American minister to hoist the stars and stripes on the Queen's birthday—a pretty piece of discourtesy, the more marked since the day was made a public holiday, and the foreign consuls all hoisted their flags. Englishmen waxed indignant at the slight to the Queen, as they called it, and could not be pacified. It turned out that the minister had deemed this course necessary for the honor of his country, since Washington's birthday had not been observed at the British embassy. In such silly controversies time passes at a court where there is little to do. It is proper to remark that the gentleman now representing the United States at Honolulu had not at that time entered upon his official duties, and that strange stories of the incompetency of his predecessor were afloat.

In this connection it is impossible to avoid mentioning the close bonds which unite foreign residents at Honolulu to their native countries, however long absent and isolated the individual may have been. The oldest missionary turns to the United States as *home*, although he may long since have dismissed all hope of returning thither, and the children of missionaries, born and brought up on the islands, have as absorbing an interest in the great struggle now progressing in the States as any boy

in New York or Kentucky, and are quite as well informed of its nature and progress. We have Hawaiian citizens in our national army who are followed with lively interest by friends and relatives in this little kingdom of the Pacific. This failure on the part of residents to identify themselves heart and soul with the land of their adoption marks the difference between a rising nation and a feeble one. New York city alone receives as many emigrants in a single month,—often in a single week, as would outnumber the entire population of the Sandwich Islands. They come from out all nations under Heaven. In a few years their nationality is lost; they are swallowed up in the great sea of American citizenship; but in these islands the few hundreds of foreigners who from time to time have settled there have been a peculiar people, superior to and separated from the natives, and while the latter are melting away the former, maintaining their distinct and commanding position, are destined in the end to become the sole inhabitants of the group. It is true that many among these foreigners marry native wives and take the oath of citizenship, but this does not alter their relative position. Their wives are elevated by the alliance, and their children are educated as whites, rising above the people in thought and associations. Some of these children are so nearly white that it would be impossible to detect the shade of native blood.

It is this clearly defined line between the native and foreign population, and the gradual diminution of the former by natural causes, which marks the certainty that in a few years even the shadow of power will have left this people. It only remains with them now by sufferance, for in reality the foreigners possess most of the political power and money capital of the group. Any sudden development of the sugar interest would so much increase the white population as to make them sole owners of the soil, as they are now to a very large extent. Then any serious attempt by the king and chiefs to legislate against their interests would speedily lead to a revolution, by which the whites would become in name as they are now in reality, the leading power in the Sandwich Islands.

During the last three years the sugar interests have increased so largely, and it has been so well proved that the business will pay large profits notwithstanding the failure of several enterprises through ignorance and lack of capital, that it may be considered a matter of great probability—almost of certainty—that the next five years will see a marvellous change in the standing and prospects of the country. Honolulu hitherto has been known only as a port of call where our whale-ships have touched twice a year for supplies. Soon it will be a great export mart for sugar, and possibly for coffee. With less outlay of labor the rich lava soil of Hawaii and Kaüai will produce larger crops of sugar than any other land in the world, not even excepting the rich cane-lands of Cuba. The great wants are capital and skilled labor. Native labor is abundant enough and cheap enough, but totally inadequate for the cultivation of the islands on a large scale. Capital is scarce, and the place so remote that it is not easily attracted thither; but for sugar planting it is increasing. With ample capital and improved machinery the sugar culture will soon become the great industry of the islands, and a source of wealth to all who engage in it bringing skill and energy to the work.

Honolulu at present is in a transition state between the prosperity

arising from the whale fishery and its position in the Pacific as a central depôt for whale ships, and the new and more enduring benefits to be received as the warehouse of the sugar-plantations. The business it enjoyed with the whalers has failed almost entirely, and the business it will do for the planters has hardly been felt as yet; so between the two the town is like the ass between the bundles of hay in the fable.

It is among the most beautiful and sluggish, unenterprising cities of the world. Sometimes it is cut off from the rest of the world for a month at a time. Ships pass on their way to China, but they do not care to lose the trade-winds by touching, and then the stagnation becomes awful. The weekly papers are filled with profound speculations as to what has become of the monthly packet. The literature of the month is exhausted; there is little to interest in the daily routine of life. The merchants, with nothing to do, meet on the shady side of the streets to smoke their pipes, while the natives drone in the sunshine. Such places are greatly given to scandal and gossip where each man knows all the affairs of his neighbors.

Then woe to the unlucky traveler who has completed his tour and is compelled to wait a China-bound vessel to be once more in motion,—a ship always expected, daily reported, and rarely touching. They see “lights out at sea,” and speculate interminably, always sure that it is the “only chance.” When at last a ship appears all is excitement for a day or two, and then the citizens slide back into their old habits of brushing off flies and indulging in long meditations to wake up at the next arrival a month later.

Some unfortunates have remained waiting, watching for two months, and taken passage at last to San Francisco in despair, retracing two thousand miles of their journey. Such was the ill-fortune of Mr. Dana, who wrote “Two Years Before the Mast.”

THE PAHRI.

By far the most interesting sight to the stranger at Honolulu is the precipice at the head of Nuaanu Valley, called “the Pahari, or Jumping-off Place.” It is but a short horse-back ride from the town, from which, indeed, it is plainly seen. The road leads out through the Nuaanu Valley, gradually rising between beautiful villas hidden in kukui or candle-nut trees and cocoa palms, and between patches of kalo, rice, and sugar cane. The kalo patches are peculiar to the islands and China, the irrigated pits especially belonging to the Nuaanu Valley. A little stream running through it is used to irrigate acre after acre of kalo-pits as they descend, like terraces of table land, from the head of the valley towards the sea. Few of them contain more than two acres of land, and, as they lie adjacent, walls of turf with foot-paths upon them are thrown up between the pits. The kalo is planted in hills like maize, and the stalks and roots being under water, the broad flat leaves are thrown out like those of the lotus, although in shape they resemble those of the rhubarb or pie-plant. One of these pits will support a native family; every part—root, stalk, and leaf being edible. Baked, the root is superior to the sweet potato and bread-fruit; ground and fermented it is used as *poi* by all the natives of Hawaii, and constitutes the national food; while from the leaves cooked as spinach is made one of the most piquant and wholesome dishes to be had in any country. It is the most nourish-

ing and prolific vegetable known, and is grown so cheaply that with twenty-five cents worth of *poi* a native can subsist for ten days, which is a rate of expenditure one-third less than that of the Chinese coolie, who has the reputation of living on less than any other human being. A kalopit forty feet square will support a man for a year, the fruit ripening at all seasons.

The kalo lands are most numerous at the foot of the valley where the soil is richest and more thoroughly moistened with the drainings from the hills. Leaving them behind, we find that as we rise the view of the town and bay increases in beauty with every step of ascent. Mountains rise on either hand to the height of two thousand feet, with spurs or buttresses branching off to the valley. All these are covered with small shrubs and ferns, and here and there a waterfall or a single thread of water trickles over their sides.

A single conical hill, with its slightly depressed crater called the Punch-bowl, stands to the right of the valley, and just in front of us is the clear outline of the Pahri, seemingly less than a mile away. Turning, the prospect embraces almost every kind of tropical scenery to be viewed in the islands; the ocean, surf, and beach with its fringe of cocoa-palms; the arid plains at the base of volcanoes where the work of decomposition has barely commenced, and the fertile valleys where water or the hand of man has crumbled the lava-rock into a rich black soil; the volcanoes themselves now extinct, but showing in the bold outlines and the desolation near their summits the fearful work of fire; and last, but not least, the cheerful dwellings of civilized man—a city hidden among trees. By our very side, in the foreground of the picture to make it complete, stands a native hut, like a relic of the past, its grass-thatched sides and roof telling of a semi-barbarism that forty years of christianity have not entirely effaced.

The first hint that you have reached the Pahri probably is that your hat is blown away. The mountains form here a funnel, as it were, through which the trade-winds sweep with incredible force. They quite take the breath away, and no one who has stood on that superb height, glancing over the country below, will fail to acknowledge that the first glimpse was taken with *breathless* interest.

The precipice is about eleven hundred feet above the country below, and probably two thousand feet above the sea, which is visible about eight miles away. The descent is absolute; no turnings and little hills like steps to break it, but from the rock your horse is standing on, the native huts at your very feet seem far away and dwarfed by distance. The plain below is bounded by a vast amphitheatre, the sides of some gigantic crater on the rim of which is the Pahri. Its diameter probably exceeds twenty miles, possibly twenty-five—it is of little consequence which, for when looking from such a height the mind is satisfied; it is enough that the eye has full sweep for miles on either side.

The rim of this amphitheatre is by no means regular; peaks that would form respectable mountains rise from it, and the outline as seen against the sky has all the ruggedness of a mountain-chain; but the walls are as straight and uniform as if placed by design. They are supported by the familiar lava-buttresses and are quite bare of vegetation. Many conjecture that at some former period the sea played against these grand old buttresses, and, driven by the fierce trade-winds, it has hollowed out

this vast amphitheatre. Even without this conjecture, which is plausible, the shape of other craters and their character will readily explain all the phenomena of the Phari.

The country enclosed by these walls looks as if it might be the garden of Oahu, the grass and the trees are so green and the patches of lava-rock so few. Two or three extinct cones rise between the Pahri and the sea; their sides are covered with verdure, and the level land, watered by the showers that fall frequently on the windward side of the mountains, ought to be very rich. It is quite possible that the winds blow too fiercely along the coast to admit of sugar-planting in parts of this valley, for sand-dunes of considerable size are plainly visible from the hill; but if this proves not to be the case, no doubt in time this will be one of the most fertile cane-growing valleys of Oahu. One sign of the native thrift of former times, showing that it has supported a large population, is the number and size of the fish-ponds that line the sea coast as far as the eye can reach. To be seen at all at a distance of eight or ten miles they can be of no mean dimensions, indeed many of them are made by stretching side-walls to the coral reef that skirts the shore. Kameha-meha the Great enclosed whole bays a mile across for his private fish-ponds, and to this day a large fish-pond is the pride of the Kanaka.

What a change has come over these islands since their discovery by the white man! On every side we see traces of a dense population of which the present is but a remnant. Nuaanu Valley was occupied and cultivated almost to the Pahri, and standing there we look down upon the work of past generations.

The causes of this sad decline are but too familiar, the poor Kanaka being no exception among the nations who have illustrated the laws attending the meeting of all nations of the western world with men of the Caucasian race. The decline of the Hawaiians began even before the first attempt to civilize them, in the fierceness of their wars and savage cruelty to prisoners where any were taken. This very Pahri was the scene of a battle which might take its place in Greek or Roman story. It was in the time of Kameha-meha the Great, a savage Alexander who, beginning at Hawaii, conquered all the kings of all the neighboring islands; in short, the whole world as known in his island empire.

It was not done without terrible struggles, for the people of Maui and Oahu, led on by heroic kings, fought like Spartans, preferring death to defeat. On Oahu the fight began on the beach of Honolulu and continued a long summer's day in the Nuaanu Valley. Step by step the invaders drove the King of Oahu backwards towards the terrible Pahri. He knew to what that backward course was leading him, and with his followers fought in the courage of despair. It was all of no avail,—the Hawaiians were too strong for them. Conquerors of Maui and Lanai, they could not be withstood in the flush of victory, and grimly the warriors of Oahu approached the frightful precipice. Driven together like sheep in the narrow pass there was not even a chance of escape, and although many of them dragged their foemen over the cliff, none were able to elude the savage fury of the victors. Tradition speaks of over a thousand warriors who perished at the foot of the Pahri.

CONGRESS AND THE CURRENCY.

C. H. C.

IN his report to Congress, December 9, 1861, Secretary CHASE says:—
“It is too clear to be reasonably disputed that Congress, under its constitutional powers to lay taxes, to regulate commerce, and to regulate the value of coin, possesses ample authority to control the credit circulation which enters so largely into the transactions of commerce and affects in so many ways the value of coin.”

The nation is under obligations to Mr. CHASE for his clear and unqualified assertion of the authority of Congress in this matter. There can be no doubt of the authority, but it has needed authoritative assertion; it is self-evident; without it there can be no adequate sovereignty in the government; no way of commanding or of protecting the resources of the nation. A currency of debt made by corporations, the creatures of State legislation, who make the more profit the more they issue, will infallibly cause the mixed currency to exceed the natural volume at which money maintains its normal value. It will strip the nation of coin by depreciating its value and making it cheaper than merchandise to the exporter, and thus control the general imports and exports of merchandise in spite of the government. It will determine whether money shall be imported or exported; whether commerce shall be active or depressed; whether men shall pay their debts or be plunged into insolvency; and defeat the very purposes of society and government by impairing the obligation of contracts, rendering property insecure, and individuals poor and wretched. It becomes, in spite of the indisputable constitutional powers of Congress, the disturber of commerce and of the value of money by destroying all regulation, obstructing the operation of the natural laws of trade, expelling capital in pure loss, and crippling the power of the government to provide for the common defence and general welfare.

But the constitutional powers here rightly claimed by Secretary CHASE have no necessary connection with, or relation to, banking; they grant no authority to the national government to enter into the banking business, or to authorize individuals to enter into it; nor do they grant any authority to interfere with banking under State law. They have nothing to do with banking, but everything to do with currency making; because currency making interferes with the regulation of commerce, with the value of money, and with the chief ends of national government. Unquestionably they give to Congress full control of the currency throughout the United States. This is the point to which the attention of Congress should be earnestly directed.

When the obvious distinction between banking and currency making shall be comprehended in Congress there will be an end of the prattle about the interference of the national government with State rights in the matter of banking, for it is not banking that is interfered with in controlling the national currency. No matter how or when the business of creating currency was assumed by banks, it is not banking, but a function of national sovereignty with which the States have no rightful or consti-

tutional concern whatever. There is, therefore, no necessary collision between the State and national governments in reference to it, and Congress has as plain a right to suppress it as to suppress the levying of duties on imports by the State authorities.

Banking is dealing in money and loanable capital. Currency making is producing money, and credits to pass for money, whether inscribed in book account, and circulated by checks, or certified and circulated in bank or government notes. We are not now considering the right or expediency on the part of the government of circulating its debt as currency, which may well be doubted. Every thing belonging to a running cash account is alike currency, embracing, of course, every item debited to the cash account of every trader, bank, banker, or government. Under an exclusively metallic or money currency it is obvious that every such item would be money, or covered dollar for dollar by money on deposit, and circulated in certificates of deposit or in checks.* But the term "deposit," applied to a mere bank credit payable on demand, without money in reserve against it, is, in plain Saxon, a *lie*. The French term "account current," applied to the bank credit, is more honest and more appropriate, although a fiction still so far as it exceeds the money in bank, and is subject to check at sight.

The State governments may very properly authorize corporate banking to any extent they please; but no constitutional power remains with them to authorize the creation of currency in any form whatever; and there is no more reason why bankers should issue fictitious credits, whether in hand-books under the name of "deposit," or in notes, than that an insurance office, or a trust company, or pawnbroker, or any individual trader should do the same thing. Whenever a bank discounts a bill or security that forms the fund out of which it is itself discounted, the transaction is not banking but currency making; and it is a cheat, for there is no such value in existence as such currency pretends to be or to represent. It is simply a fictitious credit, and it makes not a particle of difference in principle or effect whether the credit thus created is circulated in checks, or notes, or in money itself. For instance, suppose A obtains a credit of this character from his bank for \$10,000; he has then \$10,000 of theoretical "money" more than he had before at the debit of his cash account, and the bank holds so much the more of theoretical "deposit." If he draws the whole sum in specie, the net liabilities of the bank contain the augmentation, its assets and liabilities being reduced alike—and, unless the specie is exported, the volume of national currency also contains the augmentation of \$10,000; it will appear probably on deposit in other banks. If this check is answered in bank notes, the effect will be the same; the deposit will appear in other banks; or, if he merely passes his check to another bank, it goes to somebody's credit there as an additional deposit. In any event but that of exporting the coin the national currency is augmented; and if the bank currency be convertible at par, the local value of money is degraded \$10,000 by the fictitious deposit, whether it appear in the accounts of banks or in the hands of the people or the government.

* "The term *money*, with respect to the civilized commercial world, means gold and silver; with respect to any particular nation, it means that nation's current coin." —*Torrens on the Production of Wealth*. London, 1821. Page 305.

Or, if it be convertible at a discount, the net sum that can be obtained for it in gold is the measure of the degradation of the value of money.

This is the whole explanation of the general suspension of money payments in December, 1861. The government had issued \$20,000,000 of "greenbacks," and obtained a fictitious credit at the banks for \$150,000,000, less the bank discount. No precreated currency, and, consequently, no invested capital was borrowed or loaned for any portion of this in advance of its issue, as in the case of the five-twenty loan negotiated through JAY, COOK & Co., and other private bankers. It was purely a creation of currency, on which those who received it subsequently loaned their capital to the government, not to the banks. To the extent of the bank credit the government loaned the banks as much as the banks loaned the government, which was nothing at all; it was simply an exchange of promises to pay between the negotiating parties. The banks neither borrowed nor loaned any capital or value in this transaction; but the people subsequently loaned their capital to the government, by giving credit to the bank promises, while the banks held the security in government bonds. As to the greenbacks, of course the loan was made directly to the government by those who gave value in exchange for them. In round numbers, \$170,000,000 went to the debit of the government Treasurer's cash account in these two transactions, and \$150,000,000 was added to the bank "deposits." Is any one so dull as to suppose there was a dime of money or of capital in the country afterwards more than before by reason of these currency operations? Yet there was \$170,000,000 more currency than before, to increase prices, check the exports, and stimulate the imports of merchandise; in other words, to depreciate the value of money, make it cheaper than merchandise, and compel its shipment in the place of merchandise. Enough of it had got into general circulation, and taken effect upon general prices, to accomplish this untoward result in December, 1861.

That the banks paid specie for the drafts of Secretary CHASE on this fictitious credit, made no difference to them or to him—added nothing to and deducted nothing from their debt currency, because it reduced their assets and liabilities alike, leaving their demand liabilities in excess of their specie reserves precisely the same as if they had answered his checks in bank notes, or in checks on other banks. Nor did it make the slightest difference in the volume of national currency, which, being inflated by the "greenbacks" and bank credit above the normal proportion of money to capital, could not maintain its convertibility and remain in the country. The foreign exchanges necessarily became adverse; the excess of currency was demanded in money for shipment, which the banks could not pay, and they broke, as every one who thoroughly understood the transaction knew they would when they took the loan upon that false principle.

It is, therefore, futile for Congress to legislate against bank notes; they must repress the fictitious credit, which is the prime evil, or original sin; the bank note being, like the check, a mere emanation from the so-called "deposit," and an instrument of its circulation.

There is a self-delusion among bank officers in relation to this matter; they fancy that they discount on their deposits and circulation in all cases. This is never true when the deposits or circulation and the loan are increased by the same operation. It is true only when one person

deposits currency and another borrows it; then the discount is made on deposits of currency after the manner of the Savings' Banks; and whatever unconstitutional power may have been exercised, whatever mischief may have been done by creating currency before, this transaction does no additional harm, because it does not increase the volume or depreciate the value of the currency. It adds nothing to pre-existing prices; it is then *banking*, not currency making; it is dealing in loanable capital, the capital having been loaned upon the pre-created currency of banks or government, or invested in coin at the price formed by the mixed currency of debt and money, and transferred thereby to and from the bank. Then the bill is not the fund out of which it is itself discounted, and the business is like that of the ROTHSCHILD'S, or BARING'S, or BROWN'S, or PEABODY, or other legitimate bankers, in which immense estates have been accumulated, without injury to the currency or capital of any nation, or of any body. Corporate banking must be confined to this legitimate business to be honest in principle or useful to the community, and, thus conducted, it would be found in the long run, and on the average, more profitable to its proprietors than the present system of currency making, which is continually crippled in its loans by its abnormal demand liabilities, and by insolvency of its own making.

Capital may be transferred from one owner to another through debt perfectly well, without money; but this does not make capital of the debt. Debt may be organized into currency by government or the banks, and serve as a common medium of exchange, but this does not make it money, nor supply the missing capital of which it occupies the place; because it lacks the power of payment—the element of value and wealth. You only change your debtor in accepting for an individual obligation the obligation of the government or a bank, and are as much unpaid as you were before. In either case you lend your capital on an obligation, which is a very different thing from being in possession of money that you own and no one owes. A debt currency possesses only the power to borrow capital, less the wealth in money it displaces, and individuals and the nation are so much the poorer for its presence; there is so much the less capital in the country for individual and for general use in production or trade, consumption or enjoyment—so much the less means for prosecuting war or the arts of peace.

One thousand bushels of wheat may be sold on credit at one dollar per bushel five times over, and produce five thousand dollars of promisory notes, all of which may be discounted in bank and converted into so-called "deposits," amounting in round numbers to five thousand dollars more. This will make ten thousand dollars of debt erected upon one thousand dollars of value, but in all this debt there is not a dime of capital; the capital being in the wheat and no where else. In the schedule of national wealth there would be found in all these figures but one thousand dollars of capital or value; the ten thousand dollars of debt would be no where. Bankers thus run in debt by making a discount, and then fancy that debt to be money or capital in a "deposit," on which they can discount again. It is to be regretted that our language furnishes only a cant word to express the nature of such transactions, namely, *kiting*—simply an exchange of memorandums of immature contracts—paper statements of contracts unfulfilled.

But the spurious currency thus created, creates price as if it were

money; it creates price without value. As it furnishes no value to export in exchange for an equivalent value in the imports, the value necessarily exported in money to make room for it in the currency is sent abroad in pure loss; it is an exhaustion of so much pre-created capital, leaving only paper memorandums of debt in its place. Whereas, if the increase of currency were in money, whether mined or imported, it would furnish a value to export in exchange for an equivalent value in the imports, and instead of being a loss it would be a gain of national wealth; precisely like an increase of wheat or corn or beef or any other commodity the excess of which is exported in exchange for other capital that is in less supply and greater demand, and, therefore, of higher value.

It is the difference of international value alone which determines whether money shall be exported or imported. California exports money because it is cheap from an excess of supply, precisely as Illinois exports wheat; it continually exceeds the natural volume of currency required by her circulating capital; and California grows rich by producing and exporting money, as Illinois grows rich by producing and exporting wheat, and exchanging it for other capital more needed, and consequently of higher local value. The so-called "balance of trade" must be always against California and Australia while they produce money in excess of the equivalent value required by their capital for its circulating medium, and their general prices must be always high enough to attract imports to dispose of their surplus money. By the same rule the "balance of trade" in wheat is against Illinois, and by the same rule the "balance of trade" in money is against any state or nation while the volume of its currency is convertible at par, or at a discount, in excess of the normal money measure, in spite of tariffs, or prohibitory laws of every description. A tariff, such as Congress has just enacted, raising the rate of duties fifty per cent, will check the exports and imports of merchandise alike; it will simply cripple commerce, leaving the export demand for gold precisely as before, depending upon the volume of currency convertible in relation to our circulating capital. It is the simplest rule in the world that sellers must be buyers to the same extent. If the imports exceed the exports in value, the balance is obviously profit. If, on the other hand, the exports exceed the imports, the balance is loss, gold and silver being included either way. Just so far as we cease to be buyers we must cease to be producers and sellers, for men will not produce what they can neither sell nor use; and just so far we limit our capital and cheapen money.

It follows from these considerations that the difference to the wealth of the nation between producing a currency of money and a currency of debt is double the convertible amount of the debt currency, like the difference to a merchant between making or losing one thousand dollars, which is two thousand dollars in his stock account. ADAM SMITH'S theory of the economy of the precious metals by the use of a currency of debt in their stead, which is adopted by nearly every European economist, including JOHN STUART MILL, is the most remarkable and the most mischievous heresy that ever found an advocate in any science.

The fallacy consists in the supposition that the normal value of the gold and silver displaced by the debt currency, or "paper money," is returned in the imports; whereas, they are exported only by reason of the abnormal pre-depreciation of their value in the paper increase and adulteration of the currency. The value returned, therefore, is not the natural value

like that of money, from its natural increase, but the degraded value produced or caused by the spurious currency,—the returns being in price and not in value. The practical effect is to raise the price of imports but not of exports. We cannot, with our spurious currency, make a price for other nations to pay, except for commodities of which we have virtually the monopoly of production; and, with regard to them, every unnatural rise of price is a damage to ourselves, because it limits consumption and accordingly production.

Wealth consists of value, not of price—of utilities and quantities at low prices, not of scarcity at high prices. The lower the prices by the increase of supplies the greater is the national wealth. Temporarily an increase of currency raises the price of exportable products and causes the export of gold in their place; but when their supply permanently exceeds the quantity required for home consumption their price must fall to meet the demand and price of foreign markets; and then the price of imports rises still higher to absorb the fictitious currency and price that is no longer employed by the exportable commodities held above the shipping price. As our exports fall in price, unless by reason of an increase of quantity, the imports must rise to fill up the measure of the currency.

Every merchant is familiar with the manner in which the holders of flour, grain and provisions frequently keep their commodities above the shipping price by obtaining funds through discounts at bank. These discounts cost the owners of the commodities interest for the benefit of bank stockholders, while they create the currency, with its false price that stops the sale of the commodities, turning the foreign exchanges against the country, and the export demand upon gold in pure loss.

At this moment—May, 1864—our cheap currency is stimulating imports in immense quantities at enormous *real* prices in gold value, while we hold a large excess of grain, provisions and other exportable commodities unsold, and are shipping gold at the rate of one to four millions of dollars per week. It is all being paid away in the prices created by the fictitious currency for the benefit of foreign producers. It will be observed that this money goes directly into the hands of the producers of our imports to raise their prices against ourselves, while the effect it has upon our exports beyond our own borders is inappreciable. The nation might as well plunge so much money and capital into the middle of the Atlantic ocean.

C. H. C.

OFFICIAL STATEMENT OF THE PUBLIC DEBT OF THE UNITED STATES, JUNE 14th, 1864.

DEBT BEARING INTEREST IN COIN.

Rate of Interest.	Character of Issue.	Authorizing Acts.	Amount Outstanding.	After what Date Reimbursable.	Interest.	When Payable.
6 per cent..	Bonds	January 28, 1847..	\$9,415,250 00	January 1, 1868....	\$564,915 00	January & July.
6 per cent..	Bonds	March 31, 1848....	8,908,341 80	July 1, 1868.....	584,500 50	January & July.
5 per cent..	Bonds	June 14, 1858.....	20,000,000 00	January 1, 1874....	1,000,000 00	January & July.
5 per cent..	Bonds	June 22, 1860.....	7,022,000 00	January 1, 1871....	351,000 00	January & July.
6 per cent..	Bonds	February 8, 1861..	18,415,000 00	January 1, 1881....	1,104,900 00	January & July.
6 per cent..	Bonds	July 17 & Aug. 17, '61	50,000,000 00	June 30, 1881.....	3,000,000 00	January & July.
6 per cent..	Bonds ex. for 7 3-10	July 17 & Aug. 17, '61	21,421,700 00	June 30, 1881.....	1,285,302 00	January & July.
6 per cent..	Bonds, 5-20's.....	February 25, 1862.	510,756,900 00	May 1, 1882.....	30,645,414 00	May and Nov.
5 per cent..	Bonds, 10-40's.....	March 3, 1864.....	70,239,250 00	March 1, 1904.....	3,511,962 50	March and Sept.
5 per cent..	Bonds, Texas ind'ty	September 9, 1850.	2,169,000 00	January 1, 1865....	108,450 00	January & July.
6 per cent..	Bonds, Oregon War	March 2, 1861.....	1,016,000 00	July 1, 1881.....	60,960 00	January & July.
7 3-10 p. ct.	Notes, three years..	July 17, 1864.....	118,577,650 00	Aug. 19 & Oct. 1, '64	8,656,168 45	Aug. 19 & Oct. 1, [1864.
Aggregate of debt bearing Coin Interest,.....			\$837,941,091 80	.....	\$50,823,672 45	

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent..	Temporary Loan..	July 11, 1862.....	665,420 15	10 d'ys not. af. 30 d'ys	26,616 80	
5 per cent..	Temporary Loan..	July 11, 1862.....	17,158,908 86	10 d'ys not. af. 30 d'ys	857,945 19	
6 per cent..	Temporary Loan..	July 11, 1862.....	37,774,178 57	10 d'ys not. af. 30 d'ys	2,266,450 71	
6 per cent..	Certificates of ind't.	March 1, 1862.....	151,993,000 00	One year from date.	9,119,580 00	1 yr. from date.
5 per cent..	One Year Notes...	March 3, 1863.....	44,520,000 00	.....	2,226,000 00	1 yr. from date.
5 per cent..	Two Years Notes..	March 3, 1863.....	150,000,000 00	.....	824,000 00	2 yrs. from date.
5 per cent..	2 Y. N., with Coup'ns	Ma. 3, '63, Whole issue.	.....	December 1, 1865..	.....
		Less withdrawn & destr'y'd or ready to be destroyed..	38,890,700 00	.....	5,555,465 00	June and Dec.
Aggregate of debt bearing Lawful Money Interest,.....			\$379,700,802 58	Aggregate lawful money interest...	\$20,876,057 70	

Statement of the Public Debt of the United States.

[July,

DEBT ON WHICH INTEREST HAS CEASED.

Rate of Interest.	Character of said Issue.	Authorizing Acts.	Amount Outstanding.
No interest.	Bonds	April 15, 1842	\$203,808 45
No interest.	Treasury Notes....	Acts prior to 1857 .	104,511 64
No interest.	Treasury Notes....	December 23, 1857,	9,900 00
No interest.	Treasury Notes....	December 17, 1860,	600 00
No interest.	Treasury Notes....	March 2, 1861.....	47,150 00
No interest.	Temp'ry Loan Coin.	July 11, 1862.....	4,200 00
Aggregate of debt on which interest has ceased,			\$370,170 09

DEBT BEARING NO INTEREST.

No interest.	United States Notes	July 17, Aug. 5, '61, and Feb. 12, 1862, Less am't withdra'n	60,000,000 00 59,166,212 00
No interest.	United States Notes	Am't outstanding, Feb. 25, July 11, '62, and July 17, 1863	833,788 00 399,166,212 00
No interest.	United States Notes	Issu'd in redemption of Temp'ry Loan Less am't withdra'n	49,300,302 00 17,258,872 00
No interest.	Fractional Currency	July 17, 1862.....	15,406,156 00
No interest.	Fractional Currency	March 3, 1863.....	5,625,792 85
			21,031,948 85
Due for drafts on bal's of Disbur'g Officers unpaid requisitions			453,073,278 85
			2,433,825 56
			45,876,000 00
Aggregate of debt not bearing interest,			\$501,383,104 41

RECAPITULATION.

	Amount Outstanding.	Interest.
Debt bearing interest in Coin.....	\$837,941,091 80	\$50,823,672 45
Debt bearing interest in lawful money	379,700,802 58	20,376,057 70
Debt on which interest has ceased.....	370,170 09	.....
Debt bearing no interest.....	501,383,104 41	.....
Total....	\$1,719,395,168 88	\$71,699,730 15

The foregoing is a correct statement of the Public Debt as appears from the Books, Treasurer's Returns and Requisitions in the Department, on the 14th June, 1864.

S. P. CHASE,
Secretary of the Treasury.

COMMERCIAL CHRONICLE AND REVIEW.

EXPENSES OF THE GOVERNMENT FOR THE FIRST THREE QUARTERS OF THE YEAR—FIVE PER CENT LOAN NOT SUCCESSFUL—GOVERNMENT PRESSED FOR MONEY—AMOUNT IN THE TREASURY MAY 1 AND JUNE 1—CERTIFICATES OF DEPOSIT—INTEREST RAISED TO SIX PER CENT.—THE SIX PER CENT LOAN—LOAN BY THE BANKS—THE GOLD BILL, MERTING OF BANKERS—OPINION OF SOLOICITOR—RATES OF EXCHANGE—COIN IN U. S. TREASURY—PRICE OF U. S. PAPER—SPECIE AND PRICE OF GOLD.

The expenses of the government, which have been on a very large scale, are still on the increase, and require larger revenues from loans since the operation of the taxes devised by Congress are prospective. The official statements of the revenue and expenditure, the first three quarter of the fiscal year, 1864, are as follows:

U. S. REVENUE AND EXPENSES THREE QUARTERS OF 1864.

	Sept. 30.	Dec. 31.	March 31.	Total 3 qrs.
Customs.....	\$22,562,018	\$23,411,521	\$27,439,654	\$73,413,193
Lands.....	136,182	170,503	131,883	438,568
Tax.....		14,035	397,167	411,202
Tax, Internal.....	17,599,713	27,262,631	27,685,212	72,547,556
Miscellaneous.....	641,542	1,912,529	12,527,351	15,081,422
Total Regular.....	\$40,939,445	\$52,571,219	\$68,181,267	\$161,891,941
U. S. Notes.....	15,452,900	49,999,730	4,766,260	70,217,990
U. S. Fractions.....		598,750	3,057,263	3,656,013
Five-Twenties.....	84,639,628	161,480,438	75,400,006	321,520,072
Twenty Year 6's.....	241,500	479,599	1,594,676	2,315,775
5 per cent. leg. ten.....	13,000,000	36,500,000	92,495,893	141,995,893
5 per cent 1 year.....			27,400,000	27,400,000
1 year Certificates.....	14,865,000	32,161,000	56,649,000	102,675,000
10 day Deposits.....	32,690,014	14,758,923	29,696,784	77,145,721
Total loans.....	\$160,888,142	\$295,078,540	\$291,059,882	\$746,926,464
Total Receipts.....	201,827,587	347,649,759	359,241,149	908,818,405
Expenses.				
Civil, etc.....	\$7,216,939	\$6,284,576	\$7,608,397	\$21,110,012
Pensions, etc.....	1,711,272	1,648,203	2,701,404	6,060,879
War.....	144,387,474	163,366,855	193,477,741	501,232,070
Navy.....	18,511,619	23,982,891	17,731,437	60,225,947
Interest.....	4,288,628	17,349,958	9,287,116	30,920,702
Total Regular.....	\$176,110,962	\$212,632,483	\$230,806,095	\$619,549,610
1 Year Certificates.....	12,345,804	56,881,437	61,818,000	131,045,241
10 day Deposits.....	27,203,017	82,547,267	21,934,306	131,684,590
7-30 Bonds.....	6,000		681,590	687,590
Gold notes.....	1,258,500	967,742	392,095	2,618,337
Treasury notes.....	442,429	2,286,804	13,925,969	16,655,202
Fractional.....	1,299,600	1,927,546	1,012,908	4,244,054
Old debt.....	65,300	17,500	3,000	85,800
Loans paid.....	\$42,620,621	\$144,627,598	\$99,137,777	\$287,016,814
Total expense.....	218,731,583	357,260,081	329,943,872	906,566,424

The gross amount of money raised for three quarters is over nine hundred millions or at the rate of \$1,200,000,000 a year, or \$4,000,000 every secular day. Of the money raised in the last quarter more than one half was in cur-

rency legal tender, the issue of which was accompanied by a considerable rise in gold. On the strength of this redundancy of the currency and consequent cheapness of money the Secretary attempted to negotiate a five per cent. loan which met with no adequate success, accompanied as it unfortunately was by efforts to disturb the market by selling gold and exchange. The Treasury therefore fell largely in arrears, and when the army pay fell due, May 1, was much pressed for money. The funds in the Treasury May 1 and June 1 were as follows :

PAPER MONEY SUBJECT TO THE DRAFTS OF THE TREASURY.

	May 1.	June 1.
New York.....	\$12,880,382 96	\$3,462,351 82
Boston.....	988,001 79	138,524 96
San Francisco.....	2,413,577 36	4,444,618 67
Baltimore.....	453,068 50	.....
Denver.....	4,670 70	2,803 96
Buffalo.....	.....	150,093 78
Cincinnati.....	.....	1,833,680 66
Louisville.....	.....	1,216,335 02
Pittsburgh.....	274,352 46	43,378 27
Chicago.....	.....	484,633 88
Detroit.....	824,831 41	292,683 07
Falls St. Croix.....	781 83	3,323 26
Omaha.....	4,903 21	5,883 52
Olympia.....	16,570 66	14,713 45
Oregon.....	36,662 65	40,663 57
Santa Fe.....	59,881 73	60,192 01
St. Paul's.....	37,276 86	29,673 24
National Banks.....	26,362,636 13	12,633,016 18
Suspended.....	13,200 61	13,200 64
Total.....	\$44,286,378 01	\$24,922,730 02

This shows all the funds at the disposal of the Treasury at the times indicated. The amount with the Treasurer in New York was reduced from \$12,880,382.96 to \$3,462,351.82 under the severe pressure that the department experienced for money during the month of May. It will be observed that the amount to the credit of the Treasury at the Assistant Treasury in this city, June 1, was \$3,462,351.82, but the amount on hand reported that date was \$21,331,419, a sum that gives a very erroneous impression. This was made up as follows :

Balance as above.....	\$3,462,351 82
To credit disbursing officers.....	15,068,653 00
To credit interest fund.....	2,939,773 00
Total.....	\$21,470,778 82

Thus, out of the whole amount, only \$3,462,351.82 was available. The amount with the national banks held decreased from \$26,362,636 to \$12,633,016, being a decrease of \$13,720,620. We have, then, the fact that the Treasury funds in this city were drawn down during the month of May as follows :

From Treasury.....	\$9,418,031
From National Banks.....	13,720,620
Total.....	\$23,138,651

This money was drawn in greenbacks and national notes, to send to the army to meet the May arrears of pay.

The five per cent loan continued to drag, and as the 1st of June drew near it

became necessary to resort to some new means of raising money. This resulted in a determination to raise the rate of interest on the deposits and to issue a six per cent loan in addition to the five per cent loan.

The certificates of deposits at ten days' notice had ceased to attract much money. The three last quarterly returns indicate results as follows :

FIVE PER CENT. DEPOSITS.			
	Quarter ending Sep. 30.	Quarter ending Dec. 31.	Quarter ending March. 31.
Received.....	\$32,690,042	\$14,758,923	\$29,696,784
Paid	27,203,017	82,547,267	21,934,366
Excess received			\$7,742,418

There had been less than \$8,000,000 received in the last quarter of the year, the means of the banks and of most individuals being then locked up in the five per cent two year legal tenders, of which \$115,000,000 were outstanding, and which it was necessary to hold until June 1 in order to get the interest. Many of the banks would have turned them into the Treasury for depositor's certificates, payable principal and interest in ten days, if there had been any assurance that they should get back legal tenders and not be paid in national bank notes that would not be available for the payment of their own debts. In fault of this assurance they held the notes. Towards the close of May it became necessary to adopt a new policy. The five per cent. loan did not sell; the arrears of debt were largely accumulating, and the price of gold continued to rise in a manner to make further issues of legal tenders imprudent. The following measures were then directed by telegram to the Assistant Treasury :

1. The rate of interest on the certificates of deposit or "temporary loan" is raised from 5 to 6 per cent.
2. The interest coupons due July 1 in gold were directed to be paid off at once.
3. A 6 per cent. loan due 1881 under the law of March, 1863, was announced as about to be offered.
4. "You may contradict, most emphatically, all assertions that the Secretary is increasing any legal tender issues. On the contrary, he is gradually reducing them. All new notes issued are in lieu of old notes in larger amounts withdrawn."
5. Sales of gold were permitted also.

The raising of the rate of interest on deposits had the effect to draw considerable sums into the Treasury, since that rate was higher than that borne by the legal-tender, and more than could readily be obtained in the open market.

Notwithstanding these measures gold continued to rise rapidly, for the reason that the demand for it for export was far greater than the supply. The new loan was offered to the amount of \$75,000,000, bids for which were received until the 15th inst., on which day they were opened. The bonds bear an annual interest of six per cent, payable semi-annually, in coin, on the first day of July and January, and are redeemable after the 30th of June, 1881, which allows them seventeen years to run. The denominations of the bonds are \$50, \$100, \$500, and \$1,000, and registered bonds of \$5,000 and \$10,000, also, if required. The bids were payable in instalments, one-third down, one-third June 21st, and the balance July 1.

Pending the negotiation of this loan, the Secretary being very much pressed for money, requested a loan of \$50,000,000 from the banks. This the institutions were, apparently, very willing to make, but hesitated in view of the dis-

turbance in the money market which attended the payments of the loan last year, in consequence of the want of facility at the Treasury. Under these circumstances the Bank Committee sent the following letter to the Secretary of the Treasury :

New York Clearing House, Saturday, June 4th, 1864.

HON. L. P. CHASE,
Secretary of the Treasury.

DEAR SIR,

On behalf of the Loan Committee of the Associated Banks of this City, I beg leave to submit the following inquiries, viz. :

1st. Will such six per cent. Temporary Loan Certificates as may be issued to the Banks of this City, be received from them, without previous notice, at par and accrued interest, in payment of Loans to the Government?

2nd. Will such Temporary Loan Certificates as may be issued to the Banks of this City, for deposits of Legal Tender Money of the United States, when presented by them for payment, after ten days' notice, be paid in like Legal Tender Money?

3rd. Will you receive for such Temporary Loan Certificates of Deposit, the five per cent. Coupon Legal Tender Notes at par and accrued interest?

4th. Will you issue such Temporary Loan Certificates to the Banks, in the form known as Clearing House Certificates, available for the settlement of balances between the Banks, it being understood that only such Temporary Loan Certificates as may be issued for Clearing House purposes shall be receivable in payment of Government demands without the ten days' notice?

I also beg leave to say, that, the Committee have not been authorized by the Associated Banks to make the inquiries above proposed, but they are of opinion, that if assented to by you, a large sum would be immediately deposited in the Treasury by the Banks of this City, which would probably remain for a considerable period. The Committee would recommend such an arrangement to the Banks.

Very respectfully yours,

C. P. LEVERIDGE,

Chairman Loan Committee.

To the above letter the Secretary replied as follows, returning an affirmative answer to all the questions, except that in relation to the payment of the certificates in legal-tender notes :

New York, June 7th, 1864.

DEAR SIR:

In reply to your letter of the 4th inst, I beg leave to say, that I perceive no objection; (1st.) to receiving from the Banks six per cent. Temporary Loan Certificates at par, and accrued interest in payment of Loans; or (2nd.) to receiving for such Temporary Loan Certificates, the five per cent Coupon Legal Tender Notes heretofore issued at par and accrued interest; or (3rd.) to issuing such Temporary Loan Certificates in the form of Clearing House Certificates, or to receiving such Certificates in payment of Loans without the ten days' notice.

In reply to your enquiry in respect to payment in Legal Tender Notes of Certificates issued upon deposits, of Legal Tender Notes, I can only say that no distinction is made in receipts or payment by the Government between Legal Tender Notes and National Bank Notes; but the Assistant Treasurer will always be happy to accommodate the holders of Certificates by payments in such notes as may be preferred, when the public interests allow it.

Yours very truly,
Signed,

S. P. CHASE.

C. P. LEVERIDGE, Esq.,
Chairman Loan Committee.

The Banks not being willing to make the loan unless it was also agreed on behalf of the Treasury to pay the certificates in legal-tender notes, the Secretary finally consented to it, and sent the following instructions to Mr. Cisco :

Treasury Department, June 9th, 1864.

SIR:

You are hereby authorized to issue Temporary Loan Certificates for deposits of

two years five per cent. Coupon Treasury Notes, allowing accrued interest; and to receive such Temporary Loan Certificates in payment of Loans at par and accrued interest.

When such Loan Certificates are issued to any of the Associated Banks you will, if desired, issue them in the form of Clearing House Certificates; and will require no previous notice when offered in payment of Loans to the United States.

Payment of Clearing House Certificates, not offered in payment of Loans, will be made in Legal Tender Notes or Notes of National Banks redeemable in New York.

Signed,

S. P. CHASE,

Secretary of the Treasury.

JOHN J. CISCO, Assistant Treasurer, New York.

Thus the legal-tender notes were made available, principal and interest, for the loans, and the deposit certificates were made payable in legal-tenders or in the notes of the National Banks, redeemable in New York, which was the same thing, as they must be redeemed in legal-tenders. This arrangement, was undoubtedly a good one, both for the banks and the government since the former would be compelled to pay their depositors the 5 per cent legal-tenders, if they took the loan, and as these notes are only a tender for their principal, the banks would lose the accrued interest. By depositing them now, at par and interest, they secured the latter to date, earned 6 per cent on the certificate until the loan is awarded, and then hand the certificate at par and interest over to their depositors who may have subscribed, to pay in for their subscription.

The bids for the new loan were opened on the 15th, and they ranged from 98½ to 108, the average being about 104.

The average prices of this stock greatly disappointed the Treasury. A seven-year six per cent stock should bring 112½ to be equal to a five per cent stock at par. Hence, when the bids only reached an average of 104, the prospect became very gloomy for those who had ventured upon the five per cent stock. The bids below 104 were rejected, and the whole amount bid may be analysed as follows:

Bids by Treasury Agents at 4 per cent	\$15,220,000
" " " 4½ "	1,000,000
Total, immediate Agents	\$16,220,000
Outside Bids, 104½ a 110	24,780,000
Total Bids accepted	\$41,000,000
Bids par, 98½ rejected	29,000,000
Total Bids	\$70,000,000

The rejection of the bids under 104 was regarded as a very unwise measure, for the reason that the Treasury is, and must continue to be, a large borrower, and that the rate of money must necessarily fix itself in the open market. It cannot be determined by the operations of the Treasury. This had indeed been done, heretofore, by means of the emission of paper money, which caused a nominal decrease in the rate of interest for paper, but an actual increase as compared with the value of capital. The new loan was deemed to be the inauguration of a new or reverse policy, by which the circulation was to be reduced and paper values diminished; on this ground, with the known fact that an immense amount of money is still to be borrowed, by numerous loans, it is, apparently a most hazardous experiment to reject offers made in open market.

Through all these movements of the Treasury money continued very abundant,

after the payment of the June interest on the five per cent legal-tender notes, which interest amounted to about \$3,000,000. There was very little demand for money in the open market, beyond what arose from the contractors, and other dealers with the government for discount. The stock market remained very quiet, and required little money for its transactions. The general course of business has been for cash, and the progress of the Spring trade, by turning goods into money, tends to increase the abundance. The rates of the government stocks and the price of gold were as follows :

PRICES UNITED STATES PAPER.

		—6's, 1881.—		5's, 1874.	7 3-10, 8 years.	1 year certif.		Gold.
		Reg.	Comp.			Old.	New.	
January	2..	104 $\frac{3}{4}$	105 $\frac{1}{2}$	96	106 $\frac{1}{2}$	101 $\frac{1}{2}$	97 $\frac{3}{4}$	151 $\frac{1}{2}$ a 151 $\frac{3}{4}$
"	9..	104 $\frac{3}{4}$	105 $\frac{1}{2}$	96	166 $\frac{1}{2}$	102	97 $\frac{3}{4}$	152 a 152 $\frac{1}{2}$
"	16..	104	105 $\frac{1}{2}$	96	106 $\frac{1}{2}$	102 $\frac{1}{2}$	97 $\frac{3}{4}$	155 a 155 $\frac{1}{2}$
"	23..	106	107	97	107	103	97	156 a 158
"	30..	106 $\frac{3}{4}$	106	100	107 $\frac{1}{2}$	102 $\frac{3}{4}$	97 $\frac{3}{4}$	156 $\frac{1}{2}$ a 156 $\frac{3}{4}$
February	6..	107 $\frac{3}{4}$	107 $\frac{1}{2}$	100	108	102 $\frac{3}{4}$	98 $\frac{3}{4}$	159 $\frac{3}{4}$ a 159 $\frac{3}{4}$
"	13..	109 $\frac{3}{4}$	109 $\frac{3}{4}$	100	109 $\frac{1}{2}$	103	98 $\frac{3}{4}$	159 $\frac{1}{2}$ a 159 $\frac{3}{4}$
"	20..	111 $\frac{1}{2}$	110	100	111	103	99 $\frac{1}{2}$	159 $\frac{3}{4}$ a 161
"	27..	111 $\frac{1}{2}$	110 $\frac{1}{2}$	100	111	103	99 $\frac{1}{2}$	159 $\frac{3}{4}$ a 161
March	5..	111 $\frac{1}{2}$	111	100	111	103 $\frac{1}{2}$	99 $\frac{3}{4}$	161 $\frac{1}{2}$ a 161 $\frac{1}{2}$
"	12..	112	112	100	110 $\frac{1}{2}$	103	99 $\frac{3}{4}$	162 $\frac{1}{2}$ a 162 $\frac{3}{4}$
"	19..	112	112 $\frac{1}{2}$	100	110 $\frac{1}{2}$	103	99 $\frac{1}{2}$	162 a 162 $\frac{1}{2}$
"	26..	112	112 $\frac{1}{2}$	100	111 $\frac{1}{2}$	103	99 $\frac{1}{2}$	169 $\frac{3}{4}$ a 179
April	2..	111	110	160	111	...	99 $\frac{1}{2}$	166 $\frac{3}{4}$ a 167 $\frac{3}{4}$
"	9..	112	112	102	111 $\frac{1}{2}$	...	99 $\frac{3}{4}$	169 $\frac{1}{2}$ a 170
"	16..	107 $\frac{1}{2}$	112 $\frac{1}{2}$	102	112	...	99	173 a 189
"	23..	105 $\frac{1}{4}$	108	109	109	...	97	174 $\frac{3}{4}$ a 179
"	30..	114	114	102	111	...	98 $\frac{1}{2}$	179 $\frac{1}{2}$ a 179 $\frac{3}{4}$
May	7..	113	113	102	109 $\frac{1}{2}$	...	98 $\frac{1}{2}$	173 $\frac{3}{4}$ a 173 $\frac{3}{4}$
"	14..	114	114 $\frac{1}{2}$	102	111	...	98 $\frac{1}{2}$	172 $\frac{1}{2}$ a 172 $\frac{1}{2}$
"	21..	114	114	102	111	...	98 $\frac{1}{2}$	183 a 183 $\frac{1}{2}$
"	28..	114	114	102	111	...	98 $\frac{1}{2}$	186 a 186 $\frac{1}{2}$
June	4..	109	113 $\frac{1}{4}$	102	109 $\frac{3}{4}$	...	98	190 $\frac{3}{4}$ a 191
"	11..	108	113	102	108 $\frac{1}{2}$	...	97 $\frac{1}{2}$	198 $\frac{1}{2}$ a 198 $\frac{3}{4}$
"	18..	107	112	102	107	...	97	195 $\frac{1}{2}$ a 196

The fall in the stock market at a time when gold was a rapidly rising value, produced an actual decline of about two per cent in the value of the stocks upon the market as valued in gold.

The operations of general business continued very active, and prices of most commodities rose rapidly on account of the large circulation of paper money, and the operation of new tariff, which, with the rise in gold, greatly enhanced the cost of all imported goods. Domestic manufactures also have been stimulated to an extraordinary extent by the rapid rise in the price of raw cotton, which advanced from 81 cents, May 10, to \$1.50 June 18. This enormous rise carried up the prices of all raw material and textile fabrics. The disposition to buy goods was strong and the imports continued to be large, involving active remittances, which were not well supplied by corresponding exports of produce. This aided the demand for gold, of which the movements was as follows :

SPECIE AND PRICE OF GOLD.

		—1862.—		—1863.—			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
Jan.	2	.....	681,448	254,239	590,262	25,161,935	51 $\frac{1}{2}$ a 52
	9	1,277,788	726,746	.....	1,216,204	25,122,002	51 $\frac{3}{4}$ a 52
	16	.....	1,380,247	279,801	1,985,057	24,884,264	52 $\frac{1}{2}$ a 56 $\frac{1}{2}$

	23	.....	678,841	780,817	365,608	1,000,000	24,631,204	56	a	58
	30	.....	.....	1,331,027	324,864	668,747	24,203,632	56½	a	...
Feb.	6	.....	301,860	1,277,000	.....	662,616	24,070,191	49½	a	...
	13	.....	359,987	1,152,846	363,198	1,219,808	23,521,453	95	a	...
	20	.....	.....	520,017	.....	325,632	22,523,918	59	a	...
	27	.....	285,394	1,377,016	407,057	531,700	22,301,687	165	a	61
March	5	.....	1,243,551	733,643	512,358	629,803	21,220,653	61½	a	62
	12	.....	.....	3,540,550	.....	465,920	20,750,495	62	a	69
	19	.....	249,514	1,201,907	281,304	83,881	21,059,512	62	a	62½
	26	.....	159,105	1,050,156	375,101	273,900	20,425,504	69½	a	70½
Apr.	2	.....	250,778	473,385	273,429	168,912	19,527,665	63½	a	68½
	9	.....	.....	607,059	302,344	345,471	20,924,287	67	a	71
	16	.....	217,602	158,437	269,522	1,002,384	21,687,670	71	a	89
	23	.....	256,604	629,855	.....	3,226,000	24,868,203	72½	a	79
	30	.....	.....	294,998	282,376	1,271,836	24,087,343	77	a	85
May	7	.....	205,057	451,827	282,276	1,174,241	23,082,028	71	a	81
	14	.....	.....	661,996	.....	2,452,668	22,625,155	61½	a	76½
	12	.....	258,570	438,745	383,428	1,884,195	22,091,691	73	a	85
	28	.....	.....	279,994	.....	580,820	21,973,180	87½	a	92½
June	4	.....	318,066	411,483	271,801	1,425,588	22,461,604	87	a	90½
	11	.....	.....	235,364	.....	1,543,600	24,041,704	92	a	99½
	18	.....	.....	522,147	291,208	1,886,663	22,916,291	94	a	93½
Total	.....	.....	\$6,901,774	\$18,904,954	\$6,319,612	\$27,137,651				

The demand for bills was good, and the chief dependance was upon gold, but the market for both was much affected by the threatened passage of the gold bill that was introduced some months since into the Senate by Mr. SHERMAN, and of which we made a notice in the May number. The bill finally passed, and was signed June 20. [It will be found in another column.] Its features are of a most extraordinary character; it forbids sales of exchange for specie at more than ten days time, at any place except the individual office of the banker, and empowers such restrictions as compelled the leading bankers, on its passage, to suspend business, since they could not tell in how far they might be exposed, not simply to the danger of infringing on the law, but to the complaints of the spies, pimps, and informers, called into being by the enactment which bestow upon them half the fine, and who could prefer charges on the slightest pretext, for the purpose of levying black mail. The law also, by limiting the time within which a contract for exchange might run, cut off a large amount of ordinary shipping business done in New York for western account, and which, in the usual course of business, required at least fifteen days, to perfect arrangements between Chicago and New York. These difficulties, of course, caused a rise in both exchange and gold.

A large and earnest meeting of bankers and merchants was held at the rooms of the Chamber of Commerce, for the purpose of securing the repeal of the act if possible. The committee appointed at the meeting went to Washington, and the Treasurer put such construction on this gold bill as to relieve it of many of its bad features. The bill had, as we have stated, caused a perfect dead lock in the foreign exchange business, on account of the provisions above referred to. It is well known that a very large proportion of the ordinary business payments of the people of this country, and of every civilized commercial community, are, in modern times, settled by certified checks, and similar financial expedients. To forbid the use of these certified checks, in any important department of legitimate business would be attended with the most disastrous results, both to the enter-

prise of private individuals, and to the credit of the public Treasury. The construction given to the bill on this point, by the Treasury Department, will be found in the following communication from the Secretary :

Treasury Department, Washington, June 27, 1864.

JOHN J. CRISCO, Assistant Treasurer, New York :

I transmit an opinion of the Solicitor of the Treasury upon certain questions under the gold act, and concur in his opinion.

S. P. CHASE,

Secretary of the Treasury.

Treasury Department, Solicitor's Office, June 27, 1864.

SIR:

I have the honor to acknowledge the receipt of your letter dated to-day, submitting to me the following questions:

The act to prohibit certain sales of gold and foreign exchange, approved June 12th, 1864, requires payment in full of the agreed price of gold or bullion purchased on the day on which the contract is made in United States notes or national currency, and not otherwise. Can such payment be made by check for the amount of the purchase money in United States or national currency; or can it be made only by manual delivery of the notes or currency by buyer to the seller?

Second—The same act prohibits contracts for the purchase or sale and delivery of foreign except on conditions of immediate payment in full of the agreed price thereof on the day of delivery in United States notes or national currency. Would a payment for such exchange in gold coin of the United States be valid or otherwise?

In reply to the first inquiry, I have to say that I have no doubt that the delivery of a *bona fide* check for the amount of the purchase money, in United States notes or currency, drawn against such notes or currency, actually at the present credit of the drawer, and which if presented immediately would be so paid, is a payment within the meaning of the act. In regard to the second question, my opinion is that a payment for exchange in gold coin of the United States is a legal and valid payment.

I have the honor to be, with high respect,

EDWARD JORDAN, Solicitor of the Treasury.

To Hon. S. P. CHASE, Secretary of the Treasury.

On the strength of this opinion, the bankers who had before refused to engage in any transaction liable to objection under the gold act, ventured cautiously forward, and this aided in quieting the public excitement on this subject. The Solicitor does not say, in terms, that exchange may be sold for a bank check, but this is a plain inference from his opinion. We have never had any doubt that gold may be paid in purchase of anything which may be sold, because it is a legal and constitutional currency, and no law can prohibit the use of it. But we have no question that the framers of the gold bill intended to prohibit the use of gold in mercantile transactions. Such prohibition would be void in the higher courts, and we are glad that the restriction is not to be attempted. The threat of a certain speaker, at the meeting referred to above, of the Chamber of Commerce the other day, made in behalf of the government, that it intended to force all persons in Wall street to use greenbacks for all transactions, and if the present law does not accomplish this, the government would try an act twice as strong, and, if that failed, one three times as strong, it is now seen, was without any authority from Washington. The threat, and indeed the whole tenor of the speech which contained it, fell unpleasantly upon the ears of those who had assembled at the Chamber, and the impression thus made will not soon be eradicated. The gold bill was finally repealed, by a vote of 24 to 13 in the Senate, and 88 to 29 in the House, June 30; the same day Mr. CHASE resigned.

The rates of exchange have been as follows :

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2.	166 a 166½	3.38½ a 3.34½	62½ a 63	62½ a 63½	55½ a 56	110½ a 111
" 9.	166½ a 167½	3.38½ a 3.40	62½ a 63	62½ a 63½	55½ a 56½	110½ a 111
" 16.	169½ a 170½	3.30 a 3.32½	64 a 64½	64½ a 64½	56½ a 57½	112½ a 113½
" 23.	170 a 171	3.31 a 3.33	64½ a 64½	64½ a 65	56½ a 57	112½ a 113½
" 30.	171 a 172	3.32½ a 3.28½	64½ a 64½	64½ a 65	57½ a 57½	113½ a 114
Feb. 6.	174 a 175	3.26½ a 3.28½	65½ a 66½	65½ a 66	58 a 58½	115 a 116
" 13.	173 a 174½	3.27½ a 3.28½	65 a 65½	65½ a 65½	58½ a 58½	115½ a 116
" 20.	172½ a 174	3.27½ a 3.28½	65½ a 65½	65½ a 65½	58½ a 58½	115½ a 116
" 27.	173½ a 174	2.26½ a 3.22	65½ a 65½	65½ a 66	58½ a 58½	115½ a 116½
Mar. 5.	174½ a 175½	3.25 a 3.21½	65½ a 66½	66 a 66½	58½ a 59	116 a 117
" 12.	177 a 178	3.15 a 3.18½	66 a 66½	67 a 67½	59 a 59½	117½ a 118
" 19.	176 a 177	3.22½ a 3.18½	65½ a 66½	66 a 66½	58½ a 59	116 a 117
" 26.	179½ a 182	3.15 a 3.10	67½ a 68½	68 a 68½	60½ a 61	120 a 121
April 2.	177½ a 181	3.18½ a 3.12½	66½ a 67	67 a 67½	59½ a 60½	118 a 120
" 9.	184 a 185	3.08 a 3.06½	68½ a 69	68½ a 69½	61½ a 62	121½ a 122
" 16.	189 a 191	2.97½ a 2.95	70 a 71	70½ a 71½	62½ a 64½	127 a 128
" 23.	190 a 192	3.05½ a 2.95	71½ a 71½	71½ a 72	62½ a 63½	124 a 126
" 30.	195 a 198	2.90 a 2.85	73 a 74	73½ a 74½	65 a 66	130 a 131
May 7.	192 a 195	2.96½ a 2.90	72 a 73	72½ a 73½	63½ a 64½	126 a 127
" 14.	192 a 187	2.95 a 3.02	71½ a 70½	71½ a 71	62½ a 63	124 a 125
" 21.	196 a 198	2.87½ a 2.88½	74 a 75½	73½ a 75	65 a 66	130 a 131
" 28.	201 a 208½	2.81½ a 2.77½	75½ a 76½	75½ a 76½	67 a 67½	134 a 135
June 4.	218 a 210	2.72½ a 2.68½	78 a 79	77½ a 74½	68½ a 69	135 a 136
" 11.	215 a 218	2.65 a 2.60	79 a 79½	78 a 79	71½ a 72	143 a 144
" 18.	216 a 219	2.64 a 2.88	79½ a 80½	80 a 80½	72 a 73	145 a 145½

The demand for bills became more urgent after the passage of the gold law, notwithstanding more sales of exchange had been made, on the part of the Treasury, against gold shipments to England from San Francisco. In our last number we showed that \$5,000,000 had been so shipped in February and March, and official returns of the gold in the federal Treasury were as follows:

COIN IN UNITED STATES TREASURY.

	April 30.	May 31.	Increase.
Washington.....	\$1,544,635 58	\$2,604,395 99	\$1,059,760 41
New York.....	8,990,288 66	10,675,139 77	1,684,851 11
Boston.....	1,230,891 52	1,843,521 61	612,630 09
Philadelphia.....	690,847 33	848,668 81	157,821 18
St. Louis.....	7,627 45		
San Francisco.....	5,653,214 08	7,031,163 55	1,377,949 47
New Orleans.....	201,926 00	265,784 71	63,858 71
Baltimore.....	1,077,667 94	1,159,187 27	81,519 33
Buffalo.....	11,283 21	6,934 38	
Cincinnati.....	30,576 91	108,680 31	78,103 48
Louisville.....	4,084 65	4,084 65	
Pittsburgh.....	5,858 09	5,838 09	
Chicago.....	129,939 52	136,401 77	6,462 25
Detroit.....	1,526 60	1,571 02	45 42
Omaha.....	10 00	10 00	
Olympia.....	78 00	78 00	
Oregon City.....	470 00	470 00	
St. Paul's.....	2,915 09	2,915 09	
Total.....	\$19,573,379 93	\$24,697,839 21	\$5,124,459 28

The operation of the new tariff, adding 50 per cent to the duties after May 1, had the effect of causing the withdrawal of a large amount of goods from warehouse, and to draw a corresponding amount of gold into the Treasury. The amount in San Francisco was raised to over \$7,000,000, and of this a further amount of \$2,000,000 was shipped secretly to London, making \$7,000,000 in all to sell bills against.

THE NEW TARIFF.

(OFFICIAL COPY.)

Passed at the First Session of the Thirty-eighth Congress.

[PUBLIC—No. 146.]

AN ACT to increase duties on imports and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That on and after the first day of July, anno domini eighteen hundred and sixty-four, in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, there shall be levied, collected, and paid, on the goods, wares, and merchandise, herein enumerated and provided for, imported from foreign countries, the following duties, and rates of duty, that is to say :

First. On teas of all kinds, twenty-five cents per pound.

Second. On all sugar not above number twelve, Dutch standard in color, three cents per pound.

On all sugar above number twelve, and not above number fifteen, Dutch standard in color, three cents and a half per pound.

On all sugar above number fifteen, not stove-dried, and not above number twenty, Dutch standard in color, four cents per pound.

On all refined sugar in form of loaf, lump, crushed, powdered, pulverized, or granulated, and all stove-dried, or other sugar above number twenty, Dutch standard in color, five cents per pound : *Provided,* That the standard by which the color and grades of sugar are to be regulated shall be selected and furnished to the collectors of such ports of entry as may be necessary, by the Secretary of the Treasury, from time to time, and in such manner as he may deem expedient.

On sugar candy, not colored, ten cents per pound. On all other confectionary, not otherwise provided for, made wholly or in part of sugar, and on sugars after being refined, when tintured, colored, or in any way adulterated, valued at thirty cents per pound or less, fifteen cents per pound. On all confectionary valued above thirty cents per pound, or when sold by the box, package, or otherwise than by the pound, fifty per centum ad valorem.

Third. On molasses from sugar-cane, eight cents per gallon. On syrup of sugar-cane, juice, melado, concentrated melado, or concentrated molasses, two cents and a half per pound : *Provided,* That all syrups of sugar, or sugar-cane, cane-juice, concentrated molasses or concentrated melado, entered under the name of molasses, or any other name than syrup of sugar, or sugar-cane, cane-juice, concentrated molasses, or concentrated melado, shall be liable to forfeiture to the United States, and the same shall be forfeited.

SEC. 2. *And be it further enacted,* That on and after the day and year aforesaid, in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, there shall be levied, collected, and paid, on the goods, wares, and merchandise enumerated and provided for in this section, imported from foreign countries, the following duties and rates of duty, that is to say :

First. On brandy, for first proof, two dollars and fifty cents per gallon.

On other spirits, manufactured or distilled from grain or other materials, for first proof, two dollars per gallon.

On cordials, and liquors of all kinds, and arrack, absynthe, kirschenwasser, ratafia, and other similar spirituous beverages, not otherwise provided for, two dollars per gallon.

On bay rum, one dollar and fifty cents per gallon.

On wines of all kinds, valued at not over fifty cents per gallon, twenty cents per gallon, and twenty-five per centum ad valorem; valued at over fifty cents and not over one dollar per gallon, fifty cents per gallon and twenty-five per centum ad valorem; valued at over one dollar per gallon, one dollar per gallon and twenty-five per cent ad valorem: *Provided*, That no champagne, or sparkling wines in bottles, shall pay a less rate of duty than six dollars per dozen bottles, each bottle containing not more than one quart, and more than one pint, or six dollars per two dozen bottles, each bottle containing not more than one pint.

On all spirituous liquors, not otherwise enumerated, one hundred per centum ad valorem: *Provided*, That no lower rate or amount of duty shall be levied, collected, and paid, on brandy, spirits, and other spirituous beverages, than that fixed by law for the description of first proof, but shall be increased in proportion for any greater strength than the strength of first proof; and no brandy, spirits, or other spirituous beverages under first proof, shall pay a less rate of duty than fifty per centum, ad valorem: *Provided, further*, That all imitations of brandy, or spirits, or of wines, imported by any name whatever, shall be subject to the highest rate of duty provided for the genuine article, respectively, intended to be represented, and in no case less than one dollar per gallon: *And provided, further*, That brandies, or other spirituous liquors, may be imported in bottles when the package shall contain not less than one dozen; and all bottles shall pay a separate duty of two cents each, whether containing wines, brandies, or other spirituous liquors, subject to duty as hereinbefore mentioned.

Second. On ale, porter, and beer, in bottles, thirty-five cents per gallon; otherwise than in bottles, twenty cents per gallon.

Third. On cigars of all kinds, valued at fifteen dollars, or less, per thousand, seventy-five cents per pound, and twenty per centum, ad valorem; valued at over fifteen dollars, and not over thirty dollars per thousand, one dollar and twenty-five cents per pound, and thirty per centum, ad valorem; valued at over thirty dollars, and not over forty-five dollars per thousand, two dollars per pound, and fifty per centum, ad valorem; valued at over forty-five dollars per thousand, three dollars per pound, and sixty per centum, ad valorem: *Provided*, That paper cigars, or cigarettes, including wrappers, shall be subject to the same duties imposed on cigars.

On snuff and snuff flour, manufactured of tobacco, ground, dry, or damp, and pickled, scented, or otherwise, of all descriptions, fifty cents per pound.

On tobacco in leaf, unmanufactured, and not stemmed, thirty-five cents per pound.

On tobacco manufactured, of all descriptions, and stemmed tobacco, not otherwise provided for, fifty cents per pound.

SEC. 3. *And be it further enacted*, That on and after the day and year aforesaid, in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, there shall be levied, collected, and paid, on the goods, wares, and merchandise, herein enumerated and provided for, imported from foreign countries, the following rates of duty, that is to say:

On bar iron, rolled or hammered, comprising flats not less than one inch, or more than six inches wide, nor less than three-eighths of an inch, or more than two inches thick; rounds not less than three-fourths of an inch, nor more than two inches in diameter; and squares not less than three-fourths of an inch, nor more than two inches square, one cent per pound. On bar iron, rolled or hammered, comprising flats less than three-eighths of an inch, or more than two inches thick, or less than one inch, or more than six inches wide; rounds less than three-fourths of an inch, or more than two inches in diameter; and squares less than three-fourths of an inch, or more than two inches square, one cent and one-half per pound: *Provided*, That all iron in slabs, blooms, loops, or other forms, less finished than iron in bars, and more advanced than pig iron, except castings, shall be rated as iron in bars, and pay a duty accordingly: *And provided, further*, That none of the above iron shall pay a less rate of duty than thirty-five per centum, ad valorem.

On all iron imported in bars, for railroads and inclined planes, made to patterns, and fitted to be laid down on such roads or planes without further manufacture, sixty cents per one hundred pounds. On boiler or other plate iron, not less than three-sixteenths of an inch in thickness, once cent and a half per pound.

On iron wire, bright, coppered, or tinned, drawn and finished, not more than one-fourth of an inch in diameter, not less than number sixteen, wire gauge, two dollars per one hundred pounds; and in addition thereto fifteen per centum, ad valorem; over number sixteen, and not over number twenty-five, wire gauge, three dollars and fifty cents per one hundred pounds, and in addition thereto, fifteen per centum, ad valorem: *Provided*, That wire covered with cotton, silk, or other material, shall pay five cents per pound in addition to the foregoing rates. On smooth or polished sheet iron, by whatever name designated, three cents per pound. On sheet iron, common or black, not thinner than number twenty, wire gauge, one cent and one fourth of one cent per pound; thinner than number twenty, and not thinner than number twenty-five, wire gauge, one cent and a half per pound; thinner than number twenty-five, wire gauge, one cent and three-fourths of one cent per pound.

On tin plates and iron galvanized or coated with any metal by electric batteries, or otherwise, two cents and a half per pound.

On all band, hoop, and scroll iron, from one half to six inches in width, not thinner than one-eighth of an inch, one and one-fourth cent per pound.

On all band, hoop, and scroll iron, from one half to six inches wide, under one-eighth of an inch in thickness, and not thinner than number twenty, wire gauge, one and one half cent per pound.

On all band, hoop, and scroll iron, thinner than number twenty, wire gauge, one and three-fourths cent per pound.

On slit rods, one cent and one half per pound; and on all other descriptions of rolled or hammered iron, not otherwise provided for, one cent and one-fourth per pound.

On locomotive tire, or parts thereof, three cents per pound.

On mill iron, and mill-cranks of wrought iron, and wrought iron for ships, steam-engines, and locomotives, or parts thereof, weighing, each, twenty-five pounds, or more, two cents per pound.

On anvils, and on iron cables, or cable chains, or parts thereof, two cents and a half per pound.

On chains, trace chains, halter chains, and fence chains, made of wire or rods not less than one-fourth of one-inch in diameter, two cents and a half per pound; less than one-fourth of one inch in diameter, and not under number nine, wire gauge, three cents per pound; under number nine, wire gauge, thirty-five per centum, ad valorem.

On anchors, or parts thereof, two cents and one-fourth per pound.

On blacksmiths' hammers and sledges, axles, or parts thereof, and malleable iron in castings, not otherwise provided for, two cents and a half per pound.

On wrought iron railroad chairs, and wrought iron nuts and washers, ready punched, two cents per pound.

On bed-screws, and wrought iron hinges, two cents and a half per pound.

On wrought board nails, spikes, rivets, and bolts, two and one half cents per pound.

On cut nails and spikes, one and a half cent per pound.

On horse-shoe nails, five cents per pound

On cut tacks, brads, or sprigs, not exceeding sixteen ounces to the thousand, two and one half cents per thousand; exceeding sixteen ounces to the thousand, three cents per pound.

On steam, gas and water *tubs* [tubes] and flues, of wrought iron, two cents and a half per pound.

On screws, commonly called wood screws, two inches or over in length, eight cents per pound; less than two inches in length, eleven cents per pound.

On screws of any other metal than iron, and all other screws of iron, except wood screws, thirty-five per centum, ad valorem.

On iron, in pigs, nine dollars per ton.

On vessels of cast iron, not otherwise provided for, and on andirons, sadirons, tailors' and hatters' irons, stoves, and stove plates, of cast iron, one and one half cent per pound.

On cast iron steam, gas, and water pipes, one and one half cent per pound.

On cast iron butts and hinges, two and a half cents per pound.

On hollow ware, glazed or tinned, three and one half cents per pound.

On all other castings of iron, not otherwise provided for, thirty per centum, ad valorem.

On all manufactures of iron, not otherwise provided for, thirty-five per centum, ad valorem.

On old scrap iron, eight dollars per ton: *Provided*, That nothing shall be deemed old iron that has not been in actual use, and fit only to be remanufactured.

On steel in ingots, bars, coils, sheets, and steel wire, not less than one-fourth of one-inch in diameter, valued at seven cents per pound, or less, two cents and one-fourth per pound; valued at above seven cents and not above eleven cents per pound, three cents per pound; valued at above eleven cents per pound, three cents and a half per pound, and ten per centum, ad valorem.

On steel wire less than one-fourth of an inch in diameter, and not less than number sixteen, wire gauge, two and one half cents per pound, and in addition

thereto twenty per centum, ad valorem; less, or finer than number sixteen, wire guage, three cents per pound, and in addition thereto, twenty per centum, ad valorem.

On steel, in any form, not otherwise provided for, thirty per centum, ad valorem.

On skates, costing twenty cents or less per pair, eight cents per pair; costing over twenty cents per pair, thirty-five per centum, ad valorem.

On cross-cut saws, ten cents per lineal foot.

On mill, pit and drag-saws not over nine inches wide, twelve and a half cents per lineal foot.

On all hand-saws not over twenty-four inches in length, seventy-five cents per dozen, and in addition thereto, thirty per centum ad valorem; over twenty-four inches in length, one dollar per dozen, and in addition thereto, thirty per centum, ad valorem.

On all back-saws not over ten inches in length, seventy-five cents per dozen, and in addition thereto, thirty per centum, ad valorem; over ten inches in length, one dollar per dozen, and in addition thereto, thirty per centum, ad valorem.

On files, file blanks, rasps, and floats of all descriptions, not exceeding ten inches in length, ten cents per pound, and in addition thereto, thirty per centum, ad valorem; exceeding ten inches in length, six cents per pound, and in addition thereto, thirty per centum, ad valorem.

On pen-knives, jack-knives, and pocket-knives of all kinds, fifty per centum, ad valorem.

On needles, for knitting or sewing machines, one dollar per thousand, and in addition thereto, thirty-five per centum ad valorem.

On iron squares, marked on one side, three cents per pound, and in addition thereto, thirty per centum, ad valorem; on all other squares of iron or steel, six cents per pound, and thirty per centum, ad valorem.

On all manufactures of steel, or of which steel shall be a component part, not otherwise provided for, forty-five per centum, ad valorem: *Provided*, That all articles of steel partially manufactured, or of which steel shall be a component part, not otherwise provided for, shall pay the same rate of duty as if wholly manufactured.

On bituminous coal and shale, one dollar and twenty-five cents for a ton of twenty-eight bushels, eighty pounds to the bushel; on all other coal, forty cents per ton of twenty-eight bushels, eighty pounds to the bushel.

On coke and culm of coal, twenty-five per centum, ad valorem.

On lead, in pigs and bars, two cents per pound.

On old scrap lead, fit only to be re-manufactured, one cent and a half per pound.

On lead, in sheets, pipes, or shot, two and three-quarter cents per pound.

On pewter, when old, and fit only to be re-manufactured, two cents per pound.

On lead ore, one and a half cent per pound.

On copper in pigs, bars, or ingots, two and a half cents per pound.

On copper, old, and fit only to be re-manufactured, two cents per pound.

On sheathing copper, in sheets forty-eight inches long, and fourteen inches wide, weighing from fourteen to thirty-four ounces per square foot, three and a half cents per pound.

On copper rods, bolts, nails, spikes, copper bottoms, copper in sheets or plates, called braziers' copper, and other sheets of copper not otherwise provided for, thirty-five per centum, ad valorem.

On zinc, spelter, or teutenegue, manufactured in blocks or pigs, one and a half cent per pound.

On zinc, spelter, or teutenegue, in sheets, two and one quarter cents per pound.

On diamonds, cameos, mosaics, jems, pearls, rubies, and other precious stones, when not set, a duty of ten per centum, ad valorem.

SEC. 4. *And be it further enacted*, That on and after the day and year aforesaid there shall be levied, collected and paid on the importation of the articles herein-after mentioned the following duties, that is to say : On all wool unmanufactured, and all hair of the alpaca, goat, and other like animals, unmanufactured, the value whereof at the last port or place from whence exported to the United States, exclusive of charges in such ports, shall be twelve cents or less per pound, three cents per pound ; exceeding twelve cents, and not exceeding twenty-four cents per pound, six cents per pound ; exceeding twenty-four cents per pound, and not exceeding thirty-two cents, ten cents per pound ; and, in addition thereto, ten per centum ad valorem ; exceeding thirty-two cents per pound, twelve cents per pound, and in addition thereto, ten per centum ad valorem : *Provided*, That any wool of the sheep, or hair of the alpaca, the goat, and other like animals which shall be imported in any other than the ordinary condition, as now and heretofore practiced, or which shall be changed in its character or condition, for the purpose of evading the duty, or which shall be reduced in value by the admixture of dirt or any foreign substance, shall be subject to pay a duty of twelve cents per pound and ten per centum ad valorem, anything in this act to the contrary notwithstanding : *Provided further*, That when wool of different qualities is imported in the same bale, bag or package, and the aggregate value of the contents of the bale, bag or package shall be appraised by the appraisers at a rate exceeding twenty-four cents per pound, it shall be charged with a duty of ten cents per pound and ten per centum ad valorem ; and when bales of different qualities are embraced in the same invoice at the same price, whereby the average price shall be lessened more than ten per centum, the value of the whole shall be appraised according to the value of the bale of the best quality ; and no bale, bag or package shall be liable to a less rate of duty in consequence of being invoiced with wool of lower value ; *and provided further*, that wool which shall be imported scoured shall pay, in lieu of the duties herein provided, three times the amount of such duties.

Second. On sheepskins, raw or manufactured, imported with the wool on, washed or unwashed, shall be subject to a duty of twenty per centum ad valorem ; and on flocks, waste, or shoddy, three cents per pound.

SEC. 5. *And be it further enacted*, That on and after the day and year aforesaid there shall be levied, collected and paid on the importation of the articles hereinafter mentioned, the following duties, that is to say :

First. On Wilton, Saxony and Aucusson, Axminster, pattern velvet, Tournay velvet and tapestry velvet carpets and carpeting, Brussels carpets wrought by the Jacquard machine, and all medallion or whole carpets, valued at one dollar and twenty-five cents or under per square yard, seventy cents per square yard ; valu-

ed at over one dollar and twenty-five cents per square yard, eighty cents per square yard: *Provided*, That no carpeting, carpets or rugs of the foregoing description shall pay a duty of less than fifty per centum ad valorem. On Brussels and tapestry Brussels carpets and carpetings, printed on the warp or otherwise, fifty cents per square yard. On all treble ingrain, three-ply and worsted chain Venetian carpets and carpeting, forty cents per square yard. On yarn, Venetian and two-ply ingrain carpets and carpeting, thirty-five cents per square yard. On hemp or jute carpeting, six and one-half cents per square yard. On druggets, bokings and felt carpets and carpetings, printed, colored or otherwise, twenty-five cents per square yard. On carpets and carpeting of wool, flax or cotton, or parts of either, or other material not otherwise specified, forty per centum ad valorem. *Provided*, That mats, rugs, screens, covers, hassocks, bedsides, and other portions of carpets or carpetings shall be subject to the rate of duty herein imposed on carpets or carpetings of like character or description, and on all other mats, screens, hassocks, and rugs, forty-five per centum ad valorem.

Second. On woolen cloths, woolen shawls, and all manufactures of wool of every description made wholly or in part of wool, not otherwise provided for, twenty four cents per pound, and in addition thereto forty per centum ad valorem. On goods of like description, when valued at over two dollars per square yard, or weighing less than ten ounces per square yard a duty, in addition to the foregoing rates, of five per centum ad valorem: *Provided*, That goods of like description, composed of worsted, the hair of the alpaca, goat, or other like animals, and weighing over eight ounces to the square yard, shall be subject to pay the same duties and rates of duty herein provided for woolen cloths. On endless belts or felts for paper, and blanketing for printing machines, twenty cents per pound, and in addition thereto thirty five per centum ad valorem. On flannels, uncolored, valued at thirty cents or less per square yard, twenty-four cents per pound, and thirty per centum ad valorem; valued at above thirty cents per square yard, and on all flannels colored, printed or plaided, not otherwise provided for, and flannels composed in part of cotton, twenty four cents per pound, and thirty-five per centum ad valorem. On flannels composed in part of silk, fifty per centum ad valorem. On hats of wool, twenty-four cents per pound, and in addition thereto thirty-five per centum ad valorem. On woolen and worsted yarn, valued at fifty cents and not over one dollar per pound, twenty cents per pound, and in addition thereto, twenty-five per centum ad valorem; valued at over one dollar per pound, twenty-four cents per pound, and in addition thereto thirty per centum ad valorem. On woolen worsted yarn, valued at less than fifty cents per pound, and not exceeding in fineness number fourteen, sixteen cents per pound, and in addition thereto twenty five per centum ad valorem. On clothing, ready-made, and wearing apparel of every description, composed wholly or in part of wool, made up or manufactured wholly or in part by the tailor, seamstress or manufacturer, except hosiery, twenty-four cents per pound, and in addition thereto forty per centum ad valorem. On blankets of all kinds made wholly or in part of wool, valued at not exceeding twenty-eight cents per pound, twelve cents per pound, and in addition thereto twenty per centum ad valorem; valued at above twenty-eight cents and not exceeding forty cents per pound, twenty four cents per pound and twenty-five per centum ad valorem; valued above forty cents per pound, twenty-four cents per pound and thirty per centum

ad valorem. On balmorals, and goods of similar description, or used for like purposes, composed of wool, worsted, or any other material, twenty-four cents per pound, and in addition thereto thirty-five per centum ad valorem.

On womens' and childrens' dress goods, composed wholly or in part of wool, worsted, mohair, alapaca, or goats' hair, gray or uncolored, not exceeding in value the sum of thirty cents per square yard, four cents per square yard, and in addition thereto, twenty-five per centum ad valorem; exceeding in value thirty cents per square yard, six cents per square yard, and in addition thereto, thirty per centum ad valorem.

On all goods of the last mentioned description, if stained, colored or printed, not exceeding in value the sum of thirty cents per square yard, four cents per square yard, and thirty per centum ad valorem; exceeding in value thirty cents per square yard, six cents per square yard, and in addition thereto, thirty five per centum ad valorem.

On shirts, drawers, hosiery of wool, or of which wool shall be a component material, not otherwise provided for, twenty cents per pound, and in addition thereto, thirty per centum ad valorem.

On bunting, and on all other manufactures of worsted, mohair, alapaca, or goats' hair, or of which worsted, mohair, alapaca, or goats' hair, shall be a component material, not otherwise provided for, fifty per centum ad valorem.

On lastings, mohair cloth, silk, twist, or other manufacture of cloth, woven or made in patterns of such size, shape, and form, or cut in such manner as to be fit for shoes, slippers, boots, bootees, garters, and buttons exclusively, not combined with India-rubber, ten per centum ad valorem.

On oil-cloths for floors, stamped, painted, or printed, valued at fifty cents or less per square yard, thirty per centum ad valorem; valued at over fifty cents per square yard, and on all other oil-cloth, except silk oil-cloth, forty per centum ad valorem.

SEC. 6. *And be it further enacted*, That on and after the day and year aforesaid, there shall be levied, collected, and paid, on the importation of the articles hereinafter mentioned, the following duties, that is to say:

First. On cotton, raw or unmanufactured, two cents per pound.

Second. On all manufactures of cotton (except jeans, denims, drillings, bed-tickings, gingham, plaids, cottonades, pantaloon stuff, and goods of like description,) not bleached, colored, stained, painted, or printed, and not exceeding one hundred threads to the square inch, counting the warp and filling, and exceeding in weight five ounces per square yard, five cents per square yard; if bleached, five cents and a half per square yard; if colored, stained, painted, or printed, five cents and a half per square yard, and in addition thereto, ten per centum ad valorem. On finer and lighter goods of like description, exceeding one hundred threads and not exceeding two hundred threads to the square inch, counting the warp and filling, unbleached, five cents per square yard; if bleached, five cents and a half per square yard; if colored, stained, painted, or printed, five and a half cents per square yard, and in addition thereto, twenty per centum ad valorem. On goods of like description, exceeding two hundred threads to the square inch, counting the warp and filling, unbleached, five cents per square yard; if bleached, five and a half cents per square yard; if colored, stained, painted, or

printed, five and a half cents per square yard, and in addition thereto, twenty per centum ad valorem.

Third. On all cotton jeans, denims, drillings, bed-tickings, gingham, plaids, cottonades, pantaloons, stuffs, and goods of like description, or for similar use, if unbleached, and not exceeding one hundred threads to the square inch, counting the warp and filling, and exceeding five ounces to the square yard, six cents per square yard; if bleached, six cents and a half per square yard; if colored, stained, painted or printed, six cents and a half per square yard, and in addition thereto, ten per centum ad valorem. On finer or lighter goods of like description, exceeding one hundred threads, and not exceeding two hundred threads to the square inch, counting the warp and filling, if unbleached, six cents per square yard; if bleached, six and a half cents per square yard; if colored, stained, painted, or printed, six and a half cents per square yard, and in addition thereto, fifteen per centum, ad valorem. On goods of like description, exceeding two hundred threads to the square inch, counting the warp and filling, if unbleached, seven cents per square yard; if bleached, seven and a half cents per square yard; if colored, stained, painted, or printed, seven and a half cents per square yard, and in addition thereto, fifteen per centum ad valorem: *Provided*, That upon all plain woven cotton goods, not included in the foregoing schedules, unbleached, valued at over sixteen cents per square yard, bleached, valued at over twenty cents per square yard, colored, valued at over twenty-five cents per square yard, and cotton jeans, denims, and drillings, unbleached, valued at over twenty cents per square yard, and all other cotton goods, of every description, the value of which shall exceed twenty-five cents per square yard, there shall be levied, collected, and paid, a duty of thirty-five per centum ad valorem. *And provided, further*, That no cotton goods having more than two hundred threads to the square inch, counting the warp and filling, shall be admitted at a less rate of duty than is provided for goods which are of that number of threads.

Fourth. On spool thread of cotton, six cents per dozen spools, containing on each spool not exceeding one hundred yards of thread, and in addition thereto, thirty per centum ad valorem; exceeding one hundred yards, for every additional hundred yards of thread on each spool, or fractional part thereof in excess of one hundred yards, six cents per dozen, and thirty per centum ad valorem.

On cotton shirts and drawers, woven, or made on frames, and on all cotton hosiery, thirty-five per centum ad valorem.

On cotton velvet, thirty-five per centum ad valorem.

On cotton braids, insertings, lace, trimmings, or bobbinet, and all other manufactures of cotton, not otherwise provided for, thirty-five per centum ad valorem.

Sec. 7. And be it further enacted, That on and after the day and year aforesaid, in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, there shall be levied, collected, and paid, on the goods, wares, and merchandise enumerated and provided for in this section, imported from foreign countries, the following duties and rates of duties, that is to say:

First. On brown and bleached linens, ducks, canvas paddings, cotton bottoms, burlaps, diapers, crash, buckabacks, handkerchiefs, lawns, or other manufactures of flax, jute, or hemp, or of which flax, jute, or hemp shall be the component material of chief value, not otherwise provided for, valued at thirty cents or less

per square yard, thirty five per centum ad valorem; valued at above thirty cents per square yard, forty per centum ad valorem. On flax, or linen yarns for carpets, not exceeding number eight, Lee, and valued at twenty-four cents or less per pound, thirty per centum ad valorem. On flax or linen yarns, valued at above twenty-four cents per pound, thirty five per centum ad valorem. On flax or linen thread, twine and pack thread, and all other manufactures of flax, or of which flax shall be the component material of chief value, not otherwise provided for, forty per centum ad valorem.

Second. On tarred cables or cordage, three cents per pound. On untarred Manilla cordage, two and one half cents per pound. On all other untarred cordage, three and a half cents per pound. On hemp yarns, five cents per pound. On coir-yarn, one and a half cent per pound. On seines, six and a half cents per pound.

Third. On gunny cloth, gunny bag, and cotton bagging, or other manufacture, not otherwise provided for, suitable for the uses to which cotton bagging is applied, composed in whole or in part of hemp, jute, flax, or other material, valued at ten cents or less per square yard, three cents per pound; over ten cents per square yard, four cents per pound, on sail duck, or canvas for sails, thirty per centum ad valorem; on Russia, and other sheetings of flax or hemp, brown and white, thirty-five per centum ad valorem; on all other manufactures of hemp, or of which hemp shall be the component material of chief value, not otherwise provided for, thirty per centum ad valorem; on grass cloth, thirty per centum ad valorem; on jute yarns, twenty-five per centum ad valorem; on all other manufactures of jute or Sisal grass, not otherwise provided for, thirty per centum ad valorem.

SEC. 8. *And be it further enacted,* That on and after the day and year aforesaid, in lieu of the duties heretofore imposed by law, on the articles hereinafter mentioned, there shall be levied, collected, and paid, on the goods, wares, and merchandise enumerated and provided for in this section, imported from foreign countries, the following duties and rates of duty, that is to say:

On spun silk for filling, in skeins or cops, twenty-five per centum, ad valorem; on silk in the gum, not more advanced than singles, tram, and thrown or organize, thirty-five per centum ad valorem; on floss silks, thirty-five per centum ad valorem; on sewing silk, in the gum or purified, forty per centum ad valorem; on all dress and piece silks, ribbons and silk velvets, or velvets of which silk is the component material of chief value, sixty per centum ad valorem; on silk vestings, pongees, shawls, scarfs, mantillas, pelerines, handkerchiefs, veils, laces, shirts, drawers, bonnets, hats, caps, turbans, chemisettes, hose, mitts, aprons, stockings, gloves, suspenders, watch-chains, webbing braids, fringes, galloons, tassel cords, and trimmings, sixty per centum ad valorem.

On all manufactures of silk, or of which silk is a component material of chief value, not otherwise provided for, fifty per centum ad valorem.

SEC. 9. *And be it further enacted,* That on and after the day and year aforesaid, in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, there shall be levied, collected and paid, on the goods, wares and merchandise enumerated and provided for in this section, imported from foreign countries, the following duties and rates of duty, that is to say:

On all brown earthenware and common stoneware, gas retorts, stoneware not ornamented, twenty-five per centum ad valorem.

On China, porcelain, and Parian ware, gilded, ornamented, or decorated in any manner, fifty per centum ad valorem.

On China, porcelain, and Parian ware, plain white, and not decorated in any manner, forty-five per centum ad valorem; on all other earthen, stone, or crockery ware, white, glazed, edged printed, painted, dipped, or cream-colored, composed of earthy or mineral substances, and not otherwise provided for, forty per centum ad valorem.

On slates, slate pencils, slate chimney pieces, mantles, slabs for tables, and all other manufactures of slate, forty per centum ad valorem.

On unwrought clay, pipe clay, fire clay, and kaoline, five dollars per ton.

On fuller's earth, three dollars per ton.

On white chalk and cliff stone, ten dollars per ton. On red and French chalk, twenty per centum ad valorem. On chalk of all descriptions, not otherwise provided for, twenty-five per centum ad valorem.

On whiting and Paris white, one cent per pound.

On whiting ground in oil, two cents per pound.

On all plain and mould and press glass, not cut, engraved, or painted, thirty-five per centum ad valorem.

On all articles of glass, cut, engraved, painted, colored, printed, stained, silvered, or gilded, not including plate-glass silvered, or looking glass plates, forty per centum ad valorem.

On all unpolished cylinder, crown, and common window glass, not exceeding ten by fifteen inches square, one cent and a half per pound; above that and not exceeding sixteen by twenty-four inches square, two cents per pound; above that and not exceeding twenty-four by thirty inches square, two cents and a half per pound; all above that, three cents per pound.

On cylinder and crown glass, polished, not exceeding ten by fifteen inches square, two and one-half cents per square foot; above that, and not exceeding sixteen by twenty-four inches square, four cents per square foot; above that and not exceeding twenty-four by thirty inches square, six cents per square foot; above that and not exceeding twenty-four by sixty inches, twenty cents per square foot; all above that, forty cents per square foot.

On fluted, rolled, or rough plate glass, not including crown, cylinder, or common window glass, not exceeding ten by fifteen inches square, seventy five cents per one hundred square feet; above that, and not exceeding sixteen by twenty-four inches square, one cent per square foot; above that and not exceeding twenty-four by thirty inches square, one cent and a half per square foot; all above that, two cents per square foot; *Provided*, that all fluted, rolled, or rough plate glass, weighing over one hundred pounds per one hundred square feet, shall pay an additional duty on the excess at the same rates herein imposed.

On all cast polished plate glass, unsilvered, not exceeding ten by fifteen inches square, three cents per square foot; above that and not exceeding sixteen by twenty four inches square, five cents per square foot: above that and not exceeding twenty-four by thirty inches square, eight cents per square foot; above that and not exceeding twenty-four by sixty inches square, twenty-five cents per square foot; all above that, fifty cents per square foot.

On all cast polished plate glass silvered, or looking glass plates not exceeding ten by fifteen inches square, four cents per square foot; above that and not ex-

ceeding sixteen by twenty-four inches square, six cents per square foot ; above that and not exceeding twenty-four by thirty inches square, ten cents per square foot ; above that and not exceeding twenty-four by sixty inches square, thirty-five cents per square foot ; all above that sixty cents per square foot ; *Provided*, that no looking-glass plates or plate glass silvered, when framed, shall pay a less rate of duty than that imposed upon similar glass of like description not framed, but shall be liable to pay in addition thereto thirty per centum ad valorem upon such frames.

On porcelain and Bohemian glass, glass crystals for watches, paintings on glass or glasses, pebbles for spectacles, and all manufactures of glass, or of which glass shall be a component material, not otherwise provided for, and all glass bottles or jars filled with sweetmeats or preserves, not otherwise provided for, forty per centum ad valorem.

SEC. 10. *And be it further enacted*, That on and after the day and year aforesaid, in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, and on such as may now be exempt from duty, there shall be levied, collected and paid on the goods, wares, and merchandise enumerated and provided for in this section, imported from foreign countries, the following duties and rate of duty, that is to say :

First. On annatto seed, extract of annatto, nitrate of barytes, carmined indigo, crude tica, extract of safflower, finishing powder, gold size and patent size, cobalt, oxide of cobalt, smalt zaffre, and terra alba, twenty per centum ad valorem. On nickel, fifteen per centum ad valorem.

Second. On albumen, asbestos, asphaltum, crocus, colcotha, blue or Roman vitriol or sulphate of copper, bone or ivory drop black, murexide, ultramarine, Indian red, and Spanish brown, twenty-five per centum ad valorem.

SEC. 11. *And be it further enacted*, That on and after the day and year aforesaid, in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, there shall be levied, collected and paid, on the goods, wares and merchandise enumerated and provided for in this section, imported from foreign countries, the following duties and rates of duty, that is to say :

On acetic acid, acetous or concentrated vinegar, or pyroligneous acid, exceeding the specific gravity of 1,040, eighty cents per pound ; not exceeding the specific gravity of 1,040, known as number eight, twenty-five cents per pound.

On acetate or pyrolignite of ammonia, seventy cents per pound ; of baryta, forty cents per pound ; of iron, strontia, and zinc, fifty cents per pound ; of lead, twenty cents per pound ; of magnesia and soda, fifty cents per pound ; of lime, twenty-five per centum ad valorem.

On aniline dyes, one dollar per pound and thirty-five per centum ad valorem. On Paris white, enameled white, satin white, lime white, and all combinations of barytes with acids or water, three cents per pound. On carmine lake, dry or liquid, thirty-five per centum ad valorem. On French green, Paris green, mineral green, mineral blue, Prussian blue, dry or moist, thirty per centum ad valorem.

On almonds, six cents per pound ; shelled, ten cents per pound.

On articles not otherwise provided for, made of gold, silver, German silver, or platina, or of which either of these metals shall be a component part, forty per centum ad valorem.

On antimony, crude and regulus of antimony, ten per centum ad valorem.

On opium, two dollars and fifty cents per pound; on opium prepared for smoking, and extracts of opium, one hundred per centum ad valorem.

On morphine and its salts, two dollars and fifty cents per ounce

On arrowroot, thirty per centum ad valorem.

On brimstone, crude, six dollars per ton.

On brimston, in rolls, or refined, ten dollars per ton.

On castor beans or seeds, per bushel of fifty pounds, sixty cents.

On chickory root, four cents per pound; ground, burnt or prepared, five cents per pound.

On cassia, twenty cents per pound; on cassia buds and ground cassia, twenty-five cents per pound.

On cinnamon, thirty cents per pound.

On chloroform, one dollar per pound.

On collodion and ethers of all kinds, not otherwise provided for, and ethereal preparations or extracts, fluid, one dollar per pound.

On cologne water and other perfumery, of which alcohol forms the principal ingredient, three dollars per gallon, and fifty per cent ad valorem.

On cloves, twenty cents per pound; on clove stems, ten cents per pound.

On fusil oil, or amylic alcohol, two dollars per gallon.

On Hoffman's anodyne and spirits of nitric ether, fifty cents per pound.

On bristles, fifteen cents per pound; on hog's hair, one cent per pound; onistle, or Tampico fibre, one cent per pound.

On brushes of all kinds, forty per centum ad valorem.

On honey, twenty cents per gallon.

On lead, white or red, and litharge, dry or ground in oil, three cents per pound.

On percussion caps, forty per centum ad valorem.

On lemons, oranges, pine-apples, plantains, cocoa-nuts, and fruits preserved in their own juice, and fruit juice, twenty-five per centum ad valorem.

On licorice root, two cents per pound; on licorice paste, or licorice in rolls, ten cents per pound.

On nutmegs, fifty cents per pound.

On mace, forty cents per pound.

On oil, croton, one dollar per pound; olive, in flasks or bottles, and salad, one dollar per gallon; castor, one dollar per gallon; cloves, two dollars per pound; cognac or cœnanthic ether, four dollars per ounce.

On pea nuts, or ground beans, one cent per pound; shelled, one and a half cent per pound; on filberts and walnuts of all kinds, three cents per pound.

On petroleum and coal illuminating oil, crude, ten cents per gallon. On illuminating oil, and naphtha, benzine and benzole, refined or produced from the distillation of coal asphaltum, shale, peat, petroleum, or rock oil, or other bituminous substances, used for like purposes, thirty cents per gallon.

On pimento, and black, white and red or cayenne pepper, fifteen cents per pound; on ground pimento and pepper of all kinds, eighteen cents per pound.

On spirits of turpentine, thirty cents per gallon.

On sulphur, flour of, twenty dollars per ton and fifteen per centum ad valorem.

On tannin and tannic acid, two dollars per pound; on gallic acid, one dollar and fifty cents per pound.

On santonine, five dollars per pound.

On salt in sacks, barrels, and other packages, twenty-four cents per one hundred pounds; on salt in bulk, eighteen cents per one hundred pounds.

On crude saltpetre, two and one half cents per pound.

On strychnine and its salts, one dollar and one half per ounce.

On tagger's iron, thirty per centum ad valorem.

On vinegar, ten cents per gallon.

On watches, gold or silver, twenty-five per centum ad valorem.

On wood pencils, filled with lead or other materials, fifty cents per gross, and in addition thereto, thirty per centum ad valorem.

On ostrich, vulture, cock and other ornamental feathers, crude or not dressed, colored or manufactured, twenty-five per centum ad valorem; when dressed, colored or manufactured, fifty per centum ad valorem.

On playing cards, costing not over twenty-five cents per pack, twenty-five cents per pack; costing over twenty-five cents per pack, thirty-five cents per pack.

SEC. 12. *And be it further enacted*, That on and after the day and year aforesaid, there shall be levied, collected, and paid a duty of fifty per centum ad valorem on the importation of the articles hereinafter mentioned and embraced in this section, that is to say:

Anchovies and sardines, preserved in oil or otherwise.

Artificial and ornamental feathers and flowers, or parts thereof, of whatever material composed, not otherwise provided for.

Beads and bead ornaments.

Billiard chalk.

Ginger, preserved or pickled.

Ivory or bone dice, draughts, chess men, chess balls and bagatelle balls.

Jellies of all kinds.

On kid or other leather gloves of all descriptions, for men's, women's or children's wear.

On wooden and other toys for children.

SEC. 13. *And be it further enacted*, That on and after the day and year aforesaid, in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, there shall be levied, collected, and paid, on the goods, wares and merchandise enumerated and provided for in this section, imported from foreign countries, the following duties and rates of duty, that is to say:

On books, periodicals, pamphlets, blank books, bound or unbound, and all printed matter, engravings bound or unbound, illustrated books and papers, and maps and charts, twenty-five per centum ad valorem.

On cork, bark or wood, unmanufactured, thirty per centum ad valorem. On corks and cork bark manufactured, fifty per centum ad valorem.

On Hatters' furs, not on the skin, and dressed furs on the skin, twenty per centum ad valorem. Furs on the skin, undressed, ten per centum ad valorem.

On fire crackers, one dollar per box of forty packs, not exceeding eighty to each pack, and in the same proportion for any greater number.

On gutta-percha, manufactured, forty per centum ad valorem.

On gunpowder and all explosive substances used for mining, blasting, artillery or sporting purposes, when valued at twenty cents or less per pound, a duty of

six cents per pound, and in addition thereto twenty per centum ad valorem ; valued above twenty cents per pound, a duty of ten cents per pound, and in addition thereto twenty per centum ad valorem.

On marble, white statuary, brocatelle, sienna and verdantique, in block, rough or squared, one dollar per cubic foot, and in addition thereto twenty-five per centum ad valorem. On veined marble and marble of all other descriptions, not otherwise provided for in block, rough or squared, fifty cents per cubic foot, and in addition thereto twenty per centum ad valorem.

On mineral or medicinal waters, or waters from springs impregnated with minerals, for each bottle or jug containing not more than one quart, three cents, and in addition thereto twenty-five per centum ad valorem ; containing more than one quart, three cents for each additional quart, or a fractional part thereof, and in addition thereto twenty-five per centum ad valorem.

On palm-leaf fans, one cent each.

On pipes, clay, common or white, thirty-five per centum ad valorem.

On meerschäum, wood, porcelain, lava, and all other tobacco smoking pipes and pipe-bowls, not herein otherwise provided for, one dollar and fifty cents per gross, and in addition thereto seventy-five per centum ad valorem.

On pipe-cases, pipe-stems, tips, mouth-pieces and metallic mountings for pipes, and all parts of pipes, and pipe fixtures, and all smokers' articles, seventy five per centum ad valorem.

On pen tips and pen-holders, or parts thereof, thirty five per centum ad valorem.

On pens, metallic, ten cents per gross, and in addition thereto twenty-five per centum ad valorem.

On soap, fancy, perfumed, fancy, transparent and all descriptions of toilet and shaving soap, ten cents per pound, and in addition thereto twenty-five per centum ad valorem.

On all soap not otherwise provided for, one cent per pound, and in addition thereto thirty per centum ad valorem.

On starch, made of potatoes or corn, one cent per pound, and twenty per centum ad valorem.

On starch made of rice, or any other material, three cents per pound, and twenty per centum ad valorem.

On rice, cleaned, two and a half cents per pound ; on uncleaned, two cents per pound.

On paddy, one and a half cents per pound.

Sec. 14. *And be it further enacted*, That on the entry of any vessel, or of any goods, wares, or merchandise, the decision of the collector of customs at the port of importation and entry, as to the rate and amount of duties to be paid on the tonnage of such vessel or on such goods, wares or merchandise, and the dutiable costs and charges thereon, shall be final and conclusive against all persons interested therein, unless the owner, master, commander, or consignee of such vessel, in the case of duties levied on tonnage, or the owner, importer, consignee, or agent of the merchandise, in the case of duties levied on goods, wares, or merchandise, or the costs and charges thereon, shall, within ten days after the ascertainment and liquidation of the duties by the proper officers of the customs, as well in cases of merchandise entered in bond as for consumption, give notice in writing to the collector on each entry, if dissatisfied with his decision, setting

forth therein, distinctly and specifically, the grounds of his objection thereto, and shall, within thirty days after the date of such ascertainment and liquidation, appeal therefrom to the Secretary of the Treasury, whose decision on such appeal shall be final and conclusive; and such vessel, goods, wares, or merchandise, or costs and charges, shall be liable to duty accordingly, any act of Congress to the contrary notwithstanding, unless suit shall be brought within ninety days after the decision of the Secretary of the Treasury on such appeal for any duties which shall have been paid before the date of such decision on such vessel, or on such goods, wares, merchandise, or costs or charges, or within ninety days after the payment of duties paid after the decision of the Secretary. And no suit shall be maintained in any court for the recovery of any duties alleged to have been erroneously or illegally exacted, until the decision of the Secretary of the Treasury shall have been first had on such appeal, unless said decision of the Secretary shall be delayed more than ninety days from the date of such appeal in the case of an entry at any port East of the Rocky Mountains, or more than five months in case of an entry West of those mountains.

Sec. 15. *And be it further enacted*, That the decision of the respective collectors of customs, as to all fees, charges, and exactions of whatever character, other than those mentioned in the next preceding section, claimed by them, or by any of the officers under them, in the performance of their official duty, shall be final and conclusive against all persons interested in such fees, charges, or exactions, unless the like notice that an appeal will be taken from such decision to the Secretary of the Treasury shall be given within ten days from the making of such decision, and unless such appeal shall actually be taken within thirty days from the making of such decision; and the decision of the Secretary of the Treasury shall be final and conclusive upon the matter so appealed, unless suit shall be brought for the recovery of such fees, charges, or exactions, within the period, as provided for in the next preceding section, in regard to duties. And no suit shall be maintained in any court, for the recovery of any such fees, costs, and charges alleged to have been erroneously or illegally exacted, until the decision of the Secretary of the Treasury shall have been first had on such appeal, unless such decision of the Secretary shall be delayed more than ninety days from the date of such appeal, in case of an entry at any port east of the Rocky Mountains, or more than five months in case of an entry west of those mountains.

Sec. 16. *And be it further enacted*, That whenever it shall be shown, to the satisfaction of the Secretary of the Treasury, that in any case of unascertained duties, or duties or other moneys paid under protest and appeal, as hereinbefore provided, more money has been paid to the collector, or person acting as such, than the law requires should have been paid, it shall be the duty of the Secretary of the Treasury to draw his warrant upon the Treasurer, in favor of the person or persons entitled to the over payment, directing the said Treasurer to refund the same out of any money in the treasury not otherwise appropriated.

Sec. 17. *And be it further enacted*, That a discriminating duty of ten per centum ad valorem, in addition to the duties imposed by law, shall be levied, collected and paid, on all goods, wares and merchandise which, on and after the day this act shall take effect, shall be imported in ships or vessels not of the United States: *Provided*, That this discriminating duty shall not apply to goods, wares and merchandise which shall be imported, on and after the day this act takes effect, in ships or vessels not of the United States, entitled by treaty, or any act or acts of Congress, to be entered in the ports of the United States, on payment of the same duties as shall then be paid on goods, wares, and merchandise imported in ships or vessels of the United States.

SEC. 18. *And be it further enacted*, That on and after the day and year this act shall take effect, there shall be levied, collected and paid, on all goods, wares, and merchandise, of the growth or produce of countries east of the Cape of Good Hope, (except silk, raw, or unmanufactured, or not more advanced in manufacture than singles, tram, thrown organzine and raw cotton,) when imported from places west of the Cape of Good Hope a duty of ten per centum ad valorem, in addition to the duties imposed on any such articles, when imported directly from

the place or places of their growth or production: *Provided*, That section three of the act approved August five, eighteen hundred and sixty-one, entitled "An act to provide increased revenue from imports, to pay interest on the public debt, and for other purposes," and section fourteen of the act approved July fourteen, eighteen hundred and sixty-two, entitled "An act increasing, temporarily, the rates of duties on imports, and for other purposes," be, and the same are hereby repealed.

SEC. 19. *And be it further enacted*, That all goods, wares; and merchandise which may be in the public stores or bonded warehouses on the day and year this act shall take effect, shall be subjected to no other duty upon the entry thereof, for consumption, than if the same were imported respectively after that day, and so much of the act of August sixth, eighteen hundred and forty-six, or any other act, as requires the sale of fire-crackers, or prohibits their deposit in bonded warehouse, is hereby repealed.

SEC. 20. *And be it further enacted*, That the joint resolution "to increase, temporarily, the duties on imports," approved April twenty-ninth, eighteen hundred and sixty-four, shall not be deemed to have taken effect until after the thirtieth day of April, eighteen hundred and sixty-four, and shall be and remain in force until and including the thirtieth day of June, eighteen hundred and sixty-four, and any duties which shall have been exacted and received, contrary to the provisions of this section, shall be refunded by the Secretary of the Treasury.

SEC. 21. *And be it further enacted*, That during the period of one year from the passage of this act, there may be imported into the United States, free of duty, any machinery designed for and adapted to the manufacture of woven fabrics from the fibre of flax or hemp, including all the preliminary processes requisite therefor, and that steam agricultural machinery and implements, may be imported free from duty, for one year from the passage of this act.

SEC. 22. *And be it further enacted*, That all acts and parts of acts repugnant to the provisions of this act be, and the same are hereby repealed: *Provided*, That the existing laws shall extend to and be in force for the collection of the duties imposed by this act, for the prosecution and punishment of all offences, and for the recovery, collection, distribution, and the remission of all fines, penalties, and forfeitures, as fully and effectually as if every regulation, penalty, forfeiture, provision, cause matter, and thing to that effect, in the existing law contained, had been inserted in, and re-enacted by this act: *And provided, further*, That the duties upon all goods, wares and merchandise imported from foreign countries, not provided for in this act, shall be and remain as they were, according to existing laws prior to the twenty-ninth of April, eighteen hundred and sixty-four.

SEC. 23. *And be it further enacted*, That on and after the day and year this act shall take effect, it shall be lawful for the owner, consignee, or agent, of any goods, wares, or merchandise which shall have been actually purchased, or procured otherwise than by purchase, at the time when he shall produce his original invoice or invoices to the collector, and make and verify his written entry of his goods, wares and merchandise as provided by section thirty-six of the act of March two, seventeen hundred and ninety-nine, entitled "An act to regulate the collection of duties on imports and tonnage," and not afterward, to make such addition in the entry to the cost or value given in the invoice as, in his opinion, may raise the same to the true market value of such goods, wares and merchandise in the principal markets of the country whence they shall have been imported, and to add thereto all costs and charges which, under existing laws, would form part of the true value at the port where the same may be entered, upon which the duties should be assessed. And it shall be the duty of the collector, within whose district the same may be imported or entered, to cause the dutiable value of such goods, wares and merchandise to be appraised, estimated and ascertained, in accordance with the provisions of existing laws. And if the appraised value thereof shall exceed, by ten per centum, or more, the value so declared on the entry, then, in addition to the duties imposed by law on the same, there shall be levied, collected and paid, a duty of twenty per centum ad valorem on such ap-

praised value : *Provided*, That the duty shall not be assessed upon an amount less than the invoice or entered value, any law of Congress to the contrary notwithstanding : *And provided, further*, That on and after the day and year aforesaid, the eighth section of the act entitled " An act reducing the duty on imports, and for other purposes," approved July thirty, eighteen hundred and forty-six, and the act amendatory thereof, approved March three, eighteen hundred and fifty-seven, be, and the same are hereby repealed.

Sec. 24. *And be it further enacted*, That in determining the valuation of goods, imported into the United States from foreign countries, except as hereinbefore provided, upon which duties imposed by any existing laws are to be assessed, the actual value of such goods on shipboard, at the last place of shipment to the United States, shall be deemed the dutiable value. And such value shall be ascertained by adding to the value of such goods at the place of growth, production or manufacture, the cost of transportation, shipment and transhipment, with all the expenses included, from the place of growth, production, or manufacture, whether by land or water, to the vessel in which shipment is made to the United States, the value of the sack, box, or covering of any kind, in which such goods are contained, commission at the usual rate, in no case less than two and one half per centum brokerage, and all export duties, together with all costs and charges paid or incurred for placing said goods on shipboard, and all other proper charges specified by law.

Sec. 25. *And be it further enacted*, That so much of section twenty-three of the act entitled " An act to provide for the payment of outstanding treasury notes, to authorize a loan, to regulate and fix the duties on imports, and for other purposes, approved March two, eighteen hundred and sixty-one, as exempts from duty all philosophical apparatus and instruments imported for the use of any society incorporated for philosophical, literary, or religious purposes, or for the encouragement of the fine arts, or for the use, or by the order of any college, academy, school, or seminary of learning in the United States, is hereby repealed. And the same shall be subject to a duty of fifteen per centum ad valorem.

Sec. 26. *And be it further enacted*, That when any cask, barrel, carboy, or other vessel of American manufacture, exported or sent out of the country, filled with the products of the United States, shall be returned to the United States empty, the same shall be admitted free of duty, under such rules and regulations as may be prescribed by Secretary of Treasury.

Sec. 27. *And be it further enacted*, That on and after January first, eighteen hundred and sixty-five, the invoices of all goods, wares and merchandise, imported into the United States, shall be made out in the weights or measures of the country or place from which the importations shall be made, and shall contain a true statement of the actual weights or measures of such goods, wares and merchandise, without any respect to the weights or measures of the United States.

Sec. 28. *And be it further enacted*, That in all cases where officers of the customs, or other salaried officers of the United States, shall be, or shall have been, appointed by the Secretary of the Treasury, to carry into effect the licenses, rules, and regulations, provided for by the fifth section of the act of the thirteenth of July, eighteen hundred and sixty-one, entitled " An act further to provide for the collection of duties on imports, and for other purposes," such officer of the United States shall be entitled to receive one thousand dollars per annum for his services, under the act aforesaid, in addition to his salary or compensation under any other law : *Provided*, That the aggregate compensation of any such officer shall not exceed the sum of five thousand dollars in any one year.

Sec. 29. *And be it further enacted*, That any baggage, or personal effects, arriving in the United States, in transit to any foreign country, may be delivered by the parties having it in charge to the collector of customs, to be by him retained, without the payment or exaction of any import duty, and to be delivered to such parties on their departure for their foreign destination, under such rules, regulations, and fees as the Secretary of the Treasury may prescribe.

Approved, June 30, 1864.

NATIONAL BANK LAW.

(OFFICIAL COPY.)

[PUBLIC—No. 85.]

AN ACT to provide a national currency, secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That there shall be established in the Treasury Department a separate bureau, which shall be charged with the execution of this and all other laws that may be passed by Congress respecting the issue and regulation of a national currency, secured by United States bonds. The chief officer of the said bureau shall be denominated the Comptroller of the Currency, and shall be under the general direction of the Secretary of the Treasury. He shall be appointed by the President, on the recommendation of the Secretary of the Treasury, by and with the advice and consent of the Senate, and shall hold his office for the term of five years, unless sooner removed by the President, upon reasons to be communicated by him to the Senate; he shall receive an annual salary of five thousand dollars; he shall have a competent deputy, appointed by the Secretary, whose salary shall be two thousand five hundred dollars, and who shall possess the power and perform the duties attached by law to the office of Comptroller during a vacancy in such office, and during his absence or inability; he shall employ, from time to time, the necessary clerks to discharge such duties as he shall direct, which clerks shall be appointed and classified by the Secretary of the Treasury, in the manner now provided by law. Within fifteen days from the time of notice of his appointment the Comptroller shall take and subscribe the oath of office prescribed by the Constitution and laws of the United States; and he shall give to the United States a bond in the penalty of one hundred thousand dollars, with not less than two responsible sureties, to be approved by the Secretary of the Treasury, conditioned for the faithful discharge of the duties of his office. The Deputy Comptroller so appointed shall also take the oath of office prescribed by the Constitution and laws of the United States, and shall give a like bond in the penalty of fifty thousand dollars. The Comptroller and Deputy Comptroller shall not, either directly or indirectly, be interested in any association issuing national currency under the provisions of this act.

SEC. 2. *And be it further enacted,* That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, shall devise a seal, with suitable inscriptions, for his office, a description of which, with a certificate of approval by the Secretary of the Treasury, shall be filed in the office of the Secretary of State, with an impression thereof, which shall thereupon become the seal of office of the Comptroller of the Currency, and the same may be renewed when necessary. Every certificate, assignment, and conveyance, executed by the Comptroller, in pursuance of any authority conferred on him by law, and sealed with his seal of office, shall be received in evidence in all places and courts whatsoever;

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and all copies of papers in the office of the Comptroller, certified by him, and authenticated by the said seal, shall, in all cases, be evidence equally and in like manner as the original. An impression of such seal directly on the paper shall be as valid as if made on wax or wafer.

SEC. 3. *And be it further enacted*, That there shall be assigned to the Comptroller of the Currency, by the Secretary of the Treasury, suitable rooms in the Treasury building for conducting the business of the Currency Bureau, in which shall be safe and secure fire-proof vaults, in which it shall be the duty of the Comptroller to deposit and safely keep all the plates not necessarily in the possession of engravers or printers, and other valuable things belonging to his department; and the Comptroller shall, from time to time, furnish the necessary furniture, stationary, fuel, lights, and other proper conveniences for the transaction of said business.

SEC. 4. *And be it further enacted*, That the term "United States bonds," as used in this act, shall be construed to mean all registered bonds now issued, or that may hereafter be issued, on the faith of the United States, by the Secretary of the Treasury in pursuance of law.

SEC. 5. *And be it further enacted*, That associations for carrying on the business of banking may be formed by any number of persons, not less, in any case, than five, who shall enter into articles of association, which shall specify in general terms the object for which the association is formed, and may contain any other provisions, not inconsistent with the provisions of this act, which the association may see fit to adopt for the regulation of the business of the association and the conduct of its affairs, which said articles shall be signed by the persons uniting to form the association, and a copy of them forwarded to the Comptroller of the Currency, to be filed and preserved in his office.

SEC. 6. *And be it further enacted*, That the persons uniting to form such an association shall, under their hands, make an organization certificate, which shall specify—

First. The name assumed by such association, which name shall be subject to the approval of the Comptroller.

Second. The place where its operations of discount and deposit are to be carried on, designating the State, Territory, or District, and also the particular county and city, town or village.

Third. The amount of its capital stock, and the number of shares into which the same shall be divided.

Fourth. The names and places of residence of the shareholders, and the number of shares held by each of them.

Fifth. A declaration that said certificate is made to enable such persons to avail themselves of the advantages of this act.

The said certificate shall be acknowledged before a judge of some court of record or a notary public, and such certificate, with the acknowledgment thereof, authenticated by the seal of such court or notary, shall be transmitted to the Comptroller of the Currency, who shall record and carefully preserve the same in his office. Copies of such certificate, duly certified by the Comptroller, and authenticated by his seal of office, shall be legal and sufficient evidence in all courts and places within the United States, or the jurisdiction of the Govern-

ment thereof, of the existence of such association, and of every other matter or thing which could be proved by the production of the original certificate.

SEC. 7. *And be it further enacted*, That no association shall be organized under this act with a less capital than one hundred thousand dollars, nor in a city whose population exceeds fifty thousand persons, with a less capital than two hundred thousand dollars : *Provided*, that banks with a capital of not less than fifty thousand dollars may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed six thousand inhabitants.

SEC. 8. *And be it further enacted*, That every association formed pursuant to the provisions of this act shall, from the date of the execution of its organization certificate, be a body corporate, but shall transact no business except such as may be incidental to its organization, and necessarily preliminary, until authorized by the Comptroller of the Currency to commence the business of banking. Such association shall have power to adopt a corporate seal, and shall have succession by the name designated in its organization certificate, for the period of twenty years from its organization, unless sooner dissolved, according to the provisions of its articles of association, or by the act of its shareholders owning two-thirds of its stock, or unless the franchise shall be forfeited by a violation of this act ; by such name it may make contracts, sue and be sued, complain and defend, in any court of law and equity as fully as natural persons ; it may elect or appoint directors, and by its board of directors appoint a president, vice-president, cashier, and other officers, define their duties, require bonds of them and fix the penalty thereof, dismiss said officers, or any of them, at pleasure, and appoint others to fill their places, and exercise under this act all such incidental powers as shall be necessary to carry on the business of banking, by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt ; by receiving deposits ; by buying and selling exchange, coin and bullion ; by loaning money on personal security ; by obtaining, issuing, and circulating notes, according to the provisions of this act ; and its board of directors shall also have power to define and regulate, by by-laws, not inconsistent with the provisions of this act, the manner in which its stock shall be transferred, its directors elected or appointed, its officers appointed, its property transferred, its general business conducted, and all the privileges granted by this act to associations organized under it shall be exercised and enjoyed ; and its usual business shall be transacted at an office or banking-house located in the place specified in its organization certificate.

SEC. 9. *And be it further enacted*, That the affairs of every association shall be managed by not less than five directors, one of whom shall be the president. Every director shall, during his whole term of service, be a citizen of the United States ; and at least three-fourths of the directors shall have resided in the State, Territory, or district in which such association is located, one year next preceeding their election as directors, and be residents of the same during their continuance in office. Each director shall own, in his own right, at least ten shares of the capital stock of the association of which he is a director. Each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will

not knowingly violate, or willingly permit to be violated, any of the provisions of this act, and that he is the *bona fide* owner, in his own right, of the number of shares of stock required by this act, subscribed by him, or standing in his name on the books of the association, and that the same is not hypothecated, or in any way pledged, as security for any loan or debt; which oath, subscribed by himself, and certified by the officer before whom it is taken, shall be immediately transmitted to the Comptroller of the Currency, and by him filed and preserved in his office.

SEC. 10. *And be it further enacted*, that the directors of any association first elected or appointed, shall hold their places until their successors shall be elected and qualified. All subsequent elections shall be held annually, on such day in the month of January as may be specified in the articles of association; and the directors so elected shall hold their places for one year, and until their successors are elected and qualified. But any director ceasing to be the owner of the requisite amount of stock, or having in any other manner become disqualified, shall thereby vacate his place. Any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election. If from any cause an election of directors shall not be made at the time appointed, the association shall not for that cause be dissolved, but an election may be held on any subsequent day, thirty days' notice thereof in all cases having been given in a newspaper published in the city, town, or county in which the association is located; and if no newspaper is published in such city, town or county, such notice shall be published in a newspaper published nearest thereto. If the articles of association do not fix the day on which the election shall be held, or if the election should not be held on the day fixed the day for the election shall be designated by the board of directors in their by-laws, or otherwise: *Provided*, That if the directors fail to fix the day, as aforesaid, shareholders representing two-thirds of the shares may.

SEC. 11. *And be it further enacted*, That in all elections of directors, and in deciding all questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him. Shareholders may vote by proxies duly authorized in writing; but no officer, clerk, teller, or book-keeper of such association shall act as proxy; and no shareholder whose liability is past due and unpaid shall be allowed to vote.

SEC. 12. *And be it further enacted*, That the capital stock of any association formed under this act shall be divided into shares of one hundred dollars each, and be deemed personal property, and transferrable on the books of the association, in such manner as may be prescribed in the by-laws or articles of association; and every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all the rights and liabilities of the prior holder of such shares, and no change shall be made in the articles of association by which the rights, remedies, or security of the existing creditors of the association shall be impaired. The shareholders of each association formed under the provisions of this act, and of each existing bank or banking association that may except the provisions of this act, shall be held individually responsible, equally and ratably, and not one for another, for all contracts debts, and engagements of such association, to the extent of the amount of their stock therein, at the par

value thereof, in addition to the amount invested in such shares ; except that shareholders of any banking association now existing under State laws, having not less than five millions of dollars of capital actually paid in, and a surplus of twenty per centum on hand, both to be determined by the Comptroller of the Currency, shall be liable only to the amount invested in their shares ; and such surplus of twenty per centum shall be kept undiminished, and be in addition to the surplus provided for in this act ; and if at any time there shall be a deficiency in said surplus of twenty per centum, the said banking association shall not pay any dividends to its shareholders until such deficiency shall be made good ; and in case of such deficiency, the Comptroller of the Currency may compel said banking association to close its business and wind up its affairs under the provisions of this act. And the Comptroller shall have authority to withhold from an association his certificate authorizing the commencement of business, whenever he shall have reason to suppose that the shareholders thereof have formed the same for any other than the legitimate objects contemplated by this act.

SEC. 13. *And be it further enacted*, That it shall be lawful for any association formed under this act, by its articles of association, to provide for an increase of its capital, from time to time, as may be deemed expedient, subject to the limitations of this act : *Provided*, that the maximum of such increase in the articles of association shall be determined by the Comptroller of the Currency ; and no increase of capital shall be valid until the whole amount of such increase shall be paid in, and notice thereof shall have been transmitted to the Comptroller of the Currency, and his certificate obtained specifying the amount of such increase of capital stock, with his approval thereof, and that it has been duly paid in as part of the capital of such association. And every association shall have power, by the vote of shareholders owning two-thirds of its capital stock, to reduce the capital of such association to any sum not below the amount required by this act in the formation of associations : *Provided*, That by no such reduction shall its capital be brought below the amount required by this act for its outstanding circulation, nor shall any such reduction be made until the amount of the proposed reduction has been reported to the Comptroller of the Currency, and his approval thereof obtained.

SEC. 14. *And be it further enacted*, That at least fifty per centum of the capital stock of every association shall be paid in before it shall be authorized to commence business ; and the remainder of the capital stock of such association shall be paid in instalments of at least ten per centum each on the whole amount of the capital, as frequently as one instalment at the end of each succeeding month from the time it shall be authorized by the Comptroller to commence business ; and the payment of each instalment shall be certified to the Comptroller, under oath, by the president or cashier of the association.

SEC. 15. *And be it further enacted*, That if any shareholder, or his assignee, shall fail to pay any instalment on the stock, when the same is required by the foregoing section to be paid, the directors of such association may sell the stock of such delinquent shareholder at public auction, having given three weeks' previous notice thereof in a newspaper published, and of general circulation in the city or county where the association is located, and if no newspaper is published

in said city or county, then in a newspaper published nearest thereto; to any person who will pay the highest price therefor, and not less than the amount then due thereon, with the expenses of advertisement and sale; and the excess, if any, shall be paid to the delinquent shareholder. If no bidder can be found who will pay for such stock the amount due thereon to the association, and the cost of advertisement and sale, the amount previously paid shall be forfeited to the association, and such stock shall be sold as the directors may order, within six months from the time of such forfeiture, and if not sold it shall be cancelled and deducted from the capital stock of the association; and if such cancellation and reduction shall reduce the capital of the association below the minimum of capital required by this act, the capital stock shall, within thirty days from the date of such cancellation, be increased to the requirements of the act; in default of which a receiver may be appointed to close up the business of the association, according to the provisions of the fiftieth section of this act.

SEC. 16. *And be it further enacted*, That every association, after having complied with the provisions of this act, preliminary to the commencement of banking business under its provisions, and before it shall be authorized to commence business, shall transfer and deliver to the Treasurer of the United States any United States registered bonds bearing interest to an amount not less than thirty thousand dollars, nor less than one-third of the capital stock paid in, which bonds shall be deposited with the Treasurer of the United States, and by him safely kept in his office, until the same shall be otherwise disposed of, in pursuance of the provisions of this act; and the Secretary of the Treasury is hereby authorized to receive and cancel any United States coupon bonds, and to issue in lieu thereof registered bonds of like amount, bearing a like rate of interest, and having the same time to run; and the deposit of bonds shall be, by every association, increased as its capital may be paid up or increased, so that every association shall, at all times, have, on deposit with the Treasurer, registered United States bonds to the amount of, at least, one-third of its capital stock actually paid in: *Provided*, that nothing in this section shall prevent an association that may desire to reduce its capital or to close up its business and dissolve its organization from taking up its bonds, upon returning to the Comptroller its circulating notes in the proportion hereinafter named in this act, nor from taking up any excess of bonds beyond one-third of its capital stock, and upon which no circulating notes have been delivered.

SEC. 17. *And be it further enacted*, That whenever a certificate shall have been transmitted to the Comptroller of the Currency, as provided in this act, and the association transmitting the same shall notify the Comptroller that at least fifty per centum of its capital stock has been paid in as aforesaid, and that such association has complied with all the provisions of this act, as required to be complied with, before such association shall be authorized to commence the business of banking, the Comptroller shall examine into the condition of such association, ascertain especially the amount of money paid in on account of its capital, the name and place of residence of each of the directors of such association, and the amount of the capital stock of which each is the bona fide owner, and, generally, whether such association has complied with all the requirements of this act to entitle it to engage in the business of banking; and shall cause to be made and

attested, by the oath of a majority of the directors, and by the president or cashier of such association, a statement of all the facts necessary to enable the Comptroller to determine whether such association is lawfully entitled to commence the business of banking under this act.

SEC. 18. *And be it further enacted*, That if, upon a careful examination of the facts so reported, and of any other facts which may come to the knowledge of the Comptroller, whether by means of a special commission appointed by him for the purpose of inquiring into the condition of such association or otherwise, it shall appear that such association is lawfully entitled to commence the business of banking, the Comptroller shall give to such association a certificate, under his hand and official seal, that such association has complied with all the provisions of this act, required to be complied with before being entitled to commence the business of banking under it, and that such association is authorized to commence said business accordingly; and it shall be the duty of the association to cause said certificate to be published in some newspaper published in the city or county where the association is located, for at least sixty days next after the issuing thereof: *Provided*, That if no newspaper is published in such city or county, the certificate shall be published in a newspaper published nearest thereto.

SEC. 19. *And be it further enacted*, That all transfers of United States bonds which shall be made by any association under the provisions of this act, shall be made to the Treasurer of the United States in trust for the association, with a memorandum written or printed on each bond, and signed by the cashier, or some other officer of the association making the deposit, a receipt therefor to be given to said association, or by the Comptroller of the Currency, or by a clerk appointed by him for that purpose, stating that it is held in trust for the association on whose behalf such transfer is made, and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association. No assignment or transfer of any such bonds by the Treasurer shall be deemed valid or of binding force and effect unless countersigned by the Comptroller of the Currency. It shall be the duty of the Comptroller of the Currency to keep in his office a book, in which shall be entered the name of every association from whose accounts such transfer of bonds is made by the Treasurer, and the name of the party to whom such transfer is made; and the par value of the bonds so transferred shall be entered therein; and it shall be the duty of the Comptroller, immediately upon countersigning and entering the same, to advise, by mail, the association from whose account such transfer was made, of the kind and numerical designation of the bonds, and the amount thereof so transferred.

SEC. 20. *And be it further enacted*, That it shall be the duty of the Comptroller of the Currency to countersign and enter in the book, in the manner aforesaid, every transfer or assignment of any bonds held by the Treasurer presented for his signature; and the Comptroller shall have, at all times during office hours, access to the books of the Treasurer, for the purpose of ascertaining the correctness of the transfer or assignment presented to him to countersign; and the Treasurer shall have the like access to the book above mentioned, kept by the Comptroller, during office hours, to ascertain the correctness of the entries in

the same; and the Comptroller shall also, at all times, have access to the bonds on deposit with the Treasurer, to ascertain their amount and condition.

SEC. 21. *And be it further enacted*, That upon the transfer and delivery of bonds to the Treasurer, as provided in the foregoing section, the association making the same shall be entitled to receive from the Comptroller of the Currency, circulating notes of different denominations, in blank, registered and countersigned, as hereinafter provided, equal in amount to ninety per centum of the current market value of the United States bonds so transferred and delivered, but not exceeding ninety per centum of the amount of said bonds at the par value thereof, if bearing interest at a rate not less than five per centum per annum; and at no time shall the total amount of such notes, issued to any such association, exceed the amount at such time actually paid in of its capital stock.

SEC. 22. *And be it further enacted*, That the entire amount of notes for circulation to be issued under this act, shall not exceed three hundred millions of dollars. In order to furnish suitable notes for circulation, the Comptroller of the Currency is hereby authorized and required, under the direction of the Secretary of the Treasury, to cause plates and dies to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and to have printed therefrom, and numbered, such quantity of circulating notes, in blank, of the denominations of one dollar, two dollars, three dollars, five dollars, ten dollars, twenty dollars, fifty dollars, one hundred dollars, five hundred dollars, and one thousand dollars, as may be required to supply under this act, the associations entitled to receive the same; which notes shall express upon their face that they are secured by United States bonds, deposited with the Treasurer of the United States, by the written or engraved signatures of the Treasurer and Register, and by the imprint of the seal of the Treasury; and shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the signatures of the president or vice-president and cashier. And the said notes shall bear such devices, and such other statements, and shall be in such form as the Secretary of the Treasury shall, by regulation, direct: *Provided*, That not more than one-sixth part of the notes furnished to an association shall be of a less denomination than five dollars, and that after specie payments shall be resumed no association shall be furnished with notes of a less denomination than five dollars.

SEC. 23. *And be it further enacted*, That after any such association shall have caused its promise to pay such notes on demand to be signed by the president or vice-president and cashier thereof, in such manner as to make them obligatory promissory notes, payable on demand, at its place of business, such association is hereby authorized to issue and circulate the same as money; and the same shall be received at par in all parts of the United States in payment of taxes, excises, public lands, and all other dues to the United States, except for 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 the public debt, and in redemption of the national currency. And no such association shall issue post notes or any other notes to circulate as money, than such as are authorized by the foregoing provisions of this act.

SEC. 24. *And be it further enacted*, That it shall be the duty of the Comptroller of the Currency to receive worn out or mutilated circulating notes issued by any such banking association, and also, on due proof of the destruction of any such circulating notes, to deliver, in place thereof, to such association, other blank circulating notes to an equal amount. And such worn-out or mutilated notes, after a memorandum shall have been entered in the proper books, in accordance with such regulations as may be established by the Comptroller, as well as all circulating notes which shall have been paid or surrendered to be cancelled, shall be burned to ashes in presence of four persons, one to be appointed by the Secretary of the Treasury, one by the Comptroller of the Currency, one by the Treasurer of the United States, and one by the association, under such regulations as the Secretary of the Treasury may prescribe. And a certificate of such burning, signed by the parties so appointed, shall be made in the books of the Comptroller, and a duplicate thereof forwarded to the association whose notes are thus cancelled.

Sec. 25. *And be it further enacted*, That it shall be the duty of every banking association having bonds deposited in the office of the Treasurer of the the United States, once or oftner in each fiscal year, and at such time or times during the ordinary business hours as said officer or officers may select, to examine and compare the bonds so pledged, with the books of the Comptroller and the accounts of the association, and, if found correct, to execute to the said Treasurer a certificate, setting forth the different kinds and the amounts thereof, and that the same are in the possession and custody of the Treasurer at the date of such certificate. Such examination may be made by an officer or agent of such association, duly appointed, in writing, for that purpose, whose certificate, before mentioned, shall be of like force and validity, as if executed by such president or cashier; and a duplicate, signed by the Treasurer, shall be retained by the association.

Sec. 26. *And be it further enacted*, That the bonds transferred to and deposited with the Treasurer of the United States, as hereinbefore provided; by any banking association, for the security of its circulating notes, shall be held exclusively for that purpose, until such notes shall be redeemed, except as provided in this act; but the Comptroller of the Currency shall give to any such banking association power of attorney to receive and appropriate to its own use, the interest on the bonds which it shall have so transferred to the Treasurer; but such powers shall become inoperative whenever such banking association shall fail to redeem its circulating notes as aforesaid. Whenever the market or cash value of any bonds deposited with the Treasurer of the United States, as aforesaid, shall be reduced below the amount of the circulation issued for the same, the Comptroller of the Currency is hereby authorized to demand and receive the amount of such depreciation in other United States bonds at cash value, or in money, from the association receiving said bills, to be deposited with the Treasurer of the United States as long as such depreciation continues. And said Comptroller, upon the terms prescribed by the Secretary of the Treasury, may permit an exchange to be made of any of the bonds deposited with the Treasurer by an association for other bonds of the United States, authorized by this act to be received as security for circulating notes, if he shall be of opinion that such an ex-

change can be made without prejudice to the United States, and he may direct the return of any of said bonds to the banking association which transferred the same, in sums of not less than one thousand dollars, upon the surrender to him and the cancellation of a proportionate amount of such circulating notes: *Provided*, that the remaining bonds; which shall have been transferred by the banking association offering to surrender circulating notes; shall be equal to the amount required for the circulating notes not surrendered by such banking association, and that the amount of bonds in the hands of the Treasurer shall not be diminished below the amount required to be kept on deposit with him by this act: *And provided*, That there shall have been no failure by such association to redeem its circulating notes, and no other violation by such association of the provisions of this act; and that the market or cash value of the remaining bonds shall not be below the amount required for the circulation issued for the same.

Sec. 27. *And be it further enacted*, That it shall be unlawful for any officer acting under the provisions of this act; to countersign or deliver to any association, or to any other company or person, any circulating notes contemplated by this act, except as hereinbefore provided, and in accordance with the true intent and meaning of this act. And any officer who shall violate the provisions of this section shall be deemed guilty of a high misdemeanor; and, on conviction thereof, shall be punished by fine not exceeding double the amount so countersigned and delivered, and imprisonment not less than one year, and not exceeding fifteen years, at the discretion of the court in which he shall be tried.

Sec. 28. *And be it further enacted*, That it shall be lawful for any such association to purchase, hold, and convey real estate as follows:

First. Such as shall be necessary for its immediate accommodation in the transaction of its business.

Second. Such as shall be mortgaged to it in good faith, by way of security for debts previously contracted.

Third. Such as shall be conveyed to it in satisfaction of debts previously contracted in course of its dealings.

Fourth. Such as it shall purchase at sales under judgment, decrees, or mortgages held by such association; or shall purchase to secure debts due to said association.

Such association shall not purchase or hold real estate in any other case or for any other purpose than as specified in this section. Nor shall it hold the possession of any real estate under mortgage, or hold the title and possession of any real estate purchased to secure any debts due to it for a longer period than five years.

Sec. 29. *And be it further enacted*, That the total liabilities to any association, of any person, or of any company, corporation, or firm, for money borrowed, including in the liabilities of a company, or firm, the liabilities of the several members thereof, shall at no time exceed one-tenth part of the amount of the capital stock of such association actually paid in: *Provided*, That the discount of bona fide bills of exchange drawn against actually existing values; and the discount of commercial or business paper, actually owned by the person or persons, cor-

poration, or firm; negotiating the same, shall not be considered as money borrowed.

Sec. 30. *And be it further enacted*, That every association may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidences of debt, interest at the rate allowed by the laws of the State or Territory where the bank is located, and no more; except that where, by the laws of any State, a different rate is limited for banks of issue organized under State laws, the rate so limited shall be allowed for associations organized in any such State under this act. And when no rate is fixed by the laws of the State or Territory, the bank may take, receive, reserve, or charge a rate not exceeding seven per centum, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt, has to run. And the knowingly taking, receiving, reserving, or charging a rate of interest greater than aforesaid, shall be held and adjudged a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. And in case a greater rate of interest has been paid, the person or persons paying the same, or their legal representatives; may recover back, in any action of debt, twice the amount of the interest thus paid from the association taking or receiving the same: *Provided*, That such action is commenced within two years from the time the usurious transaction occurred. But the purchase, discount, or sale of a bona fide bill of exchange, payable at another place than the place of such purchase, discount, or sale, at not more than the current rate of exchange for sight drafts, in addition to the interest; shall not be considered as taking or receiving a greater rate of interest.

Sec. 31. *And be it further enacted*, That every association in the cities hereinafter named, shall, at all times, have on hand, in lawful money of the United States, an amount equal to at least twenty-five per centum of the aggregate amount of its notes in circulation, and its deposits, and every other association shall, at all times, have on hand, in lawful money of the United States, an amount equal to at least fifteen per centum of the aggregate amount of its notes in circulation, and of its deposits. And whenever the lawful money of any association in any of the cities hereinafter named, shall be below the amount of twenty-five per centum of its circulation, and deposits, and whenever the lawful money of any other association shall be below fifteen per centum of its circulation and deposits, such associations shall not increase its liabilities by making any new loans or discounts, otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividend of its profits, until the required proportion between the aggregate amount of its outstanding notes of circulation and deposits, and its lawful money of the United States shall be restored: *Provided*, That three-fifths of said fifteen per centum may consist of balances due to an association available for the redemption of its circulating notes from associations approved by the Comptroller of the Currency, organized under this act, in the cities of Saint Louis, Louisville, Chicago, Detroit, Milwaukie, New Orleans, Cincinnati, Cleveland, Pittsburg, Baltimore, Philadelphia, Boston, New York, Albany, Leavenworth, San Francisco, and Washington city: *Provided, also*; That clearing-house certificates, representing specie or lawful money, specially

deposited for the purpose of any clearing-house association, shall be deemed to be lawful money in the possession, of any association belonging to such clearing-house, holding and owning such certificate, and shall be considered to be a part of the lawful money which such association is required to have, under the foregoing provisions of this section: *Provided*, that the cities of Charleston and Richmond may be added to the list of cities in the national associations, of which other associations may keep three-fifths of their lawful money, whenever, in the opinion of the Comptroller of the Currency, the condition of the Southern States will warrant it. And it shall be competent for the Comptroller of the Currency to notify any association, whose lawful money reserve as aforesaid shall be below the amount to be kept on hand as aforesaid, to make good such reserve; and if such association shall fail for thirty days thereafter so to make good its reserve of lawful money of the United States, the Comptroller may, with the concurrence of the Secretary of the Treasury, appoint a receiver to wind up the business of such association, as provided in this act.

Sec. 32. *And be it further enacted*, That each association organized in any of the cities named in the foregoing section, shall select, subject to the approval of the Comptroller of the Currency, an association in the city of New York, at which it will redeem its circulating notes at par. And each of such associations may keep one half of its lawful money reserve in cash deposits in the city of New York. And each association not organized within the cities named in the preceding section, shall select, subject to the approval of the Comptroller of the Currency, an association in either of the cities named in the preceding section, at which it will redeem its circulating notes at par; and the Comptroller shall give public notice of the names of the associations so selected at which redemptions are to be made by the respective associations, and of any change that may be made of the associations at which the notes of any association are redeemed. If any association shall fail either to make the selection or to redeem its notes as aforesaid, the Comptroller of the Currency may, upon receiving satisfactory evidence thereof, appoint a receiver, in the manner provided for in this act, to wind up its affairs: *Provided*, That nothing in this section shall relieve any association from its liability to redeem its circulating notes at its own counter at par, in lawful money, on demand. *And provided, further*, That every association formed or existing under the provisions of this act shall take and receive, at par, for any debt or liability to said association, any and all notes or bills issued by any association existing under and by virtue of this act.

Sec. 33. *And be it further enacted*, That the directors of any association may, semi-annually, each year, declare a dividend of so much of the nett profits of the association as they shall judge expedient; but each association shall, before the declaration of a dividend, carry one-tenth part of its nett profits of the preceding half year to its surplus fund, until the same shall amount to twenty per centum of its capital stock.

Sec 34. *And be it further enacted*, That every association shall make to the Comptroller of the Currency a report, according to the form which may be prescribed by him, verified by the oath or affirmation of the president or cashier of such association; which report shall exhibit, in detail, and under appropriate heads, the resources and liabilities of the association before the commencement

of business on the morning of the first Monday of the month of January, April, July, and October of each year, and shall transmit the same to the Comptroller within five days thereafter. And any bank failing to make and transmit such report, shall be subject to a penalty of one hundred dollars for each day after five days that such report is delayed beyond that time. And the Comptroller shall publish abstracts of said reports in a newspaper to be designated by him for that purpose in the city of Washington; and the separate report of each association shall be published in a newspaper in the place where such association is established, or if there be no newspaper at such place, then in a newspaper published at the nearest place thereto, at the expense of the association making such report. In addition to the quarterly reports required by this section, every association shall, on the first Tuesday of each month, make, to the Comptroller of the Currency, a statement, under the oath of the president or cashier, showing the condition of the association making such statement, on the morning of the day next preceding the date of such statement, in respect to the following items and particulars, to wit: average amount of loans and discounts, specie, and other lawful money belonging to the association; deposits and circulation. And associations in other places than those cities named in the thirty-first section of this act, shall also return the amount due them; available for the redemption of their circulation.

Sec. 35. *And be it further enacted*, That no association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale, in default of which a receiver may be appointed to close up the business of the association, according to the provisions of this act.

Sec. 36. *And be it further enacted*, That no association shall, at any time, be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in, and remaining undiminished by losses, or otherwise, except on the following accounts, that is to say:

First. On account of its notes of circulation.

Second. On account of moneys deposited with, or collected by, such association.

Third. On account of bills of exchange, or drafts drawn against money actually on deposit to the credit of such association, or due thereto.

Fourth. On account of liabilities to its stockholders for dividends and reserved profits.

Sec. 37. *And be it further enacted*, That no association shall, either directly or indirectly, pledge or hypothecate, any of its notes of circulation, for the purpose of procuring money to be paid in on its capital stock, or to be used in its banking operations, or otherwise; nor shall any association use its circulating notes, or any part thereof, in any manner or form, to create or increase its capital stock.

Sec. 38. *And be it further enacted*, That no association, or any member thereof, shall, during the time it shall continue its banking operations, withdraw, or

permit to be withdrawn, either in form of dividends, or otherwise, any portion of its capital. And if losses shall at any time have been sustained by any such association, equal to or exceeding its undivided profits then on hand, no dividend shall be made; and no dividend shall ever be made by any association, while it shall continue its banking operations, to an amount greater than its nett profits then on hand, deducting therefrom its losses and bad debts. And all debts due to any association, on which interest is past due and unpaid for a period of six months, unless the same shall be well secured, and shall be in process of collection, shall be considered bad debts within the meaning of this act: *Provided*, That nothing in this section shall prevent the reduction of the capital stock of the association under the thirteenth section of this act.

Sec. 39. *And be it further enacted*, That no association shall, at any time, pay out on loans or discounts, or in purchasing drafts or bills of exchange, or in payment of deposits, or in any other mode pay or put in circulation the notes of any bank or banking association which shall not at any such time be receivable, at par, on deposit, and in payment of debts, by the association so paying out or circulating such notes; nor shall it knowingly pay out or put in circulation any notes issued by any bank or banking association which, at the time of such paying out, or putting in circulation, is not redeeming its circulating notes in lawful money of the United States.

Sec. 40. *And be it further enacted*, That the president and cashier of every such association shall cause to be kept, at all times, a full and correct list of the names and residences of all the shareholders in the association, and the number of shares held by each, in the office where its business is transacted; and such list shall be subject to the inspection of all the shareholders and creditors of the association, and the officers authorized to assess taxes, under State authority, during business hours of each day in which business may be legally transacted; and a copy of such list, on the first Monday of July of each year, verified by the oath of such president or cashier, shall be transmitted to the Comptroller of the Currency.

Sec. 41. *And be it further enacted*, That the plates and special dies to be procured by the Comptroller of the Currency, for the printing of such circulating notes, shall remain under his control and direction, and the expenses necessarily incurred in executing the provisions of this act, respecting the procuring of such notes, and all other expenses of the bureau, shall be paid out of the proceeds of the taxes or duties, now or hereafter to be assessed on the circulation, and collected from associations organized under this act. And in lieu of all existing taxes, every association shall pay to the Treasurer of the United States, in the months of January and July, a duty of one-half of one per centum each half year, from and after the first day of January, eighteen hundred and sixty-four, upon the average amount of its notes in circulation, and a duty of one-quarter of one per centum each half-year, upon the average amount of its deposits, and a duty of one quarter of one per centum each half year, as aforesaid, on the average amount of its capital stock, beyond the amount invested in United States bonds; and in case of default in the payment thereof by any association, the duties aforesaid may be collected in the manner provided for the collection of United States duties of other corporations, or the Treasurer may reserve the amount of said duties out of the in

terest as it may become due, on the bonds deposited with him by such defaulting association. And it shall be the duty of each association, within ten days from the first days of January and July of each year, to make a return, under the oath of its president or cashier, to the Treasurer of the United States, in such form as he may prescribe, of the average amount of its notes in circulation, and of the average amount of its deposits, and of the average amount of its capital stock, beyond the amount invested in United States bonds, for the six months next preceding said first days of January and July, as aforesaid, and in default of such return, and for each default thereof, each defaulting association shall forfeit and pay to the United States the sum of two hundred dollars, to be collected either out of the interest, as it may become due such association, on the bonds deposited with the Treasurer, or, at his option, in the manner in which penalties are to be collected of other corporations under the laws of the United States; and in case of such default, the amount of the duties to be paid by such associations shall be assessed upon the amount of notes delivered to such association by the Comptroller of the Currency, and upon the highest amount of its deposits and capital stock, to be ascertained in such other manner as the Treasurer may deem best: *Provided*, That nothing in this act shall be construed to prevent all the shares in any of the said associations, held by any person or body corporate, from being included in the valuation of the personal property of such person or corporation, in the assessment of taxes imposed by or under State authority, at the place where such bank is located, and not elsewhere, but not at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State: *Provided, further*, That the tax so imposed, under the laws of any State, upon the shares of any of the associations authorized by this act, shall not exceed the rate imposed upon the shares in any of the banks organized under authority of the State where such association is located: *Provided, also*, That nothing in this act shall exempt the real estate of associations from either State, county, or municipal taxes, to the same extent, according to its value, as other real estate is taxed.

Sec. 42. *And be it further enacted*, That any association may go into liquidation, and be closed, by the vote of its shareholders owning two thirds of its stock. And whenever such vote shall be taken, it shall be the duty of the board of directors to cause notice of this fact to be certified, under the seal of the association, by its president or cashier, to the Comptroller of the Currency, and publication thereof to be made for a period of two months in a newspaper published in the city of New York, and also in a newspaper published in a city or town in which the association is located, and if no newspaper be there published, then in the newspaper published nearest thereto, that said association is closing up its affairs, and notifying the holders of its notes, and other creditors, to present the notes and other claims against the association for payment. And at any time after the expiration of one year from the time of the publication of such notice, as aforesaid, the said association may pay over to the Treasurer of the United States the amount of its outstanding notes, in the lawful money of the United States, and take up the bonds which said association has on deposit with the Treasurer for the security of its circulating notes; which bonds shall be assigned to the bank in the manner specified in the nineteenth section of this act, and, from that time, the outstanding notes of said association shall be re-

deemed at the Treasury of the United States, and the said association, and the shareholders thereof, shall be discharged from all liabilities therefor.

Sec. 43. *And be it further enacted*, That the Treasurer, on receiving from an association lawful money for the payment and redemption of its outstanding notes, as provided for in the preceding section of this act, shall execute duplicate receipts therefor, one to the association, and the other to the Comptroller of the Currency, stating the amount received by him, and the purpose for which it has been received, which amount shall be paid into the Treasury of the United States, and placed to the credit of such association upon redemption account. And it shall be the duty of the Treasurer, whenever he shall redeem any of the notes of said association, to cause the same to be mutilated, and charged to the redemption account of said association; and all notes so redeemed by the Treasurer shall, every three months, be certified to and burned, in the manner prescribed in the twenty-fourth section of this act.

Sec. 44. *And be it further enacted*, That any bank incorporated by special law, or any banking institution organized under a general law of any State, may, by authority of this act, become a national association under its provisions, by the name prescribed in its organization certificate; and in such case the articles of association and the organization certificate required by this act may be executed by a majority of the directors of the bank or banking institution; and said certificate shall declare that the owners of two thirds of the capital stock have authorized the directors to make such certificate, and to change and convert the said bank or banking institution into a national association under this act. And a majority of the directors, after executing said articles of association and organization certificate, shall have power to execute all other papers, and to do whatever may be required to make its organization perfect and complete as a national association. The shares of any such bank may continue to be for the same amount each, as they were before said conversion, and the directors aforesaid may be the directors of the association until others are selected or appointed, in accordance with the provisions of this act; and any State bank which is a stockholder in any other bank, by authority of State laws may continue to hold its stock, although either bank, or both, may be organized under and have accepted the provisions of this act. When the Comptroller shall give to such association a certificate, under his hand and official seal, that the provisions of this act have been complied with, and that it is authorized to commence the business of banking under it, the association shall have the same powers and privileges, and shall be subject to the same duties, responsibilities, and rules, in all respects, as are prescribed in this act for other associations organized under it, and shall be held and regarded as an association under this act: *Provided, however*, That no such association shall have a less capital than the amount prescribed for banking associations under this act.

Sec. 45. *And be it further enacted*, That all associations under this act, when designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, except receipts from customs, under such regula-

tions as may be prescribed by the Secretary; and they may also be employed as financial agents of the government; and they shall perform all such reasonable duties, as depositaries of public moneys and financial agents of the government, as may be required of them. And the Secretary of the Treasury shall require of the associations thus designated, satisfactory security, by the deposit of United States bonds, and otherwise, for the safe keeping and prompt payment of the public money deposited with them, and for the faithful performance of their duties as financial agents of the government: *Provided*, that every association which shall be selected and designated as receiver or depository of the public money, shall take and receive, at par, all of the national currency bills, by whatever association issued, which have been paid in to the government for internal revenue, or for loans or stocks.

Sec. 46. *And be it further enacted*, That if any such association shall, at any time, fail to redeem, in the lawful money of the United States, any of its circulating notes, when payment thereof shall be lawfully demanded, during the usual hours of business, at the office of such association, or at its place of redemption aforesaid, the holder may cause the same to be protested, in one package, by a notary public, unless the president or cashier of the association whose notes are presented for payment, or the president or cashier of the association at the place at which they are redeemable, shall offer to waive demand and notice of the protest, and shall, in pursuance of such offer, make, sign, and deliver to the party making such demand, an admission in writing, stating the time of the demand, the amount demanded, and the fact of the non-payment thereof; and such notary public, on making such protest, or upon receiving such admission, shall forthwith forward such admission, or notice of protest, to the Comptroller of the Currency, retaining a copy thereof: And after such default, on examination of the facts by the Comptroller, and notice by him to the association, it shall not be lawful for the association suffering the same to pay out any of its notes, discount any notes or bills, or otherwise prosecute the business of banking, except to receive and safely keep money belonging to it, and to deliver special deposits: *Provided*, That if satisfactory proof be produced, to such notary public, that the payment of any such notes is restrained, by order of any court of competent jurisdiction, such notary public shall not protest the same; and when the holder of such notes shall cause more than one note or package to be protested on the same day, he shall not receive pay for more than one protest.

Sec. 47. *And be it further enacted*. That on receiving notice that any such association has failed to redeem any of its circulating notes, as specified in the next preceding section, the Comptroller of the Currency, with the concurrence of the Secretary of the Treasury, may appoint a special agent (of whose appointment immediate notice shall be given to such association,) who shall immediately proceed to ascertain whether such association has refused to pay its circulating notes in the lawful money of the United States, when demanded as aforesaid, and report to the Comptroller the fact so ascertained; and if, from such protest, or the report so made, the Comptroller shall be satisfied that such association has refused to pay its circulating notes, as aforesaid, and is in default, he shall, within thirty days after he shall have received notice of such failure, declare the United States bonds and securities pledged by such association, forfeited to

the United States, and the same shall thereupon be forfeited accordingly. And the Comptroller shall immediately give notice, in such manner as the Secretary of the Treasury shall, by general rules or otherwise, direct, to the holders of the circulating notes of such association, to present them for payment at the Treasury of the United States, and the same shall be paid, as presented, in lawful money of the United States; whereupon said Comptroller may, in his discretion, cancel an amount of bonds, pledged by such association, equal, at current market rates, not exceeding par, to the notes paid. And it shall be lawful for the Secretary of the Treasury, from time to time, to make such regulations respecting the disposition to be made of such circulating notes after presentation thereof for payment as aforesaid, and respecting the perpetuation of the evidence of the payment thereof, as may seem to him proper; but all such notes on being paid, shall be cancelled. And for any deficiency in the proceeds of the bonds pledged by such association, when disposed of as hereinafter specified, to reimburse to the United States the amount so expended in paying the circulating notes of such association; the United States shall have a first and paramount lien upon all the assets of such association, and such deficiency shall be made good out of such assets, in preference to any and all other claims whatsoever, except the necessary costs and expenses of administering the same.

Sec 48. *And be it further enacted*, That whenever the Comptroller shall become satisfied, as in the last preceding section specified, that any association has refused to pay its circulating notes, as therein mentioned, he may, instead of cancelling the United States bonds pledged by such association, as provided in the next preceding section, cause so much of them as may be necessary to redeem the outstanding circulating notes of such association, to be sold at public auction in the city of New York, after giving thirty days' notice of such sale to such association.

Sec. 49. *And be it further enacted*, That the Comptroller of the Currency may, if he shall be of opinion that the interests of the United States will be best promoted thereby, sell, at private sale, any of the bonds pledged by such association, and receive therefor either money or the circulating notes of such failing association: *Provided*, That no such bonds shall be sold by private sale for less than par, nor less than the market values thereof at the time of sale: *And provided further*, That no sales of any such bonds, either public or private, shall be complete until the transfer thereof shall have been made, with the formalities prescribed in this act.

Sec. 50. *And be it further enacted*, That on becoming satisfied, as specified in this act, that any association has refused to pay its circulating notes, as therein mentioned, and is in default, the Comptroller of the Currency may, forthwith, appoint a receiver, and require of him such bond and security as he shall deem proper, who, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such association, collect all debts due, and claims belonging to, such association, and, upon the order of a court of record, of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like order, sell all the real and personal property of such association, on such terms as the court shall direct; and may, if necessary to pay the debts of such association, enforce the individual liability of the

stockholders, provided for by the twelfth section of this act; and such receiver shall pay over all money so made to the Treasurer of the United States, subject to the order of the Comptroller of the Currency, and also make report to the Comptroller of the Currency of all his acts and proceedings. The Comptroller shall thereupon cause notice to be given, by advertisement in such newspapers as he may direct, for three consecutive months, calling on all persons who may have claims against such association to present the same, and to make legal proof thereof. And, from time to time, the Comptroller, after full provision shall have been first made for refunding to the United States any such deficiency in redeeming the notes of such association as is mentioned in this act, shall make a ratable dividend of the money so paid over to him by such receiver on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction; and, from time to time, as the proceeds of the assets of such association shall be paid over to him, he shall make further dividends, as aforesaid, on all claims previously proved or adjudicated; and the remainder of such proceeds, if any, shall be paid over to the shareholders of such association, or their legal representatives, in proportion to the stock by them respectively held: *Provided, however,* That if such association, against which proceedings have been so instituted, on account of any alleged refusal to redeem its circulating notes, as aforesaid, shall deny having failed to do so, such association may, at any time within ten days after such association shall have been notified of the appointment of an agent, as provided in this act, apply to the nearest circuit, or district, or territorial court of the United States, to enjoin further proceedings in the premises; and such court, after citing the Comptroller of the Currency, to show cause why further proceedings should not be enjoined, and after the decision of the court, or finding of a jury, that such association has not refused to redeem its circulating notes, when legally presented, in the lawful money of the United States, shall make an order enjoining the Comptroller, and any receiver acting under his direction, from all further proceedings on account of such alleged refusal.

Sec. 51. *And be it further enacted,* That all fees for protesting the notes issued by any such banking association, shall be paid by the person procuring the protest to be made, and such banking association shall be liable therefor; but no part of the bonds pledged by such banking association, as aforesaid, shall be applied to the payment of such fees. And all expenses of any preliminary or other examinations into the condition of any association shall be paid by such association; and all expenses of any receivership, shall be paid out of the assets of such association before distribution of the proceeds thereof.

Sec. 52. *And be it further enacted,* That all transfer of the notes, bonds, bills of exchange, and other evidences of debt, owing to any association, or of deposits to its credit; all assignments of mortgages, sureties on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its shareholders or creditors; and all payments of money to either, made after the commission of an act of insolvency, or in contemplation thereof, with a view to prevent the application of its assets in the manner prescribed by this act, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be utterly null and void.

Sec. 53. *And be it further enacted*, That if the directors of any association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the association to violate any of the provisions of this act, all the rights, privileges, and franchises of the association derived from this act shall be thereby forfeited. Such violation shall, however, be determined and adjudged by a proper circuit, district, or territorial court of the United States, in a suit brought for that purpose by the Comptroller of the Currency, in his own name, before the association shall be declared dissolved. And in case of such violation, every director who participated in, or assented to the same, shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person, shall have sustained in consequence of such violation.

Sec. 54. *And be it further enacted*, That the Comptroller of the Currency, with the approbation of the Secretary of the Treasury, as often as shall be deemed necessary or proper, shall appoint a suitable person or persons to make an examination of the affairs of every banking association; which person shall not be a director or other officer in any association whose affairs he shall be appointed to examine, and who shall have power to make a thorough examination into all the affairs of the association, and, in doing so, to examine any of the officers and agents thereof, on oath; and shall make a full and detailed report of the condition of the association to the Comptroller. And the association shall not be subject to any other visitorial powers than such as are authorized by this act, except such as are vested in the several courts of law and chancery. And every person appointed to make such examination shall receive for his services at the rate of five dollars for each day by him employed in such examination, and two dollars for every twenty-five miles he shall necessarily travel in the performance of his duty, which shall be paid by the association by him examined.

Sec. 55. *And be it further enacted*, That every president, director, cashier, teller, clerk, or agent of any association, who shall embezzle, abstract, or wilfully misapply, any of the moneys, funds, or credits of the association, or shall, without authority from the directors, issue, or put in circulation, any of the notes of the association, or shall, without such authority, issue, or put forth, any certificate of deposit, draw any order or bill of exchange, make any acceptance, assign any note, bond, draft, bill of exchange, mortgage, judgment, or decree, or shall make any false entry in any book, report, or statement of the association, with intent, in either case, to injure or defraud the association, or any other company, body politic or corporate, or any individual person, or to deceive any officer of the association, or any agent appointed to examine the affairs of any such association, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by imprisonment not less than five nor more than ten years.

Sec. 56. *And be it further enacted*, That all suits and proceedings arising out of the provisions of this act, in which the United States, or its officers, or agents shall be parties, shall be conducted by the district attorneys of the several districts, under the direction or supervision of the Solicitor of the Treasury.

Sec. 57. *And be it further enacted*, That suits, actions, and proceedings, against any association under this act, may be had in any circuit, district, or

territorial court of the United States, held within the district in which such association may be established; or in any State, county, or municipality court, in the county or city in which said association is located, having jurisdiction in similar cases: *Provided, however,* That all proceedings to enjoin the Comptroller under this act shall be had in a circuit, district, or territorial court of the United States, held in the district in which the association is located.

Sec. 58. *And be it further enacted,* That every person who shall mutilate, cut, deface, disfigure, or perforate with holes, or shall unite or cement together, or do any other thing to any bank bill, draft, note, or other evidence of debt, issued by any such association, or shall cause, or procure the same to be done, with intent to render such bank bill, draft, note, or other evidence of debt, unfit to be reissued by said association, shall, upon conviction, forfeit fifty dollars to the association who shall be injured thereby, to be recovered by action in any court having jurisdiction.

Sec. 59. *And be it further enacted,* That if any person shall falsely make, forge, or counterfeit, or cause, or procure to be made, forged, or counterfeited, or willingly aid, or assist in falsely making, forging, or counterfeiting, any note, in imitation of, or purporting to be in imitation of, the circulating notes issued under the provisions of this act, or shall pass, utter or publish, or attempt to pass, utter, or publish, any false, forged, or counterfeited note, purporting to be issued by any association doing a banking business under the provisions of this act, knowing the same to be falsely made, forged, or counterfeited, or shall falsely alter, or cause or procure to be falsely altered, or willingly aid or assist in falsely altering, any such circulating notes, issued as aforesaid, or shall pass, utter, or publish, or attempt to pass, utter, or publish, as true, any falsely altered, or spurious circulating note, issued, or purporting to have been issued, as aforesaid, knowing the same to be falsely altered, or spurious, every such person shall be deemed and adjudged guilty of felony, and, being thereof convicted, by due course of law, shall be sentenced to be imprisoned and kept at hard labor for a period of not less than five years, nor more than fifteen years, and fined in a sum not exceeding one thousand dollars.

Sec. 60. *And be it further enacted,* That if any person shall make or engrave, or cause or procure to be made or engraved, or shall have in his custody or possession, any plate, die, or block, after the similitude, of any plate, die, or block, from which any circulating notes, issued as aforesaid, shall have been prepared or printed, with intent to use such plate, die, or block, or cause or suffer the same to be used, in forging or counterfeiting any of the notes issued as aforesaid, or shall have in his custody or possession any blank note, or notes engraved and printed after the similitude of any notes issued as aforesaid, with intent to use such blanks, or cause or suffer the same to be used, in forging or counterfeiting any of the notes issued as aforesaid, or shall have in his custody or possession any paper adapted to the making of such notes, and similar to the paper upon which any such notes shall have been issued, with intent to use such paper, or cause or suffer the same to be used, in forging or counterfeiting any of the notes issued as aforesaid, every such person, being thereof convicted by due course of law, shall be sentenced to be imprisoned and kept to hard labor for a term not less than five or more than fifteen years, and fined in a sum not exceeding one thousand dollars.

Sec. 61. *And be it further enacted*, That it shall be the duty of the Comptroller of the Currency to report annually to Congress, at the commencement of its session :

First. A summary of the state and condition of every association from whom reports have been received the preceding year, at the several dates to which such reports refer, with an abstract of the whole amount of banking capital returned by them, of the whole amount of their debts and liabilities, the amount of circulating notes outstanding, and the total amount of means and resources, specifying the amount of lawful money held by them at the times of their several returns, and such other information in relation to said association as, in his judgment, may be useful.

Second. A statement of the associations whose business has been closed during the year, with the amount of their circulation redeemed, and the amount outstanding.

Third. Any amendment to the laws relative to banking by which the system may be improved, and the security of the holders of its notes and other creditors may be increased.

Fourth. The names and compensation of the clerks employed by him, and the whole amount of the expenses of the banking department during the year. And such report shall be made by or before the first day of December in each year, and the usual number of copies, for the use of the Senate and House, and one thousand copies for the use of the Department, shall be printed by the public printer, and in readiness for distribution at the first meeting of Congress.

Sec. 62. *And be it further enacted*, That the act entitled "an act to provide a national currency, secured by a pledge of the United States' stocks, and to provide for the circulation and redemption thereof," approved February 25th, 1863, is hereby repealed : *Provided*, That such repeal shall not affect any appointment made, acts done, or proceedings had, or the organization, acts, or proceedings of any association organized, or in the process of organization, under the act aforesaid : *And provided, also*, That all such associations so organized, or in process of organization, shall enjoy all the rights and privileges granted, and be subject to all the duties, liabilities, and restrictions imposed by this act, and, with the approval of the Comptroller of the Currency, in lieu of the name specified in their respective organization certificates, may take any other name preferred by them and duly certified to the Comptroller, without prejudice to any right acquired under this act, or under the act hereby repealed, but no such change shall be made after six months from the passage of this act : *Provided, also*, That the circulation issued or to be issued by such association shall be considered as a part of the circulation provided for in this act.

Sec. 63. *And be it further enacted*, That persons holding stock, as executors, administrators, guardians, and trustees, shall not be personally subject to any liabilities as stockholders ; but the estates and funds in their hands, shall be liable in like manner, and to the same extent, as the testator, intestate, ward, or person interested in said trust funds would be if they were respectively living and competent to act and hold the stock in their own names.

Sec. 64. *And be it further enacted*, That Congress may at any time amend, alter, or repeal this act.

— Approved, June 3, 1864.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

THE NEW NATIONAL BANK LAW, A GREAT IMPROVEMENT ON THE OLD LAW; NUMBER OF THESE BANKS IN EACH STATE—WILL NOT INCREASE MUCH IN THE FUTURE—PUBLIC DEPOSITS IN, AND CIRCULATION OF NATIONAL BANKS—CIRCULATION OF STATE BANKS IN THE THREE CITIES—EFFECT OF MONEY MARKET ON THE CIRCULATION OF THE BANKS—BANK RETURNS OF THE THREE CITIES—CIRCULARS FROM THE CURRENCY BUREAU RESPECTING THE REDEMPTION OF NATIONAL BANK NOTES, AND THE TRANSFER OF UNITED STATES BONDS—FINANCIAL AFFAIRS IN ENGLAND—STATE OF THE MONEY MARKET—RETURNS OF THE BANK OF ENGLAND AND THE SAVINGS' BANKS—STATE OF CIRCULATION IN THE UNITED KINGDOM—BANK OF FRANCE RETURNS.

We devote a large part of our space this month to the new United States Banking Law. An examination of its leading features will convince our readers that it is, in many respects, a great improvement on the proposed law, and also on the act of last session. For all the evil that has been taken from it, and all the good there is in it, we are devoutly thankful. It now becomes necessary that these banks should give security for the public monies received; and, further, that such as are organized in St. Louis, Louisville, Chicago, Detroit, Milwaukee, New Orleans, Cincinnati, Cleveland, Pittsburgh, Baltimore, Philadelphia, Boston, Albany, Leavenworth, San Francisco, and Washington, shall redeem their currency at par in New York city, and associations organized elsewhere shall redeem either in one of said cities or in New York. The bill also provides that these National Banks shall be liable to State taxation, and subject to the laws of the State in which they are situated, in respect to the interest they may charge. These provisions certainly remove some of the most objectionable features of the system, and we believe a little more discussion of the merits, or rather demerits, of the act, and a little more experience of its workings, will convince all that government has certainly nothing to gain, but everything to lose, by encouraging the formation of National Banks at such a time as this.

As to the individuals who are engaged in organizing them, we think they show great courage, and fear they will experience little but disappointment. Organizing any bank, at a time when there is no legitimate bank business for even the old institutions, would be considered by most a little imprudent. But when we remember that the profits of these national associations depend entirely on government business, that the capital they are banking on is made up of values greatly inflated; that a point in the future must be reached, and not far distant, where these values must be reduced to their proper limits, we cannot but feel that they are very far from having a safe and quiet sea to sail upon. As the Secretary of the Treasury has resigned possibly these new lights may be quickly snuffed out by a repeal of the act itself.

But even as the law now stands the provisions which we have referred to above have taken from these banks the chief privileges and advantages given them before. Their only hope of success was founded upon the destruction of the State institutions, and the Secretary, therefore, freely expressed his determination to ruin the State Banks, that the National Banks might be built up. Congress, however, did not sympathize with him in his crusade, and so passed the law in the form we now have it. Thus these new banks have received a great check,

and, hereafter, they will form a less conspicuous feature in the financial affairs of the country.

The following table gives a statement of the number and aggregate capital of the new National Banks in each State on the 27th of May :

Banks.	Capital.	Banks.	Capital.
Connecticut.....	18 ... \$2,685,000	New Jersey.....	10 \$1,460,000
Illinois.....	26 ... 2,155,000	New Hampshire..	4 4,450,000
Indiana.....	30 ... 2,909,500	Nabraska.....	1 50,000
Iowa.....	17 ... 1,035,000	Ohio.....	77 8,318,400
Kentucky.....	1 ... 110,000	Pennsylvania....	77 8,118,400
Kansas.....	1 ... 100,000	Rhode Island....	1 200,000
Louisiana.....	1 ... 500,000	Tennessee.....	3 300,000
Missouri.....	5 ... 1,510,000	Vermont.....	7 960,000
Minnesota.....	1 ... 250,000	Virginia.....	1 100,000
Massachusetts...	31 ... 8,486,000	Wisconsin.....	13 875,000
Maine.....	13 ... 1,175,000	W. Virginia.....	2 150,000
Michigan.....	15 ... 1,325,000	Dist. of Col.....	1 500,000
Maryland.....	4 ... 1,610,000		
New York, City....	11 ... 9,925,000	Total.....	440 ... \$60,796,300
New York, State....	74 ^m ... 5,545,090		

The number now increases very slowly. One great inducement for their establishment, as we have already stated, was the use of the public money; but now the provision of law requiring security to be given makes this privilege less agreeable, and, besides, this using government funds has been found to be extra hazardous. The exigencies of the public service require the money at times to be suddenly drawn down very close, and this is incompatible with the use of it to any great extent. The only safe use the public money can be put to is to lend it at call, or, in other words, to promote speculation that may be suddenly destroyed to the great loss of the banks.

The clause in the new bill in relation to compelling the national banks to redeem their notes at commercial centres seems to have grown out of the necessities of the case. There is very little general business done by means of bank facilities. Almost all business is done now on a cash basis. The government supplies are however furnished by dealers who do not get their money promptly from the department, and therefore require discounts from the banks. Then when they get their pay it is in drafts on national banks. These banks attempted to make payment in the uncurrent notes of national banks at a distance, a proceeding which the old banks very properly resented. To remedy this the new loan makes the national banks keep their notes at par. In relation to this a correspondence took place between the Comptroller and a national bank, in which the Comptroller wrote the following letter :

TREASURY DEPARTMENT, Office of the Comptroller of }
the Currency, WASHINGTON, May 28, 1864. }

DEAR SIR:

Your favor of the 27th inst. is received. I am acting in an executive, and not in a judicial capacity; but I have no hesitation in giving my opinion upon the point presented by you, which opinion is, that Government depositaries, whether they are Assistant Treasurers or National Banks, have the right to pay Government drafts, by whomsoever held, in the kind of currency which is receivable for Government dues, and by which Government obligations can be discharged.

The Government is bound to receive in payment of all its dues, except duties on imports, the notes of the national banks. A draft of the Government upon a national

bank is clearly payable to the *Government* in the national currency, and I have yet to learn that the negotiation of a draft changes its character or the obligation of the payer.

Very truly yours,
H. McCulloch,
Comptroller.

The circulation of the national banks is not officially published, although the law requires peremptorily that the returns shall be given to the public quarterly. The amount is stated semi-officially at \$35,000,000, which is probably the full amount that the existing capital will authorize, and there is now not much prospect that the amount will be increased to any considerable extent. The old institutions are generally curtailing their circulations. The banks of the three cities had out as follows :

	April 25.	June 20.	Decrease.
Boston	\$10,938,995	\$8,983,121	\$1,955,870
Philadelphia.....	2,253,386	2,074,273	179,113
New York.....	5,679,947	4,807,195	872,552
Decrease.....	\$28,872,124	\$15,864,589	\$3,007,525

This is a very rapid curtailment, but has in the general volume of the circulation been more than compensated by the paper pushed out by the national banks during the same time, consequently the effect upon the general depreciation has not been felt. The circulation of the old banks in the interior presents a similar course of contraction, prompted perhaps to some extent by the clause in the new loan bill for the fiscal year, 1865, authorizing a new issue of notes legal tender except for customs and interest and the redemption of bank notes. The changing character of the money market has however more or less influence upon the volume of bank circulation. Thus if we turn to the weekly bank returns hereto annexed we find that when money was very dear early in January the Boston bank circulation ran up to \$10,185,615; as money became plenty under the last issues of government legal tender, it ran down to \$9,210,000 March 28; under the sales of gold, and the efforts of the Treasury to break the market, money became very dear in April, and the bank circulation ran up to \$10,938,991, and again fell ten per cent under the returning ease of June. Thus it is evident that the banks, when money is dear and in much demand, avail themselves of that circumstance to swell their profits. The effect of the issues of government money and of national bank notes is to cause a great rise in prices, and this reacts upon the demand for money, because if the price of any commodity doubles it will require double the amount of money to move the same quantity. The old banks are therefore called upon for more circulation, and the whole volume of paper thus swells without there being in reality any more money. It is only a mode of getting more interest for the same loan. Thus if one thousand barrels of flour are sold for \$5,000, and the note is discounted at six per cent, the interest for ninety days is $7\frac{1}{2}$ cents per barrel. If the price in paper rises to \$10,000, and the note is discounted at six per cent, the interest is 15 cents per barrel, which rise redounds to the profit of the bank.

The returns of the New York banks weekly show a remarkable change in the last month arising from the joint operation of the loan bill and the gold law, both of which promoted an extraordinary demand for legal tenders and power-

fully reduced the bank deposits. The latter, which had risen from 130 millions Jan. 23 to 174 millions May 14, and to 175½ millions June 4, were contracted 16 millions in three weeks. The returns are as follows :

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1864, \$—————; Jan., 1863, \$69,494,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 2...	\$174,714,465	\$25,161,935	\$6,103,331	\$140,250,856	\$300,753,147
" 9...	173,009,701	25,122,002	6,032,546	134,861,977	387,546,217
" 16...	165,991,170	23,884,264	6,008,182	130,311,046	416,962,806
" 23...	162,925,880	24,077,513	5,049,807	130,136,203	460,811,543
" 30...	162,296,896	24,203,632	5,913,558	130,665,415	427,306,608
February 6...	163,076,846	24,070,791	5,974,762	133,849,042	425,430,985
" 13...	165,090,329	23,521,433	5,916,707	140,464,616	467,751,745
" 20...	168,302,935	22,523,918	5,908,394	148,014,106	514,887,411
" 27...	174,928,205	22,301,687	5,907,851	154,875,059	575,442,304
March 5...	182,317,378	21,188,034	5,937,167	158,999,668	518,951,433
" 12...	189,757,746	20,750,405	5,918,807	168,044,977	688,822,273
" 19...	198,229,513	21,059,542	5,889,197	169,637,975	618,338,858
" 26...	199,372,437	20,425,504	5,514,139	168,315,904	576,253,989
April 2...	203,993,131	19,526,665	5,708,908	171,151,297	676,372,745
" 9...	204,333,192	20,924,237	5,804,511	170,513,020	658,352,112
" 16...	198,703,699	21,687,670	5,779,650	168,350,790	646,593,643
" 23...	196,286,722	24,868,003	5,679,947	161,973,166	672,442,840
" 30...	194,157,495	24,087,343	5,626,978	164,578,919	446,587,420
May 7...	192881,246	23,082,028	5,594,832	168,562,197	410,052,013
" 14...	194,178,921	22,635,155	5,482,357	174,426,682	413,552,127
" 21...	197,356,939	22,091,691	5,367,355	173,111,884	486,884,114
" 28...	195,813,462	21,973,180	5,240,812	171,765,696	410,972,198
June 4...	196,740,609	22,461,604	5,180,859	174,516,367	477,648,207
" 11...	194,935,822	24,041,704	5,049,457	172,537,248	445,519,165
" 18...	195,773,583	22,916,291	4,959,096	169,445,767	431,158,427
" 25...	197,077,002	22,000,988	4,807,195	158,772,982	442,840,362

The specie in the banks was maintained by the payments from the Treasury under the order to advance the July interest. The loans comprise mostly transactions with the government either directly or indirectly and do not much vary in amount, although they do in character from time to time. The column of clearings shows an extraordinary diminution in the volume of the bank transactions. This is due mostly to the decline in stock speculations and in the prices.

The returns of the Boston and Philadelphia banks are as follows :

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$33,231,700; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4...	\$76,805,343	\$7,503,889	\$9,625,043	\$32,525,679	\$12,331,000	\$12,331,500
" 11...	77,747,734	7,531,195	10,185,615	31,524,185	12,703,600	11,019,000
" 18...	75,877,427	7,464,511	9,963,389	31,151,240	12,041,000	11,769,000
" 25...	74,146,000	7,440,000	9,729,000	30,893,000	11,106,700	12,227,000
Feb 1...	73,959,175	7,385,413	9,660,163	30,655,782	10,825,000	11,854,500
" 8...	71,765,122	7,265,104	9,579,020	30,030,292	11,315,000	12,272,000
" 15...	71,088,849	7,224,924	9,741,471	30,412,647	11,615,000	13,448,000
" 22...	71,074,000	7,215,500	9,411,000	31,831,000	11,329,600	14,925,400
" 29...	72,189,003	7,179,310	9,371,440	33,155,888	12,224,603	16,189,724
Mar. 7...	72,687,363	7,108,519	9,606,318	33,688,017	12,313,829	16,535,992
" 14...	72,105,111	7,052,181	9,490,311	33,891,204	12,704,181	17,315,231
" 21...	73,207,121	7,033,721	9,548,211	35,090,181	13,092,531	17,266,741
" 28...	73,485,514	7,016,086	9,210,096	34,859,508	13,352,705	17,071,732
April 4...	71,838,506	6,856,708	9,442,032	32,861,609	13,601,005	15,786,091

" 11,...	72,620,348	6,932,192	10,447,916	33,324,978	15,094,360	17,362,371
" 18,...	72,328,896	6,869,726	10,331,806	33,510,054	14,447,997	17,054,244
" 25,...	72,538,611	6,952,498	10,938,991	31,810,971	14,715,981	15,790,498
May 2,...	71,270,181	6,642,798	10,127,097	31,461,499	14,206,581	14,206,592
" 9,...	69,471,481	6,716,484	10,521,591	31,172,584	12,801,000	16,239,000
" 16,...	68,888,581	6,644,493	10,126,473	31,633,071	12,500,671	16,201,083
" 23,...	66,633,510	6,573,181	9,899,193	36,605,131	11,871,719	15,733,691
" 30,...	69,201,301	6,541,201	9,681,204	34,391,208	11,101,307	15,925,201
June 7,...	67,093,500	6,509,181	9,160,621	32,771,821	10,875,181	16,130,720
" 14,...	67,942,400	6,524,207	8,771,181	33,305,220	10,710,089	15,057,131
" 21,...	68,880,121	6,507,021	8,933,121	32,740,201	11,631,602	14,790,012

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. 4,...	\$35,698,808	\$4,158,585	\$2,055,811	\$29,878,920	\$4,316,763	\$2,963,563
" 11,...	35,458,967	4,158,235	2,050,891	30,484,227	4,001,473	2,814,188
" 18,...	34,896,842	4,158,125	2,044,427	31,194,951	4,330,120	3,063,148
" 25,...	34,849,959	4,103,065	2,047,846	32,354,253	3,600,693	2,905,921
Feb. 1,...	34,345,126	4,108,109	2,056,532	32,027,147	3,453,431	3,271,306
" 8,...	34,146,677	4,102,671	2,066,069	31,033,030	4,080,059	2,461,873
" 15,...	34,590,880	4,102,743	2,069,061	29,911,704	4,322,609	2,080,750
" 22,...	35,059,676	4,102,538	2,119,488	30,783,741	4,463,751	2,099,778
" 29,...	35,519,704	4,102,848	2,167,348	31,435,753	4,337,264	2,114,227
Mar. 7,...	35,913,334	4,102,632	2,208,492	31,712,547	5,323,316	2,116,042
Mar. 14,...	35,956,678	4,099,707	2,308,250	32,511,405	5,508,146	2,333,819
" 21,...	36,412,923	4,099,664	2,340,132	32,835,038	6,333,974	2,428,227
" 29,...	36,695,415	4,096,401	2,357,763	33,156,496	5,791,191	2,724,935
April 4,...	37,262,220	4,095,495	2,390,092	34,404,307	5,641,638	3,425,805
" 11,...	37,032,110	4,093,461	2,379,827	35,958,444	5,855,277	3,799,151
" 18,...	39,535,334	4,095,387	2,329,590	38,174,046	5,748,237	3,291,176
" 25,...	39,570,567	4,095,475	2,253,386	37,393,247	6,067,966	2,592,465
May 2,...	39,770,436	3,972,349	2,241,885	37,753,836	6,374,531	2,730,540
" 9,...	39,639,436	3,967,263	2,152,827	37,466,311	6,636,576	2,786,080
" 16,...	39,262,695	3,964,522	2,131,919	37,638,314	6,580,548	2,853,894
" 23,...	39,639,436	3,967,263	2,152,827	37,466,311	6,636,576	2,786,080
" 30,...	39,262,695	3,964,522	2,131,919	37,638,314	6,580,548	2,853,894
June 7,...	39,723,493	3,694,320	2,100,927	38,249,800	5,993,116	3,186,259
" 14,...	40,286,433	3,964,753	2,077,753	38,367,171	5,930,707	3,007,282
" 21,...	40,286,488	3,964,529	2,074,273	37,583,203	6,403,664	2,993,548

The following circulars have been issued from the Currency Bureau at Washington :

TREASURY DEPARTMENT, Office of the Comptroller of }
the Currency, Washington, June —, 1864. }

Sections 31 and 32 of the National Currency Act, approved June 3, 1864, provide that every association in the cities of St. Louis, Louisville, Chicago, Detroit, Milwaukee, New Orleans, Cincinnati, Cleveland, Pittsburgh, Baltimore, Philadelphia, Boston, Albany, Leavenworth, San Francisco, and Washington, D. C., shall select, subject to the approval of the Comptroller of the Currency, an association in the city of New York, at which it will redeem its circulating notes at par; and that every association not organized in either of the aforesaid cities shall select, subject to the approval of the Comptroller of the Currency, an association in one of the aforesaid cities, or in the City of New York, at which it will redeem its circulating notes at par.

Be kind enough to advise me, at your earliest convenience, at what National Bank under the provisions of said sections your Bank proposes to redeem its circulating notes.

HUGH McCULLOCH,

Comptroller of the Currency.

TREASURY DEPARTMENT, Office of Comptroller of the Currency,
Washington, June —, 1864.

Banks that desire to have coupon bonds converted into registered bonds, in order that the same may be deposited to secure the redemption of the circulating notes, should address a letter to the Secretary of the Treasury, giving a description of the bonds, which they desire to have exchanged for registered bonds, requesting the exchange to be made, and directing that the new bonds be issued to "the Treasurer of the United States, in trust" for the bank to whose credit the deposit is to be made, and also directing where the interest on the bonds shall be made payable, and authorizing the delivery of the bonds to the Comptroller of the Currency, that he may sign the memorandum required by law to be placed on them, and deposit them with the Treasurer.

The receipt of the Treasurer for the bonds will be forwarded to the bank as soon as the exchange can be effected, and the deposit with him made.

This circular refers only to bonds to be deposited and not to those already on deposit.

HUGH McCULLOCH,
Comptroller of the Currency.

The state of money affairs in England and on the continent had, at the date of our last number, caused a rise of the minimum rate of the Bank of England to nine per cent. This rate, apparently sufficed to cause a turn in the direction of money investments, and the current of money set rapidly again towards England, inducing a reduction of the rate to eight, and, on the following day, to seven per cent. The rule of action for the bank is to raise the rate of interest when the reserve of notes and coin in the banking department falls below one-third of the liabilities, and to reduce it again when the reserve shall have again attained the proportion of one-third. In illustration of this operation, we give the reserve and liabilities at several periods :

	April 12.	May 11.	June 1.	June 8.
Deposits, public.....	£5,787,329	£7,299,494	£8,286,719	£8,748,510
" private.....	13,684,069	12,901,160	12,493,776	11,966,204
Seven days, &c. bills.....	531,108	520,137	459,495	494,285
Total liabilities.....	£20,002,506	£20,720,791	£21,239,970	£21,208,999
Reserve.....	6,251,627	6,396,401	7,815,326	8,421,009
Deficit.....	£415,855	£510,529		
Excess.....			£735,336	£1,352,321
Rate of interest.....	7	9	7	7

Thus the successive advance of the rate, from six to seven to eight, did not have the effect, but when the rate reached nine per cent the effect upon investments became apparent; the private deposits had declined, but the reserve of notes and coin had, from a deficit of £510,527 on the requisit reserve, risen to an excess of £735,336; hence the rate was put down to seven per cent. When the current of money has started in one direction, perhaps, under the spur of low interest, it is difficult to arrest enterprises all at once, or to check the fulfilment of engagements entered into, or induce those on the continent and elsewhere to withdraw investments from low rates and transfer them to the new rates. But when the rates are so advanced as to effect this, however, the current runs in the new direction for some time. The following are the returns of the bank :

THE BANK OF ENGLAND RETURNS.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 2,...	21,685,732	7,234,894	12,924,545	31,980,889	13,048,475	8 per ct
" 9,...	20,801,207	8,629,856	12,981,276	32,622,659	13,008,617	8 "
" 16,...	20,382,764	9,103,738	13,265,068	32,303,049	13,675,474	7 "
" 23,...	20,273,799	10,266,546	12,711,637	32,270,286	14,217,067	7 "
" 30,...	20,686,538	10,841,991	13,021,212	33,488,154	14,362,605	7 "
Jan. 6, '64	21,322,304	10,001,982	13,052,604	33,486,952	14,196,754	7 "
" 13,...	21,396,420	5,264,097	15,411,794	31,726,575	11,708,597	7 "
" 20,...	21,445,793	5,689,074	13,879,877	31,445,860	12,974,109	8 "
" 27,...	20,875,825	6,337,246	13,406,627	31,017,449	13,022,220	8 "
Feb. 3,...	21,162,626	6,748,867	13,372,981	31,436,334	13,303,248	8 "
" 10,...	20,708,113	7,254,682	12,882,226	36,923,317	13,472,271	7 "
" 17,...	20,696,172	7,079,789	13,306,156	31,078,328	13,583,635	7 "
" 24,...	20,207,871	8,153,601	12,426,673	30,504,827	13,819,412	6 "
March 2,...	20,840,374	7,893,633	13,541,278	31,980,446	14,034,222	6 "
" 9,...	20,563,325	8,863,364	12,434,975	31,769,311	13,884,389	6 "
" 16,...	20,333,112	8,570,711	13,105,800	31,929,164	13,946,943	6 "
" 23,...	20,866,705	9,841,323	12,480,154	32,112,543	14,499,201	6 "
" 30,...	20,908,644	10,280,458	12,658,986	33,472,484	14,163,519	6 "
April 6,...	21,528,914	9,818,880	13,348,299	34,223,509	13,616,762	6 "
" 12,...	21,785,597	5,929,922	13,586,029	31,385,305	13,080,300	6 "
" 20,...	21,672,783	5,787,329	13,684,069	31,596,179	12,743,302	7 "
" 27,...	21,484,602	6,217,965	12,620,036	30,961,635	12,567,776	7 "
May 4,...	22,045,792	6,981,132	12,278,903	32,070,427	12,454,244	9 "
" 11,...	21,478,987	7,299,434	12,901,160	32,239,210	12,705,251	9 "
" 18,...	21,313,352	7,568,661	12,962,402	31,855,696	13,267,416	8 "
" 25,...	20,868,047	7,971,003	12,882,042	31,297,181	13,713,943	7 "
June 1,...	21,246,840	8,286,719	12,493,776	31,329,121	14,052,761	7 "

The bullion in bank has risen from £12,454,000 May 4, to £14,052,000 June 1, £1,600,000 a £3,000,000 in thirty days. The strength of the bank is not so much in the actual figures as in the direction of the current at that juncture when there was prospect of a further reduction of the rate of interest.

The houses of Barring Bros., and Anthony Gibbs & Sons, discounted \$10,000,000 for the Bank of Madrid; a portion of this was shipped in specie, and caused some demand for gold, which checked the movement of the bank for the moment, but the rate was soon after put down to six per cent.

The following return shows the amount deposited in the savings' banks and post office savings' banks in the United Kingdom, by the Commissioners for the Reduction of the National Debt:

Total amount on March 26, 1864, at the credit of—	
The Fund for the Banks for Savings.....	£39,088,351 11s 5d
The Post Office Savings' Banks fund.....	4,315,244 15 8
Total.....	43,403,596 7 1
Ditto—by last monthly account.....	43,582,026 16 2

The following returns show the state of the note circulation of the United Kingdom during the four weeks ending April 30, 1864, compared with the previous month:

	April 2, 1864.	April 30, 1864.	Increase.	Decrease.
Bank of England	£20,035,845	£21,089,338	£1,053,492	.....
Private Banks.....	3,135,256	3,232,084	146,827	.....
Joint Stock Banks.....	2,952,159	3,043,016	90,857	.....
Total in England.....	26,123,161	27,414,437	1,291,176	.....

Scotland.....	3,022,188	4,037,493	115,355	.....
Ireland.....	5,533,451	5,652,441	118,990	.....
United Kingdom.....	35,578,850	37,104,371	1,525,521	.....

On comparing the above with the fixed issues of the several banks, the following is the state of the circulation :—The English private banks are below their fixed issue £933,059, the English joint stock banks are below their fixed issue £231,342—total below fixed issue in England £1,214,401. The Scotch banks are above their fixed issue £1,288,212; the Irish banks are below their fixed issue £702,053. The average stock of bullion held by the Bank of England, in both departments, during the month ending the 27th April was £13,002,060, being a decrease of £1,108,953 as compared with the previous month, and a decrease of £2,230,119 when compared with the same period last year. The following are the amounts of specie held by the Scotch and Irish banks during the month ending the 30th of April :—Gold and silver held by the Scotch banks £2,373,390; gold and silver held by the Irish banks £1,869,319; total, £4,242,709; being a decrease of £16,488 as compared with the previous return, and a decrease of £27,474 when compared with the corresponding period last year.

The advance in the rate of interest in England early in May, caused, of course; borrowing at a lower rate on the continent for London account, and the Bank of France felt the demand in addition to its own rates, and it put the interest up to eight per cent. The re-action came as speedily, however, and it reduced its rates May 21 to seven per cent, and May 28 to six per cent. Its returns are as follows :

BANK OF FRANCE.

	Loans.	Specie.	Circulation.	Deposits.	Interest.
January	—fr.751,649,983	fr.169,027,010	fr.813,490,825	fr.159,797,667	7
February	— 705,516,796	182,573,888	775,096,775	160,110,225	7
March	— 642,135,993	195,994,738	746,610,375	142,925,719	6
April	— 643,570,276	219,320,720	759,926,425	133,701,530	6
May	— 683,332,517	242,824,609	767,443,475	178,434,305	8
June	— 577,309,524	294,892,295	725,381,925	156,685,209	6

The Bank of France is, thenceforth, to make weekly returns, like those of the Bank of England.

GOLD BILL.—OFFICIAL COPY.

THE following is an official copy of the Gold Bill passed at the first session of the thirty-eighth Congress, and approved June 17, 1864 :

[PUBLIC—No. 104.]

AN ACT TO PROHIBIT CERTAIN SALES OF GOLD AND FOREIGN EXCHANGE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful to make any contract for the purchase or sale and delivery of any gold coin or bullion to be delivered on any day subsequent to the day of making such contract, or for the payment of any sum, either fixed or contingent, in default of the delivery of any gold coin or bullion, or to make such contract upon any other terms than the actual delivery of such gold coin

or bullion, and the payment in full of the agreed price thereof, on the day on which such contract is made, in United States notes or national currency, and not otherwise; or to make any contract for the purchase or sale and delivery of any foreign exchange to be delivered at any time beyond ten days subsequent to the making of such contract; or for the payment of any sum, either fixed or contingent, in default of the delivery of any foreign exchange, or upon any other terms than the actual delivery of such foreign exchange within ten days from the making of such contract, and the immediate payment in full of the agreed price thereof on the day of delivery in United States notes or national currency; or to make any contract whatever for the sale and delivery of any gold coin or bullion of which the person making such contract shall not, at the time of making the same, be in actual possession. And it shall be unlawful to make any loan of money or currency not being in coin to be repaid in coin or bullion, or to make any loan of coin or bullion to be repaid in money or currency other than coin.

SEC. 2. *And be it further enacted*, That it shall be further unlawful for any banker, broker, or other person, to make any purchase or sale of any gold coin or bullion, or of any foreign exchange, or any contract for any such purchase or sale, at any other place than the ordinary place of business of either the seller or purchaser, owned or hired and occupied by him individually, or by a partnership of which he is a member.

SEC. 3. *And be it further enacted*, That all contracts made in violation of this act shall be absolutely void.

SEC. 4. *And be it further enacted*, That any person who shall violate any provisions of this act shall be held guilty of a misdemeanor, and, on conviction thereof be fined in any sum not less than one thousand dollars, nor more than ten thousand dollars, or be imprisoned for a period not less than three months nor longer than one year, or both, at the discretion of the court, and shall likewise be subject to a penalty of one thousand dollars for each offence.

SEC. 5. *And be it further enacted*, That the penalties imposed by the fourth section of this act may be recovered in an action at law in any court of record of the United States, or any court of competent jurisdiction, which action may be brought in the name of the United States by any person who will sue for said penalty, one half for the use of the United States, and the other half for the use of the person bringing such action. And the recovery and satisfaction of a judgment in any such action shall be a bar to the imposition of any fine for the same offence in any prosecution instituted subsequent to the recovery of such judgment, but shall not be a bar to the infliction of punishment by imprisonment, as provided by said fourth section.

SEC. 6. *And be it further enacted*, That all acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

Approved June 17, 1864.

