



HUNT'S

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

EDITED BY

WILLIAM B. DANA.

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MARCH, 1869.

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INFLUENCE OF RAILROADS IN DEVELOPING THE WEALTH OF THE COUNTRY.

BY GEN. H. WALBRIDGE, OF NEW YORK.\*

I propose to discuss the influence that railways exert in the creation of wealth, and apply them in a more particular manner to those great national works which, in the United States, are to connect ocean with ocean, and open to settlement and commerce vast tracts of the national domain, now deserts, and which must remain such till touched by the quickening hand of those mighty agents, the use of which is the peculiar feature and the glory of the present age.

The use of these agents—the forces of nature—marks the dividing line between the old and the new. The first use of steam, as a motive power, is within the memory of the middle-aged. Previous to 1830 muscular action was the sole agent employed in the movement on land,

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\* This article has been revised for the MAGAZINE by the writer who delivered the substance of it at the meeting of the National Board of Trade at Cincinnati.

both of persons and property. In this respect society had remained stationary from earliest history. The great Alexander and the great Napoleon employed precisely the same means, in their wonderful marches for the transportation of men, supplies, and the material of war.

Under the old regime the cost and impotence of muscular action was so excessive as to restrict commerce in the more bulky articles—articles, too, of chiefest account in social economy, food for example—within very narrow limits. Hence the extravagant importance attached to portable articles of high value, such as gold and silver. At an early period, a half dozen of articles made up the staple, almost, of the commerce of the world. In this matter the experience of our own people covers the whole ground. Our markets are all within a narrow belt lying immediately upon the seaboard. Previous to the construction of improved highways they could be reached only from a very limited area. The report submitted to the Legislature of the State of New York in 1817, and which led to the construction of the Erie Canal, stated the cost of transporting a ton of freight, at that time, from Buffalo to the City of New York, to be \$100—a sum exceeding twice the value of wheat at Buffalo, and four times that of corn! The time required was twenty days.

Such is an illustration of the condition of the internal commerce of our country forty years ago. The nature of the soil in most of the States rendered the construction of ordinary highways very difficult. Neither railroads nor canals existed. Commerce was restricted, consequently, to water-courses navigable by steamboats, barges, and even to batteaux. Over nine-tenths of our inhabited territory, the produce of the soil was without commercial value—that is—the cost of sending it to market far exceeded the sum it would sell for. The labor of the farmer, consequently, instead of being directed to objects that would produce the greatest value, was necessarily employed in the production of nearly every article going into domestic consumption. The family was obliged to be, in a great measure self-supporting. The loss attendant upon a constant change of the objects of labor was so great that little more was produced than was necessary to meet the daily accruing wants. The accumulation of wealth was a process exceedingly slow, and its possessors a mere fraction of society. All this is within the experience of nearly every one that hears me. Each one of you, of middle age, went forth to school, and from the school to the world, clad in home-spun. You could not buy the product of others because you could not sell your own. The labor upon the farm in which almost the whole nation was employed was, owing to the want of those mechanical aids now so universal, comparatively unproductive. There was no stimulus to improvements for the abridgement of toil, because, with the existing state of highways,

there was hardly any demand, out of the family, for what could be produced.

Such is a brief picture of the past—of the old *regime*. In locomotion society remained stationary for six thousand years, and till, within the memory of all, the forces of Nature came to its aid. The power gained by a substitution of steam for muscles, and by highways of comparatively straight lines and smooth surfaces, is almost incalculable. The locomotive upon the railway exerts the power of two thousand horses upon an ordinary highway—that is, it will move in a day as many tons, one mile, as two thousand horses. But the cost of providing the two thousand horses and a thousand wagons, with that of their maintenance, exceeds tenfold that of the locomotive and cars of the capacity of two thousand tons. With these brief data the arithmetic is simple, although the comparative results are most astounding. As incredible as they seem, they only mark the magnitude of the revolution which the physical sciences have wrought in favor of man.

We have said enough to show that in this country its internal commerce is a creation of the new agencies which the last half century has set at work. Our commerce, wealth, and our population, even, are simply the results of the new methods. They have advanced precisely in ratio to the value and efficiency of the agencies we have employed. These agencies, wherever introduced, have given a market to labor at its door. The corn that now supplies the Eastern markets, as well as those of Europe, is grown more than one thousand miles inland. This corn would not bear transportation over the ordinary roads of the West more than one hundred and fifty miles. Over the railroad it is borne seven fold that distance, at the same time producing an ample profit to the producer. Wheat will bear a transportation three hundred and thirty miles over an ordinary road. The great supplies to the Eastern markets are now grown fifteen hundred miles distant. But for railroads the area from which the Eastern market could draw their supplies of cereals, without an enormously increased price, would have been upon a radius of one hundred and fifty and three hundred and thirty miles, respectively. With these works, owing to the economies that are being daily made in transportation, every acre of arable land on the continent, no matter how far distant from the great seats of consumption, may be cultivated with profit.

Previous to the opening of the Erie Canal in 1827, the tonnage crossing the Alleghanies range in both directions, and from the Lakes to New York, did not exceed 15,000 tons. This tonnage consisted almost wholly of merchandise going West—the cost of transportation being a complete bar to the movement, East, of Western produce. The only outlet of the interior was the Mississippi river, with its tributaries, the navigation of

which was most tedious and hazardous, and so expensive as to leave little profit, either to the forwarder or producer. The opening of the Erie Canal was an epoch in the commerce of the country, but it exerted, for the first ten years, but little influence beyond the route immediately traversed. So late as 1836, the total amount of tonnage from the Western States coming through this channel to tide-water, equaled only 56,000 tons. Before the Western States could avail themselves of it they had to connect their territories with it, and with the Lakes, by canals, or by the best earthroads they could construct. In 1846 the amount of Western produce reaching tide-water by canal was 419,000 tons. In 1851, the date of the opening of the Erie Railroad, and the removal of the restrictions on the transportation of freight on the New York Central Railroad (which was first opened in the Fall of 1842), the tonnage of Western produce on the Canal had reached 965,993 tons. This tonnage measured to a very great extent the commerce then existing between the Eastern and Western States. In 1867 the united through tonnage of the five great lines between the two sections—the Erie Canal, the New York Central, Erie, Pennsylvania, and Baltimore and Ohio Railroad—equaled 6,000,000 tons, having a value of \$1,200,000,000.

At the date of the opening of the Erie Railway, and the enfranchisement of the Central Railroad, there were 10,000 miles of railway in operation in the United States. The total tonnage of the merchandise transported over them could not have exceeded 5,000,000 tons, of the value of \$150 per ton, or of the aggregate value of \$750,000,000. On the 1st day of January, 1868, the mileage of our railroads had gone up to 39,000 miles. The tonnage of merchandise transported over them equaled 50,000,000 tons, having, at the above estimate, a value equal to \$7,500,000,000. In a period of seventeen years the mileage of our railroads had increased nearly 400 per cent their tonnage 1,000 per cent with a corresponding increase of value. The population of the country, in the meantime, had increased from 24,000,000 to 36,000,000, or at the rate of 50 per cent. In other words, the increase of the commerce of the country, borne upon railroads, has been 2,000 fold greater to that of our population. In 1851, the freight moved upon all the railroads equaled 417 pounds per head of population. Its value equaled say \$31 per head. In 1868 the tonnage equaled 2,777 pounds per head, having a value of \$210 per head. The increase of the tonnage of railroads for the period named has been wholly a creation of these works, as there has, at the same time, been a very large increase of merchandise moved upon the water-courses of the country.

In 1851 the cost of the 10,000 miles of railway then in operation in the United States equaled \$200,000,000. In 1868 the cost of the

39,000 miles equaled \$1,600,000,000. The investment since 1851 of \$1,400,000,000 consequently, has been the means of an annual creation of a commerce having a value five fold greater, or \$6,750,000,000? Every dollar invested in our railroads is the direct means of creating, annually, five times the amount, so marvelously potent are the new agencies that science, within the memory of us all, has brought to the aid of man. In their use we have at last hit upon the method of nature—of Providence—and enjoy in some degree his infinite attributes, in wielding, for our own use, the laws that uphold and control the material world.

The results achieved in a single State, will be found, on examination, to be quite as striking as is the aggregate for the whole nation. There were in the State of Illinois in 1851, 250 miles of railway, the cost of which was about \$7,500,000. The tonnage of these roads, only just opened could not have exceeded 100,000 tons, having a value, say of \$15,000,000. At the close of 1867 there were 3,250 miles of railroad in operation in the State, having a tonnage traffic of at least 5,000,000 tons, possessing a value of at least \$750,000,000. The cost of the roads equaled \$130,000,000. The value of the commerce transported over them in one year equaled, very nearly, six times their cost. In 1851 the number of pounds of merchandise transported by these roads equaled about 200 pounds per head of population. In 1867 the tonnage transported exceeded 4,000 pounds, or two tons per head. The value of the tonnage per head in 1851 was about \$15; in 1867 it was equal to \$330 per head. This unexampled increase was wholly due to the construction of railroads, as there has in the meantime been a very large increase in the tonnage on the water-courses of the State. It will be borne in mind that the tonnage of railroads of this State consists almost entirely of the products of agriculture which will bear transportation for only a comparatively small distance, over ordinary roads. These products are now forwarded, on an average, 1,200 miles, before reaching a market.

The population of Illinois now makes one-fifteenth of that of the whole country. It now defrays one-fifteenth of the whole burdens of the General Government. Its proportion of the Federal taxes equals \$24 000,000 annually. Its ability to pay this vast sum is almost entirely due to the railroads that have been constructed within it during the past fifteen years. Toward their construction the Federal Government never contributed a penny. It did, however, in 1850, make a valuable land grant to the State in favor of the Illinois Central Railroad, which secured the speedy construction of this great work, and gave a wonderful impulse to the construction of other important lines. The additional price charged for reserved lands yielded to the national treasury the same sum that

would have been realized if the grant had not been made. If by the use of similar means we can create another Illinois so far as concerns its population, wealth, and value to the Union, we shall in an equal degree lighten the burdens resting upon us. A vigorous movement in this direction, consequently, is the dictate of sound statesmanship, as well as of enlightened self-interest.

By what means shall we repeat the example of Illinois? The first condition exists in a vast, fertile, and unoccupied public domain. But, unlike, Illinois, Iowa, and Minnesota, it cannot be reached by navigable water-courses, that were the routes of the pioneers, and enabled them to gain a foothold in these States, and in time to acquire sufficient strength to undertake enterprises not necessary to the maintenance of their own existence. But for these water-courses, the Mississippi River, and the Great Lakes, these States, to-day, would have been in the condition of the boundless unoccupied plains of the Upper Missouri, of the Red River of the North, and of the Rio Grande. These States had almost every possible natural means of access. The artificial means came in good time. The former, however, were the necessary antecedents of the latter. But for the natural, the artificial works could never have been constructed.

Now, the proper duty and function of the Federal Government is to correct this oversight of nature in not giving the means of access to vast portions of our public domain. In place of great water lines it must supply what is far better—a great trunk line of railway, to enable the pioneers to gain a foothold upon the soil. It is only by means of such works that such a foothold can be gained, and strength acquired sufficient, as in the Western States, to carry forward whatever enterprises may be necessary and proper for the promotion of their well-being. From the western end of Lake Superior to the base of the Rocky Mountains, some 1,200 miles, is a vast fertile plain, but now wholly destitute of the means of transportation. The Missouri, though a valuable auxiliary to a railway, is of itself wholly inadequate to meet the commercial wants of the country it traverses. A railway from the lake to the mountains, which could be built at an expenditure of \$20,000,000 by the Federal Government, would open to settlement an area five times greater than that of Illinois. Now, with such an expenditure we should repeat Illinois many times, and just as quick as the movement of an adequate number of people and the creation of new industries could be effected. As already remarked, the arithmetic of all this is perfectly simple. Supply the means of transportation, and the tide of population, flowing over the new territory, will keep pace with the progress of the railway, so that, when the mountains are reached, the territories now deserts will present themselves to Congress with all the conditions necessary to entitle them to become members of the Union.



These remarks apply with equal force in favor of a great line of railroad crossing the continent upon the general routes of the 35th or 32d parallels. In this division of the Union is a territory embracing many hundred thousand square miles, large portions of it of great fertility, and with a vast mineral wealth to compensate for any barrenness of soil, for the want of suitable highways utterly cut off from settlement, and from commerce. Such a work would give an access to the northern provinces of Mexico, whose great wealth in mineral and soil is well known, as well as to our own territories. In this direction we can repeat, many times; Illinois and Missouri, as well as in the North. The Southwest, is the region which is to supply animal food and wool, while the Northwest is peculiarly adapted to the growth of wheat, which has a very limited belt in this, as in the Old World. The two sections are complements that will supply all the prime articles entering into domestic consumption.

Such is a plain statement of the proposition before us. Can we afford to allow vast tracts of fertile country to remain wastes simply for the want of a few millions of dollars, to be expended in opening them to settlement? Certainly not. The process of aiding such works will be a paying one from the start. The immediate increase of consumption by the inhabitants of the newly-opened territories of the manufactures of the older States will more than make up the proportion, to the latter, of any expenditures they may be called to make; while the taxes paid to the Federal Government by the inhabitants of the new Territories and States will speedily repay all the advances to be made. When it is considered what Government would gain in the transportation of troops, supplies, and munitions of war, it is not probable that it would at any moment be a dollar out of pocket, while it is certain that in a very short time it would be repaid, more than tenfold, for all the advances made.

The experience already afforded by the progress of the Union Pacific Railroad perfectly sustains all the positions I have taken. The States of Kansas and Nebraska, from the advantages and stimulus supplied by this great work, with its branches, are fast repeating the example of Illinois. Their increase in population and wealth is much greater than was that of Illinois, at a corresponding period in the history of the latter. No one who examines the subject can avoid the conclusion that already, in a pecuniary sense, has the Government gained immensely by the aid it has extended to these works. They have built up two great States, whose population are the most profitable consumers of the products of the Eastern States, and whose contributions to the national treasury far exceed the interest on the bonds issued in their aid. In a few years such contributions will annually exceed the principal of such bonds, when the Government will be receiving, annually, cent per cent upon the investment it has made.

With such demonstrations before me, I cannot doubt the expediency of further aid by the Federal Government in opening up other sections far more fertile and valuable than that traversed by the Union Pacific Railroad. It cannot afford to allow an acre of valuable soil or mineral to be beyond the reach of commerce or of human life. All it has to do is to supply a few great trunk lines. From these offshoots will be carried by private enterprise to every section, so as to supply the means of cheap transportation for any tun of produce or of mineral that may be raised.

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### THE DARIEN SHIP CANAL.

BY J. C. BAYLES.

The success which has attended the mission of Mr. Caleb Cushing to the United States of Colombia, invests the discussion of the proposed Darien Ship Canal with a new interest. Of course it cannot, as yet, be regarded as anything more than a scheme, nor as much nearer a successful completion than before the treaty was drawn up, for opposition from the Colombian government was not to be anticipated. In fact, the suggestion of the treaty now submitted to Congress first emanated from the Colombian Minister at Washington; and considering the short time found necessary to complete the negotiations, it is evident that that government was quite ready to grant a right of way. The treaty has already been submitted to Congress, by which it will doubtless be ratified, as it imposes, we understand, no obligations on the government, and provides for no further expenditures than are already included in previous appropriations. As soon as the treaty is ratified it is intended that surveys shall be made, with a view to determining the most practical route and estimating the probable cost of the work. Congress has already appropriated \$40,000 for this purpose, but considering the difficulties which will interfere with the progress of the expeditions and the time required to thoroughly determine the topography of a country of which so little is known, the amount needed must very greatly exceed the sum named.

The idea of a canal across the Isthmus of Darien is more than three centuries old. It was first suggested to Philip II. of Spain in 1528, and the plan then proposed was to connect the Chagres and Grande rivers, and so reach the Pacific near the present cite of Panama. This route was actually surveyed, as perfectly as they knew how, by a party of Flemish engineers, but as many difficulties were found which, at that time, were considered insurmountable, all idea of undertaking the work was abandoned. Nothing further was attempted until 1826, when the scheme was again agitated by General Bolivar, who made somewhat extensive explorations in the following year, assisted by a corps of accomplished engineers. Their labors were not abandoned until three years later, and

the result accomplished by them was the discovery of the important fact that a railroad, if not a canal, was practicable. The canal scheme was again talked of in 1843, at which time a series of valuable surveys were made under the auspices of Louis Philippe, by N. Garella, who made a very full and valuable report, in which he gives what he believed to be the most practicable route. Mr. Garella's canal was to have made use of the Chagres River for twenty miles or more, branching off just below the point where it ceases to be navigable for large vessels. From this point it inclined North West and reached the Pacific at the Bay of Vaca de Monte; some twelve or fifteen miles above the present city of Panama. Nothing further was done in the matter until 1852 and 1855, when various privileges were granted by the New Granadan government to Dr. Black and others, who proposed to organize a company and undertake the work. These parties never availed themselves of the privileges granted them, however; chiefly because the completion of the Panama Railroad, which was begun in 1850 and finished in 1855, led, for the time at least, to the abandonment of the idea by those on whom it depended to furnish the necessary capital. But in 1862 the matter was again talked of. Colonel Totten, the engineer of the Panama Railroad, at that time proved that the supposed difference in the levels of the Atlantic and Pacific Ocean was a mistake, thus removing what had always been regarded as the most serious obstacle in the way of building the canal. Since that time, various projects have been started, but none of them have amounted to anything more important than gigantic schemes with small promise of realization.

The present movement, however, originated in the anxiety felt and expressed by the Colombian government to secure the construction of an improvement that would greatly add to its wealth and importance, and at the same time cost that government nothing. The Colombian Minister requested Mr. Seward to ascertain, if possible, to what extent the people of the United States could be relied on for carrying out the project, and with this object in view, the Secretary of State arranged with several prominent gentlemen to call the meeting, which met at the house of Peter Cooper, in this city. Under a charter granted by the New York Legislature, an organization was effected and Commissioners appointed to receive subscriptions to the capital stock of \$100,000,000—the amount considered necessary to complete the work. None of this amount has yet been subscribed, however, nor is it likely to be until something more definite is ascertained by survey and exploration concerning the nature of the country and the relative practicability of the several routes proposed or suggested. It will be seen, therefore, that the company with its cash capital of \$100,000,000, of which we have heard so much lately, is only prospective as yet.

Although we do not regard the construction of a canal across the Isthmus as by any means an impossibility, in this age of the world, we doubt if the real difficulties in the way of such a work are fully appreciated by any except the very few who by long experience have become thoroughly acquainted with the character and geography of the country through which it is proposed to construct it. The part of the Isthmus to be crossed by the canal is only thirty-two miles in width, but it is traversed by the Cordileras mountains, which present the most serious of the many obstacles in the way of the undertaking. Through this range of rocky and precipitate hills, the only pass as yet known where a canal would appear to be practicable, is that now occupied by the Panama Railroad. Some other feasible pass may be discovered if extensive surveys are made, but only at a great expenditure of time and money. Several routes are however even now contemplated, one of which necessitates the cutting of a tunnel seven miles in length through the mountains, that shall be at least 130 feet in diameter, so as to pass full rigged vessels of the largest size, freighted. This scheme appears to be so wholly impracticable that it is not likely to receive serious consideration from engineers or capitalists. Other routes have been suggested which require no tunnels, but make necessary long and deep cuts through solid rock at almost as great an expenditure of time and money. Whatever plan, however, is adopted, the canal must be built through about thirty miles of the most difficult excavations, and if it is ever completed will be one of the greatest engineering projects ever undertaken in ancient or modern times.

As we before stated, the only route at present thought to be practicable by engineers who are acquainted with the topography of the country, is the pass now occupied by the Panama Railroad, to which the Colombian government has guaranteed rights and privileges which any other company or corporation proposing to establish communication across the Isthmus will have to purchase, or pay damages to the railroad nearly equal to its value. In the contract between the Colombian government and the Panama Railroad, reformative of that of April 15th, 1850, it is provided as follows:

The Government of the Republic binds itself during the time in which the exclusive privilege which is conceded to the Company for the working of the railroad remains in force, not to construct for itself, nor to concede to any person or company, by any title whatever, the power to establish any other railroad on the Isthmus of Panama; and it also stipulates that while the said privilege continues in force the Government shall not have the power of undertaking for itself, nor of permitting any person to undertake, without the concurrence and consent of said Company, the opening or working of any maritime canal which may unite the two oceans across the said Isthmus of Panama, to the westward of the line of Cape Tiburon on the Atlantic and of Point Garachine on the Pacific. But it remains stipulated that the right which is conceded to the Company to give its consent does not extend to its opposing the construction of a canal across the Isthmus of Panama (except upon the route of the railroad itself) but only to its exacting an equitable price for such a

privilege and as indemnification for the damages which the Railroad Company may suffer by the rivalry or competition of the canal.

If the sum which may be demanded by the Company shall not appear equitable to the Government of the United States of Colombia, then it shall be fixed by arbitrators in New York or Panama, one to be named by the Government, the other by the Company, and in case of their not agreeing, the two shall name a third, whose decision shall be without appeal. In pronouncing their decision the arbitrators shall take into consideration the grounds upon which the Company rests and the information which the Government shall give upon the matter, and in view thereof shall decide, without appeal, as they may deem most just and equitable. The sum, whatever it may be, which shall be finally designated, shall belong one-half to the Railroad Company and one-half to the Government of Colombia.

As the opening of a ship canal across the Isthmus would of course destroy the value of a road which has no local traffic to sustain it, an equitable decision of the arbitrators would in all probability allow damages to its full value. It will be seen that the company has the right to oppose the construction of a canal through the pass in which the railroad is situated, and it would undoubtedly avail itself of the privilege. Considering therefore the money required to build the canal even at the most available point, the cheapest and best course for those proposing to undertake the work would be to buy up the railroad. The market value of the stock is now three hundred and forty, and if an effort was made to purchase it, its value would probably rise to four hundred. This would make the road worth twenty-eight million dollars to the purchasers. As soon as the canal company controlled its affairs, however, it would be able to avail itself of the advantages offered by the pass through the mountains which that road now monopolizes. The price it would cost would be well invested, since in building the canal on the line of the road, the company would save from fifty to one hundred million dollars, at least in making surveys and in moving the material necessary for the work. The pretended surveys of another route by Lacharme—an account of which is published in the March number of Putnam's Magazine—are deserving of but little credence. Many of the calculations, particularly those of the attitude of the proposed upper levels, are very incorrect, as they were made with an old and valueless barometer belonging to the railroad company, upon which its owners had long ceased to place any dependence. In one instance where Lacharme reports an attitude of less than three hundred feet, more accurate and trustworthy surveys show nearly six hundred. We merely mention this incidentally, in order that the friends of the project may not be led to under estimate the difficulties in the way of carrying it out successfully.

Of course, as we have already stated, we do not regard the cutting of a canal across any part of the Isthmus as an impossibility. Money and muscle can all accomplish anything in the way of grand material enterprises, and modern engineering skill can remove mountains or fill up the

sea—if means and men enough can be found to prosecute the work. The only question is, how can it be done so as to make it pay for any government or association of private individuals to undertake the work. To settle this great question we should first familiarize ourselves with the difficulties to be encountered; for it is no trifle that is proposed. With the purpose of helping to form a judgment on the money question, we have already referred to some of these difficulties; but there are others besides those which engineering skill can finally overcome or remove. A liberal expenditure of money and muscle could, no doubt, accomplish the work in the course of fifteen or twenty years: but the former could be procured far more readily than the latter. Perhaps the greatest hindrance to the successful prosecution of the work will be the want of suitable laborers. These must be procured in large numbers, and as the few natives of the country are not worth employing at any price, the necessary force can only be procured from other countries. In determining from whence this supply could be drawn, the experience of those engaged in building the Panama Railroad is of much value and importance. They found so many hindrances in the way of procuring labor as almost to prevent the completion of the work. It was first undertaken with the assistance of such natives as could be procured. This small force was supplemented by a party of negroes from Carthage—*not exceeding fifty in number.* About fifty Irishmen were also obtained at the same time, and later a considerable force of mechanics and laborers arrived from Jamaica, Carthage and the United States. In August, 1850, the number employed in the surveys and construction was about 400 men; but sickness, caused by exposure to incessant rains, and the effects of an atmosphere saturated with malarial poisons, made such inroads that, in a few weeks more than half their number were on the sick list. The ravages of the fever caused also the desertion of such a large proportion of the remnant, that the work was temporarily suspended. A fresh supply of natives having been recruited from the surrounding country, the work was once more started. To sustain the force, however, it was necessary to procure laborers from every part of the world—Irishmen, Coolies, Chinese, English, French, Germans and Austrians, amounting in all to over seven thousand men. With this force it was supposed that the time required to complete the work would be in a ratio proportionate to the numerical increase of laborers, all of whom were believed to be able-bodied men. It was found, however, that many of these people, from previous habits and modes of life, were totally unsuited to the work for which they were engaged. The Chinese, one thousand of whom had been imported by the company, were greatly depended on, and every arrangement was made for their health and com-

f ort. But, notwithstanding the careful treatment they received, they became disaffected in less than a month, a large proportion of them ending their lives by suicide, and the remainder becoming of little use as workmen. Disease broke out among them and raged so fiercely that, in a few weeks, less than two hundred remained. The Irishmen and Frenchmen also suffered so severely that it was found necessary to send them home as quickly as possible and supply their places with negroes from Jamaica, who also proved to be of little use as workmen, though best able to resist the influence of the climate.\*

The difficulty of procuring suitable laborers for the canal would of course, be far greater than that experienced by the builders of the railroad. The work of grading the surface and laying a single track of less than fifty miles in length, is a mere trifle compared with the labor of cutting a ship canal over or through the mountains. The engineer of the railroad, basing his calculations on his own experiences and a thorough knowledge of the topography of the country, believes that 15,000 men could build the canal in twenty years, or 20,000 men build it in fifteen years, providing the active working force were kept up to that number by constant additions of fresh recruits. This would require an aggregate of more than 200,000 able-bodied men, allowing for the probable desertion, sickness, and mortality. The poisonous malaria that renders the climate of Central America fatal to whites is so generally known that it would be difficult to induce many Americans to engage in the work, even if the most liberal pecuniary inducements were offered. Natives could not be procured in sufficient numbers; Europeans would not be able to stand the fatal influence of the climate; Coolies and Chinese would not be profitable (if the experience of the railroad is to be taken as the test), and Jamaica negroes are not worth, as laborers, the cost of maintaining them. The only source then from which it would seem probable that a suitable force of good workmen could be obtained, is Africa, and if it should be necessary to press them into the service we should be reviving the most objectionable features of the old slave trade. To do this would not only require the consent of the United States, but of every European nation, and if carried out would establish the dangerous precedent of a recognized and open slave trade.

But besides these difficulties in the way of the construction of the canal, others exist touching its practicability when finished. Of these the most important, perhaps, is that it would be available for steamers only: it being evident that, under ordinary circumstances, sailing vessels could go round the horn more safely and profitably. The reason for this is that vessels would not only have to be towed through the canal, but

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\* See "Isthmus of Panama," by F. N. Otis, pp. 15-56.

before they could be fairly started on their voyage across the Pacific it would be necessary to tow them at least two hundred miles out to sea. That entire section of coast, from the Equator to 15° North latitude, may be said to be free from wind available for sailing vessels wishing to go in any particular direction. Geographically, it is known as the region of the Southeast and Southwest monsoons, and extends from about 9° South latitude to the Equatorial calm belt, which touches the Western coast of the Isthmus of Tehautepec, about 15° north latitude, and, longitudinally, from 78° to 119° West from Greenwich, including the entire West coast of Central America, Darien, Columbia, and Ecuador. During the greater part of the year this is a region of perpetual calms, or light baffling winds, that are too fitful and uncertain to be relied on by shipmasters. To avoid this it is necessary for vessels following the coast from Cape Horn to San Francisco to keep at least 200 miles to sea to avail themselves of the Northeast and Southeast trade winds.\* This fact renders the port of Panama far better adapted to steamers than sailing vessels, the latter sometimes being six or eight weeks in getting out of the bay and into the Northeast trades. This is not always the case, for vessels often work out with the loss of a few days only: but during the greater part of the year it would be necessary to take the sailing vessels going through the canal as far out to sea as we have already said, if it was proposed to make that trip much shorter, in point of time, than the less direct route round the Horn. As this could never be made to pay, considering the canal toll, the cost of towage, and the increased insurance premiums over rates charged on vessels keeping in open sea, sailing vessels would find it safer and more profitable to follow the old route.

If what we have said be correct, the canal prospect does not promise very favorably as a business speculation. We have seen that the engineering difficulties are very great and can only be overcome at a large expenditure of time, labor and money; that the obtaining of the necessary supply of labor will also be an extremely serious problem for solution; and that after the canal is completed it is not likely to be available for anything but steam vessels. The practical question arises, therefore will it pay for any company of private individuals, or for any single government to undertake the work. It appears to us that it will not. Besides, we already have a railroad across the Isthmus, and expect within a few months to see our own Pacific road completed, thus again uniting the two oceans. The building of the canal would certainly be a magnificent

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\* See Maury's "Physical Geography of the Sea," Plate VIII.



project, but with this grand highway across our own country, is it a plan upon which our government or people can look with very great interest as promising sufficient benefit to them to warrant the necessary outlay? And if it will neither prove to be a remunerative investment to the stockholders, or to the country at large, wherein consists the motive for engaging in the work at present? Far better would it be that all the maritime nations of the world should undertake it and hold it as a joint property, to be free to the trade of all, and only such tolls charged as may be necessary to meet the expense of maintaining and repairing the works. Until this is done, or until it can be done in that way, it would seem to be better for us to turn our attention to improving the facilities of the Panama Railroad by laying additional tracks, providing ample wharfage at the termini and reducing the charges on freight, and also in developing our own Pacific roads and reaping the advantages they place within our reach. A large share of the more valuable Eastern trade, and very nearly all the Eastern travel will soon seek this latter route, and with increased facilities and lower freights on the Isthmus road, the necessity for a canal would be greatly diminished.

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#### OUR FOREIGN INDEBTEDNESS—ITS ADVANTAGES AND DISADVANTAGES.

It seems anomalous to question whether it is fortunate or unfortunate for a country that its credit should appreciate. This very question, however, would appear now to be seriously entertained among some of our own people, in connection with the export movement of government bonds; and the answer is by no means so universally affirmative as might be supposed.

For the last five or six years Europe has been a steadybuyer of our securities—national, State and corporate; but principally national. According to the most careful estimates, about \$700,000,000 of United States bonds and \$300,000,000 of other securities are now held abroad, four-fifths of which have been sent out since 1862. For two years, we have been supposing that the limit of this remarkable investment demand had been reached; and yet the absorption continues, the export of bonds and stocks at this moment being nearly as active as ever. The prospect of a more conservative administration of public affairs, the earnest desire for an early resumption of specie payments, the better comprehension of questions of finance in Congress, the strong probability that the principal of the Five-Twenty bonds will be declared to be payable in coin or its equivalent, and the avoidance of an apprehended commercial revulsion following the war; these circumstances have combined to beget abroad a

steady growth of confidence in American investments; and as our credit has improved our securities have been more in demand. Within the present month, probably not less than \$40,000,000 of bonds and stocks have been sent to Europe, mainly in response to direct orders; Five-Twenties have sold in London at 81 $\frac{1}{2}$ , and from the tenor of foreign advices yet higher prices and further orders are to be early expected.

It is not our present purpose to conjecture how much further this extraordinary demand may be carried; European capitalists appear to have formed a different estimate of our credit from that they once entertained; and there is no more reason apparent for supposing that they have reached the limit of their investments than existed two or three years ago. At home, this outflow of securities is very generally deemed a misfortune to the country. In certain respects, it is undoubtedly to be regarded in that light; but we think a broad view of the subject will show that the movement is not without important compensations. The securities have generally been purchased at a heavy discount from par in gold; and such as may be liquidated after the resumption of specie payments, having to be paid in full in gold, will of course involve the return to Europe of a much larger amount of funds than we have received upon them. This consideration is especially important in its bearing upon United States bonds. Supposing that, upon the \$700,000,000 of governments held abroad, we have received on an average 68 per cent in gold, our total receipts therefor would be represented by \$475,000,000, which is \$225,000,000 less than we should have to pay to the holders on redeeming the obligations. But before counting this as so much unqualified loss, we must assume that the bonds will be finally liquidated at maturity. Let it, however, be supposed that, before or after the expiration of the twenty years limit, it should be attempted to substitute a security bearing a lower rate of interest; a great advantage would then accrue from the fact of the obligations being held abroad instead of at home. As a rule, capital has been worth 2 per cent more interest in the United States than in Europe; and, in the event of the Government credit being well sustained, it would, for this reason, be feasible to dispose of new bonds to foreigners at a lower rate of interest than would be acceptable at home. The fact of our having a foreign market for bonds, at a comparatively lower rate of interest, would also materially facilitate the marketing of such bonds at home; thereby promoting a saving of interest upon the whole public debt. The economy of interest thus arising from the circumstance of a large portion of our bonds being held abroad would, in the course of a few years, fully compensate for the loss arising on the payment of the principal; the extent of this economy is apparent when it is considered that a reduction of 1 per cent in the rate of interest on the whole debt amounts to \$25,000,000 per annum.

At present, we pay Europe about \$40,000,000 in gold, annually, as interest upon government securities. This, of course, is so much taken out of the country in the form of products, or gold. But before we can pronounce it a loss to the country at large, it must be remembered that it is the consideration paid for the use of capital loaned in return for obligations sent out. This brings us to the gist of the question: does the real capital, consisting of various products received in exchange for the securities, constitute under all the circumstances a fair, competent and remunerative equivalent? The bonds, had they been held at home, would have been in no sense productive. They would have helped to increase the idle, or non-productive class of population. The holders, instead of actively employing capital for reproduction, would have been inactive consumers, helping to diminish and doing nothing to increase the common stock of products. Instead of this, we have exchanged the bonds for various commodities, some destined for immediate consumption, others constituting a part of our more permanent capital, and most going to reinforce the general productive resources of the country. While, therefore, in these transactions, Europe has invested in credits, we have invested in such productive capital as our wants have called for. The question whether the exchange is one advantageous to our side, depends upon the further question whether we realize and shall hereafter realize more upon the capital thus received than we have to pay in interest, and in the difference on principal to the foreign bondholders? The fact of our having kept up these exchanges for a period of six years implies that there is an advantage somewhere; for large transactions between different countries are not apt to be long continued without mutual advantage. Nations engaged in exhaustive wars invariably find it better to borrow abroad than at home, for the reason that they can thereby replace the actual waste resulting from hostilities, and that they can afford to pay interest for the use of it. When such loans are made under the pressure of war necessities, the rate of interest is apt to be beyond what can be realized upon the use of the capital received. But, in our case, the larger portion of the securities sent abroad were not exported, properly speaking, under a war pressure, but voluntarily, and from those considerations of commercial advantage which regulate ordinary business exchanges; and for this reason our foreign transactions in bonds are the less likely to be disadvantageous. The truth is that productive capital yields in the United States a larger return than in Europe; and the circumstance of our having exchanged such an immense amount of securities for European capital is only the natural result of this fact. Hence, instead of having the social and political evils growing out of a large bondholding class, we shall have a healthy reinforcement of the industrial and mercantile elements which

lay at the basis of our political security, and of our commercial prosperity and greatness.

Some incidental evils, however, have doubtless arisen from the facility with which we have been able to market our securities abroad. So long as we could exchange credits for merchandise there has been the less pressure to enforce that economy in private expenditures which should be practised by every people after the losses of a great war. Growing out of this there has also been a tardiness in reducing the public expenditures and in taking measures to allay the general extravagance and inflation. These evils, however, are of a character which tend to work out their own remedy, within a reasonable time; and already they are in process of correction. On the other hand, our ability to ship bonds has supplied an element of elasticity in our foreign exchanges without which we might have incurred an exhaustive drain of gold, indefinitely postponing the recovery of the specie basis and producing panic and a protracted prostration of business. It is very commonly urged that the fact of such a large amount of our securities being held abroad exposes us to a sudden drain of gold, through their return upon the outbreak of panic or war in Europe or at home. It is quite certain that such occurrences might for the time seriously affect the value of our securities; but they would be returned here only in the event of prices being highest in the home market—a condition of things which would not continue after the amount of bonds returned was such as to seriously endanger the equilibrium of our foreign exchanges.

For the foregoing reasons we are inclined to regard our foreign indebtedness as being less an evil than many suppose.

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## OUR BONDS AT HOME AND ABROAD.

(COMMUNICATED.)

The extraordinary advance of the last four weeks, and especially of the last ten days, in the price of our bonds both in London and Frankfort is unquestionably the most important financial event of the present day. It is not only a very gratifying evidence of the faith and confidence of European capitalists in the general soundness of our condition and in the principles and practice of the incoming administration, but also widely influences the course and character of our entire foreign trade, bringing us face to face with some of the most important problems connected with the return to specie payments.

In the first place, the present prices and the eagerness with which the bonds are bought at the quotations, forever set at rest the assertion so frequently repeated by adverse interests here and abroad, that these secu-

rities could never advance beyond a certain price, and would always rank with the low-priced securities of semi-bankrupt States like Spain, Italy, Greece and Turkey. We had heard this asserted so often and so positively, that many persons here had begun to believe it, and looked upon any rise beyond 72 or 73 as the result of artificial movements and as impossible to be maintained. The present quotation in London is—with the difference of exchange added—equal to more than 90 in gold and indicates pretty conclusively that we may reasonably look for quotations at par at some not very distant day.

In the second place the advices by letter and cable advising a small supply upon the market, and few bonds offered for sale with an active demand, prove that neither the ability nor the disposition to invest is as yet exhausted, and that in all probability, if the relative positions of the two markets admit of it, there will be further shipments of bonds during coming months, in addition to the large amounts lately gone forward. It is scarcely possible to over-estimate the importance of such movement in its influence upon our foreign exchanges especially at this season of the year, when a considerable portion of our grain and cotton crops yet remain to be exported. Whether further bond shipments will or will not shortly take place must of course depend entirely upon the relative position of the European markets and our own. No matter how high prices may go on the other side, no bonds will be shipped unless there is a profit in the shipment, unless they can be bought here below the London and Frankfort quotations. So far, the market has promptly followed and at times even led the foreign market, and the supply of the exportable bonds has been so limited and the price so firm, that the export has been much smaller than it otherwise would have been. Assuming that the investment demand will continue on the other side at rising prices, it behooves us to consider in how far our markets can meet the demand.

The most important element in this enquiry is the price of the bonds here. What price are Americans themselves willing to pay for their bonds? The average price of the various issues of six per cent gold bonds for the last three years has been about 106, that is to say, a bond bearing six dollars annual gold interest, could be bought or sold for about one hundred and six dollars in currency. The average price of gold during the last three years has been as near as may be 140. The six dollars gold interest paid by the Treasury on each one hundred dollar bond, if sold at the average premium during that time, brought to the owner of the bond eight dollars and forty cents in currency. A bond costing one hundred and six dollars in currency produced an annual income of eight dollars and forty cents in currency, or as nearly as possible eight per cent. In other words, an investment in United States bonds has, during the last three

years, paid the investor about eight per cent per annum, free of risk and free of tax. During the period named there have been many fluctuations in the price of the bonds, due to varying political conditions and to changes in the course of the money markets, but none of them have been sufficiently important to materially alter the proportions named. The premium on gold has likewise fluctuated largely, but the price of the bonds has generally fluctuated with the gold premium, so that the change, whether in the price of bonds or in the premium on gold, has never very widely changed the result, viz : that the United States bonds could be bought at a price, which pays the investor about eight per cent net interest on his investment. In other words, the experience of the last three years shows that our people have not been willing to pay for these bonds much more than a price which enabled them to make on an average eight per cent net interest on their investment.

Will it be possible hereafter to realise eight per cent net interest on an investment in bonds? It is very evident that at the present prices here and the present premium on gold, the investment will not pay seven, much less eight per cent. The latter figure can only be realised by an advance in gold, which, though at all times possible, does not seem at present reasonably probable while, the active demand for bonds continues abroad. Besides, if gold were to advance, with the price of bonds in Europe remaining the same, our quotations in currency would correspondingly advance so that the question of interest would remain unchanged. It is not probable, therefore, that investors will look to a rising gold market to improve their investment. Will American investors, then, continue to hold United States bonds if they can only realise from them seven, or even six per cent, on their investment?

Many writers appear to believe that buyers of bonds have heretofore expected to make a high rate of interest mainly on account of the risk, or at least the periodical fear and threat, of ultimate repudiation, and for the further risk of depreciation by a reduction in the interest rate. They maintain that, if it had always been clearly established by law, that the principal and interest were payable in gold, and that no compulsory funding at a lower rate of interest could be attempted, that then investors would have been well satisfied to make less interest on their investment. For ourselves, while admitting at all times the importance of removing any doubt as to the terms and conditions of the bonds, we do not believe that the doubt has ever seriously affected the domestic investment demand. We believe, on the contrary, that our own people generally have bought the bonds with great confidence, without any serious fears of repudiation, and that the great bulk of the bonds were bought, like any other first-class security, because they paid a handsome interest on

the investment. In contradiction of this belief we are frequently referred to the high prices of certain State securities, which pay no higher rate of interest than United States bonds, yet sell fifteen or twenty per cent higher, or of various kinds of railroad bonds, which pay only six per cent interest in currency, yet sell not much below the gold bonds of the United States. The inference is, that if the good faith of our general Government were as strongly pledged by law as that of the single States referred to, or as that of first-class railroad companies, then its bonds would sell at as high figures. But the objection, though seemingly fatal, is really not well founded. The market value of the bonds of a single State, or even of a first-class railroad company, is not subject to one tithe the influences that affect the bonds of the general Government. Domestic disturbances in any part of our immense territory, political changes of many kinds, government mismanagement war, or threats of war, would materially affect the latter without necessarily affecting the former, and on this account alone might make the former investment more desirable and more sought after. Again, the affairs of a small State or of a railroad corporation can be thoroughly and positively known to some men at all times, while the bonds issued may be, indeed are, of such limited amounts, that a few well-informed individuals can buy the whole, and can afford to pay a high price for them, knowing that they will be the first to learn of any change, and that they may be able to control the entire market in the value of their investment. It is for these and other similar reasons, not from any serious fear of repudiation that certain other securities have sold better than United States bonds. The main reason why the latter have not been higher is that there were and still are, many investments offered that pay a still better rate of interest than they do. As long as money can be safely and promptly employed in large amounts at eight and nine per cent per annum, only a certain portion of the floating capital will be invested in bonds at seven per cent. Unless, therefore, money should become permanently easier with us, and through a decline in business activity or from some other cause, a great falling off result in the general income from capital employed, we expect to see a growing willingness among American investors to part with their bonds and thus meet the European demand.

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#### THE LEGAL TENDER DECISIONS.

The recent decisions of the Supreme Court, relative to the functions of legal tender notes in certain cases, go far toward settling definitively the scope and force of the Legal Tender Act. The first decision, in the case of the county of Lane against the State of Oregon, determines that

United States Notes can be tendered in payment only of such obligations as come strictly within the legal definition of the term "debts," this construction being based upon the bare letter of the law; and a tax, or impost, not coming within the meaning of that term, the Court decided that it could not enforce the acceptance of legal tenders in liquidation. The results of the opinion of the Court in this case are important. It places it within the power of the governments, federal, State and local, to enforce the collection of their several imposts in gold coin. Practically this is not of any general interest; for the authorities are not likely to incur the unpopularity that would arise from an attempt to enforce this right, and the less so as the laws could be promptly altered. There are obligations which do not come within the definition of a "debt;" but they are so few that this case has little bearing beyond its application to taxes and the disposition it shows on the part of the Court to interpret the act literally and strictly.

The more important decision, however, is that in the action of *Bronson vs. Rhodes*, which has been made public this week. In this proceeding the New York Court determined that a contract payable specifically in gold coin could be liquidated in legal tenders; the Supreme Court, however, decides that such a contract can only be liquidated in gold. The Chief Justice lays down the principle that every obligation must be paid according to its terms; that the law making gold and silver a legal tender not having been repealed, there are virtually two legal tenders, one coin and the other paper; that, if a contract stipulates for the payment of coin, coin must be tendered in payment; if legal tenders are specified, then the payment may be made in such; if merely dollars are specified, without distinction as to coin or United States notes, then the latter may be tendered, the presumption being that the payee gives the payor the option of liquidating in the less valuable currency. This decision places upon a common ground all contracts to pay money, whether made before the passage of the Legal Tender Act or after. It may appear to conflict with the strict letter of the law, which makes United States notes a tender in payment for "ALL debts;" but it is obviously based upon a broad principle of justice; for where two parties agree to a contract payable in coin, there is an understanding on both sides that coin shall be paid, and were the law to sustain the payor in attempting to satisfy the debt with a less valuable consideration, it would clearly sustain him in an act of injustice to the payee. It is the ignoring of this principle of equity which constitutes the fatal weakness of Judge Miller's dissenting opinion.

This decision is not only consistent with the broadest and strictest equity, but, being so, it naturally conforms to the convenience and interest of the community. The inconveniences arising from the uncertainty whether



contracts to pay gold could be legally enforced, has given rise to a pressure upon Congress for the enactment of a law legalizing such contracts, with which Congress has shown a disposition to acquiesce. Had it, however, been adopted, the question as to its constitutionality would still have remained to be settled by the Supreme Court. This decision relieves Congress from the necessity of taking any action upon the question, and obviates the litigation likely to follow such an enactment.

A question naturally arises as to the results which are likely to follow this decision. As a first result, we suppose it legalizes the taking of gold interest. But it must have very important bearings commercially. Some branches of trade can be conducted with much greater convenience upon a gold basis than in a fluctuating currency. This applies more especially to wholesale transactions in imported products and to the larger dealings in exportable produce at the Atlantic ports. So great has been the inconvenience of conducting these transactions in currency that much of the business has always been done in gold, on simple trust in the honesty of the party making the engagement. In the cotton trade there has been a growing tendency to base contracts upon gold; and the larger portion of this crop being sent to foreign markets, it is felt both North and South that there would be an obvious convenience in that form of contract. Considering how wide are the ramifications of the cotton interest and how sensitively the price of the staple sympathizes with the fickle fluctuations in the gold premium, it is not surprising that there should be a strong desire for a currency which would obviate such frequent changes in value. It is, therefore, but natural that Northern and Southern merchants should desire a stable currency and seek to be rid of the risks arising from the daily variations in gold. In this view, it cannot be deemed improbable that the leaders of opinion in the cotton trade may urge a more general adoption of the gold basis. There is perhaps little reason for expecting that such a change would at present extend largely beyond cotton. The purchases of the South at the North, which constitute its main supply of merchandise would be made in currency; and it would involve an inconvenience, without compensation, to convert the currency values into gold before retailing the goods.

These appear to be the main changes in commercial operations likely to result early from this decision. There is, however, a very wide range of other transactions in which coin contracts are likely to be adopted. In all long loans, where the fluctuations in the value of greenbacks has been an important element of risk to both parties, the lender at least is, likely to ask the security which the law, as now construed, affords him. Mortgages would lose half their risks, when based upon gold. State and corporate bonds would be more attractive to investors and especially to

foreign lenders, were they made payable in coin. Foreign capitalists would be more apt to employ their funds here, when the rates of interest ruled high, could they be employed in the form of gold, without the risks of converting them into currency and again reconverting them into gold; and with the existing telegraphic facilities for communication with European money markets, this must appear to be a change of no small moment to the monetary interests of the country. These are the principal branches in which gold may be expected to supersede currency, under the now changed condition of affairs. This, however, would amount to a very important substitution of greenbacks by coin; and, so far, would facilitate the resumption of specie payments, whenever it might be deemed practicable to adopt that policy. One very important objection to resumption arises from the apprehensions of loss upon the payment of contracts in gold which were made on a currency basis. The law now provides a remedy against such losses, by authorizing contracts in the medium which would be current upon resumption. Henceforth, therefore, the question of resumption is less one of equity in contracts than of financial practicability.

In the light of this decision, there can be apparently little doubt as to what will be the determination of the Court upon the constitutionality of the Legal Tender Act. If the court had regarded the act as unconstitutional, it would in all probability have rendered a decision upon the case under consideration involving that specific point; for a decision on that point would have determined his action and all others; instead of which, two cases are taken up, involving points which are only necessary to be decided in view of the consideration that the Legal Tender Act is constitutional. The supposition therefore that the Court may deliver an opinion nullifying the Legal Tender Act has, by these decisions, been placed beyond the range of probability.

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#### THE COMMERCIAL CONDITION OF THE COUNTRY AND RESUMPTION.

Our finance doctors, in the remedies they propose, appear to pay too little heed to the condition of their patient. Fiscal and financial regulations are so closely interwoven with the trade of the country, that to prescribe wisely for the former, we must ascertain precisely the state of the latter. It is the misfortune of the present laudable efforts to recover the specie basis that they are being made at a time when business is in an unsound and unnatural condition, rendering all interests the more sensitive to the temporary derangements which must attend the process. As a people, we are not prosperous, nor have we been so, properly speaking, for the last seven years. During the war our ordinary consumption, with the waste and destruction attending military operations, were much

in excess of our reduced production; and, for that period our wealth unquestionably diminished. Since the war, with the return of the army to industrial pursuits, and the suspension of military consumption, production must, of course, have kept a more even pace with our consumption; though there is too much reason to fear that even now it does not equal it, and that we are living, to a certain extent, upon past accumulations. Habits of extravagance are usually forsaken only under compulsion; and it is therefore not surprising that, with the deceptions and false appearances attending a currency inflation, we should unwarrantably persist in a high scale of public and private expenditures. Social evils correct themselves surely, but slowly. The large profits realized in trading during the process of monetary expansion, naturally drew an undue proportion of the population to employments connected with commerce and speculation; and, production has suffered in consequence; we therefore find a large addition to the population of our commercial cities, an increase of business buildings, and all the external appearances of healthful activity. These things, however, are not to be regarded as the legitimate growth of a really sound commerce; but as the results of a habit or process inspired by the intoxication of inflation.

We do not care to inquire whether the fault lies in our producing too little, or in our consuming too much. Certain, however, it is that our present consumption bears no healthy ratio to our production. The course of our foreign trade too plainly illustrates this fact. For the last seven years our importations have immensely exceeded our exports. Nor can it be said that the difference has been set off by the profits upon our exportations, or the losses on foreign consignments to our markets. The fact has been demonstrated in our columns that we have sent to Europe within late years over \$750,000,000 of securities; nor has this process ceased; but this year we have shipped probably \$35,000,000 of railroad stocks and bonds and other securities to England and the Continent. These remittances of securities represent the difference against us upon our foreign trade account. It is not necessary to inquire at present whether this exchange of evidences of indebtedness for foreign commodities is advantageous to the country at large; we rather wish to direct attention to the fact that, before the war, we were able to wholly pay for our imports with our products; and the circumstance that we are not doing so now, proves beyond a question that our production does not bear so large a proportion to our consumption as formerly. It is very clear that, under such a course of affairs, we cannot be increasing our actual wealth; for a very large proportion of our importations consists of commodities which perish in the using, and are but little promotive of reproduction. Were we importing less of mere articles of enjoyment and

luxury and more of raw materials, of necessary food, of the materials of industry, and of the appliances for transportation, then we should have less occasion for regret at transferring into the hands of foreigners such an immense amount of obligations at a heavy depreciation; but we have by legislation encouraged their production here under disadvantages which involve a substantial waste of labor; and this consideration justifies the deduction that we have had no increase of wealth proportioned to the value of securities sent abroad. This may be an unwelcome conclusion; but we do not see how it is to be honestly evaded; and is no part of wisdom to conceal from ourselves the plain facts of our condition.

If, instead of gaining in wealth, we are rather losing ground, then it is of the utmost practical importance to ascertain who are the losers. There is somewhere a steady loss of capital going forward. The loss is not to be looked for among the operative and employed classes; for, in the first place, they have little to lose, and, in the next, the returns of the Savings Banks\* and social criteria generally fail to indicate loss on their part. We presume it will not be supposed that the agricultural class (although they have not increased in number proportionately to the increased population) have perceptibly diminished in wealth counted in lands and bonds. Manufacturers also, though at one time heavy losers, through the decline in prices, have for the last two or three years been more prosperous. It is mainly among the distributors of commodities that we must look for the evidences of diminished wealth; and recent failures and facts well known in commercial circles leave little room for doubt that as a class this interest is working without profit. We do not mean to intimate any general insolvency among merchants; but simply that in a large number of instances their private and business expenses exceed their profit. This is a well known fact, every day remarked upon by merchants themselves.

The great evil of our present condition, it is thus seen, lies in the fact that too much of the labor and capital of the country are employed in the distributing processes and too little in production. It is impossible to overestimate the importance of this fact in all its bearing upon our efforts to regain the specie basis. It is out of the question to suppose that we could safely resume specie payments under such a condition of commercial affairs as now exists; and much less that we could do so without business interests suffering. We above all things require, as a condition precedent to resumption, that the commercial interest at large should be in a state of average soundness; and the first preparat-

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\* The increased deposits in Savings Banks, are not however, as some appear to think an indication of increased wealth among the poorer classes.

ory inquiry should therefore be directed to the means for checking the existing over expenditure of all classes of the community. Can legislation accomplish anything toward checking the current over importation; or arresting the prevailing extravagance; or diverting labor to productive pursuits? Or must affairs be left to find a sounder basis by a natural process?

These questions must be reserved for future consideration.

### DEBT AND FINANCES OF SOUTH CAROLINA.

The indebtedness of South Carolina on the 31st October, 1868, according to the Report of the Hon. J. L. Neagle, the Comptroller-General of the State, amounted to the sum of \$5,407,306 27. In the same report the Military Defense debt is stated in detail, in gross amounting to \$2,241,840, and with interest to October 1, 1866, to \$2,700,142 28. The Constitution of the State, however, abrogates this debt, and the Comptroller General asks permission of the General Assembly to sink all accounts, pro or con, connected with that unfortunate event in our national history. The State debt proper may, therefore, be considered as limited to the sum of \$5,407,306 27, and is made of the following bonds and stocks:

Description of bonds and stocks.	Date of Act.	Date of Maturity.	Amount outstanding	Rate p. c.	When payable.	Where payable.
State stock		Pleasure.			J. A. & O.	Treas'y
Fire Loan	Jan 1, '38	'70	\$38,856 69	3		
New State House st'k.		Jan 1, '47	250,000 00	6	Jan & July	"
"	"	'56	300,000 00	6	"	"
"	"	'57	200,000 00	6	"	"
"	"	'58	200,000 00	6	"	"
"	"	'53	200,000 00	6	"	"
"	"	'53	200,000 00	6	"	"
"	"	'59	200,000 00	6	"	"
"	"	'61	200,000 00	6	"	"
"	"	'61	200,000 00	6	"	"
"	Feb. '63	'80	2,000 00	6	"	"
B'ds & st'ks. fund'd debt			885,733 53	6	"	"
Balance not yet funded			397,237 94	6	"	"
Five loan (sinking)	June, '28	'63	454,444 51	5	J A J & O.	London
Blue Ridge RR bonds.	"	'54	200,000 00	6	Jan & July	Treas'y
"	"	'76	200,000 00	6	"	"
"	"	'77	200,000 00	6	"	"
"	"	'78	200,000 00	6	"	"
"	"	'79	200,000 00	6	"	"
New State House b'd's	"	'53	250,000 00	6	Jan & July	....
"	"	'53	2,000 00	6	"	"
"	Dec. '63	Jan 1, '85	11,600 00	6	"	Treas'y

The contingent liabilities of the State from the endorsement of railroad bonds secured by first mortgage on said roads are as follows:

South Carolina Railroad bonds, payable in 1868	\$2,093,312 40
Charleston and Savannah Railroad bonds, payable in March, 1877	505,000 00
Northern R. Road bonds payable in March, 1869	92,000 00
Laurins R. Road bonds, payable in 1879	75,000 00
Spartanburg and Union R. Road bonds, payable in '78-'79	350,000 00
Greenville & Columbia RR bonds, payable in '81, '82, '83 & '86	945,471 21

The State's interest in the South Carolina Railroad is substantial, and it is also probable that the Northeastern has the ability to discharge its maturing liabilities. Most of the other companies are not paying interest upon these bonds endorsed by the State, but permitting their debts to accumulate to the detriment of the State's credit. The Comptroller suggests the adoption of such measures as may be deemed expedient to compel the payment of all interest past due upon these endorsements and the public payment of the same in future. The assets of the State at the close of the fiscal year 1867-68 amounted to \$2,754,660, and are described as shares in the following companies:

Northeastern RR.....	\$120,000	Chesaw & Coalfields RR.....	200,000
Spartanburg & Union RR.....	250,000	Laurens RR.....	50,000
Pendleton RR.....	42,500	South Carolina RR.....	24,000
Georgetown & Columbia RR.....	433,960	Charleston & Savannah RR.....	270,000
Blue Ridge RR.....	1,310,000	Southwestern RR, B K.....	6,000
Columbia & Augusta RR.....	42,200	Keowee & Tuckaseegee Tpk.....	6,000

Most of these are utterly worthless. The South Carolina and the Northeastern stocks, in all \$144,000, appear to be of no value whatever; and even if the Blue Ridge Railroad should be carried through (which however is almost a certainty,) it will take many years to bring its stock to the dividend paying point. The State, therefore, cannot hope for any direct relief from its burdens from these records of its generosity, but must be satisfied with the works that have been fostered into life by its aid and which have contributed so much to the development of the country, and the appreciation of taxable property. South Carolina, though temporarily under a cloud, is a rich State, and can afford to lose such an amount as these dead securities involve. Its resource to meet its financial necessities must be taxation. In what manner and to what extent taxation is borne by the 700,000 people in the State, let the following table (made up from a vast labyrinth of figures) tell:

## TAXABLES AND TAXATION, 1868.

Objects of taxation.	Values and amounts taxed.	Taxes.	
		Rate, p. c.	Amount.
Land, 17,252,032 acres.....	\$32,973,993	.25	\$109,891 67
Real estate in cities, towns and villages.....	17,435,832	.25	67,673 78
Buggies, carriages, gold and silver plate, watches, jewelry and paucos.....	1,632,849	1.50	24,493 27
Total real and personal property.....	52,042,674		202,057 72
Articles manufactured for sale, &c.....	1,452,876	.20	3,033 24
Gross incomes—			
Employments, faculties and professions.....	675,445	2.50	16,875 24
Factors, merchants, brokers, &c.....	382,317	2.50	9,558 08
Premiums for insuring and underwriting.....	208,780	2.00	4,135 59
Profits of national and other banks.....	81,947	2.00	1,620 94
Newspapers.....	187,065	.20	374 50
Daguerotypes and photographers.....	14,536	1.00	145 36
All incomes in excess of \$500 from salaries, rents, dividends on money at interest.....	870,470	1.00	8,704 20
Hotels, restaurants, &c.....	57,981	2.00	1,159 62
Gas-light companies.....	407,968	.25	1,019 92
Livery stable keepers.....	12,340	2.00	246 80
Butchers and hucksters.....	23,430	1.00	234 30
Billiard tables and bowling alleys.....	125	5.00	6 25
Bar-rooms.....	7,043	10.00	704 20
Ferries, bridges and toll-gates.....	20,662	1.00	206 62

Specific taxes—		
Tax on taking out a charter .....	\$20 00	20 00
Tax on each renewal of a charter .....	.....	.....
Tax on public hacks, stage coaches, baggage wagons and omnibuses drawn by two or more horses, 42¢ .....	\$10 00	425 00
Tax on drays, cars or baggage and express wagons, 36¢ .....	5	1,525 00
Capitation tax on males between 21 and 60 .....	1	53,121 50
Tax on dogs .....	1	26,688 50
Total amount of taxes .....		\$459,271 80

The police or local taxes are comparatively light or are not fully returned. The rate varies largely in the several parishes. The Free School tax is collected only in the parishes of St. Phillip and St. Michael in which Charleston is located, and amounted in 1868 to \$18,813 81. The poor tax for the whole State was \$54,328 68, the tax for public buildings \$30,875 41, and the bridge and road tax \$60,737 43. These in gross amounted to the small sum of \$164,755 33.

The estimates for the support of the State government and the public credit for the fiscal year commencing November 1, 1868, are stated as follows:

Salaries of State officers, judges, &c. ....	\$86,200 00
Legislative Department .....	140,000 00
Executive Department .....	18,500 00
Judiciary Department .....	43 100 00
Ordinary civil expenses .....	191,388 13
State police .....	12,000 00
Interest falling due in year .....	329,492 38
Total estimated expenditures .....	\$820,490 51

The bond interest which became due in 1868 was mainly paid in new bonds, and it is not improbable that the maturing interest for 1868-69 will have to be met in the same way. There is also a considerable amount of the debt due and near maturity which will have to be rearranged. Beyond these drawbacks, which are only of a temporary nature, the financial status of the commonwealth appears to be healthy. Taxes are collected and are not burdensome, amounting to less than 70 cents per capita, and they appear to be laid in such a way as to forget the industrious poor. The only tax that touches all is the capitation tax of one dollar on all males between 21 and 60 years of age.

#### PHILADELPHIA AND READING RAILROAD.

The Philadelphia and Reading Railroad, which at the close of 1867 had a working length of 770.60 miles, at the close of 1868 was running no less than 806.69 miles, an increase during the year of 36.09 miles. This increase is the result of the completion of the Zerbe Valley Railroad 15.32 miles and the Perkiomen Railroad 10.20 miles, and the constant extension of side and other tracks necessary for its business purposes.

The details of the roads now owned or leased by the company are as follows:

Philadelphia to Reading .....	93 miles.
Reading to Harrisburg .....	54 "

Total length of road owned by company..... 147 miles.  
 —or, including second track, branches, sidings, &c., the equivalent single track  
 is..... 422.70 "

The railroads named below are leased and operated in connection with the above lines:

Railroads.	Main & Sid'gs Equiv. branch on the single lines same track.	Railroads.	Main & Sid'gs Equiv. branch on the single lines same track.
Mine Hill & Schuylkill.....	93.33 52.33 145.66	Good Spring.....	14.88 1.80 16.68
Little Schuylkill.....	32.83 18.62 51.45	Chester Valley.....	21.50 2.39 23.89
Fast Mahanoy.....	11.12 2.58 14.10	Port Kennedy.....	0.78 .....
Mill Creek.....	15.58 8.71 24.29	West Reading.....	1.74 1.00 2.74
Schuylkill Valley.....	29.88 3.34 33.22	Zerbe Valley.....	15.32 4.33 19.65
Mount Carbon.....	9.47 5.14 14.51	Perkiomen.....	10.20 1.50 11.70
Mount Carbon & Port Carbon.....	5.29 9.33 14.32		
Union.....	3.7 0.53 4.01		
Lorberry.....	5.94 0.66 6.60		
		Tot. of lines leased and operated.....	556.80 249.89 806.69

The aggregate length of railroad (equivalent single track) operated by the company in each of the last seven years was as exhibited in the following statement:

Railroads.	1862.	1863.	1864.	1865.	1866.	1867.	1868.
Philadelphia and Reading.....	261.13	266.15	283.85	281.03	306.75	315.18	350.24
Lebanon Valley.....	79.17	82.27	92.29	97.99	101.09	142.32	103.46
Owned.....	340.30	348.42	375.74	387.02	407.84	418.10	422.70
Mine Hill & Schuylkill Valley.....	132.90	136.32	142.14	145.28	145.66		
Little Schuylkill.....	48.39	49.20	49.48	49.95	50.36	51.45	
East Mahanoy.....	9.11	11.61	14.51	14.65	14.43	14.10	
Mill Creek.....	15.70	18.14	19.70	23.13	24.48	26.17	24.29
Schuylkill Valley.....	26.28	26.72	26.94	33.31	33.90	35.06	33.22
Mount Carbon.....	9.83	9.83	9.90	9.90	9.90	13.38	14.61
Mount Carbon & Port Carbon.....	11.85	12.18	12.98	14.15	14.44	14.49	14.62
Union.....	3.91	4.78	4.08	4.68	4.13	4.13	41.00
Lorberry Creek.....	6.51	6.51	6.51	7.51	7.51	7.51	6.60
Good Spring (Swatara).....	6.68	7.47	10.82	12.26	12.68	16.82	16.68
Chester Valley.....	23.30	23.50	24.30	23.30	23.51	23.56	23.89
Port Kennedy.....	0.78	0.78	0.78	0.78	0.78	0.78	0.78
West Reading.....	1.74	1.74	1.74	1.74	1.74	2.63	2.74
Zerbe Valley.....							19.65
Perkiomen.....							11.70
Leased.....	97.15	165.73	310.46	304.48	340.81	352.50	383.99
Total.....	437.45	514.15	686.10	717.50	748.65	770.60	806.69

The rolling stock on the main road, laterals and branches at the close of the fiscal year November 30, 1868, was as follows: Locomotive engines (1st class 205, 2d class 22, 3d class 5 and 4th class 4,) 236. Also, on Mine Hill Railroad (1st class 23, 2d class 9 and 4th class 1,) 33. Total engines, 269. Passenger train cars (8-wheel)—passenger 84, baggage 23 and mail and express 11½. Total 119 (= 8-wheel 237). Freight train cars (8-wheel)—house 794, cattle 76, platform 1,322 and lime 80; and (4-wheel)—house 68, cattle 2, platform 26, sand and ore 10 and lime 130. Also, one 16-wheel platform gun-car. Total, 1,373 (= 4-wheel 2,512). Coal train cars (8-wheel)—iron 6 and wooden 8,486; and (4-wheel)—iron 2,713 and wooden 2,101. Total, 9,060 (= 4-wheel 13,306). Transportation department cars (8-wheel)—house,



wreck trains 10; platform with cranes, 18, and crate for sawed wood; and (4 wheel)—house wreck trains 5, open for cord wood 58, and for depot fuel, &c., 3. Total 82 (= 4 wheel 98.) In use on Mine Hill Railroad (8 wheel) 26 and (4-wheel) 72 freight and wrecking and 5 passenger. Total 103, (= 4-wheel 116). This department has also 39 steam engines for shops, pumping and sawing; 8 snow plows; 20 carts, wagons and drays; 174 horses and mules, and 23 extra tenders for locomotives. Roadway department cars (8-wheel) 62 and (4-wheel) 271. Total 333 (= 4-wheel 395.)

The number of locomotives and cars (= 4-wheel) in use at the close of each of the past seven years was as follows:

	1861.	1864.	1865.	1866.	1867.	1868.
Locomotives.....	166	183	221	234	235	236
do (M. H. R. R.).....	33	33	33	33	33	33
Total.....	166	216	254	267	268	269
Cars (equivalent 4-wheel):						
Passenger, &c.....	134	162	174	210	220	237
Freight.....	1,886	2,086	2,140	2,323	2,468	2,512
Coal.....	10,183	11,425	11,499	13,133	13,116	13,206
Mine Hill RR.....	80	80	80	72	72	116
Transportation department.....	151	134	120	111	109	98
Roadway department.....	342	441	378	402	370	395
Total (=4-wheel).....	12,200	14,336	14,391	16,311	16,355	16,664

In the following statements the business of the road and the results of operations for the year 1867-68, and the five previous years are summed up:

	1861-63.	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.
Pass'ngers, number.....	576,861	1,048,500	1,481,632	1,444,257	1,273,644	1,194,375
Merchandise, tons of 2,000 lbs.....	652,263	807,106	846,103	1,037,121	1,185,896	1,220,596
Coal, tons of 2,240 lbs.....	2,068,261	3,065,577	3,090,814	3,714,634	3,446,826	3,574,874

The earnings from the above business were as follows:

	\$	\$	\$	\$	\$	\$
Pass'ngr earnings.....	566,520	909,882	1,065,847	1,026,217	1,005,647	987,606
Merchandise.....	673,143	953,716	1,165,277	1,421,539	1,536,351	1,415,723
Coal.....	4,897,200	7,203,775	8,627,292	8,246,626	6,401,879	6,252,224
U. S. Mail.....	21,309	23,496	28,871	27,719	33,085	29,150
Miscellaneous.....	94,730	178,411	255,232	181,647	137,334	107,234
Total, gross.....	6,252,912	9,269,340	11,142,519	10,902,813	9,106,496	8,791,937
Exp'n's, rents, &c.....	2,546,002	4,534,848	5,905,864	6,221,500	5,767,858	5,641,100
Net profits.....	3,706,900	4,684,492	5,236,655	4,681,313	3,338,638	3,150,837

From these amounts must be deducted the following, viz:

Renewal fund.....	370,158	376,242	424,384	517,247	498,576	521,411
Interest on bonds.....	653,464	437,534	378,269	359,709	356,844	375,156
" on bonds & mortgages.....	33,972	34,620	30,347	36,941	38,337	37,851
Sinking funds.....	210,830	392,021	431,230	68,600	68,600	68,600
New works, &c.....	1,066,775	2,022,662	1,339,264	1,169,234	336,520	409,837
State tax on capital.....	43,137	.....	.....	.....	.....	.....
Total payments.....	2,378,336	3,293,179	2,014,089	2,151,731	1,298,877	1,412,855
Bal. of earnings.....	1,328,564	1,391,313	2,632,566	2,529,587	2,039,761	1,737,982

The "Reserved Fund," made up from net earnings and other revenues, and liable for dividends, drawbacks, &c., is epitomized in the following statement:

	1863.	1864.	1865.	1866.	1867.	1868.
Balance to credit.....	\$990,956	\$2,171,259	\$372,050	\$3,305,739	\$2,920,118	\$3,769,256
Net earnings.....	1,328,564	1,391,313	2,632,566	2,529,587	2,039,761	1,737,982
Sk'g' f'd st'k in lieu of b'ds cancl'd Schuyk'l Nav. Co. bal. of accounts, rents, &c.....	.....	104,000	.....	370,000	320,000	.....
Profit on boats, &c.....	.....	.....	234,067	286,307	116,192	110,948
Old debts paid.....	.....	.....	68,677	112,335	.....	.....
.....	.....	.....	26,605	.....	.....	.....
Total resources.....	2,219,520	\$3,666,572	\$3,333,965	\$6,605,968	\$5,396,071	\$4,580,186



## BANKRUPTCY AND INSOLVENCY.

BY C. H. C.

The following hypothetical case presents an interesting problem in bookkeeping, and a very instructive example in political economy. I find it in *Gouge's Journal of Banking* published in Philadelphia, July 21, 1841.

"It is one of the peculiarities of a paper money system, that, under it, a country may abound in wealth, may owe nothing to foreigners, and yet every man in it may be bankrupt.

"This may sound strange to many readers, yet it will be easy to demonstrate it.

"Suppose a State to have within its limits one hundred thousand families, and each family to be worth ten thousand dollars. Here will be an aggregate of property of the values of one thousand million of dollars.

"Next, suppose each head of a family to dispose of his own property on credit, and purchase an equal amount of some one else on credit. Here is an aggregate of debts and credits of two thousand million dollars.

"Then suppose the circulating medium of such a community to be suddenly reduced in amount one-half. Through the shock that would be given to confidence, prices would fall more than one-half; but suppose them to fall only one-half. Here then will be but five hundred million dollars worth of property, with which to liquidate two thousand millions of debts and credits. Each man will receive five thousand dollars from his debtor, and pay five thousand dollars to his creditor. Yet when all this is gone through with, each man will owe five thousand dollars, and have five thousand dollars owing to him. Every one would then be bankrupt, although the land, the houses, and all the other wealth of the State would be just what they were before "the contraction' began."

The word bankrupt is here employed in its restricted but true significance of inability to pay in money according to contract, and not in the more general sense of *insolvent*, which means unable to pay in anything.

Every one who attempts the study of political economy meets with obscurity at the threshold from the corruption of its nomenclature in, as well as out of the dictionary: this is a case in point. No great scholarship is necessary to know that bankrupt is derived from the Latin *bancus*, a bench, and *ruptus*, broken, and that the term came into use among the Jews in Italy who were the money dealers of the middle ages. They displayed their money upon benches, and the custom prevailed of breaking the bench of every one that failed. Hence it is to money dealing that the term bankrupt strictly applies; and as every one is a money dealer, so far as he contracts to pay money, he is bankrupt when he is unable to pay money according to contract, although he may be solvent as to ability to pay in goods or something else.

And this is the condition of each head of a family in the case presented by Mr. Gouge. Each one owes ten thousand dollars of money; he must say to his creditor, "I cannot pay ten thousand dollars, but I am prepared to compound the debt. I can pay five thousand dollars, and deliver to you the value of five thousand dollars in other property besides to discharge your claim." But as each one has the same value of property to receive as to deliver, the delivery of the property amounts to nothing, and the short way to the adjustment is to declare a general bankruptcy of five thousand dollars each, which cannot be had, or five hundred millions in all, according to Mr. Gouge's example. And this is precisely the State of their affairs; they do not meet their contracts according to the bonds by five hundred millions of dollars, because one half of the promised dollars are annihilated.

The following entries may elucidate the case as a problem in book-keeping. Each man will inscribe on his books :

Merchandise <i>Dr.</i>	<i>To Stock.</i>	
For capital in goods, &c.....		\$10,000
Bills receivable <i>Dr.</i>	<i>To Merchandise.</i>	
For goods or property sold.....		\$10,000
Merchandise <i>Dr.</i>	<i>To Bills Payable.</i>	
For goods purchased.....		\$10,000

Here the contraction of the currency reduces prices one half, and there follow :

Profit and Loss <i>Dr.</i>	<i>To Merchandise.</i>	
Loss by depreciation.....		\$5,000
Cash <i>Dr.</i>	<i>To Bills Receivable.</i>	
Received one half in money.....		\$5,000
Profit and Loss <i>Dr.</i>	<i>To Bills Receivable.</i>	
Discharged one half in bankruptcy.....		\$5,000
Bills Payable <i>Dr.</i>	<i>To Cash.</i>	
Paid one half in money.....		\$5,000
Bills Payable <i>Dr.</i>	<i>To Profit and Loss.</i>	
Obtained release in bankruptcy.....		\$5,000
Stock <i>Dr.</i>	<i>To Profit and Loss.</i>	
For balance of profit and loss account.....		\$5,000

By casting his eye over these entries, without taking the trouble to write out the posting, any good accountant will see that the business is reduced to the simple condition of

Merchandise *Dr.*..... *To Stock.* \$5,000

And each head of a family in this bankrupt community stands, as to capital, wealth, and means of doing business, precisely as he did before the contraction, *i. e.*, in possession of the same quantity and value of property only at one half the price; with this important advantage, that he can

export merchandise profitably, to the encouragement of agriculture and manufactures, which he could not have exported before; he and his community having now the world for a market for goods, instead of the money which they would otherwise be forced to ship, and which before they did ship, at its degraded value, that is to say, in paying the high price for imports resulting from their cheapened money. Nothing responds to a depreciation of money by rising in price, sooner than imported commodities.

Now suppose contraction could fall upon all alike in the comfortable way above described, what possible advantage is there in the expansion which compels the contraction and adds nothing to capital or the means of doing business? Each of these men may look the other in the face and say, in the words of the old song: "We're all good fellows together;" but what do they gain by the "paper money" system, which carries the price of property to one thousand million dollars, the value of which is five hundred million dollars, since the value of the property is the limit of its purchasing and paying power.

Mr. Gouge, in this instance, neglects to mark the distinction between value and price. The value of the property never exceeded five hundred million dollars, because values are isodynamic equivalents in cost of production, or in material utility appropriated, like land, compounded of supply and demand. A thing destitute of inherent utility which costs nothing, like a paper note, cannot possess value, and of course cannot be the equivalent of anything that does possess value. If it could, wealth would be easily produced by simply writing notes.

Mr. Gouge continues: "Now such a case as is here supposed cannot occur in practice. A trading nation will owe more or less to foreigners; and, much as we are in love with the "credit system," every man will not dispose of all his property on credit, and purchase an equal amount of others on credit. The case will, however, serve to illustrate the effects of "a flexible standard of value."

Undoubtedly, as far as it goes, it does so very clearly. There is nothing, I think, in political economy more preposterous than the notion that we need any other, or any more flexibility in the circulating medium than is to be always found in money, *i. e.*, gold and silver. When we think we need more currency, what we really need, and what the best interests of the country demand, is a lower price for things, so that we may produce cheap, sell at a profit, and import to advantage: unless more currency means more capital, which is always desirable, and, in the precious metals, is more desirable, because in more universal demand, both for home use and export, than any other, inasmuch as everything else makes a demand for money.

What is the perfection of a commodity? Certainly universal desirableness. So that the commodity possesses this—so that everybody wants it, and is willing to pay for its intrinsic value, no trader concerns himself about its use as an instrument, or about the ultimate utility to which its value is due.

A dollar is a marketable commodity containing a quantity of gold, as a crowbar for sale is a marketable commodity containing a quantity of iron. The former being in universal demand, will employ labor more readily, and stimulate industry and the production of capital to obtain it more than any other commodity whatever. The latter, however useful, is in very limited demand, and has but limited power to encourage industry and the production of capital. The trader's interest is in the commodity, not in the instrument. Its value in exchange is what concerns him, no matter what caprice may determine its value in use; and it happens that money has no other value than value in exchange, since it is an affair of trade exclusively. Or we may say its value in use and its value in exchange are coincident.

Mr. De Quincey introduces, by way of illustration, a phial of prussic acid, bought with a view of self-destruction. "It would argue great levity of heart," he says, "to view in the light of a useful thing any agency whatever that had terminated in so sorrowful a result as suicide." But the apothecary does not necessarily concern himself with the purpose of the buyer. To the apothecary the use of the article is in its value as an object of exchange, which he finds in the condition of the market. The most frivolous as well as the most useful thing may thus furnish employment to industry and constitute capital and wealth.

The mistake in regard to money is just here: it is in concern for the instrument, when the thing we need is the object of exchange—the commodity. An instrument of exchange being attainable in an evidence of debt, by simply writing a promise and calling it "a dollar," we fancy the name to be thing, and thus plunge into embarrassment and bankruptcy. We buy and sell goods on credit to make the name, when we should otherwise buy and sell for cash, and have the thing that we cannot have while the name is accepted in its place. We really change the unit and delude ourselves with a name, when with infinitely less sacrifice of ease we could possess money and so much the more capital and wealth.

Credit will procure capital. What then? As compared with money, credit is the absence of capital to the buyer and to the country. One may buy goods on the credit of a bank or the government, instead of his own; but to suppose that credit organized for this purpose performs the function of money, is to suppose the respectable beggar as well off and as useful in the community as the man of wealth. It pays nothing.

This function of organized credit, instead of supplying a marketable commodity to increase the business of the country, destroys one, sinks the value of the commodity—the dollar—and drives it abroad. It is precisely the function of which we cannot have too little; whereas, of the marketable commodity we cannot have too much: because any natural excess of money will be as surely and as profitably exported as the natural excess of any other commodity which, by reason of such excess, falls in value until it meets the exporter's demand. It is impossible to separate the dual nature of money, the instrument and the commodity; and if we put any other instrument in its place we lose the commodity altogether.

A currency of debt is by nature the very opposite of money, since debt is a thing to be paid; whereas money is a thing that pays. The former is embarrassment; the latter capital, when offered in exchange, and wealth always; and the first dollar of debt organized into currency, instead of supplying the means of paying the price it creates and of meeting the contracts based upon it, becomes itself an additional contract and a demand for more money or capital to pay it with. Instead of satisfaction it is hunger; and accordingly we find the greater the amount of circulating notes and bank demand deposits, uncovered with specie, the higher is the rate of interest, and the greater the distress for money, until it reaches a crisis and an ultimate settlement in bankruptcy.

In the hypothetical case under consideration the individual debtors pay and receive equally, upon the Clearing House principle; but one rascal or Shylock among them would throw the whole settlement into confusion, and for the sum of dollars that he would grasp unequally they would be insolvent as well as bankrupt, inasmuch as one could not pay the other through the whole line.

In the discussion of the currency question I have had occasion to remark that, for every dollar of currency annihilated by direct contraction, there must of necessity be about ten dollars of bankruptcy in the community. Some intelligent friends of mine, for whose opinions I entertain the highest respect, have not been able to agree with me on this point, which, it seems to me, Mr. Gouge's example illustrates very perfectly. Being a mere matter of illustration, that example takes no note of the division of stock or of the natural proportion of money to other capital, but merely assumes that the whole property is circulating capital, to be bought and sold. In fact, however, only about two-fifths of the property of the community is ever, I think, at any one time in the condition of circulating capital, that is, in market for sale or exchange; and, in a normal condition of affairs, about one-tenth of this circulating capital is money.

Hence our imaginary community, with the aggregate price of one thousand million dollars in circulating capital, would have one hundred million

dollars of currency, so that the contraction of fifty millions of currency results in five hundred million dollars of bankruptcy, or five thousand dollars for each of one hundred thousand individuals, as stated in the example. By no means can this result be avoided in the ratio of the contraction of the currency to the indebtedness of the community; but no approach to such equality of adjustment as in the case supposed is possible.

Whoever happens to owe, in proportion to the value of his assets, more than the proportional contraction of the currency, becomes inevitably insolvent as well as bankrupt. Moreover, a general code of easy morality prevails among debtors in distress as to helping themselves to the property of creditors; cunning and high-handed villiany scramble in the confusion of a financial crisis; opportunity and privilege, such as may be enjoyed by a bank director or bank favorite, enable some men to avail themselves of more than their equal or just share of currency and capital; all these and other influences render an equitable settlement of debts and credits in every crisis of a factitious currency system utterly impossible; and I venture to say that every direct contraction of one dollar of such a currency always was, and always must be, accompanied by ten dollars of absolute insolvency. An insolvent is no less an insolvent because he tides over his payment, and throws his deficit, through cunning or privilege, upon other men.

Now let us apply this rule to the present condition of financial affairs in this country. The currency, including demand deposits, must be reduced six hundred millions of dollars, according to my estimate, so that sterling exchange, which to-day—February 23d—is at 46 in greenbacks, shall fall to  $9\frac{1}{2}$  in greenbacks for sight bills, before specie payments can be maintained. The paper currency will then, of course, be interchangeable with money, which will be raised in value to an equality with merchandise, so that we can ship merchandise as profitably as money. By any scheme of direct contraction this will involve six thousand million dollars of bankruptcy and insolvency. There is nothing wonderful in this conclusion, if all the indebtedness running to maturity on the greenback unit must respond to the money unit in demand for payment; and this is the theory of direct contraction, whether gradual or rapid.

But when any such scheme shall be put in operation, its two forces or elements, so to speak, will immediately change places. It will not long be the contraction of the currency that will cause the bankruptcy, but the bankruptcy that will contract the currency. As in 1860-61 the bankruptcy at the North, resulting from the repudiation of debts at the South, annihilated so large a portion of the demand deposits of the banks, which constitute the most effective part of the currency always, that the aggre-



gate currency of the loyal States fell below the natural and necessary specie volume, and made money so much more valuable than merchandise here that gold poured into the country a million dollars at a time by nearly every steamer arrival from England during the year 1861.

So it will be again. Contraction may begin it, but the positive and negative poles of the scheme will very soon change places. When bank accommodation fails bankruptcy comes into play, soon takes the lead, and one tumbler here and there knocks down a whole line, until the securities, against which the deposits stand, fall, and the deposits with them. Banks being pressed with their notes must redeem them, and avail themselves of their securities in the hands of the Comptroller to purchase greenbacks or specie. What effect this will have upon the prices of government bonds in connection with the general pressure of individuals to realize upon securities, may be conjectured. But in this way we may reach specie payments, without doubt, through a flood of bankruptcy. It is the only way that has thus far been proposed in Congress. Is there no other or better? There is a better way, as I have already indicated in this *MAGAZINE*.

In the issue of October last I suggested supporting two separate units and currencies, gold and greenback, for a specified time, during which indebtedness fairly contracted by the greenback measure may be discharged in greenbacks, or their interchangeable equivalent, bank currency, and new contracts made in gold. This must be the basis of any *equitable* plan of relief from our present financial difficulties. It is a method of indirect contraction that will save harmless every man who is solvent at present prices; those who are not so cannot expect to be saved by any method.

Since writing the October article I have come to the conclusion that the plan may be more simple in its details, and more speedily accomplished, than I had before supposed. The paramount question is, does a majority of Congress really desire a resumption of specie payments? If so, the only obstacle to be removed is the principle of factitious credit in banking. The way to cure a disease is to attack its source. The principle of factitious credit is bankruptcy. The banks are never in a condition to meet their payments *on demand* according to contract, even when their currency is called convertible. They owe hundreds of millions of dollars payable on demand, more than are possessed by the whole country, in their best condition, and under an uncertain forbearance of demand, we are as practically bankrupt as Mr. Gouge's example represents his imaginary community to be. But our present extra muddle comes of the one hundred and fifty millions of fictitious credit plunged into the currency in the fall of 1861, with subsequent additions. Extinguish this principle

in the banking system, prospectively, by taxing the uncovered demand liabilities of the banks out of existence, the tax to take effect one year after the passing of the act; provide for the voluntary funding of greenbacks by an immediate issue for that express purpose of four or five per cent twenty year bonds, principal and interest payable in gold, every greenback to be destroyed as soon as funded, and no other legislation in regard to specie payments or the currency will be necessary.

Under this policy paper prices could not fall to embarrass debtors; on the contrary, they would have a tendency to rise, which would be checked by the funding, so that they would remain comparatively steady, while coin would gradually fill the channels of circulation, without panic or crisis, until by an increased production and export of merchandise, we should accumulate a metallic currency, and the uncovered paper currency would disappear altogether.

I say the uncovered paper currency, because a notion prevails that no paper would circulate under a metallic system. Certainly the banks would furnish certificates of deposit for circulation under such a system; the difference being that they would have coin in reserve, dollar for dollar, and so much capital, which, under a paper system they have not. And the difference to the country would be in the production of commodities to exchange for gold and silver that under a paper system are not produced. Hence producers are more employed and enriched by a metallic system, and the aggregate capital of the country is augmented accordingly.

The current commercial debts of this country mature in about seventy days on the average, so that twelve months will be ample time for their readjustment on a gold basis, and there need be no apprehension of a renewal of paper contracts under the certainty of the withdrawal of the paper medium, as no one will contract at paper prices knowing they must be paid in gold.

By no other plan or on no other principle, in my opinion, than this of a double currency, temporarily maintained for a specified time, can we escape the bankruptcy and insolvency that form the text of this article.

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#### PROHIBITION OF THE CERTIFICATION OF CHECKS.

Congress has just afforded a very inconvenient illustration of the danger of hasty legislation upon matters of great public importance. Early in the session, a bill was introduced prohibiting National Banks from certifying checks otherwise than against actual deposits. The bill, after slumbering in committee for months, was finally brought up and adopted in the last hours of the session, almost without discussion, and signed by the late President among his very last acts. This measure

in its progress, received very little attention from the banks of this city; not because they did not appreciate its importance if adopted, but rather from a feeling that the proposal was such a violent change of the established methods of business, so unnecessary, and so boldly innovating, that it was not likely to occupy the serious consideration of Congress. Evidently, the banks assumed too much; and now they pay the penalty in a very serious inconvenience; an inconvenience which could have been easily averted by sending a deputation to the Committee having the measure under consideration.

The law falls with special severity upon what may be termed the Wall street banks. Institutions doing a purely commercial business find little occasion for certifying, and with them, therefore, no serious objection is raised to the regulation. With the institutions, however, whose exchanges represent the immense financial transactions of the stock boards and the Gold Room the case is very different. As we have shown on a previous occasion, certification or some other expedient affording substantially the same facility, is really essential to effect the transfers of securities; and we presume it is because the prohibition threatens embarrassment to this particular interest that it has been adopted; for it appears to be taken for granted by a class of legislative regulators that the crippling of Wall street is the acme of financial legislation. It may be well enough for the law to define the general conditions and limits within which banking shall be conducted; but, when it undertakes to determine the methods of business and supersedes that prudent discretion with which managers, if at all fit for their duties, must be credited, it becomes not a wholesome regulator, not a protector of the public interests, but an impediment to the public convenience, a drag upon business, and a restriction upon intelligence and economy in bank management.

Does Congress imagine that the managers of the banks doing a Wall street business—generally conceded to be the shrewdest of our bank officials—are less able than they to judge of what is prudent and safe in this matter? Those who take the risk of certifications ought to be the best judges as to the prudence of the usage; for they are the parties who reap the profits and bear the losses. Besides, tested by experience, no plea can be found for this prohibition; for the banks whose business requires certification find the losses associated with the practice merely nominal, and the average results of their operations are at least as satisfactory as in the case of banks which find no occasion to certify for their customers. It cannot then be said that the law is required to protect the depositors of the banks; and, if not, what apology can be offered for its intrusion upon the statute book?

Had the object of Congress been to discriminate in favor of the larger

capitalists, and had the bill been so entitled, it would have been appropriately designated and well adapted to its end. Firms of very large means and high credit have no occasion to secure the certification of their checks, because they will pass anywhere upon the strength of the drawer's name. There is, however, a very large class of houses who, though doing a perfectly sound business, yet do not enjoy a credit sufficient to give currency to checks for large amounts, for the reason that their capital is not large enough and their position is not sufficiently known; and, in these cases, before a check can be accepted in exchange for real value to a large amount, the receiver requires that the bank, which is presumed to know intimately the drawer's position, shall endorse the check. If the bank cannot extend this momentary credit to its customer, the firm is so far incapacitated for transacting business, and its trade falls into the hands of a wealthier rival. To all intents and purposes, therefore, this is a restriction which in its effect must be destructive to the business men of small means. We allow that Congress had no such purpose; but if the act were carried out according to the spirit and letter, such could not fail to be the result.

Another very obvious tendency of this law is to drive deposits from the National to the State Banks, which are placed under no such embarrassing restrictions; which fact produces a strong revulsion of feeling against Congressional control over the banks. If there were no means of evading this prohibition, some of our largest banks would immediately reorganize under the State system, even though it were at the cost of sacrificing their circulation. The banks, therefore, make no secret of their intention to violate substantially the spirit, although observing the form of the law. In some cases, the bank endorses the check "accepted." How far this expedient may be a safe one, we do not at present enquire. We presume that the design of this form of endorsement is to constitute the check virtually an "acceptance;" but whether the Courts would view it as such, or as an intentional evasion of the law, and therefore invalid, is perhaps open to question. In other instances the bank issues a "due bill" to its customer, which he deposits in the same institution, when his check can of course be certified within the law. Another expedient is for the bank first to grant a loan, or credit against which the customer draws his check and receives upon it the certification of the bank. In each of these cases, the customer's account is made good before the close of bank hours the same day. In the case of firms having accounts with more than one bank, the house draws against one of its banks, deposits the check, without certification, in another bank, and draws a second check against the deposit thus made, which the second bank certifies. Where the banks desire to get rid of an undesirable

account they probably refuse to be parties to any of these alternatives; but as a rule, some one of these expedients is resorted to for evading the prohibition and its penalties. We think an enlightened public opinion will sustain them in the course they have adopted, and have little doubt that when Congress becomes better informed upon the question it will retract this hasty legislation.

Of course, there are parties who do not wish to oppose the law, but rather speak of it approvingly. Among these may be classed the banks who do a business not requiring certification; the wealthier private bankers, who hope that the prohibition may drive accounts from the National Banks to themselves; the State Banks, which chuckle over every attempt to fetter their rivals under the national system, and expect that the regulation may divert business to their institutions; and, finally, a monied class boasting, not always intelligently, of its conservatism, which applauds any and every measure calculated to embarrass the Wall street interest. Opinions from any of these sources, however, is to be estimated according to the motive from which it proceeds. On the other hand, a large body of honest, capable business men, who have the misfortune not to be in possession of unlimited means, protest against the measure as unnecessarily and almost fatally crippling them in their business facilities, if put in practice.

#### DEBT AND FINANCES OF THE STATE OF NEW YORK—NO. 1.

On the 30th day of September, 1868, the total funded debts of the State of New York amounted to \$44,968,786 40, or, if we deduct there from the balances of sinking funds on hand at that date, to \$38,864,448 74. These debts and the funds set apart for their satisfaction, are classified as shown in the following exhibit:

	Debts in gross.	Sinking funds.	Balance of debt.
General fund.....	\$4,707,826 40	\$153,175 54	\$4,554,647 86
Contingent.....	68 00 00	15,517 82	52,482 18
Canal.....	14,249 90 00	4,017,232 43	10,232,737 57
Bounty.....	25,943,000 00	1,918,408 87	24,024,591 13
Aggregate.....	\$44,968,786 40	\$6,104,337 66	\$38,864,448 74

Ten years previous, or on the 1st October, 1858, the State debts amounted to (general fund, \$6,505,654 37; canal debt, \$24,307,704 40; canal floating debt, \$2,000,000, and the contingent debt to \$770,000 00) \$33,583,358 77. Excluding the bounty debt and using only the same denominations as they now stand, it is observable that during the ten years the debts of the State have been redeemed to the extent of \$14,554,572 37.

#### GENERAL FUND DEBT AND SINKING FUND.

The "General Fund Debt," as now constituted, comprises the following denominations of indebtedness:



extinguish the entire principal of such Canal Debt, the sum of \$1,500,000 of the surplus revenues of the canals be set apart in each fiscal year as a sinking fund to pay the interest and reduce the principal of the General Fund Debt. The Commissioners of the Canal Fund are now in a position to comply with Sec. 1 of the article aforesaid, having set apart and appropriated a sufficient sum to satisfy the Canal Debt of 1846 and the provision of Sec. 2 has become fully operative, and henceforth the surplus revenues of the canals will contribute annually \$1,500,000 to that Sinking Fund. This will provide a fund for the payment of the interest and the redemption of the entire principal of the General Fund Debt by the close of the fiscal year 1871-72. A large part of the debt is as shown above payable at pleasure and only \$1,700,000 has to run beyond the year specified, so that no large amount will require to be invested to meet the final extinguishment of the debt.

## CONTINGENT DEBT.

The Contingent Debt of the State, arising from loans of its credit to corporations, was incurred previous to the adoption of the Constitution of 1846, which prohibited the giving or loaning the credit of the State in aid of any individual, association or corporation. On the 1st February, 1842, these liabilities amounted to \$15,235,700, while on the 30th September, 1868, they had been reduced to \$68,000, partly by payments made by corporations and partly by their assumption by the State as a portion of the General Fund Debt. Of the whole, \$3,665,700 was assumed by the State and \$1,502,000 paid by the beneficiaries. The following table shows the original amounts and the mode of their disposition:

Beneficiaries.	Amount Feb. '42.	Assumed by State.	Pa'd by Com'rs.	Outstand- ing Sept. 30, 1868.
Delaware & Hudson Canal.....	\$800,000	\$.....	\$800,000	.....
New York & Erie Railroad.....	3,000,000	3,000,000	.....	.....
Canajoharie & Catskill Railroad.....	200,000	200,000	.....	.....
Ithaca & Owego Railroad.....	315,700	315,700	.....	.....
Auburn & Syracuse Railroad.....	200,000	.....	200,000	.....
Auburn & Rochester Railroad.....	200,000	.....	200,000	.....
Hudson & Berkshire Railroad.....	150,000	150,000	.....	.....
Tioga Coal, Iron M. & Manuf'g Co.....	70,000	.....	70,000	.....
Tonawanda Railroad.....	100,000	.....	100,000	.....
Long Island Railroad.....	100,000	.....	32,000	68,000
Schenectady & Troy Railroad.....	100,000	.....	100,000	.....
Total.....	\$5,235,700	\$3,665,700	\$1,502,000	\$68,000

The Long Island debt was redeemable August 1st, 1861, but under chap. 36, Laws of 1858, the payment was deferred to 1876 and the rate of interest reduced from 6 to 5 per cent.

## INDIAN ANNUITIES.

The amount of Indian annuities payable to sundry tribes under the several treaties with them being (Cayugas \$2,300, Onondagas \$2,430, Senecas \$500, and St. Regis \$2,131 67) \$7,361 67, would require an

investment at 6 per cent, amounting to \$122,694 87, and at this figure the annuities are capitalized and accounted for.

## CANAL DEBT.

This separate debt of the State, which was created for the construction and enlargement of the State canals, amounted on the 30th September, 1868, to \$14,249,960, having been reduced by purchase and cancellation during the year then ending by the sum of \$1,483,100, and, since the establishment of the sinking funds under the constitution, from its maximum amount by \$16,646,328 26. It is also a fact that the sinking funds he'd at the date mentioned from surplus revenues set apart for redemption of outstanding stocks amounted to the sum of \$2,230,700. The actual canal debt to be provided for is therefore only \$10,232,727 57. The following statement shows the denomination and amount of canal stocks outstanding September 30, 1868 :

When Due.	6 per cent.	5 per cent.	Total.
1837 .....	\$160	.....	\$160
1860 .....	.....	10,000	10,000
Pays no interest.....	\$160	\$10,000	\$10,160
1838.....	.....	\$194,900	\$194,900
1871.....	.....	25,000	25,000
1872.....	\$2,607,300	.....	2,607,300
1873.....	5,726,800	.....	5,726,800
1874.....	2,250,000	2,035,800	4,285,800
1875.....	500,000	.....	500,000
1877.....	900,000	.....	900,000
Debt paying interest.....	\$11,984,100	\$2,255,000	\$14,239,800
Debt not paying interest.....	160	10,000	10,160
Total debt.....	\$ 1,984,260	\$2,265,000	\$14,249,960
Annual interest.....	\$719,046	\$112,785	\$831,831

The total Canal debt on the 30th September, 1858, was \$23,460,014 48, and the interest on that sum \$1,406,120 80. In the table which follows we show its progress, increase and decrease, yearly for the ten years since that date :

	Amount borrowed.	Amount redeemed.	Debt Sept. 30.	Surplus rev. nuc.
1859.....	\$.....	\$152,170 00	\$24,307,844 48	\$9,200 67
1860.....	3,000,000 00	1,100,523 00	27,107,321 48	1,669,611 61
1861.....	1,200,000 00	2,175,551 23	26,131,770 25	2,695,842 16
1862.....	.....	2,120 000 00	24,011,770 25	4,081,591 35
1863.....	.....	733,300 00	23,278,470 25	4,347,118 83
1864.....	.....	836,700 00	22,441,770 25	3,317,356 06
1865.....	.....	2,844,374 76	19,597,395 49	1,650,091 86
1866.....	.....	1,348,925 49	18,248,460 00	2,874,756 39
1867.....	.....	2,515,400 00	15,733,000 00	2,820,165 14
1868.....	.....	1,483,100 00	14,249,960 00	3,293,301 13

It thus appears that the aggregate debt has been reduced in ten years from \$24,460,014 48 to \$14,249,960, or by the sum of \$10,210,054 48. Included in this reduction is the full amount of the old Canal debt, which under the constitution of 1846 was to be paid before the General Fund Debt could receive the full benefit of the surplus Canal revenues appropriated to its liquidation. For the first time in our financial history the current year will experience a disembarassed Treasury, and ourselves a





Counties.	Bounties.	Railroads.	Roads and bridges.	Other.	Total.
N. York.....	\$11,837,600 00	\$.....	\$.....	\$16,429,372 28	\$28,294,972 28
King's.....	3,439,000 00	.....	.....	17,118,250 00	20,607,250 00
Albany.....	1,645,350 00	1,300,000 00	.....	1,274,500 00	4,220,350 00
57 other Counties.....	17,735,296 16	9,585,796 89	252,326 65	2,847, 26 82	30,480,446 52
Total ..	\$34,765,746 16	\$10,885,796 89	\$252,326 65	\$27,699,149 20	\$83,603,018 90

The aggregate State and local debt, as accounted for in the figures given, was at date as follows:

State Debt.....	\$44,968,786 40
County and other local Debt.....	83,603,018 90
Total.....	\$128,571,805 30

An average of 6 per cent for interest calls for \$7,714,308 32 annually, and a similar amount ought to be paid off each year. The valuation of taxable property in the State is \$1,853,419,871, so that less than 1 per cent on this valuation assessed annually would clear off the whole in a very few years. Distributed among a population of 4,000,000 it is simply an annual charge of \$3 86 per capita.

#### THE SECRETARY OF THE TREASURY.

Notwithstanding the uncertainty which has prevailed since the first of the month, as to who should be the Secretary of the Treasury under the new administration, there has been a buoyant confidence in financial circles; and when it was announced that Mr. George S. Boutwell, of Massachusetts, would take the vacant office, there was an almost immediate advance in Government bonds both here and in London. Nor is this to be wondered at, for Mr. Boutwell is well known as an earnest advocate of conservative financial reform. That he is an able administrative officer he gave conspicuous proofs when in 1862 he was entrusted with the organization of the new Internal Revenue Bureau. The public have had unusual facilities for knowing his fitness for office, and although in the history of the Republic, a Secretary of the Treasury has never probably been appointed whose qualifications were submitted beforehand to a more varied series of tests, never has such an officer on taking the seals of office been greeted by such hearty generous universal welcome.

Apart from these personal reasons why the public have confidence in Mr. Secretary Boutwell, there are motives at work affecting public opinion, of a more general nature. Formerly it was of little importance who was entrusted with the control of the Treasury Department. The revenues of the government were comparatively small, and except by the customs duties which bring the revenue officers into direct contact with no more than a few thousands of our citizens, the Secretary of the Treasury drew lightly on the pockets and disturbed but little the sympathies of the people. His patronage was small and his powers were incon-

siderable. Since the war, however, all is changed. The subordinates of the Treasury are counted by thousands, and the patronage of the office is immense. We have a colossal debt, and we are going to attempt during the lifetime of this administration to ease the pressure of this debt by the expedient of lowering the rate of interest. Two thousand millions of our bonds are afloat, and the Secretary of the Treasury is the officer whose counsels will guide the legislation, and whose energies will execute the decrees of Congress relative to this vast mountain of national obligation. At the least he will have to deal directly with that part of the public debt on which a lower rate of interest is to be put.

Again, instead of being as formerly the great untaxed Republic, we groan under the heaviest, most vexatious most inquisitorial and most cumbrous tax system in Christendom. To the Secretary of the Treasury we look to give us fiscal relief. In the Cabinet he is the only officer who represents our fiscal needs, and he is the only Cabinet officer that, under the Constitution is authorized to communicate with Congress.

Thirdly, he has the care of the Government purse, and that purse contains usually some ninety millions of gold. A very small part of this coin sold by the Secretary at an inopportune moment may throw Wall street into convulsions and almost shipwreck public and private credit. Movements on the part of the Treasury have sometimes produced the most disastrous evils when those movements, though well-meant, were ill-judged or ill timed.

Now in Mr. Boutwell we have an officer whose public record and private character are equally without reproach. He is too honest to use the vast powers of the Treasury to disturb financial affairs, either from caprice, or with a view to make money for himself or his friends. He is too wise to recommend or adopt any timid, halting or narrow policy. At critical junctures of the money market every fibre of the body politic thrills in response to the doings of the Secretary of the Treasury, and it is because of Mr. Boutwell's proved fitness for the special task intrusted to him that his appointment is hailed with such general satisfaction and confidence.

It is, of course, premature to attempt to sketch out the policy which Mr. Boutwell will urge upon Congress and the new administration. On all the important financial questions of the day he has, however, an honorable record. He gave his best support to Hooper's bill, forbidding further issues of gold-bearing bonds. In his place in Congress he has again and again declared in favor of paying the public debt in coin. His views on the funding of the debt are conservative. Consistent in the hostility with which he has attacked repudiation in every form, he believes the only way to reduce the pressure of the debt is to lessen the

aggregate amount of the interest thereon. With this view he is in favor of the following expedients: He would first place the principal beyond reach of the repudiators by solemnly pledging the faith and credit of the nation to its payment in gold. Secondly, he would reduce the debt as rapidly as the national means and ability will allow. Thirdly, he would give strength to the credit of the government by an equitable system of taxation, an honest collection of the revenue, and a vigorous economical administration of the government. Fourthly, he would refuse to put in jeopardy the financial stability and industrial prosperity of the country by any rash manipulation of the currency, or by any sudden violent attempts to resume specie payments. Still, if we are not misinformed, Mr. Boutwell is a hard-money man. At any rate he is vehemently opposed to any further issues of currency under any pretext whatever. On these points he made the following observations among others in his speech of July 21, 1868, on the Funding bill:

“When we issued five hundred millions of Five-Twenties we stipulated to the public creditors that the United States notes, known as greenbacks, should never be issued in excess of four hundred millions. That was the first stipulation. The second stipulation was that we would not compel payment under five years; but there was a stipulation over and above the law, inherent in the very nature of society, in the experience and tradition of all mankind, that every nation in its senses, actuated by an honest purpose, if, when struggling with vicissitudes, it was obliged to resort to forced loans—an extraordinary means of raising money, by which its credit was impaired and its securities are forced below the par value of gold—that such a nation should make every honest effort possible for the resumption of specie payments and the restoration of its public credit. That obligation rests upon us. Now, if according to the terms of the act of 1864 it does not appear beyond all cavil that we might not pay these bonds in greenbacks, in the same act it does appear that we shall never issue more than four hundred millions of greenbacks.”

Possessing such a record, the country looks forward to Mr. Boutwell's administration of the Treasury Department with great confidence.

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### THE BRITISH CIVIL SERVICE.

The agitation of the question of reform in the civil service of the United States has, of late, excited much attention throughout the country. And on this account facts respecting the workings of the appointment system in countries where the civil service has been most nearly perfected, are of more than ordinary interest. Probably the best of the several European systems is that adopted in Great Britain, concerning which a correspondent of the *New York Evening Post* gives interesting facts.

#### OPEN COMPETITION.

The Commissioners after their appointment first established reasonable and well-considered regulations as a basis for their operations, and under

these soon began their labors. During the first year there were only a few isolated cases of competitive examination; yet even these were sufficient to justify the following favorable summary in connection with them contained in their first report, issued in March, 1856:

“ We do not think it within our province to discuss the expediency of adopting the principle of open competition as contra distinguished from examination, but we must remark that both in the competitive examinations for clerkships in our own and other offices those who have succeeded in obtaining the appointments have appeared to us to possess considerably higher attainments than those who have come in upon simple nomination, and we may add that we cannot doubt that if it be adopted as a usual course, to nominate several candidates to compete for each vacancy, the expectation of this ordeal will act most beneficially on the education and industry of those young persons who are looking forward to public employment.”

Further on the report says:

“ We admit that there may be aptitudes for the transaction of business which cannot be discovered or measured by our process, but it is nevertheless certain that our examination furnishes the means of excluding the incompetent, and where competitive examinations take place, or the candidate submits himself to voluntary examination in extra subjects his intellectual qualities may, to a greater extent, be accurately ascertained.”

The first paragraph quoted above met with approval from the public and the treasury. The former was desirous of obtaining men of ability for the service; and the latter, besides being actuated by the same laudable desire, hailed the innovation with pleasure as augmenting, to a considerable extent, government patronage. Instead of conferring one favor in every case of vacancy, they would be in a position to oblige three supporters, which was no inconsiderable accession of power.

The first report of the Commissioners made it evident that the feeling of these newly constituted authorities was in favor of the competitive system; though up to this period, the only security gained was the inability of the government on future occasions to burden the State exchequer for the maintenance of ignorami and non-entities.

#### SECOND YEAR.

After another year's experience the Commissioners issued a second report. Besides confirming their previous expression of opinion on the desirability of general competition in a limited form, it contained certain allusions to a subject which made it clear that an attempt had been made to interfere with the independent exercise of their prerogative. A public department had requested them to transmit the examination papers of a rejected candidate, thus expressing a suspicion, either of the competency or impartiality of the Commissioners or their staff of examiners. This

demand was very properly met with a decided refusal, the reasons for which are detailed in the following explanation, taken from the second report :

“ We felt that if we abandoned on the part of ourselves and of our assistant examiners the privilege invariably exercised by persons performing functions of this nature, or exercising an independent judgment upon the performances of the candidate without the review of any external authority, it would be quite impossible that the invidious duties entrusted to us could be justly and effectively executed.”

The same report also sets forth, as a most material point in the choice of candidates, that every available guaranty as to good character and integrity should be insisted upon. The reiteration of this arose from the fact that more than one person of questionable reputation had attempted to gain admission to the service during the two years of the operation of the Commission.

#### THIRD YEAR.

During the third year of the new system certain offices, which had not been put under the jurisdiction of the examiners, were included with those already acknowledging it. The original exceptions arose from the disinclination of a few old-fashioned heads of departments to submit to an innovation in the mode of providing them with assistants. This revulsion of feeling must be accepted as strong evidence that they had seen good and sufficient reasons for altering their views, and that they at length entertained a favorable opinion of the working of the new system. For the same reasons, no doubt, the East India Company, which was then in existence, adopted the plans of the Commissioners, and begged the latter to assist them in regulating the examinations which they had resolved to impose upon the incoming servants. This fact is spoken of with much self-congratulation in the third report, which dealt with the examinations of 1857, the first year when competitions began to be generally resorted to. They had just cause to hail the circumstance with pleasure, inasmuch as the East India corporation had been renowned for its very efficient staff of servants. It was paying an especial compliment to the Commissioners, this adoption of their ideas, and increased the public confidence in their efforts.

With reference to the competitions there appears a tone of regret in the report that they had not been open to all who were desirous of contesting, but had been limited to persons selected by the authorities. In most cases there had been three persons nominated for each appointment; and the duties of the Commissioners were confined to the selection of the most worthy among them. The question which suggested itself in connection with the choices so made, was, whether the successful candidates

in these competitions were superior to those who had obtained certificates without a contest. As a reply to this query we may quote the paragraph in the report which bore upon this point.

“ We have instituted comparisons between the two classes of candidates, and we have ascertained that the best of the successful competitors have displayed much higher attainments than the best of the candidates who did not undergo the ordeal of a competition.”

There was also an expression of opinion favorable to the custom of including several vacancies in one competition, and nominating a proportionate number of candidates to be examined for them *en masse*, when the highest on the list should be entitled to fill the vacancies in order of merit.

A near approach was made to open competition on one or two occasions, but there were certain restrictions made which deprived them of any claims to be classed as perfectly free contests. Communications were addressed to various masters of public schools, and to them was accorded the privilege of sending in certain names which were to comprise the list of competitors. This right was deservedly appreciated, and the candidates flocked in in great strength. The trials took place, and the results were most gratifying to the instigators of them. As a proof of this we again make use of their own report :

“ In reporting upon the competitive examinations which have taken place under our superintendence we feel it to be our duty to avow our continued conviction that the selection of persons for junior situations in the civil service by competitive examination, combined with the proper conditions as to the age, health and character, and with the check of a period of probation, and with promotion by merit from class to class, is the best mode of providing for the public service.”

This opinion was approved, even before it was published, by two resolutions of the House of Commons. On the second occasion the following expression of approval was agreed to without a division :

“ That in the opinion of this House the experience acquired since the issuing of the order in Council of the 21st of May, 1855, is in favor of the adoption of the principle of competition as a condition of entrance to the civil service; and that the application of that principle ought to be extended in conformity with the resolution of the House agreed to on the 24th day of April, 1856.”

About the same time a parliamentary committee strongly recommended the adoption of open competition for the selection of county and district surveyers in Ireland, to be conducted in the same way as the open examinations for admission to the engineer and artillery branches of the military service. Thus every recognized influence tended to establish and even extend the new system.

## LATER RESULTS.

Since 1856 the reports of the Civil Service Commissioners have been issued annually. Year by year, for some five or six years, they adduced additional arguments in favor of competitive examinations, as then and even now regulated; but they have invariably refrained from discussing the expediency of adopting the principle of open competition in its broadest sense. Recourse has been had to it in several instances, generally in connection with Indian civil service appointments. The subjects of examination in these cases have been both various and high class, yet the candidates flocked in in large numbers. On such occasions the labors of the examiners were very onerous, and the expenses incurred very considerable. For the purpose of relieving the public funds of this charge at any future time, it was proposed that a fee should be paid by each competitor, to go towards defraying the expenses of the examination. If this regulation were found to be necessary when only isolated cases of open competition occurred, it would become an absolute *sine qua non* if all junior appointments in the state were distributed in the same way. The imposition of such a charge would have the effect of relieving the competitions from a considerable number of manifestly incompetent candidates, who would otherwise have swelled the list without having the slightest chances of success.

As time advanced it was no longer thought necessary that the reports of the Commissioners should be occupied with arguments in favor of the competitive system, so unanimous was the avowal that a most beneficial change had been wrought by its influence. Whether it might not have been extended with still better results, is a point upon which there is a great amount of controversy. No general or comprehensive trial has been held for the settlement of this vexed question, and there appears no immediate probability of anything of the sort. Since 1859 only one material alteration has been made in the mode of conducting the examinations. That, however, was of so important a character that a word or two of explanation in connection with it must be deemed necessary.

It was noticed in the conduct of certain competitions that some of the candidates were so grossly deficient in knowledge in the most ordinary description of subjects, that the examinations, though nominally competitive, were in reality nothing more than pass examinations to several of the successful nominees. For instance, three men would be nominated for a vacant appointment, and when they presented themselves to undergo the requisite examination before the Commissioners, it sometimes turned out that two of the three were not up to the recognised standard of even a pass examination, that is, an examination without competition—so, in fact, the only qualified man walked over the course. It became evident



that some safeguard against the recurrence of this was urgently called for. Accordingly the authorities made it their business to ascertain what alteration in the system would meet the requirements of the case. They ultimately concluded that the establishment of a test or preliminary examination, similar in character to a matriculation at one of the universities, would answer the purpose. It was expected that, for the future, every Treasury nominee should pass this ordeal in a satisfactory manner, before he could be eligible for his final "go" or competition. During the years which have elapsed since this reform was effected, the Commissioners have been justified in reporting in a highly satisfactory tone upon the working of it. It undoubtedly furnished the means for securing a *bona fide* competition, though of a limited description, for every junior appointment under the crown.

#### THE TRIALS.

The method of conducting the trials was very simple. The whole mass of candidates ordered for examination on any particular day were brought together in one common room; this precaution being taken, however, that no competitors for the same appointment should be stationed near each other. The *viva voce* form was never resorted to, except in testing a candidate's command of a foreign language for conversational purposes. Papers of questions were distributed over the various tables, with a candidate's name written on each set. It was arranged that no two men sitting in close proximity to each other should have the same questions, which was done to prevent collusion between friends. A fixed time was allowed for each paper, and when that had expired the work of the candidates was collected without delay, regardless of the amount of progress that might be made. Under no pretext could a competitor be allowed to withdraw from the room after he had once had his paper or questions placed before him, until such time as he should have finished his task in connection with it. To obviate any inconvenience that might arise from this regulation, it was arranged that no detention should exceed three hours and a half at a stretch.

The examiners assigned a maximum number of marks to each subject, and candidates were to be credited with a certain proportion of them, according to the ability with which they answered the questions proposed. When the summary was completed, and the names of the successful men ascertained, both they and their less fortunate opponents were furnished with a detailed account of the manner in which they had acquitted themselves in each particular subject.

#### EFFECT OF THE COMPETITIVE SYSTEM.

The order of the day, as now partially established in public offices, is,

that competition should be continued through the official lives of public servants—not competition in subjects of general erudition, as at the period of entrance, but in the practical work of the various departments to which they may be attached. Length of service has only this consideration shown for it, that in a choice between men whose qualifications are equal, the preference is given to the one who has this point in his favor. For a long period much hesitation was evinced about the adoption of this promotion by merit, for the reason that it was feared there would be every temptation and opportunity for the heads of departments to be influenced in their choice by predilection for personal friends. That the system would confer such a power on them is true enough; but there is no very strong presumption that men of intelligence and position would be given to such practices. Experience so far has shown that little foundation for anxiety existed, and that it is quite safe to leave such discretionary power in the hands of official chiefs. With this regulation in force every man must strive to keep up his reputation by the display of zeal in his duties.

From the foregoing explanation and remarks it will be seen that the competitive system in its qualified form has been productive of happy results in the management of the civil business of the British crown. It will be for American legislators to consider and determine how far the same, or even a more extended form of it, would be likely to answer in the United States. As the subject is now engaging their grave deliberation, and has awakened an interest in general circles, it is necessary to mention in what points the English model may be said to fail, that similar errors may be avoided in the American programme. The first we shall notice is the practice of holding competitions for single appointments, or for small groups, of two, three, four or five, which is found to be attended with unfortunate effects. It frequently happens that the number of marks obtained by an unsuccessful candidate on one occasion far exceeds the winning score on another, when the fortunate nominee is opposed by two adversaries of very ordinary ability. The remedy for this would be to group together a considerable number of appointments—say from twenty to forty—and hold a mass examination, the highest on the list having the privilege of choosing the vacant places in order of merit. This plan has been recommended by the examining officers here, but for some cause has been neglected by the Treasury. They would most probably account for this by an assertion that the delay consequent upon the adoption of this regulation would interfere considerably with the transaction of public business. The reply to this adverse argument should be, that in large and well-manned departments vacancies were of such frequent occurrence that it would be a question of a very short space of time, and that a little extra exertion on the part of the staff of the various establish-

ments would obviate any temporary difficulty that would arise from the absence of one or two men. Should it happen in the United States that public competition, "pure and simple" be established (and such a revolution is confidently anticipated in the management of our service, though, at present, there is no immediate prospect of it) the practice of grouping will be imperatively called for. It would be impossible to conduct examinations of such magnitude except at stated times during the year—in this taking example from the open competitions for the engineers and artillery. It might be arranged that they should be held either at one great center or at certain important towns throughout the country. Local examinations have been held on special occasions in different parts of England, and with perfect success. The sets of papers were sent to some recognised authority in each of the districts where the examinations were conducted, and the local candidates were summoned to appear before this deputy, who regulated his proceedings by the directions issued by the Civil Service Commissioners in London. When the list of subjects had been completed the papers containing the manuscript labors of the competitors were returned to London, for the examiners to adjudicate upon the result.

It would be impossible for an Englishman with no experience of American institutions to hazard an opinion as to what political systems would provide for the wants of the population of the great republic; but in this matter it seems that local conditions could not have much influence. The English plan, either in its integrity, or in an altered form, might be allowed a trial, and would probably prove productive of happy results. That it would certainly answer better than your present style of distributing public employment no one can deny; and therefore it is advisable that some such check upon corrupt patronage should be resorted to without delay. The first essential to success would undoubtedly be an abolition of the four years' employment system. To secure an able and industrious class of men for government service it is necessary that the public should be brought to regard it as a profession; and this could never be, unless it should assume somewhat of a permanent character, and promise reasonable emoluments. Candidates for a temporary position must always be of a needy and grasping class, who accept place because nothing else is open to them, with the determination of feathering their nests as well as they may be able during their brief tenure of office. The civil service might assume the character of permanency without danger to the public interests, while tenure of office was made dependent on good behavior.

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## REFORM IN THE PUBLIC OFFICES.

The prevalent official corruption is one of the unfortunate legacies of the late war. In times of hostilities the large increase in national expenditures involves the entrusting of wide discretionary powers to public officials in the handling of money and the making of contracts; and the temptation usually proves too strong for the virtue of government agents. In this way a system of official speculation was originated which has since the war permeated every branch of the public service, and has now become so strong as to defy all ordinary means of remedy.

Humiliating as such a condition of things must appear in the eyes of all who are patriotically jealous of the public honor and the purity of the Government, yet it would be an error to suppose that these evils are peculiar to Americans or to republican institutions. It would perhaps be impossible to cite a single instance in which a country has passed through a protracted war without a serious deterioration of official morality. The corruptions in the public departments, within the last six years, are venial, compared with the condition of affairs in England at the beginning of the last century. It is notorious that the immense national debt of that country was largely augmented by official corruptions: corruptious shared in not merely by contractors and military and naval officers, but even by Commoners, Peers, and Bishops; not a few of the aristocratic names of England having won their positions through public speculations. At one time, the assembled Commons declared "it is notorious that many millions are unaccounted for;" the Duke of Leeds was impeached for taking a bribe of 5,500 guineas; the price of a speaker, Sir John Trevor, was £1,005; the Secretary to the Treasury was confined in the Tower of London on suspicion of malfeasance, and out of £46,000,000 sterling raised in fifteen years, £25,000,000 only was accounted for. After the treaty of Utrecht, the Commons, remonstrating against the prevailing corruption, told the Queen that £35,300,000 of the supplies were not accounted for. During and after the war with the American Colonies, a similar condition of things prevailed, though perhaps less flagrant; and even in the late Crimean war, committees of investigation uncovered a series of disgraceful frauds.

We cite these historical facts to show that official corruptions are not peculiar to any age or any country, or any form of government; but that they are apt to occur whenever the public attention is absorbed by a great struggle and unusually heavy financial responsibilities have to be intrusted to public officers. To say, however, that our corruptions are no greater than those of other countries similarly circumstanced is to say but little. The prevailing perversions of the public trust are a stupendous evil; they vitiate the morals of society; they are a direct robbery upon the public

wealth, and a serious drawback upon the national prosperity. No practical means should be left unemployed for cleansing the public departments of these wrongs. It is fortunate that the new Administration is inaugurated under specific promises to reform these abuses. We have no question that it is the earnest purpose of the President above every thing to establish a higher order of integrity among the public servants. How far he may succeed and how far his methods of accomplishing that object have been, thus far, well chosen, are however matters upon which opinion may differ. He has begun by eschewing politicians, selecting his advisers from among private citizens of known character, and ignoring the advice of men high in public station and long experienced in public affairs. However well adapted this course may be for securing the services of men of business habits, stern integrity and supreme devotion to the public interests, yet a rigid persistence in this course would seem to overlook obstacles arising out of the method in which the public offices have formerly been filled. The influencing of government appointments has always been practically acknowledged as one of the main rewards of party support. Every Congressman receives his nomination upon an understanding that he shall further the applications of his supporters for official position; and this sort of compensation constitutes one of the main motives to party activity. It is doubtless a great misfortune that the politicians should be thus selfish in their devotion to party, and the more so as their positions, when acquired, are used less for the good of the country than for their own private advantage. But, nevertheless, the fact is not to be ignored that such is the firmly established method under which the offices have hitherto been filled. If a President undertake to make his appointments independently of the suggestions of politicians, what is likely to be the result? He, almost of necessity, makes Congress his enemy. The politicians, disappointed in their aspirations to office, press their representatives in Congress to use all means for coercing the President into acknowledging their claims; and the party leaders urge that, unless they can reward the agents of their organization with offices, they cannot count upon their co-operation in the elections, and that consequently the party stands doomed to defeat. Considering how easy it is for Congress to embarrass and defeat a President upon matters of greater consequence in his administration than appointments, it is evident that he must sooner or later accede to these demands. Hence we are not disposed to feel sanguine respecting the administration accomplishing all it aims at in the way of cleansing the public departments; and we are confirmed in this view by the evident disposition in the Senate to continue in force the Tenure of Office Bill, as a means of holding the President in check in this very matter.

Mr. Jenckes' Civil Service bill, providing for appointments upon competitive examination and removals only upon cause, has the virtue of an excellent aim. The system has been found to work well in France and in England; and it is therefore concluded that it would operate advantageously here. We fear, however, whether with the present supremacy of party power in every department of public affairs, it would not fail both to secure efficient appointments and to insure removals when there existed adequate cause. Such a law might easily be made the instrument of keeping in power corrupt officials, for we have seen in the late numerous revenue frauds how difficult it is to prove specific facts against an officer whom all regard as delinquent.

The only really effective correction of official abuses is in the pressure of public opinion. Every party is directly interested in the maintenance of its character; and when its reputation for corruption becomes obnoxious to the people, it must expect defeat at the elections. If corruptions are carried to an excess, official morality becomes a prominent issue in the politics of the day, and party leaders are compelled to acknowledge this phase of public opinion by the nomination of men of character for office. In this way, the abuses of office-holders are reduced to just the limit that the public will tolerate. We already see a strong reaction setting in from this quarter; and the real importance of the President's effort at reform lies in the fact that it is a reflection of this sentiment and that it gives the public desire a broad and conspicuous assertion.

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**THE PUBLIC CREDIT BILL SIGNED BY THE PRESIDENT—CORRECTED TEXT OF THE BILL**

The bill to strengthen the public credit has become a law, and is as follows:

Be it enacted, &c., That in order to remove any doubt as to the purpose of the government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the law by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin, or its equivalent, of all the obligations of the United States not bearing interest known as United States notes, and of all the interest bearing obligations, except in cases where the law authorizing the issue of such obligations has expressly provided that the same may be paid in lawful money, or in other currency than gold and silver; but none of the said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interests than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provision at the earliest practical period for the redemption of the United States notes in coin.

JAMES G. BLAINE,  
Speaker of the House of Representatives.  
SCHUYLER CULFAX,

Vice President of the United States and President of the Senate.

This was signed by these officers on the 16th of March, and yesterday was approved by the President, as follows:

Approved: U. S. GRANT.  
March 18, 1869.

The above is the first bill signed by President Grant in his executive capacity.

NEW YORK CENTRAL RAILROAD.

We have been accustomed to receive a company report of the operations and condition of this extensive work annually. Now, however, it is necessary to seek the same information through other sources. It seems to be the policy of the present management to withhold information as much as possible from stockholders and dealers, so that those inside have excellent opportunities for making money. Our efforts to obtain information have been very extended and persistent, and we give all that is obtainable, but less than we should like to know.

This great line, with its many valuable connections, and the Niagara Branch, which is held by the company under perpetual lease, has the following length of track in use.

|                                                                       |               |          |
|-----------------------------------------------------------------------|---------------|----------|
| Main Road                                                             |               |          |
| Albany to Buffalo, N. Y. ....                                         | 297 75 miles. |          |
| Lateral and Branch Lines—                                             |               |          |
| Athen- to Junction .....                                              | 37.87         |          |
| Troy to Chenectady .....                                              | 21.00         |          |
| Syracuse to Rochester .....                                           | 104.00        |          |
| Batavia to Attica .....                                               | 11.00         |          |
| Roche-ter to Niagara Suspension Bridge .....                          | 74.75         |          |
| Loco pit Junction to Tonawanda .....                                  | 12.25         |          |
| Junction, N. Y., to Charlotte, N. Y. ....                             | 6.88          |          |
| Buffalo to Lewiston, N. Y. ....                                       | 28.25         | 296.00 " |
| Total length of main, lateral and branch lines owned by Company.....  |               |          |
| 593.75 miles.                                                         |               |          |
| Second track, sidings, turnouts and switches .....                    |               |          |
| 455.40 "                                                              |               |          |
| Total equivalent single track railroad owned by Company.....          |               |          |
| 1,049.15                                                              |               |          |
| Niagara Bridge and Canandaigua Railroad (leased) .....                |               |          |
| 98.46                                                                 |               |          |
| Sidings, turnouts and switches on same .....                          |               |          |
| 3.65                                                                  | 102.11 "      |          |
| Total equivalent single track owned, leased and operated by Company.. |               |          |
| 1,151.26 miles.                                                       |               |          |

Length of lines and track in use October 1, 1863-1868, inclusive :

|                                  | 1863.    | 1864.    | 1865.    | 1866.    | 1867.    | 1868.    |
|----------------------------------|----------|----------|----------|----------|----------|----------|
| Lines owned .....                | 555.88   | 555.88   | 555.88   | 555.88   | 593.75   | 593.75   |
| Lines leased .....               | 100.09   | 100.09   | 98.46    | 136.33*  | 98.46    | 98.46    |
| Total lines .....                | 655.97   | 655.97   | 654.34   | 692.21   | 692.21   | 692.21   |
| 2d track, etc. on o'n'd'ns ..... | 398.01   | 408.29   | 420.98   | 432.78   | 452.57   | 455.40   |
| " " leased " .....               | 3.42     | 3.42     | 3.42     | 8.74*    | 3.65     | 3.65     |
| Equivalent single track .....    | 1,957.40 | 1,967.68 | 1,978.74 | 1,133.73 | 1,148.43 | 1,151.26 |

The road is narrow gauge, and, as our readers are aware, for the accommodation of its cars, the Great Western of Canada has a third rail. The rail in use varies from 56 to 75 lbs. to the yard. The company are using, experimentally, a considerable length of steel rail.

The rolling stock on the several lines October 1, yearly, is given in the following table :

|                                      | 1863. | 1864. | 1865. | 1866. | 1867. | 1868. |
|--------------------------------------|-------|-------|-------|-------|-------|-------|
| Locomotives .....                    | 229   | 241   | 278   | 276   | 289   | 292   |
| Passenger cars, 1st class .....      | 197   | 188   | 206   | 208   | 205   | 205   |
| " " 2d .....                         | 58    | 68    | 78    | 84    | 91    | 92    |
| Baggage, mail and express cars ..... | 68    | 73    | 82    | 83    | 90    | 95    |
| Freight cars, wooden box .....       | 2,633 | 2,782 | 2,987 | 3,017 | 3,198 | 5,118 |
| " " iron box .....                   | 510   | 719   | 717   | 693   | 691   |       |
| " " platform .....                   | 803   | 1,095 | 1,200 | 1,166 | 1,291 |       |
| Gravel and other cars .....          | 350   | 350   | 320   | 359   | 350   | 350   |
| Cars of all kinds .....              | 4,679 | 5,280 | 5,629 | 5,601 | 5,916 | 5,860 |

\* Including Saratoga and Hudson River (now Athens Branch) RR., 37.87 miles, with sidings, turnouts, &c., 5.32.

We give in our next statement a review of the business and earnings of the total lines for five years. These do not appear to have improved very rapidly. There is, however, an observable increase in traffic, and also in earnings. We also find that the operating expenses have been greatly reduced, and hence in the nett earnings the increase is considerable. This, however, is rather apparent than real, when it is remembered that in former years operating expenses were made to include vast amounts which ought to have been supplied by new capital, and which, under the present administration, have been distributed to the stockholders:

|                                   | 1863-64.   | 1864-65.   | 1865-66.   | 1866-67.   | 1867-68.   |
|-----------------------------------|------------|------------|------------|------------|------------|
| Miles run by pass'ng'r tr'ns..... | 2,123,580  | 2,276,888  | 2,371,321  | 2,173,731  | 1,990,150  |
| " " freight trains.....           | 3,452,275  | 3,094,565  | 3,893,454  | 3,800,925  | 3,800,925  |
| " " service ".....                | 414,353    | 432,595    | 424,486    | 429,764    | 421,364    |
| Total train mileage.....          | 5,990,208  | 5,801,048  | 6,607,261  | 6,401,420  | 6,212,439  |
| Passengers carried.....           | 3,554,354  | 3,783,263  | 3,740,153  | 3,618,642  | 3,679,318  |
| " " 100 miles.....                | 1,034,477  | 2,232,293  | 2,193,477  | 1,989,851  | 2,016,295  |
| Freight (tons) carried.....       | 1,757,148  | 1,275,299  | 1,602,197  | 1,667,926  | 1,816,519  |
| " " 100 miles.....                | 3,140,814  | 2,649,986  | 3,310,755  | 3,621,506  | 3,661,497  |
|                                   | \$         | \$         | \$         | \$         | \$         |
| Gross Earnings.                   |            |            |            |            |            |
| Passenger.....                    | 3,933,152  | 4,521,454  | 4,260,249  | 4,032,023  | 4,063,791  |
| Freight.....                      | 8,513,371  | 8,776,027  | 9,671,930  | 9,151,715  | 9,491,427  |
| Mail.....                         | 95,790     | 95,790     | 95,791     | 95,790     | 95,790     |
| Miscellaneous.....                | 435,577    | 584,253    | 468,327    | 699,950    | 730,295    |
| Total.....                        | 12,997,890 | 13,975,524 | 14,596,786 | 13,979,514 | 14,381,303 |
| Operating Expenses.               |            |            |            |            |            |
| Passenger.....                    | 3,960,334  | 4,185,522  | 4,143,312  | 3,783,490  | 3,209,896  |
| Freight.....                      | 6,285,953  | 6,696,833  | 6,701,129  | 6,870,202  | 6,028,267  |
| Total.....                        | 9,246,184  | 10,882,358 | 11,013,441 | 10,653,692 | 9,238,163  |
| Earnings, less expenses.....      | 3,651,706  | 3,093,166  | 3,583,345  | 3,325,822  | 5,143,140  |

The financial results of the several years embraced in the above statement are more fully shown in the general income balance sheet, and as given in the following:

|                            | 1863-64.     | 1864-65.     | 1865-66.     | 1866-67.     | 1867-68.     |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Balance, October 1.....    | \$3,765,243  | \$3,854,868  | \$3,921,297  | \$4,407,929  | \$4,727,826  |
| Gr's earn's, as above..... | 12,997,890   | 13,975,524   | 14,596,786   | 13,979,514   | 14,381,303   |
| Total resources.....       | \$16,763,133 | \$17,830,392 | \$18,578,083 | \$18,518,443 | \$19,109,139 |
| Expenses, as above.....    | \$9,316,184  | \$10,882,358 | \$11,013,441 | \$10,653,692 | \$9,238,163  |
| Coupons & interest.....    | 1,026,765    | 914,169      | 1,049,996    | 943,881      | 857,803      |
| Dividends, February.....   | 1,218,450    | 731,739      | 739,230      | 796,110      | 856,110      |
| Dividends, August.....     | 975,400      | 737,730      | 739,230      | 856,110      | 1,143,200    |
| U. S. tax on divid's.....  | 85,324       | 73,473       | 73,923       | 82,611       | 110,938      |
| Sinking funds.....         | 111,182      | 111,182      | 112,102      | 111,182      | 111,182      |
| Rent N. & Can. RR.....     | 60,000       | 60,000       | 60,000       | 115,667      | 60,000       |
| U. S. tax on earn'gs.....  | 81,960       | 338,453      | 322,232      | 100,354      | 100,880      |
| Balances Sept. 30.....     | 3,854,868    | 3,921,297    | 4,407,929    | 4,727,826    | 6,630,893    |
| Total disbursements.....   | \$16,763,133 | \$17,830,392 | \$18,518,083 | \$18,387,443 | \$19,109,139 |

The General Balance Sheets for each of the five years, as of October 1, 1864, 1868, inclusive, show the capital movements and balances to credit and debit at the dates respectively, and are comparatively as follows:

|                              | 1864.        | 1865.        | 1866.        | 1867.        | 1868.        |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Capital stock.....           | \$24,386,000 | \$24,591,000 | \$25,501,000 | \$28,537,000 | \$28,780,000 |
| Funded debt.....             | 13,211,342   | 14,627,443   | 14,095,804   | 12,069,820   | 11,458,904   |
| Bills payable.....           | 52,568       | 38,000       | .....        | .....        | .....        |
| Unclaimed dividends.....     | 5,111        | 5,632        | 7,807        | 4,532        | 5,777        |
| Expenses (paid in Oct.)..... | 380,824      | 451,758      | 388,234      | 278,788      | 628,553      |
| Interest accrued.....        | 349,041      | 360,492      | 363,006      | 346,142      | 361,072      |
| U. S. tax account.....       | 36,215       | 79,880       | 56,813       | 59,443       | 71,795       |
| Income balance.....          | 2,854,868    | 3,921,297    | 4,407,929    | 4,727,826    | 6,029,913    |
| Total.....                   | \$42,275,969 | \$44,975,497 | \$44,119,933 | \$46,623,585 | \$47,937,014 |



Per contra: Charges on the following accounts, viz:

|                                  | 1864.        | 1865.        | 1866.        | 1867.        | 1868.        |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Construction account             | \$32,89,251  | \$33,701,920 | \$31,133,911 | \$36,594,405 | \$38,667,697 |
| Cash                             | 983,266      | 936,663      | 551,929      | 672,597      | 2,372,855    |
| Bnf. & State Line Railroad stock | 542,300      | 542,300      | 542,300      | 542,300      | 816,487      |
| Troy Union RR. stock             | 62,150       | 68,950       | 75,750       | 82,550       | 89,350       |
| Hudson R. bridge st'k.           | 108,495      | 438,000      | 578,300      | 553,300      | 467,500      |
| Lake propeller stock             | ...          | 149,042      | 198,404      | 229,478      | .....        |
| Erie & Pitts. RR. bonds          | ...          | 81,500       | 76,080       | 73,250       | 22,977       |
| Debt certifs (future income)     | 6,995,598    | 6,768,120    | 6,527,439    | 6,266,955    | 6,023,659    |
| Fuel and supplies                | 491,756      | 1,173,633    | 1,192,948    | 759,776      | 759,776      |
| Bills receivable                 | 150,047      | 132,210      | 186,396      | 192,467      | 519,053      |
| General Post Office              | 23,924       | 23,947       | 23,947       | 23,947       | 31,926       |
| Real estate                      | 39,212       | 39,212       | 32,500       | 32,500       | 32,500       |
| Total                            | \$42,275,999 | \$44,075,497 | \$44,119,903 | \$46,033,535 | \$47,937,014 |

Since the close of the fiscal year 1867-'68 a Scrip dividend has been declared equal to 80 per cent on the stock outstanding December 19, 1868. The Scrip, by its terms of delivery, is entitled to the same dividends as the stock, into which it is to be converted when the proper legislative authority is obtained therefor.

The funded debt included in the above account is in details follows:

|                                           | Rate. | Interest P. & N. | Date of maturity | Amount issued | Outst'd g Sep. 30, '68 |
|-------------------------------------------|-------|------------------|------------------|---------------|------------------------|
| Debt certifs or prem. bds                 | 6 M.  | 1 & N.           | 1 May 1, '83     | \$3,832,600   | \$3,946,689            |
| Bonds for debts assumed                   | 7 F.  | 1 & A.           | 1 Aug. 1, '76    | 1,900,000     | 1,514,000              |
| " " B & N F RR st'k.                      | 6 M.  | 1 & N.           | 1 May 1, '83     | 110,000       | 76,000                 |
| " " railroad stock                        | 6 M.  | 1 & N.           | 1 May 1, '83     | 817,000       | 592,000                |
| " " real estate                           | 6 M.  | 1 & N.           | 1 May 1, '83     | 245,000       | 162,000                |
| " " and mtgs. for r'l est'e.              | 7     | .....            | .....            | 131,315       | 53,215                 |
| " " " " " " " "                           | 6     | .....            | .....            | 45,550        | .....                  |
| " " convert. till Aug. 1, '69.            | 7 F.  | 1 & A.           | 1 Aug. 1, '76    | 2,990,000     | 210,000                |
| " " in place of 7 per cent bonds of 1854. | 6 F.  | 15 & D 15.       | Dec 15, '87      | 2,900,000     | 2,900,000              |
| Total                                     | ..... | .....            | .....            | \$18,132,205  | \$11,458,904           |

The following table exhibits the amounts of the several issues outstanding at the close of each of the seven years ending September 30, 1868:

|                                | 1864.       | 1865.       | 1866.       | 1867.       | 1868.       |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| 6s premium bonds               | \$6,917,593 | \$6,690,120 | \$6,454,439 | \$6,189,955 | \$5,946,689 |
| 6s bonds for debts             | 224,921     | 100,000     | 103,000     | .....       | .....       |
| 7s " " " "                     | 1,398,000   | 1,398,000   | 1,398,000   | 1,514,000   | 1,514,000   |
| 6s " " for B. & N. F st'k      | 78,000      | 78,000      | 77,000      | 78,000      | 76,000      |
| 6s " " for R. R. stock         | 663,000     | 634,000     | 636,000     | 594,000     | 592,000     |
| 6s " " for real estate         | 165,000     | 165,000     | 165,000     | 165,000     | 162,000     |
| 7s " " and mortgages           | 190,273     | 192,773     | 193,815     | 176,866     | 53,215      |
| 6s " " " " " "                 | 45,550      | 45,550      | 45,550      | .....       | .....       |
| 7s " " conv. till Aug. 1, '69. | 601,000     | 2,390,000   | 2,189,000   | 453,000     | 210,000     |
| 6s " " for 7s of 1854-54       | 2,925,000   | 2,925,000   | 2,925,000   | 2,900,000   | 2,900,000   |
| Total, less sinking fund       | 13,211,312  | 14,627,443  | 14,095,804  | 12,039,820  | 11,458,904  |

Valuable deductions from the above statements, showing the cost of road, etc., per mile, the earnings, expenses and profits per mile of each road, and the earnings, expenses and profits per 100 miles of travel and transportation, with the rate of dividends, are given in the annexed form

|                                  | 1863-64. | 1864-65. | 1865-66. | 1866-67. | 1867-68. |
|----------------------------------|----------|----------|----------|----------|----------|
| Cost of road per mile            | \$59,135 | \$60,615 | \$61,392 | \$61,634 | \$61,655 |
| Gross earnings per mile          | 23,379   | 25,136   | 26,253   | 23,534   | 24,221   |
| Operating expenses per mile      | 16,809   | 19,573   | 19,808   | 17,935   | 15,559   |
| Profits per mile                 | 71.89    | 77.87    | 75.45    | 76.32    | 64.23    |
| Passenger earnings per 100 miles | \$2 63:3 | \$2 02:6 | \$1 98:8 | \$2 62:6 | \$2 01:5 |
| Freight " " " "                  | 2 73:0   | 3 31:1   | 2 92:1   | 2 54:7   | 2 59:2   |
| Passenger expenses " " " "       | 1 53:3   | 1 87:5   | 1 83:9   | 1 90:1   | 1 59:3   |
| Freight " " " "                  | 2 00:1   | 2 52:7   | 2 07:5   | 1 89:7   | 1 64:9   |
| Profits per 100 miles            | 44:6     | 15:1     | 09:9     | 12:5     | 42:2     |
| Dividends paid, per cent.        | 71:9     | 73:4     | 84:6     | 63:0     | 94:3     |
|                                  | 5x4      | 3x3      | 3x3      | 3x3      | 3x4      |

A four per cent dividend was paid in February, 1869. A like dividend was declared on the scrip issue as aforesaid, but the payment thereof has been enjoined by order of the Court.

Perhaps in no other instance has the market price of stock increased to such an extent as the New York Central. The anticipated distribution of scrip raised the quotation from 108 to 136 $\frac{3}{4}$  in the year 1868. In 1865 it was as low as 80. The following table gives the monthly ranges at New York for five years:

|                | 1863-64.                             | 1864-65.                            | 1865-66.                            | 1866-67.                             | 1867-68.                             |
|----------------|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| October.....   | 123 $\frac{1}{2}$ @133 $\frac{1}{2}$ | 109 @122                            | 93 $\frac{1}{2}$ @103 $\frac{1}{2}$ | 112 $\frac{1}{2}$ @121 $\frac{1}{2}$ | 108 @115 $\frac{1}{2}$               |
| November.....  | 130 @139 $\frac{1}{2}$               | 119 @128 $\frac{1}{2}$              | 95 $\frac{1}{2}$ @102               | 106 $\frac{1}{2}$ @123 $\frac{1}{2}$ | 111 $\frac{1}{2}$ @115               |
| December.....  | 131 @138                             | 11 $\frac{1}{2}$ @122 $\frac{1}{2}$ | 35 @98 $\frac{1}{2}$                | 107 $\frac{1}{2}$ @114               | 113 $\frac{1}{2}$ @118 $\frac{1}{2}$ |
| January.....   | 130 @137 $\frac{1}{2}$               | 102 @119                            | 90 $\frac{1}{2}$ @98 $\frac{1}{2}$  | 97 @113                              | 117 $\frac{1}{2}$ @132 $\frac{1}{2}$ |
| February.....  | 132 @138                             | 102 @118                            | 86 $\frac{1}{2}$ @93 $\frac{1}{2}$  | 97 $\frac{1}{2}$ @103 $\frac{1}{2}$  | 125 @134 $\frac{1}{2}$               |
| March.....     | 135 $\frac{1}{2}$ @145               | 80 @114 $\frac{1}{2}$               | 90 $\frac{1}{2}$ @98 $\frac{1}{2}$  | 100 $\frac{1}{2}$ @116 $\frac{1}{2}$ | 117 $\frac{1}{2}$ @131 $\frac{1}{2}$ |
| April.....     | 130 @144 $\frac{1}{2}$               | 84 $\frac{1}{2}$ @104               | 90 $\frac{1}{2}$ @98 $\frac{1}{2}$  | 95 $\frac{1}{2}$ @105 $\frac{1}{2}$  | 110 $\frac{1}{2}$ @130               |
| May.....       | 128 @135 $\frac{1}{2}$               | 86 @104                             | 92 @9 $\frac{1}{2}$                 | 97 @9 $\frac{1}{2}$                  | 121 $\frac{1}{2}$ @134               |
| June.....      | 130 $\frac{1}{2}$ @135               | 88 $\frac{1}{2}$ @15 $\frac{1}{2}$  | 97 @99 $\frac{1}{2}$                | 98 $\frac{1}{2}$ @104 $\frac{1}{2}$  | 132 $\frac{1}{2}$ @136 $\frac{1}{2}$ |
| July.....      | 131 $\frac{1}{2}$ @135 $\frac{1}{2}$ | 93 $\frac{1}{2}$ @98                | 98 $\frac{1}{2}$ @106               | 104 $\frac{1}{2}$ @110 $\frac{1}{2}$ | 131 $\frac{1}{2}$ @136 $\frac{1}{2}$ |
| August.....    | 125 $\frac{1}{2}$ @132               | 88 $\frac{1}{2}$ @93 $\frac{1}{2}$  | 102 @106                            | 103 $\frac{1}{2}$ @105 $\frac{1}{2}$ | 122 $\frac{1}{2}$ @132 $\frac{1}{2}$ |
| September..... | 114 @129                             | 92 $\frac{1}{2}$ @95 $\frac{1}{2}$  | 102 @114 $\frac{1}{2}$              | 104 $\frac{1}{2}$ @109 $\frac{1}{2}$ | 123 @130 $\frac{1}{2}$               |
| Year.....      | 114 @145                             | 80 @128 $\frac{1}{2}$               | 86 $\frac{1}{2}$ @114 $\frac{1}{2}$ | 95 $\frac{1}{2}$ @123 $\frac{1}{2}$  | 103 @136 $\frac{1}{2}$               |

We have the Erie in hand, and shall probably be able to give a full account of that great enterprise in our next issue.

### RAILROAD EARNINGS FOR FEBRUARY AND SINCE JANUARY 1.

We have compiled our usual monthly statement of the earnings of those railroad companies, which make public their monthly returns of traffic; it will be seen that in most cases the figures compare quite favorably with those for the same period in 1868, although last year gave us an additional working day in February. Below we give the gross earnings for the month for the two years with the increase and decrease:

#### GROSS EARNINGS IN FEBRUARY.

|                                       | —In February— |         | Increase. | Dec.   |
|---------------------------------------|---------------|---------|-----------|--------|
|                                       | 1869.         | 1868.   |           |        |
| * Chicago & Alton.....                | 304,827       | 296,496 | 8,331     | .....  |
| Chicago & Northwestern.....           | 827,254       | 80,787  | 26,467    | .....  |
| † Chicago, Rock Island & Pacific..... | 308,209       | 281,900 | 16,309    | .....  |
| Ill nois Central.....                 | 558,782       | 531,24  | 27,558    | .....  |
| Merietta & Cincinnati.....            | 91,666        | 81,599  | 10,067    | .....  |
| Michigan Central.....                 | 320,636       | 304,115 | 16,521    | .....  |
| Michigan Southern.....                | 353,881       | 339,736 | 24,145    | .....  |
| Milwaukee & St. Paul.....             | 330,233       | 250,834 | .....     | 20,651 |
| Ohio & Mississippi.....               | 216,080       | 231,351 | .....     | 15,271 |
| Pittsburg, Fort Wayne & Chicago.....  | 585,997       | 604,316 | .....     | 18,319 |
| St. Louis, Alton & Terre Haute.....   | 127,817       | 133,392 | .....     | 5,575  |
| Western Union.....                    | 42,303        | 40,708  | 1,495     | .....  |

The following statement shows the Earnings from January 1 to March 1, in 1869 and 1868. From this it appears how well the present year has opened, for although 1868 showed large gains, this year the figures are even better for most of the leading roads. The decrease in the Ohio

\* 431 miles, against 280 in 1868.

† 506 miles, against 454 in 1868.

and Mississippi is from special causes, and St. Louis, Alton and Terre Haute and Western Union also return a trifling decrease. But with these exceptions the whole list gives a very material increase in earnings, ranging from \$16,000 to \$155,000. We omit from the statement the earnings of the Atlantic and Great Western and the Toledo, Wabash and Western, as they cannot yet be procured from the respective offices :

## GROSS EARNINGS FROM JAN 1. TO MARCH 1.

|                                      | 1869.     | 1868.     | Increase. | Dec.   |
|--------------------------------------|-----------|-----------|-----------|--------|
| * Chicago & Alton.....               | 641,589   | 556,035   | 88,554    | .....  |
| Chicago & Northwestern.....          | 1,698,472 | 1,542,713 | 155,759   | .....  |
| † Chicago Rock Island & Pacific..... | 641,509   | 565,400   | 76,109    | .....  |
| Illinois Central.....                | 1,153,204 | 1,103,588 | 49,616    | .....  |
| Marietta & Cincinnati.....           | 190,183   | 174,032   | 16,151    | .....  |
| Michigan Central.....                | 7,475     | 648 0 5   | 56,750    | .....  |
| Michigan Southern.....               | 742,662   | 710,700   | 31,882    | .....  |
| Milwaukee & St. Paul.....            | 784,363   | 719,371   | 64,992    | .....  |
| Ohio & Mississippi.....              | 396,446   | 443,324   | .....     | 46,878 |
| Pittsburg, Fort Wayne & Chicago..... | 1,211,718 | 1,109,221 | 101,897   | .....  |
| St. Louis, Iton & Terre Haute.....   | 260,439   | 260,986   | .....     | 547    |
| Western Union.....                   | 84,193    | 87,123    | .....     | 2,920  |

It must be remembered that the earnings given are in all cases *gross earnings*, as Expenses and net Earnings are reported by one company only—the Pittsburg, Fort Wayne and Chicago—a practice which might well be followed by every company whose stock is sold at the Exchange.

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 THE PUBLIC CREDIT BILL AND THE ADVANCE IN FIVE-TWENTIES.

Now that the long pending "Public Credit Bill" has become the law of the land, it is not out of place for us to call attention to some aspects of the measure which have received from the general public less attention than would have been claimed for them had less excitement prevailed about its main features.

The purpose of the bill as set forth in its preamble is "to remove any doubt as to the purpose of the government to discharge all its obligations and to settle conflicting questions and interpretations of the laws authorizing such obligations." As these "doubts" and "conflicting questions" have seriously injured the public credit and have operated in the markets of the world to depress the price of our bonds below their fair average as compared with the securities of other governments offering an equal rate of interest, it was reasonable to anticipate that the passage of an act solemnly adjusting such questions, and submitting to a final permanent adjustment such doubtful interpretations would be attended by a pronounced advance in the quotations for United States securities both at home and abroad. How gratifying a change has occurred in this respect has been duly recorded in the CHRONICLE and is familiar to our readers. Never since the out-

\* 431 miles, against 250 last year.

† 506 miles, against 454 last year.

break of the war has the credit of this country abroad been raised to so proud a position as it occupies to-day.

It is a common error to suppose that the only "doubt" which has depressed the price of our government bonds is as to the point whether the principal would be paid at maturity in coin. This is only one of several mooted and mischievous "questions." Another almost equally mischievous is connected with the option which the government possesses of redeeming the Five-Twenties at any time after the lapse of five years from their date. It was argued by some very eminent lawyers that our government might at any time use this option and redeem the bonds in currency. This opinion at once reduced our Five-Twenties from the rank of twenty-year securities, and placed them in an inferior and less attractive category. It is well-known that a twenty-year investment at 6 per cent in coin is worth more than either a five-year or a ten-year investment at the same rate. It is in conformity with this axiom of practical finance that the British Consols and the French Rentes are made absolutely irredeemable. On the one side payment of the principal can never be demanded by the owner of the security, and on the other side the French or English government can never pay off any part of its debt except by the method of purchase in the open market. It is this unredeemability, this positive permanence of duration that we find one of the chief of those financial forces which place the Consols and the Rentes far above other securities, yielding the same amount of annual income. Now it is this principle of permanence that has been heretofore shut out from operating on the market values of our five twenties. Last Thursday, however, the incertitude and vague distrust which has resulted from the "five-year option of redemption" received its final quietus from one of the clauses of the Public Credit Bill which positively declares that none of the Five-Twenties shall be "redeemed or paid before maturity unless at such time as United States notes shall be convertible into coin at the option of the holder." In other words the Treasury freely and forever gives up the option of the five-year redemption except after the resumption of specie payments.

It is evident also that this pledge and promise so solemnly given can never be recalled. By some future act of the forty-first Congress or of any future Congress the public credit act may by some chance be repealed. But a pledge of the credit of the government given in such specific terms as this can never be repealed. It enters into the essence of the contract and is binding upon both the parties to that contract except both agree to cancel it. Without the consent therefore of the holders of the bonds no act of Congress can ever repeal the promise of coin payment, or can ever give to the five-year option its former ambiguous and mischievous power to depress our securities and to impair their value.

It is true the permanence of the investment offered now by the United States pledges its faith to make provision at the earliest practicable period for the redemption of greenbacks in coin." When this is consummated, the five-year option revives with it. This option also revives if "bonds of the United States, bearing a lower rate of interest, can be sold at par in coin." At the present rapid rate of advance in the quotations it would be rash to predict that that price will not soon be struck. Still as the bill stands it is a very satisfactory measure, and indeed it is beyond question the most important financial bill which for some years has been placed on the statute-book.

### CHICAGO AND ALTON RAILROAD.

The annual report of the Directors of this Company for the year ending Dec. 31, 1868, has just been issued, from which we extract the following statement of the operations of the company for the year 1868 :

Since the date of the last Report, this company has acquired, by lease, possession in perpetuity of the St. Louis, Jacksonville and Chicago Railroad, at a minimum rental of \$240,000 per annum.

The fixed charges upon your property for the year 1869 may therefore be stated as follows :

|                                                                           |           |
|---------------------------------------------------------------------------|-----------|
| Preferred Sinking Fund Bonds, for Interest and Sinking Fund payments..... | \$72,000  |
| First Mortgage, say .....                                                 | 168,000   |
| Income Bonds, say .....                                                   | 77,000    |
| Joliet and Chicago lease, say .....                                       | 160,440   |
| St. Louis, Jacksonville and Chicago lease, (minimum rental,) .....        | 240,000   |
| Total .....                                                               | \$717,440 |
| Including Sinking Fund payments and Government Tax.                       |           |

The following statement and figures will exhibit the gross receipts and expenditures for the year 1868 :

| EARNINGS.                           |                       |
|-------------------------------------|-----------------------|
| From Passenger Traffic.....         | \$1,305,570 16        |
| “ Freight Traffic .....             | 2,953,629 39          |
| “ Express Companies .....           | 127,290 65            |
| “ Transportation of U. S. Mail..... | 47,753 96             |
| “ Miscellaneous Sources.....        | 74,398 81             |
|                                     | <u>\$4,508,642 97</u> |

| EXPENSES.                                                 |                    |
|-----------------------------------------------------------|--------------------|
| The transportation expenses for the year were as follows: |                    |
| For Conducting Transportation.....                        | \$501,191 73       |
| “ Motive Power.....                                       | 727,156 01         |
| “ Maintenance of Way .....                                | 813,330 18         |
| “ “ “ Cars.....                                           | 22,937 01          |
| “ General Expenses.....                                   | 198,547 58         |
|                                                           | <u>\$2,463,192</u> |

Net Earnings.....\$2,045,460 33

The financial condition of the company for the year may be stated as follows :

| INCOME.                                |                       |
|----------------------------------------|-----------------------|
| Balance to credit of this account..... | \$924,352 28          |
| Net receipts during the year.....      | 2,045,460 33          |
|                                        | <u>\$2,969,812 61</u> |

| DISBURSEMENTS.                                                       |                     |
|----------------------------------------------------------------------|---------------------|
| Interest on Bonds of all Classes.....                                | \$273,245 00        |
| Paid Sinking Funds .....                                             | 60,000 00           |
| Rent to Joliet and Chicago R. R. Co., exclusive of Sinking Fund..... | 144,049 97          |
| Rent to St. Louis, Jacksonville and Chicago Co.....                  | 140,000 00          |
| Dividends Nos. 10 and 11.....                                        | 729,984 20          |
| Government Tax on C. and A. Sinking Fund.....                        | 2,100 00            |
| Cost of Improvements charged this account .....                      | 635,766 07          |
|                                                                      | <u>1,985,145 24</u> |
|                                                                      | <u>\$984,667 37</u> |

## PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurer returns in the Treasury Department, on the 1st of February, and 1st of March, 1869 :

|                         | DEBT BEARING COIN INTEREST. |                  | Increase. | Decrease |
|-------------------------|-----------------------------|------------------|-----------|----------|
|                         | February 1.                 | March 1.         |           |          |
| 5 per cent. bonds ..... | \$221,589,300 00            | \$221,589,300 00 | \$.....   | \$.....  |
| 6 " " 1881.....         | 283,677,400 00              | 283,677,400 00   | .....     | .....    |
| 6 " " (5-20's).....     | 1,602,583,350 00            | 1,602,587,250 00 | 4,000 00  | .....    |
| Total .....             | 2,107,850,050 00            | 2,107,854,050 00 | 4,000 00  | .....    |

| DEBT BEARING CURRENCY INTEREST. |                 |                 |                |            |
|---------------------------------|-----------------|-----------------|----------------|------------|
| 6 per ct. (RR.) bonds.....      | \$53,417,000 00 | \$53,937,000 00 | \$1,920,000 00 | \$.....    |
| 3 p. cent. certificates.....    | 57,410,000 00   | 57,140,000 00   | .....          | 270,000 00 |
| Navy Pen. F'd 3 p.c.....        | 14,000,000 00   | 14,000,000 00   | .....          | .....      |
| Total .....                     | 123,427,000 00  | 125,077,000 00  | 1,650,000 00   | \$.....    |

| MATURED DEBT NOT PRESENTED FOR PAYMENT.                                                                                                   |                |                |         |              |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------|--------------|
| 7-20 n. due Aug. 15, '67, J'e & J'y 15, '68.....                                                                                          | \$1,977,150 00 | \$1,816,350 00 | \$..... | \$160,800 00 |
| 6 p.c. comp. int. notes inst'd June 10, July 15, Aug. 15 Oct. 15, Dec. 15, 1867, May 15, Aug. 1, Sept. 1 & 15, and Oct. 1 & 16, 1868..... | 3,599,170 00   | 3,422,460 00   | .....   | 176,710 00   |
| B'ds of Texas ind'ty.....                                                                                                                 | 256,000 00     | 256,0 00 00    | .....   | .....        |
| Treasury notes (old).....                                                                                                                 | 148,411 64     | 148,411 64     | .....   | .....        |
| B'ds of Apr. 15, 1842, Jan. 28, 1847 & Mar. 31, 1848 .....                                                                                | 278,400 00     | 202,800 00     | .....   | 75,600 00    |
| Treas. n s of Ma. 3, 63.....                                                                                                              | 445,492 00     | 375,432 00     | .....   | 70,060 00    |
| Temporary loan.....                                                                                                                       | 193,313 00     | 189,010 00     | .....   | 4,303 00     |
| Certif. of indebt'ess.....                                                                                                                | 13,000 00      | 12,000 00      | .....   | 1,000 00     |
| Total.....                                                                                                                                | 6,910,936 64   | 6,422,463 64   | \$..... | \$488,473 00 |

| DEBT BEARING NO INTEREST.  |                  |                  |              |                |
|----------------------------|------------------|------------------|--------------|----------------|
| United States notes.....   | \$356,021,073 00 | \$356,021,073 00 | \$.....      | \$.....        |
| Fractional currency.....   | 35,511,127 54    | 36,781,547 50    | 1,270,419 96 | .....          |
| Gold cert. of deposit..... | 32,659,520 00    | 28,775,560 00    | .....        | 3,883,960 00   |
| Total .....                | 424,191,720 54   | 421,578,180 50   | .....        | \$2,613,540 04 |

| RECAPITULATION.                   |                     |                     |              |               |
|-----------------------------------|---------------------|---------------------|--------------|---------------|
| Bearing coin interest.....        | \$ 2,107,850,050 00 | \$ 2,107,854,050 00 | 4,000 00     | \$.....       |
| Bearing cur'y interest.....       | 123,427,000 00      | 125,077,000 00      | 1,650,000 00 | .....         |
| Matured debt .....                | 6,910,936 64        | 6,422,463 64        | .....        | 488,473 00    |
| Bearing no interest .....         | 424,191,720 54      | 421,578,180 50      | .....        | 2,613,540 04  |
| Aggregate.....                    | 2,662,379,70 00     | 2,660,981,694 14    | .....        | 1,448,013 04  |
| Coin & cur. in Treas.....         | 106,174,049 10      | 115,594,789 76      | 9,420,740,66 | .....         |
| Debt less coin and currency ..... | 2,556,205,658 08    | 2,545,386,904 38    | .....        | 10,868,753 70 |

The following statement shows the amount of coin and currency separately at the dates in the foregoing table :

| COIN AND CURRENCY IN TREASURY. |                 |                 |               |            |
|--------------------------------|-----------------|-----------------|---------------|------------|
| Coin .....                     | \$88,732,716 44 | \$98,741,260 72 | 10,008,544 28 | \$.....    |
| Currency.....                  | 17,441,332 66   | 16,853,529 04   | .....         | 587,803 62 |
| Total coin & cur'cy.....       | 106,174,049 10  | 115,594,789 76  | 9,420,740 66  | .....      |

The annual interest payable on the debt, as existing February 1, and March 1, 1869, compares as follows :

| ANNUAL INTEREST PAYABLE ON PUBLIC DEBT. |                  |                  |              |          |
|-----------------------------------------|------------------|------------------|--------------|----------|
|                                         | February 1.      | March 1.         | Increase.    | Decrease |
| Coin—5 per cents.....                   | \$1,079,465 00   | \$1,079,465 00   | \$.....      | \$.....  |
| " 6 " " 1881.....                       | 17,020,644 00    | 17,020,644 00    | .....        | .....    |
| " 6 " (5-20's).....                     | 96,155,01 00     | 96,155,241 00    | 240 00       | .....    |
| Total coin interest.....                | \$124,255,110 00 | \$124,255,350 00 | \$240 00     | .....    |
| Currency—6 per cents.....               | \$3,721,020 00   | \$3,236,220 00   | 115,200 00   | .....    |
| " 3 " " .....                           | 2,142,300 00     | 2,134,200 00     | .....        | 8,100 00 |
| Total currency inter't.....             | \$5,263,320 00   | \$5,370,420 00   | \$107,100 00 | \$.....  |

## ACT REGULATING REPORTS OF NATIONAL BANKS.

The following is a copy of the bill relative to reports of national banks as reported by a conference committee and finally passed :

*An ACT Regulating the Reports of National Banking Associations.*

Be it enacted, &c., That in lieu of all reports required by section 34 of the National Currency act every association shall make to the Comptroller of the Currency not less than five reports during each and every year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president or cashier of such association and attested by the signatures of at least three of the directors, which report shall exhibit in detail and under appropriate heads the resources and liabilities of the association at the close of the business on any past day to be by him specified, and shall transmit such report to the Comptroller within five days after the receipt of a request or requisition therefor from him; and the report of each association above required, in the same form in which it is made to the Comptroller, shall be published in a newspaper published in the place where such association is established, or if there be no newspaper published in the place, then in the one published nearest thereto in the same county, at the expense of the association, and such proof of publication shall be furnished as may be required by the Comptroller. And the Comptroller shall have power to call for special reports from any particular association, wherever in his judgment the same shall be necessary, in order to a full and complete knowledge of its condition. Any association failing to make and transmit any such report shall be subject to a penalty of \$100 for each day after five days that such bank shall delay to make and transmit any report as aforesaid, and in case any association shall delay or refuse to pay the penalty herein imposed, when the same shall be assessed by the Comptroller of the Currency, the amount of such penalty may be retained by the Treasurer of the United States upon the order of the Comptroller of the Currency, out of the interest as it may become due to the association on the bonds deposited with him to secure circulation. And all sums of money collected for penalties under this section shall be paid into the Treasury of the United States.

Sec. 2. And be it further enacted, That, in addition to said reports, each national banking association shall report to the Comptroller of the Currency the amount of each dividend declared by said association, and the amount of net earnings in excess of said dividends; which report shall be made within ten days after the declaration of each dividend, and attested by the oath of the president or cashier of said association and a failure to comply with the provisions of this section shall subject such association to the penalties provided in the foregoing section.

## ABOLITION OF TRANSIT DUTIES IN NEW JERSEY.

The following is the act passed unanimously by both branches of the New Jersey Legislature, March 4, and signed by Governor Randolph, abolishing the transit duty exacted by the State from Railroad corporations for all passengers and freight carried by them :

## AN ACT RELATIVE TO TRANSIT DUTIES.

1. *Be it enacted by the Senate and General Assembly of the State of New Jersey,* That from and after the passage of this act, all transit duties, whether on passengers or freight, shall be and they hereby are abolished.

2. *And be it further enacted,* That all companies heretofore paying duties to the State shall hereafter pay each year, in quarterly payments as heretofore to the Treasurer of this State, a tax of one half of one per centum upon the costs of their respective works, including all their property of every description not otherwise taxed, until the Legislature shall, by general law, impose a uniform State tax, equally applicable to all railroad and canal corporations of this State, and said companies shall then pay such uniform tax; and until such general law be passed, no company heretofore paying transit duties as aforesaid shall, in any year hereafter, pay a less sum as tax to the State than that paid by it for taxes and duties of all kinds for the year of the hundred and sixty-eight, and said amounts shall be paid by them in equal quarterly payments, and no other tax or impost shall be levied or assessed upon said companies.

3. *And be it enacted,* That this act shall not apply to any corporation having a contract with this State in reference to taxation, unless within three months from the passage hereof of this act and its provisions be accepted by the board of directors of such corporation in place of said contract, and a certificate of such acceptance, under the corporate seal of such corporation, be filed in the office of the Secretary of State, which certificate, or any certified copy thereof, shall be a tenary evidence of such acceptance and until the filing as aforesaid of such acceptance, such corporation shall pay as now required by law.

4. *And be it enacted,* That this act shall take effect immediately.

## NAUGATUCK RAILROAD COMPANY.

In his annual report of this company the President remarks: "The business for the past year has been larger than that of the year preceding; and, in fact, it has been the largest business ever done on your road in any one year, as you will see by your Treasurer's report. There has been put down the past year six hundred and thirty tons of steel rails; also six hundred tons of iron rails—being a much larger quantity than has been put down before in any one year. The track is now in fair condition, but I should recommend that five or six hundred tons be put down this year. There has also been put in the track twenty thousand ties, being a larger quantity than usual, and many more than will be required this year."

| RECEIPTS.                      |           | EXPENSES.                                       |           |
|--------------------------------|-----------|-------------------------------------------------|-----------|
| Transportation of Freight..... | \$206,473 | Repairs of Road.....                            | \$109,791 |
| " Passengers.....              | 17,895    | Repairs of Rolling Stock, Buildings,<br>&c..... | 66,630    |
| " Miles.....                   | 4,550     | Passengers Expenses.....                        | 19,523    |
| " Express.....                 | 11,270    | Freight.....                                    | 58,041    |
| " Milk.....                    | 6,392     | Eng' Coal ".....                                | 20,915    |
| From all other sources.....    | 7,731     | Other ".....                                    | 29,667    |
| Total.....                     | \$312,312 | Total.....                                      | \$208,562 |
| Balance.....                   |           |                                                 | \$205,750 |

| DEDUCT.                                                         |  |                    |
|-----------------------------------------------------------------|--|--------------------|
| Taxes.....                                                      |  | \$31,297           |
| Coupon Interest.....                                            |  | 10,919— \$44,246   |
| Net gain in 1868.....                                           |  | \$161,404          |
| From which take dividend—                                       |  |                    |
| No. 25, February 15, 1868.....                                  |  | \$71,820           |
| No. 26, August 15, 1868.....                                    |  | \$75,655—\$147,485 |
|                                                                 |  | \$13,919           |
| Add Balance of Profit and Loss, January 1, 1868.....            |  | \$223,232          |
| Balance at the credit of Profit and Loss December 31, 1868..... |  | \$242,152          |

## BALANCE SHEET OF THE NAUGATUCK RAILROAD COMPANY, DEC. 31, 1868.

| Dr.                            |             | Cr.                                       |             |
|--------------------------------|-------------|-------------------------------------------|-------------|
| Construct'n and Equipment..... | \$1,911,745 | Capital Stock (18,189 shares).....        | \$1,818,996 |
| Improvement in 1868.....       | 114,954     | Mortg' Bonds (due in 1876).....           | 106,000     |
| Due from Stations.....         | 41,619      | Coupon Interest.....                      | 5,299       |
| " Gen'l P. O. Dept.....        | 590         | December Expenses.....                    | 22,120      |
| " " Cor'orations.....          | 31,566      | Unclaimed Dividends.....                  | 2,506       |
| Railroad Stock.....            | 7,600       | Coupon and Internal Revenue<br>Taxes..... | 344         |
| Cash.....                      | 69,637      | Profit and Loss.....                      | 242,152     |
| U. S. 5-20 Bonds.....          | 7,000       |                                           |             |
| Notes Receivable.....          | 11,408      |                                           |             |
| Materials on hand.....         | 63,229      |                                           |             |
|                                | \$2,257,311 |                                           | \$2,257,321 |

H. NICHOLS, Treasurer.

## CERTIFICATE OF CHECKS.

The following is the text of the new law in reference to certifying checks by national banks:

Be it enacted, &c., That it shall be unlawful for any officer, clerk or agent of any national bank to certify any check drawn upon said bank unless the person or company drawing said check shall have on deposit in said bank at the time such check is certified an amount of money equal to the amount specified in such check, and a check, so certified by duly authorized officers shall be a good and valid obligation against such bank; and any officer, clerk or agent of any national bank violating the provisions of this act shall subject such bank to the liabilities and proceedings on the part of the Comptroller, as provided for in section fifty of the National Bank Law, approved June 3, 1864.

## ILLINOIS RAILROAD BILL.

General Fuller's bill regulating the charges of railroads for the transportation of passengers and freight has now become a law in Illinois. The Chicago *Tribune* has the following remarks upon it:

"Stripped of its verbiage, reduced to its actual meaning, divested of its legislative trimmings, the essential requirement of the law is that where A and B, living at the same station, have the same class of freight, to be sent to the same point the railroad shall not charge the one any higher than is charged to the other. The requirement that the rates shall be uniform has no other effect than that all others having been taken away by the expirations in the bill itself. The requirement that the rates shall be 'reasonable' is no more than is required by existing law.



CLEVELAND, COLUMBUS, CINCINNATI AND INDIANAPOLIS RAILWAY COMPANY.

Statement of earnings and expenses for the year 1868, including the earnings and expenses of the C. C. & C. R. R. and the Bellefontaine Railway, from January 1st to May 14th, 1868, the date of consolidation:

| EARNINGS.                                                              |                    | REPAIRS OF FREIGHT CARS.                              |                    |
|------------------------------------------------------------------------|--------------------|-------------------------------------------------------|--------------------|
| From Passengers.....                                                   | \$849,233          | Track.....                                            | 175,828            |
| Freight.....                                                           | 1,843,129          | Buildings.....                                        | 455,656            |
| Express.....                                                           | 115,114            | Fences.....                                           | 26,193             |
| Mail.....                                                              | 61,918             | Bridges.....                                          | 8,251              |
| Rents.....                                                             | 48,901             | Oil, Tallow and Waste.....                            | 24,264             |
| Re e Branch.....                                                       | 8,806              | Fuel.....                                             | 295,479            |
| Interest and Dividends.....                                            | 11,943             | Damages to stock.....                                 | 6,790              |
| Miscellaneous source.....                                              | 15,065             | Losses and damages to freight.....                    | 9,811              |
| *Division of earnings with L. M. & C. & X. R. R. to November 30th..... | 8,369              | Attritities and per'l damages.....                    | 13,083             |
|                                                                        |                    | Repairs and expenses of Tel.....                      | 22,056             |
|                                                                        |                    | Balance paid on account of Car service.....           | 5,297              |
| <b>Total.....</b>                                                      | <b>\$2,962,613</b> | Working expenses. (66 7-10 per cent of earnings)..... | \$1,976,002        |
| EXPENSES.                                                              |                    | State and National Taxes.....                         | 152,161            |
| Passenger Expenses.....                                                | \$244,902          | Interest on bonds.....                                | 94,935             |
| Freight Expenses.....                                                  | 413,222            | <b>Total ex. (75 per cent of earnings).....</b>       | <b>\$2,223,099</b> |
| General Expenses.....                                                  | 61,876             |                                                       |                    |
| Repairs of Locomotives.....                                            | 200,607            |                                                       |                    |
| Passenger cars.....                                                    | 46,797             |                                                       |                    |
| Net earnings.....                                                      |                    |                                                       | \$739,513          |
| Out of which dividends have been paid -                                |                    |                                                       |                    |
| August 1st, 1868, 3/4 per cent.....                                    |                    | \$365,407                                             |                    |
| February 1st, 1869, 3/4 per cent.....                                  |                    | 365,844                                               | 731,244            |
| Leaving a surplus of.....                                              |                    |                                                       | \$3,269            |
| Add surplus transferred from C. C. & C. R. R.....                      |                    | 153,043                                               |                    |
| Add surplus transferred from Bellefontaine Railway.....                |                    | 78,283                                                | 231,332            |
| Surplus January 1st, 1869.....                                         |                    |                                                       | \$342,632          |

ABSTRACT OF LEDGER BALANCES, JANUARY 1ST, 1869.

| ASSETS.                                        |                     | LIABILITIES.                                                                        |                     |
|------------------------------------------------|---------------------|-------------------------------------------------------------------------------------|---------------------|
| Construction account.....                      | \$1,933,143         | Capital stock, less amount owned and held by the Co.....                            | \$10,460,900        |
| Materials on hand.....                         |                     | C. C. & C. R. R. mort. b'ds (\$25,000 falling due each year).....                   | 400,000             |
| For repairs of track.....                      | 163,885             | Bellefontaine & Iud. R. 1st mort. bonds less amount owned by Company.....           | 740,000             |
| For repairs of cars and engines.....           | 153,393             | Bellefontaine & Iud. R. 2d mort. bonds.....                                         | 16,000              |
| Fuel, oil and waste.....                       | 133,031             | Bellefontaine & Ind. R. Income bonds.....                                           | 87,000              |
| Cash and other assets -                        |                     | Bel of & C. R. R. b'ds, part due.....                                               | 2,000               |
| Cash in hands of Treasurer.....                | 336,253             | Indianapolis, Pitts. & Cleve R. R. 1st mort. bonds.....                             | 379,000             |
| Cash in hands of Paymaster.....                | 15,704              | Indiana o's. Pitts. & Cleve R. R. 2d mort. bonds, less amount owned by Company..... | 341,000             |
| Due from agents.....                           | 21,035              | Dividend No. 2 payable February 1st, 1869.....                                      | 365,844             |
| Due from other companies.....                  | 105,365             | Surplus earnings.....                                                               | 212,602             |
| Due from P. O. Department.....                 | 11,014              |                                                                                     |                     |
| Other assets.....                              |                     |                                                                                     |                     |
| Scioto and Hocking Valley R. R. bonds.....     | 2,000               |                                                                                     |                     |
| Real estate not used for roads and depots..... | 30,661              |                                                                                     |                     |
| Woodlands.....                                 | 46,001              |                                                                                     |                     |
| Pendleton Stone Quarry.....                    | 4,915               |                                                                                     |                     |
| Bills receivable.....                          | 18,644              |                                                                                     |                     |
| Insurance etc ip.....                          | 475                 |                                                                                     |                     |
| <b>Total.....</b>                              | <b>\$13,034,346</b> | <b>Total.....</b>                                                                   | <b>\$13,034,346</b> |
| CLEVELAND, O., February 17, 1869.              |                     | GEO. H. RUSSELL, Treasurer.                                                         |                     |

A bill has passed the Missouri Legislature authorizing the Hannibal and St. Joseph Railroad to increase their stock to an amount not exceeding the cash capital of the road, which will enable the road to pay off its indebtedness to the State and procure a release of the State lien on the road.

OHIO AND MISSISSIPPI RAILROAD.

The annual report for the year ending December 31, 1868, shows the following:

|                       | 1868.                 | 1867.                 | Decrease.          |
|-----------------------|-----------------------|-----------------------|--------------------|
| Passengers.....       | \$1,30,981 92         | \$1,429,210 56        | \$198,228 64       |
| Freight.....          | 1,86,888 6            | 1,872,482 25          | 28,593 69          |
| Express and Mail..... | 146,239 79            | 157,880 46            | 11,440 67          |
| <b>Total.....</b>     | <b>\$2,964,010 67</b> | <b>\$3,459,319 27</b> | <b>\$49,278 60</b> |

\*Settlements for December not yet made with L. M. & C. & X. R. R.

The ordinary operating expenses show a decrease as compared with 1867, of \$35,177 87, charged under the following heads:

|                                                |                       |
|------------------------------------------------|-----------------------|
| Maintenance of Way and Structures.....         | \$853,051 59          |
| Motive Power and Cars.....                     | 269,224 99            |
| Transportation Expenses.....                   | 978,901 71            |
| General Expenses.....                          | 93,876 46             |
| Taxes, Municipal and Government.....           | 82,262 16             |
| Damages to Property and Cattle killed, &c..... | 23,293 88             |
| <b>Total.....</b>                              | <b>\$2,300,613 79</b> |

This shows net earnings for the year the sum of \$663,426 88.

The ordinary expenses really exhibit a much larger sum than legitimately belongs to it, and as compared with 1867, shows a proportionate decrease with the earnings.

To the difference stated above, between 1867 and 1868..... \$95,176 87  
Should be added the purchase of 3,500 tons of Railroad Iron, costing the sum of... 287,643 03

**Total.....** \$332,819 95

Which would increase the net earnings, (deducting the iron purchase from the expenses,) the sum of \$951,069 96.

The extraordinary expenses have been reduced about \$500,000, deducting from the amount charged, the items of discount of sale of Consolidated Mortgage Bonds, and for change of Locomotive Engines and Cars to narrow gauge, and the difference between the amounts charged this account in 1867 and 1868.

Included in the general receipts (not the earnings) is stated the net proceeds of the sale of 1,76 Consolidated Mortgage Bonds, disposed of at an average rate of about 86 per cent, yielding the sum of \$912,263, which added to the old outstanding bonds, makes the bonded debt of the company, 1st January, 1869, \$4,964,000, authorized to be increased to \$6,000,000, leaving yet to be sold \$1,036,000.

Of the \$10,000,000 Common Stock authorized to be issued, there has been converted of "Trustees" certificates into the Common Stock \$19,057,438 83. Of the \$3,500,000 Preferred Stock, there has been converted of the "Trustees" (Certificates into Preferred Stock, \$3,345,950 89. The whole amount of Preferred Certificates issued by the "Trustees" was \$3,354,000, leaving available to be issued of Preferred Capital Stock, \$146,000 to complete the amount authorized.

OHIO AND MISSISSIPPI RAILWAY, (CONSOLIDATED.) GENERAL LEDGER ACCOUNT FROM NOVEMBER 1, 1867, TO DECEMBER 31, 1868, INCLUSIVE.

Dr.

|                                                                                                                       |                 |                        |
|-----------------------------------------------------------------------------------------------------------------------|-----------------|------------------------|
| Real Property, for the road bed and superstructures, track and bridges from Cincinnati to East St. Louis.....         | \$27,837,300 53 |                        |
| Amount Charged in 1868.....                                                                                           | 229,530 36      | \$24,063,830 89        |
| Real Estate and Depots, for depot grounds, buildings, machine shops, section houses, water stations, &c.....          | 1,396,632 18    |                        |
| Amount Charged in 1868.....                                                                                           | 44,030 94       |                        |
| Storr's Township Improvement, with transfer station and tracks.....                                                   | 18,265 44       | 1,468,938 56           |
| Equipment and Rolling Power, for locomotives, passenger, mail, express and baggage cars, and freight cars, value..... |                 | 1,707,000 00           |
| Telegraph line from Cincinnati to East St. Louis.....                                                                 |                 | 25,042 59              |
| Illinois Southern R. R. purchase.....                                                                                 | 290,000 00      |                        |
| Reduced by credit in 1868.....                                                                                        | 10,130 53       |                        |
| Shop tools and machinery, per inventory.....                                                                          |                 | 279,819 17             |
| Inventory of materials on hand.....                                                                                   | 14,198 46       | 14,770 93              |
| Amount to the shops, increase.....                                                                                    | 40,755 57       |                        |
| Ordinary Operating expenses.....                                                                                      | 500,575 05      |                        |
| Amount Charged in 1868.....                                                                                           | 2,300,613 79    |                        |
| Extraordinary Expenses, charged.....                                                                                  | 157,591 92      | 2,801,238 84           |
| Amount Charged in 1868.....                                                                                           | 691,356 04      |                        |
| Mortgage Bonds, Coupons and Interest paid.....                                                                        |                 | 844,941 96             |
| Interest on Preferred Stock and Certificates.....                                                                     |                 | 360,081 91             |
| Running accounts in process of settlement.....                                                                        | 40,779 49       | 461,701 05             |
| Accounts with Agents and others for uncollected revenue.....                                                          | 110,000 84      |                        |
| Cash Balances on hand.....                                                                                            |                 | 150,840 33             |
|                                                                                                                       |                 | 163,647 71             |
| <b>Total.....</b>                                                                                                     |                 | <b>\$32,628,881 98</b> |

| Cr.                                                                                     |                 |
|-----------------------------------------------------------------------------------------|-----------------|
| Common Capital Stock Certificates .....                                                 | \$19,057,473 83 |
| "Trustees" Certificates, unconverted .....                                              | 942,526 14      |
|                                                                                         | \$20,000,000 00 |
| "Trustees" Common Certificates to be provided for outside of the<br>Capital Stock ..... | 226,604 44      |
| Preferred Capital Stock Certificates .....                                              | 3,345,950 89    |
| "Trustees" Preferred Certificates, unconverted .....                                    | 8,173 73        |
|                                                                                         | 3,354,124 62    |
| First Mortgage Bonds, E. D., due July 1, 1873 .....                                     | 2,050,000 00    |
| Second " " W. D., due July 1, 1874 .....                                                | 850,000 00      |
| Income " " W. D., due October 1, 1882 .....                                             | 556,000 00      |
| Funded Debt .....                                                                       | 2,150 00        |
| Consolidated " due January 1, 1898 .....                                                | 15,500 00       |
| Exchanged for Second Mortgage Bonds, W. D. ....                                         | 1,078,000 00    |
|                                                                                         | 194,000 00      |
|                                                                                         | 1,270,000 00    |
| Earnings Charged this Account .....                                                     | 603,118 65      |
| Earnings Charged in 1868 .....                                                          | 2,961,010 67    |
|                                                                                         | 3,572,159 22    |
| Arrearage Account, Pay Ro's unpaid .....                                                | 98,569 35       |
| " " Bills of purchases unpaid, &c. ....                                                 | 107,809 89      |
| Running Accounts to be settled .....                                                    | 25,091 02       |
| Notes outstanding .....                                                                 | 46,680 00       |
| Open Accounts of 1867 and 1868 .....                                                    | 23,816 31       |
|                                                                                         | 511,996 60      |
| Total .....                                                                             | \$32,23,884 98  |
| The expenses on account of the proposed change to narrow gauge were as follows :        |                 |
| Locomotives .....                                                                       | \$37,258 63     |
| Passenger cars .....                                                                    | 1,837 30        |
| Freight cars .....                                                                      | 105,409 60      |
| Road bed, bridges, &c .....                                                             | 13,068 77       |
| Total .....                                                                             | \$161,624 80    |

#### ENGLISH BOARD OF TRADE RETURNS FOR 1868 AND JANUARY, 1869.

The following is from the London correspondence of the *Commercial and Financial Chronicle* :

After the usual delay, the Board of Trade returns for last year have been issued. So far as our exports are concerned, the declared value amounted to £179,463,644, against £180,961,923 in 1867, and, £ 88,917,536 in 1866. The computed real value of our imports was £249,616,302, against £234,338,887 in 1867, and £238,773,192 in 1866. The diminution in our exports was therefore very trifling while our imports exhibited a considerable increase. The value of the wheat flour, cotton, petroleum and wool is less ; but of wine, timber silk, silk manufactures, rice, guano, hemp, flax, barley and coffee, more than in the corresponding eleven months of 1867. As regards the exports, the principal changes, so far as the declared value is concerned, are in cotton piece goods, which show a diminution of £3,000,000, in linen piece goods of £350,000, in woollen cloths of £1,560,000; but worsted stuffs show an increase of about £900,000, and worsted yarns of £550,000.

The following particulars show the imports of cotton into the United Kingdom in twelve months :

| From—                                 | 1866.          | 1867.       | 1868.       |
|---------------------------------------|----------------|-------------|-------------|
| United States .....                   | cwt. 4,643,370 | 4,715,733   | 5,128,971   |
| Bahamas and Bermudas .....            | 7,515          | 10,623      | 737         |
| Mexico .....                          | 3,145          | 22          | .....       |
| Brazil .....                          | 611,08         | 628,71      | 832,114     |
| Turkey .....                          | 92,926         | 57,024      | 40,933      |
| Egyptian .....                        | 1,055,900      | 1,137,541   | 1,154,419   |
| British India .....                   | 5,49,770       | 4,449,259   | 4,403,095   |
| China .....                           | 52,120         | 4,707       | .....       |
| Other countries .....                 | 335,219        | 27,981      | 243,574     |
| Total .....                           | 12,295,803     | 11,212,651  | 11,857,893  |
| Computed real value (11 months) ..... | £70,665,438    | £48,328,241 | £47,833,727 |

## EXPORTS IN TWELVE MONTHS.

| To—                  | 1866.        | 1867.     | 1868.     |
|----------------------|--------------|-----------|-----------|
| Russia .....         | cwt. 280,374 | 427,254   | 342,784   |
| Prussia .....        | 81,195       | 195,183   | 152,370   |
| Hanover .....        | 5,618        | 4 1 8     | 1,671     |
| Hanse Towns.....     | 866,349      | 720,491   | 692,042   |
| Holland .....        | 544,700      | 561,919   | 602,091   |
| Other countries..... | 1,594,553    | 1,241,688 | 1,084,582 |
| Total.....           | 3,472,789    | 3,130,593 | 2,880,540 |

## EXPORTS OF COTTON GOODS.

|                  |                     |               |               |
|------------------|---------------------|---------------|---------------|
| Yarn.....        | lb. 138,804,538     | 169,096,708   | 174,537,970   |
| Piece goods..... | yards 2,575,658,138 | 2,832,023,707 | 2,966,706,542 |
| Thread.....      | lbs. 6 355,458      | 6,511, 39     | 6,658,244     |

Of which the following was the declared value :

|                  |             |             |             |
|------------------|-------------|-------------|-------------|
| Yarn.....        | £13,635,627 | £14,871,617 | £14,779,194 |
| Piece goods..... | 57,903,300  | 53,128,163  | 50,128,760  |
| Thread.....      | 1,068,413   | 1,115,315   | 1,113,123   |

With regard to breadstuffs the following are the chief particulars :

## IMPORTS OF WHEAT IN TWELVE MONTHS.

|                                       | 1866.          | 1867.      | 1868.      |
|---------------------------------------|----------------|------------|------------|
| Russia.....                           | cwt. 8,937,199 | 14,025,236 | 10,153,617 |
| Prussia.....                          | 4,401,409      | 5,572,263  | 4,584,742  |
| France .....                          | 3,473,139      | 597,405    | 56,414     |
| Illyria, Croatia and Dalmania.....    | 1,321,529      | 542,635    | 1,004,701  |
| Turkey, Moldavia & Wallachia.....     | 528,433        | 2,446,638  | 3,049,088  |
| Egypt.....                            | 3,831          | 1,451,774  | 3,219,586  |
| United States.....                    | 675,239        | 4,188,013  | 5,978,149  |
| Chili.....                            | 308,810        | 1,946,227  | 1,309,575  |
| Total, including other countries..... | 23,156,329     | 34,945,569 | 32,639,768 |

## IMPORTS OF FLOUR.

|                                       |            |           |            |
|---------------------------------------|------------|-----------|------------|
| Hanse Towns.....                      | 347,012    | 444,710   | 615,756    |
| France.....                           | 3,640,320  | 1,234,712 | 632,359    |
| United States.....                    | 280,732    | 722,973   | 676,192    |
| Total, including other countries..... | 4,972,280  | 3,597,969 | 3,093,022  |
| Indian corn.....                      | 14,322,863 | 8,540,429 | 11,472,226 |

In 1866, 1867, and 1868 the principal shipments of British and Irish produce and manufactures to the United States were as under :

|                                              | 1866.       | 1867.      | 1868.      |
|----------------------------------------------|-------------|------------|------------|
| Alkali, cwt.....                             | 1,783,243   | 1,462,122  | 1,589,432  |
| Beer & ale, bbls.....                        | 16,642      | 14,800     | 19,360     |
| Coals, tons.....                             | 134,113     | 123,392    | 103,851    |
| <b>COTTON MANUFACTURES:</b>                  |             |            |            |
| Piece goods, yds.....                        | 114,744,971 | 88,489,332 | 74,822,003 |
| Thread, lb.....                              | 1,531,312   | 1,404,431  | 1,723,826  |
| Earth-ware and Porcelain pkgs.....           | 122,519     | 101,670    | 91,123     |
| Haberdashery and Millinery, value.....       | £1,121,389  | 850,906    | 769,518    |
| <b>HARDWARE AND CUTLERY:</b>                 |             |            |            |
| Knives, forks, &c., value.....               | £312,531    | £233,907   | £166,878   |
| Anvils, vices, &c., value.....               | 109,534     | 106,662    | 83,262     |
| Manufactures of German silver, value.....    | 71,860      | 496,714    | 378,322    |
| <b>LINEN MANUFACTURES:</b>                   |             |            |            |
| Piece goods, yds.....                        | 119,442,507 | 81,755,066 | 88,155,204 |
| Thread.....                                  | 1,934,092   | 1,863,139  | 1,257,404  |
| <b>METALS—</b>                               |             |            |            |
| Iron—Pig, &c., tons.....                     | 93,700      | 119,855    | 86,278     |
| Bar, &c., tons.....                          | 63,147      | 44,959     | 43,912     |
| Railroad, tons.....                          | 10,248      | 168,036    | 265,151    |
| Castings, tons.....                          | 1,564       | 1,078      | 1,278      |
| Hoops, sheets and boiler plates, tons.....   | 30,671      | 29,732     | 13,323     |
| Wrought, tons.....                           | 11,099      | 6,970      | 4,963      |
| Steel unwrought, tons.....                   | 21,077      | 19,126     | 17,041     |
| Copper, wrought, cwts.....                   | 9,599       | 3,642      | 2,758      |
| Lead, pig, tons.....                         | 8,266       | 7,011      | 6,980      |
| Tin plates, cwts.....                        | 1,076,773   | 1,060,224  | 1,247,464  |
| Oil seed, galls.....                         | 2,330,697   | 1,296,658  | 168,335    |
| Salt, tons.....                              | 161,277     | 164,209    | 153,591    |
| <b>SILK MANUFACTURES—</b>                    |             |            |            |
| Broad piece goods, &c., yards.....           | 674,344     | 312,312    | 348,956    |
| Handkerchiefs, &c., dozens.....              | 625         | 2,790      | 1,572      |
| Ribbons, lbs.....                            | 27,153      | 15,096     | 10,376     |
| Other articles of silk only, value.....      | £99,787     | 45,247     | 112,781    |
| Silk manuf's mixed with other materials..... | £5,677      | 77,096     | 83,015     |
| Spirits, British, gal.....                   | 147,843     | 95,332     | 135,757    |
| Wool, lbs.....                               | 180,040     | 15,142     | 859,302    |

## WOOLEN AND WORSTED MANUFACTURES—

|                                                  |            |            |            |
|--------------------------------------------------|------------|------------|------------|
| Cloth of all kinds, yards . . . . .              | 5,154,208  | 3,367,855  | 2,488,261  |
| Carpets and druggets, yards. . . . .             | 4,502,323  | 3,692,370  | 3,428,580  |
| Shawls, rugs, &c., number. . . . .               | 164,881    | 112,351    | 101,350    |
| Worsted stuffs and waistcoatings, yards. . . . . | 75,360,499 | 50,431,886 | 69,465,326 |

The Board of Trade returns for January have also been published, and they indicate that the improvement in the general condition of business, which has been so frequently asserted, and as frequently denied, has clearly taken place, for the declared value of our exports in the first and slackest month of the year was £1,300,000 greater than in 1868, and £900,000 more than in 1867. The total for the month was £13,621,114, against £12,252,688 last year, and £12,786,812 in 1867. Influenced, no doubt, by the improved condition of the South, which has been caused by the very remunerative cotton crop now being disposed of, and also by the abundant wheat crop in the Western States, our exports of goods to the United States in January were considerably in excess of those in the corresponding month last year; and, in the main, an active trade was carried on. As compared with January last year, the shipments of alkali show an increase of 19,300 cwt.; of beer and ale, of 981 barrels; coals, 3,308 tons; cotton piece goods, 3,928,930 yards; earthenware and porcelain, 3,827 packages; haberdashery and millinery, £6,360; manufactures of German silver, £9,311; linen piece goods, 1,919,840 yards; pig iron, 3,022 tons; bar ditto, 3,210 tons; railroad iron, 2,422 tons; iron hoops, sheets, and boiler plates, 2,064 tons; wrought iron, 571 tons; steel, 415 tons; tin plates, 73,174 cwt.; salt, 3,393 tons; silk piece goods, 21,312 yards; silk ribbons, 862 lbs.; English wool, 16,999 lbs.; foreign do, 942,577 lbs.; carpets and druggets, 182,893 yards; and worsted stuffs, of as much as 2,022,950 yards. The increase in the exports of British and Irish produce and manufactures to the United States was almost general, linen thread and cotton thread being the only two articles in which there is any diminution of importance.

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**COMMERCIAL CHRONICLE AND REVIEW.**


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Monetary Affairs—Rates of Loans and Discounts—Bonds sold at New York Stock Exchange Board—Price of Government Securities at New York—Course of Consols and American Securities at New York—Opening, Highest, Lowest and Closing Prices at the New York Stock Exchange—General Movement of Coin and Bullion at New York—Course of Gold at New York—Course of Foreign Exchange at New York.

February has been characterised by a steady course of monetary affairs. The condition of the banks has not materially changed. Less money has been returned from the interior than is usual at this season of the year. Some moderate amounts have been sent to the South and Southwest; and the West, instead of returning currency, has been an applicant for money. The very large amounts of grain being carried in that section have, to a certain extent, locked up the resources of the local banks, preventing them from accommodating the distributors of merchandise; and the result has been considerable irregularity in the payments of the Western merchants. Indeed the banks of this city have been discounting grain paper for the Western banks at a time when they are usually the recipients of funds sent in payment of goods bought. It is somewhat singular that, as yet, there should be no reflux of currency from the South. An unusual amount of money has been sent to that section, and its merchants have bought freely of merchandise in the market, paying largely in cash, and selling promptly where they have credit; yet evidently the receipts on account of cotton have largely exceeded the payments for goods; and the question occurs what has become of

the surplus? Very little can have passed into the Southern banks, or it would have found its way here on deposit. From the tenor of our information from the South, we incline to the conclusion that a large amount of currency is being hoarded by the planters, to be held out of circulation until a later period, when their wants may compel them to purchase merchandise. The comparative absence of banks in the interior of the South renders it inevitable that a certain amount of currency must rest, at certain seasons in the hands of the planting population; and when, as this year, the total realised on the crop is unusually large, the amount so kept temporarily stagnant, must be correspondingly large. It is generally conceded among bankers that the banks of the interior have drawn out all their deposits from their New York agents; and this fact, while it accounts for the very low condition of the legal tenders and deposits, at the same time protects the banks against any further considerable drain.

The general trade of the city can hardly be considered as having proved satisfactory. The South has bought somewhat freely—the natural consequence of its ample crops—and has generally paid promptly. The West, however, has not been so good a customer as might have been expected from the large amounts realised upon its crops. Western merchants, have complained of slowness in the payments of their customers, and have not met their obligations here with the promptness that could be desired; and under such circumstances they have bought cautiously, and less than was expected.

In Wall street affairs, United States bonds have attracted the chief interest. The introduction in Congress of a bill closing up all outstanding authorization for the issue of bonds (excepting to the Pacific Railroads) and of a measure declaring the principal of the debt payable in gold, have produced a much stronger feeling in Government securities both at home and abroad. It is estimated that from \$30,000,000 to \$35,000,000 of United States bonds were sent to Europe, during February, beside a considerable amount of other securities; and yet, in spite of this large new supply, the price of bonds at London has advanced from 75½ to 83, a rise of 7½. This rise has been adjusted to the home market by an advance in bonds of 4@5 per cent, and a decline in gold of about 4½ points. There has, of course, been, under these circumstances, a very active speculative movement in these securities, and the registered sales at the Stock Exchange reach \$24,500,000, against \$13,900,000 for the corresponding month of 1863.

The following are the rates of Loans and Discounts for the month of Feb.:

| RATES OF LOANS AND DISCOUNTS.       |        |         |          |          |
|-------------------------------------|--------|---------|----------|----------|
|                                     | Feb 5. | Feb 12. | Feb. 19. | Feb. 26. |
| Call loans .....                    | 7 @—   | 7 @—    | 7 @—     | 5 @ 7    |
| Loans on Bonds and Mortgage... ..   | —@ 7   | —@ 7    | —@ 7     | —@ 7     |
| A 1, endorsed bills, 2 mos.....     | 7 @ 8  | 7 @ 8   | 7 @ 8    | 7 @ 8    |
| Good endorsed bills, 3 & 4 mos..... | 8 @ 9  | 8 @ 9   | 8 @ 9    | 8 @ 9    |
| “ “ single names....                | 9 @10  | 9 @10   | 9 @10    | 9 @10    |
| Lower grades.....                   | 12 @ 5 | 12 @15  | 12 @15   | 12 @15   |

The total transactions for the month at the two boards have been 1,017,016 shares, against 1,937,024 shares for the corresponding month last year.

| Classes.            | 1868.     | 1869.     | Increase. | Dec.    |
|---------------------|-----------|-----------|-----------|---------|
| Bank shares .....   | 4,951     | 2,455     | .....     | 2,495   |
| Railroad “ .....    | 1,585,155 | 797,46    | .....     | 783,109 |
| Coal “ .....        | 7,275     | 6,679     | .....     | 696     |
| Mining “ .....      | 15,061    | 26,150    | 21,090    | .....   |
| Improvement “ ..... | 45,637    | 17,450    | .....     | 28,587  |
| Telegraph “ .....   | 79,644    | 41,430    | .....     | 33,254  |
| Steamship “ .....   | 116,480   | 79,01     | .....     | 37,419  |
| Express&c “ .....   | 82,782    | 37,244    | .....     | 45,538  |
| Total—January ..... | 1,937,024 | 1,017,016 | .....     | 20,000  |

The activity of speculation in governments has caused the railroad market to be neglected, and, as will be seen from a subjoined statement, the sales at the boards are little more than half the volume in February of last year. The negotiation for the control of certain Western roads, in the interest of through route schemes have met with considerable interruption from the legislatures which has naturally thrown some doubt on the success of the plans of the Erie and New York Central parties, and correspondingly affected the several stocks therewith connected. Some stocks have been thrown upon the market by outside holders, with a depressing effect upon prices.

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

| Classes.         | 1868.        | 1869.        | Inc.         | Dec.      |
|------------------|--------------|--------------|--------------|-----------|
| U. S. bonds      | \$13,400,700 | \$24,358,400 | \$10,457,700 | \$.....   |
| U. S. notes      | 1,314,500    | .....        | .....        | 1,361,450 |
| St'c & city b'ds | 5,464,600    | 4,374,000    | .....        | 1,090,600 |
| Company b'ds     | 2,065,900    | 2,772,000    | 706,100      | .....     |

Total—January..... \$22,792,150 \$31,504,400 \$8,711,750 \$.....

The daily closing prices of the principal Government securities at the New York Stock Exchange Board in the month of February, as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

| Day of month. | 6's, 1881. |       | 6's, (5-20 yrs.) |           |       |            | 5's, 10-4 |       |       |
|---------------|------------|-------|------------------|-----------|-------|------------|-----------|-------|-------|
|               | Coup.      | Reg.  | 1862.            | 1864.     | 1865. | new, 1867. | 1868.     | 1869. |       |
| 1.....        | 112½       | ..... | 113              | .....     | 110½  | 108½       | 108½      | 108½  |       |
| 2.....        | .....      | ..... | 113              | 109½      | 110½  | 108½       | 108½      | 108½  |       |
| 3.....        | 112½       | ..... | .....            | .....     | 110½  | 108½       | 108½      | 108½  |       |
| 4.....        | 112½       | 111½  | 113½             | 109½      | 111½  | 108½       | 109       | 109½  |       |
| 5.....        | 112½       | 111½  | 113½             | .....     | ..... | 108½       | 109½      | 109½  |       |
| 6.....        | 112½       | 111½  | 113½             | 110       | 111½  | 109        | 109½      | 108½  |       |
| 7.....        | 112½       | 111½  | 113½             | 110½      | 111½  | 109½       | 109½      | 108½  |       |
| 8.....        | 112½       | 111½  | 113½             | 110½      | 111½  | 109½       | 109½      | 108½  |       |
| 9.....        | 113        | 111½  | .....            | 110½      | 111½  | 109½       | 109½      | 108½  |       |
| 10.....       | 113½       | ..... | 114              | 110½      | 112½  | 109½       | 109½      | 110   |       |
| 11.....       | 113½       | 112½  | .....            | 110½      | 112½  | 109½       | 109½      | 109½  |       |
| 12.....       | 114        | 112½  | 114½             | 111½      | 113½  | 110½       | 110½      | 109½  |       |
| 13.....       | 114½       | ..... | 114½             | 111½      | 113½  | 110½       | 110½      | 109½  |       |
| 14.....       | 115½       | 113½  | 116              | 112½      | 113½  | 111½       | 111½      | 111½  |       |
| 15.....       | 114½       | ..... | 114½             | 111½      | 113½  | 110½       | 110½      | 111   |       |
| 16.....       | 113½       | 112½  | 114½             | 111½      | 113½  | 110½       | 110½      | 109½  |       |
| 17.....       | 113½       | 112½  | 114½             | 111½      | 113½  | 110½       | 110½      | 110½  |       |
| 18.....       | 113½       | ..... | 114½             | 111       | ..... | 110½       | 110½      | 109   |       |
| 19.....       | 113½       | ..... | 114½             | 110½      | 112½  | 109½       | 110½      | 109   |       |
| 20.....       | .....      | ..... | .....            | 111½      | 112½  | 110½       | 110½      | ..... |       |
| 21.....       | .....      | ..... | .....            | (Holiday) |       |            |           |       | ..... |
| 22.....       | .....      | ..... | .....            | 114½      | ..... | 110½       | 111       | 111   |       |
| 23.....       | 113½       | ..... | 114½             | 111½      | ..... | 110½       | 111½      | 109½  |       |
| 24.....       | 114½       | 113½  | 116              | 112½      | 113½  | 111½       | 111½      | 110½  |       |
| 25.....       | 115½       | 114½  | 117½             | 113½      | 115   | 112        | 112½      | 112½  |       |
| 26.....       | 116½       | ..... | 118½             | 115½      | 116½  | 113½       | 113½      | 110½  |       |
| 27.....       | .....      | ..... | .....            | .....     | ..... | .....      | .....     | ..... |       |
| First.....    | 112½       | 111½  | 113              | 109½      | 110½  | 108½       | 108½      | 108½  |       |
| Lowest.....   | 112½       | 111½  | 113              | 109½      | 110½  | 108½       | 108½      | 108½  |       |
| Highest.....  | 116½       | 114½  | 118½             | 115½      | 116½  | 113½       | 113½      | 112½  |       |
| Last.....     | 116½       | 114½  | 118½             | 115½      | 116½  | 113½       | 113½      | 112½  |       |

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON.

| Date.          | Cons for mon. |         |      |       | Am. securities. |                         |       |       | Date. | Cons for mon. |         |      |       | Am. securities. |         |      |       |
|----------------|---------------|---------|------|-------|-----------------|-------------------------|-------|-------|-------|---------------|---------|------|-------|-----------------|---------|------|-------|
|                | U. S.         | Ill. C. | Erie | sh's. | U. S.           | Ill. C.                 | Erie  | sh's. |       | U. S.         | Ill. C. | Erie | sh's. | U. S.           | Ill. C. | Erie | sh's. |
| Monday.....    | 1             | 93½     | 75½  | 92½   | 25½             | Saturday.....           | 20    | 93    | 78½   | 97½           | 21½     |      |       |                 |         |      |       |
| Tuesday.....   | 2             | 92½     | 76½  | 93    | 25½             | Monday.....             | 22    | 93½   | 78½   | 96½           | 23½     |      |       |                 |         |      |       |
| Wednesday..... | 3             | 93½     | 76½  | 93½   | 25½             | Tuesday.....            | 23    | 93½   | 75½   | 96½           | 24½     |      |       |                 |         |      |       |
| Thurs.....     | 4             | 93½     | 76½  | 93½   | 24              | Wednesday.....          | 24    | 93    | 79½   | 97½           | 24½     |      |       |                 |         |      |       |
| Friday.....    | 5             | 93      | 76½  | 93½   | 24½             | Thursday.....           | 25    | 93    | 80½   | 96½           | 24½     |      |       |                 |         |      |       |
| Saturday.....  | 6             | 93½     | 76½  | 93½   | 25½             | Friday.....             | 26    | 93½   | 81½   | 96½           | 24      |      |       |                 |         |      |       |
| Monday.....    | 8             | 93½     | 76½  | 93½   | 25½             | Saturday.....           | 27    | 93½   | 83    | 96½           | 25½     |      |       |                 |         |      |       |
| Tuesday.....   | 9             | 93½     | 76½  | 93½   | 25              | .....                   | ..... | ..... | ..... | .....         | .....   |      |       |                 |         |      |       |
| Wednesday..... | 10            | 91½     | 77   | 91    | 24½             | Lowest.....             | 91    | 75½   | 92½   | 24            |         |      |       |                 |         |      |       |
| Thursday.....  | 11            | 93      | 77½  | 94    | 24½             | Highest.....            | 93½   | 83    | 97½   | 25½           |         |      |       |                 |         |      |       |
| Friday.....    | 12            | 93      | 77½  | 94½   | 25              | Range.....              | ..... | 7½    | 4½    | 1½            |         |      |       |                 |         |      |       |
| Saturday.....  | 13            | 93      | 77½  | 95½   | 25              | Last.....               | 93½   | 83    | 96½   | 25½           |         |      |       |                 |         |      |       |
| Monday.....    | 15            | 93½     | 78½  | 97½   | 25              | .....                   | ..... | ..... | ..... | .....         | .....   |      |       |                 |         |      |       |
| Tuesday.....   | 16            | 93      | 78½  | 97½   | 25              | Low } Since Jan. 1..... | 92½   | 74½   | 92½   | 24            |         |      |       |                 |         |      |       |
| Wednesday..... | 17            | 93      | 78½  | 96½   | 24½             | High } .....            | 93½   | 83    | 97½   | 26½           |         |      |       |                 |         |      |       |
| Thursday.....  | 18            | 93      | 78½  | 96½   | 21½             | Range } .....           | 93    | 8½    | 5     | 2½            |         |      |       |                 |         |      |       |
| Friday.....    | 19            | 93      | 78½  | 96½   | 24½             | Last } .....            | 93½   | 83    | 96½   | 25½           |         |      |       |                 |         |      |       |

The following table will show the opening, highest, lowest and closing prices of all the railway and miscellaneous securities quoted at the New York Stock Exchange during the months of January and February, 1869:

|                              | January |       |       |       | February |       |       |       |
|------------------------------|---------|-------|-------|-------|----------|-------|-------|-------|
|                              | Open.   | High. | L. w. | Clos. | Open.    | High. | Low.  | Clos. |
| Railroad Stocks—             |         |       |       |       |          |       |       |       |
| Alton & Terre Haut.....      | 41      | 42½   | 39    | 42    | 41½      | 41½   | 39    | 39    |
| do do pref.....              | 61      | 69½   | 61    | 61½   | 68½      | 68½   | 65½   | 6½    |
| Boston, Hartford & Erie..... | 27      | 28    | 27    | 27½   | .....    | ..... | ..... | ..... |
| Chicago & Alton.....         | 147     | 151   | 147   | 150   | 152      | 161   | 152   | 156½  |
| do do pref.....              | 148     | 150   | 148   | 150   | 153½     | 160   | 153   | 157   |
| Chicago, Burl. & Quincy..... | 190     | 200   | 185   | 188   | 187      | 199   | 187   | 190   |
| do & Gt. Eastern.....        | 43      | 48    | 43    | 46    | .....    | ..... | ..... | ..... |
| do do & Northwest'n.....     | 81      | 84½   | 81    | 84½   | 84½      | 84½   | 83    | 82½   |
| do do do pref.....           | 84½     | 92    | 83½   | 91    | 91½      | 92½   | 90    | 91½   |
| do do & Rock Island.....     | 118½    | 135½  | 117½  | 133½  | 130½     | 132   | 126½  | 126½  |
| Cin., Ham & Dayton.....      | 77      | 77    | 77    | 77    | .....    | ..... | ..... | ..... |
| Columb. Chic. & Ind. C.....  | 45      | 59    | 43½   | 57    | 56       | 56    | 45½   | 47    |
| Clev. & Pittsburg.....       | 84½     | 98½   | 82½   | 95½   | 93½      | 94    | 80½   | 9½    |
| do do & Toledo.....          | 100½    | 107   | 100½  | 103½  | 104½     | 106½  | 103½  | 106½  |
| do do Col. in & Ind.....     | 74      | 75    | 73    | 73    | 74       | 74    | 68½   | 68½   |
| Del., Lack & Western.....    | 119½    | 120½  | 119   | 119½  | 119½     | 119½  | 115   | 115½  |
| Dubuque & Sioux city.....    | 94      | 97    | 94    | 97    | 103      | 107   | 103   | 107   |
| Erie.....                    | 38      | 40½   | 38    | 38½   | 38       | 38    | 38    | 38    |
| do do pref.....              | 63      | 64    | 61½   | 63    | .....    | ..... | ..... | ..... |
| Harlem.....                  | 121½    | 142½  | 125   | 135   | 140      | 140   | 137   | 137   |
| Hannibal & St. Joseph.....   | 90      | 110   | 90    | 110   | 110      | 122   | 109   | 120   |
| do do do pref.....           | 91½     | 110   | 91½   | 108   | 109½     | 118   | 108   | 115   |
| Hudson River.....            | 135½    | 137½  | 130   | 135½  | 135      | 138½  | 135   | 137   |
| Illinois Central.....        | 142½    | 144½  | 139   | 139   | 139      | 145   | 138½  | 140   |
| Joliet & Chicago.....        | 92      | 92    | 92    | 92    | 95       | 95    | 95    | 95    |
| Long Island.....             | 46      | 46    | 45    | 45    | .....    | ..... | ..... | ..... |
| Lake Shore.....              | 99      | 103   | 99    | 102   | 101½     | 105½  | 101½  | 105½  |
| Mar. & Cincin., 1st.....     | .....   | ..... | ..... | ..... | 23½      | 28    | 23½   | 28    |
| do do 2d.....                | 9       | 9     | 9     | 9     | 8½       | 8     | 8     | 8     |
| Michigan Central.....        | 115     | 121   | 114   | 120   | 119½     | 120   | 117½  | 118½  |
| do do S. & N. Ind.....       | 88½     | 96    | 87½   | 96½   | 93½      | 9½    | 9½    | 97½   |
| Milwaukee & St. Paul.....    | 68      | 77½   | 68    | 77½   | 66½      | 67    | 61½   | 66    |
| do do do pref.....           | 89      | 96½   | 87½   | 94    | 81½      | 81½   | 77    | 78½   |
| Morris & Essex.....          | 86      | 87½   | 85½   | 87    | 86       | 87    | 86    | 88½   |
| New Jersey.....              | 128     | 130   | 128   | 130   | 130      | 130   | 129½  | 129½  |
| do do Central.....           | 115½    | 116½  | 112½  | 113   | 113      | 114   | 110   | 110½  |
| New York Central.....        | 159½    | 169½  | 154½  | 163½  | 162      | 165½  | 160   | 164½  |
| do do & N. Haven.....        | 139     | 140   | 139   | 155   | 154      | 154   | 143   | 144   |
| Norwich & Worcester.....     | 95      | 100   | 95    | 97    | 98       | 105   | 98    | 105   |
| Oil Creek & Alleghany.....   | 77      | 77    | 77    | 77    | 75       | 75    | 75    | 75    |
| Ohio & Mississippi.....      | 34½     | 39    | 32½   | 39    | 38       | 38½   | 33    | 34½   |
| do do do pref.....           | 77      | 77    | 77    | 77    | 76       | 77    | 75½   | 76    |
| Panama.....                  | 348     | 348   | 340   | 344   | 340      | 340   | 332   | 335   |
| Pittsb., Ft. W. & Chica..... | 113½    | 124½  | 112½  | 124   | 121      | 123   | 117½  | 121   |
| Reading.....                 | 98      | 98½   | 93    | 97½   | 96½      | 96½   | 91½   | 92½   |
| Stonington.....              | 80      | 80    | 80    | 80    | 82       | 82    | 82    | 82    |
| Toledo, Wab. & Western.....  | 59½     | 67    | 59½   | 65    | 65       | 68    | 63½   | 68    |
| do do do pref.....           | 74      | 78    | 73    | 78    | 77½      | 77½   | 77    | 77    |
| Miscellaneous—               |         |       |       |       |          |       |       |       |
| Asburton Coal.....           | .....   | 48    | 48    | ..... | .....    | ..... | ..... | ..... |
| American Coal.....           | 48      | 64    | 51    | 64    | 65       | 65    | 60    | 65    |
| Central.....                 | 38      | 39    | 37    | 38½   | 38½      | 38½   | 36    | 37    |
| Cumberland Coal.....         | 130½    | 132   | 125½  | 136   | 125½     | 129   | 125   | 128   |
| Del. & Hud. Canal Coal.....  | 215     | 222   | 215   | 222   | .....    | ..... | ..... | ..... |
| Pennsylvania Coal.....       | 40      | 41    | 40    | 40    | 50       | 50    | 50    | 50    |
| Spring Mountain Coal.....    | 21      | 22    | 21    | 22    | .....    | ..... | ..... | ..... |
| Atlantic Mail.....           | 119½    | 128½  | 117½  | 121   | 119½     | 120   | 97½   | 102   |
| Pacific Mail.....            | 13½     | 16    | 13½   | 16    | 15½      | 16    | 15½   | 16    |
| Boston Water Tower.....      | 49½     | 62    | 49½   | 61    | 60       | 61    | 60    | 60½   |
| Canton.....                  | 10      | 10    | 9½    | 10    | 10       | 10    | 9½    | 9½    |
| Brunswick City.....          | 6       | 8½    | 6     | 7½    | 8        | 11½   | 9½    | 11½   |
| Mariposa.....                | 21      | 25½   | 20    | 24    | 24½      | 32½   | 24½   | 32½   |
| do do pref.....              | 22      | 28    | 22    | 24½   | 23½      | 25½   | 23½   | 24½   |
| Quicksilver.....             | 230     | 230   | 230   | 230   | 250      | 250   | 250   | 250   |
| Manhattan Gas.....           | 34      | 39½   | 33½   | 38½   | 33       | 39    | 36½   | 37½   |
| West. Union Telegraph.....   | 100     | 101   | 100   | 101   | .....    | ..... | ..... | ..... |
| Bankers & Brokers As.....    | 5       | 5     | 5     | 5     | .....    | ..... | ..... | ..... |
| New York Guano.....          | .....   | ..... | ..... | ..... | .....    | ..... | ..... | ..... |
| Express—                     |         |       |       |       |          |       |       |       |
| American.....                | 38½     | 43    | 38    | 43    | 46       | 50½   | 48    | 39    |
| American M. Union.....       | 43½     | 65    | 48    | 64½   | 68½      | 69½   | 55    | 56    |
| Adams.....                   | 43      | 59    | 43    | 55½   | .....    | ..... | ..... | ..... |
| United States.....           | 14½     | 18½   | 12½   | 17½   | 16       | 20½   | 15    | 16    |
| Merchant's Union.....        | 24      | 30½   | 23    | 30½   | 31½      | 31½   | 30½   | 30½   |
| Wells, Fargo & Co.....       | .....   | ..... | ..... | ..... | .....    | ..... | ..... | ..... |



The following formula will show the movement of coin and bullion during the month of February, 1868 and 1869, respectively :

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

|                                      | 1868.        | 1869.        | Increase.   | Decrease    |
|--------------------------------------|--------------|--------------|-------------|-------------|
| Receipts from California.....        | 4,122,073    | 2,111,110    |             | 2,010,963   |
| Imports of coin and bullion.....     | 415,875      | 1,851,755    | 1,435,880   |             |
| Coin interest paid.....              | 1,850,086    | 1,923,544    | 4,458       |             |
| Total reported supply.....           | \$6,418,039  | \$3,886,349  | \$          | \$331,670   |
| Exports of coin and bullion.....     | \$4,203,855  | \$4,194,990  |             | \$8,835     |
| Customs duties.....                  | 9,733,125    | 12,179,726   | 2,446,601   |             |
| Total withdrawn.....                 | \$13,983,950 | \$16,374,716 | \$2,435,766 |             |
| Excess of withdrawals.....           | \$7,520,911  | \$10,483,327 | \$2,967,416 |             |
| Specie in banks decreased.....       | 1,853,673    | 7,104,801    | 5,231,123   |             |
| Derived from unreported sources..... | \$5,657,233  | \$3,381,526  | \$          | \$2,275,707 |

The course of the gold premium has been determined mainly by the extraordinary foreign movement in bonds. At the opening of the month, gold was held firmly upon the supposition that large amounts would be required during February and March for export. Instead of shipping specie, however, an enormous amount of exchange came upon the market, made against exports of bonds. Under this disappointment of calculations, the price, after opening at 136½, closed weak at 131½, precisely 10 points lower than at the close of February, 1868. The decline has been aided by a growing confidence that we are on the eve of a more conservative administration of public affairs, and that even still further outlets of our securities will be required by foreign investors. The receipts of treasure from California continue to show a heavy falling off, being \$4,000,000 less than in February, 1868. The exports of specie compare closely with those of last year.

COURSE OF GOLD AT NEW YORK.

| Date.          | Open'g  | Lowest | Highest | Closing | Date.                | Open'g | Lowest | Highest | Closing |
|----------------|---------|--------|---------|---------|----------------------|--------|--------|---------|---------|
| Monday.....    | 1 136½  | 135½   | 136½    | 135½    | Monday.....          | 22     |        |         |         |
| Tuesday.....   | 2 135½  | 135½   | 135½    | 135½    | Tuesday.....         | 23     | 133½   | 132½    | 133½    |
| Wednesday..... | 3 135½  | 135½   | 135½    | 135½    | Wednesday.....       | 24     | 132½   | 132½    | 132½    |
| Thursday.....  | 4 135½  | 135½   | 135½    | 135½    | Thursday.....        | 25     | 132½   | 132½    | 132½    |
| Friday.....    | 5 135½  | 135    | 135½    | 135½    | Friday.....          | 26     | 132½   | 131½    | 132½    |
| Saturday.....  | 6 135   | 135    | 135½    | 135½    | Saturday.....        | 27     | 131    | 130½    | 131½    |
| Monday.....    | 8 135½  | 135½   | 135½    | 135½    | Feb. 1869.....       | 136½   | 130½   | 136½    | 131½    |
| Tuesday.....   | 9 135   | 135    | 135½    | 135½    | 1868.....            | 140½   | 139½   | 144     | 141½    |
| Wednesday..... | 10 135  | 134½   | 135½    | 135½    | 1867.....            | 143½   | 135½   | 140½    | 139½    |
| Thursday.....  | 11 135  | 135½   | 135½    | 135½    | 1866.....            | 14     | 135½   | 140½    | 135     |
| Friday.....    | 12 135½ | 135½   | 135½    | 135½    | 1865.....            | 20     | 19½    | 216½    | 202½    |
| Saturday.....  | 13 135  | 134½   | 135½    | 135     | 1864.....            | 157½   | 157½   | 161     | 159½    |
| Monday.....    | 15 135½ | 135    | 135½    | 135½    | 1863.....            | 172½   | 153½   | 172½    | 172     |
| Tuesday.....   | 16 135½ | 135    | 135½    | 135     | 1862.....            | 133½   | 102½   | 104½    | 102½    |
| Wednesday..... | 17 135½ | 134½   | 135½    | 135     | 1861.....            | 100    | 100    | 101     | 100     |
| Thursday.....  | 18 134  | 133½   | 134½    | 133½    | See Jan 1, 1869..... | 134½   | 133½   | 136½    | 131½    |
| Friday.....    | 19 134  | 133½   | 134½    | 133½    |                      |        |        |         |         |
| Saturday.....  | 20 134½ | 133½   | 134½    | 134½    |                      |        |        |         |         |

The following exhibits the quotations at New York for banker 60 days bills on the principal European markets daily in the month of February, 1869 :

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

| Days.   | London, cents for 54 pence. | Paris, centimes for dollar. | Amsterdam, florin. | Bremen, cents for rix daler. | Hamburg, cents for M. banco. | Berlin, cents for thaler. |
|---------|-----------------------------|-----------------------------|--------------------|------------------------------|------------------------------|---------------------------|
| 1.....  | 103½ @ 103½                 | 516½ @ 514½                 | 41 @ 41½           | 79 @ 79½                     | 26½ @ 26½                    | 71½ @ 72                  |
| 2.....  | 109½ @ 109½                 | 516½ @ 515                  | 41 @ 41½           | 79 @ 79½                     | 26½ @ 26½                    | 71½ @ 72                  |
| 3.....  | 109½ @ 109½                 | 516½ @ 515½                 | 41 @ 41½           | 79 @ 79½                     | 26½ @ 26½                    | 71½ @ 72                  |
| 4.....  | 109½ @ 109½                 | 516½ @ 515½                 | 41 @ 41½           | 79 @ 79½                     | 26½ @ 26½                    | 71½ @ 72                  |
| 5.....  | 109½ @ 109½                 | 515½ @ 515                  | 41 @ 41½           | 79 @ 79½                     | 26½ @ 26½                    | 71½ @ 72                  |
| 6.....  | 104½ @ 109½                 | 515½ @ 515                  | 41 @ 41½           | 79 @ 79½                     | 26½ @ 26½                    | 71½ @ 72                  |
| 7.....  | 109½ @ 109½                 | 516½ @ 515½                 | 41 @ 41½           | 79 @ 79½                     | 26½ @ 26½                    | 71½ @ 72                  |
| 8.....  | 109½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |
| 9.....  | 109½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |
| 10..... | 109½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |
| 11..... | 109½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |
| 12..... | 109½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |
| 13..... | 109½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |
| 14..... | 109½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |
| 15..... | 109½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |
| 16..... | 108½ @ 109½                 | 517½ @ 516½                 | 40½ @ 41           | 78½ @ 78½                    | 26½ @ 26½                    | 71½ @ 71½                 |

|                 |             |      |        |           |              |           |           |
|-----------------|-------------|------|--------|-----------|--------------|-----------|-----------|
| 17.....         | 108% @ 108% | 521  | @ 517% | 40% @ 40% | 78% @ 78%    | 85% @ 86  | 71% @ 71% |
| 18.....         | 108% @ 108% | 520  | @ 517% | 40% @ 40% | 78% @ 78%    | 85% @ 86  | 71% @ 71% |
| 19.....         | 109 @ 109%  | 517% | @ 516% | 40% @ 41% | 78% @ 78%    | 85% @ 86  | 71% @ 71% |
| 20.....         | 109 @ 109%  | 517% | @ 516% | 40% @ 40% | 78% @ 78%    | 85% @ 86  | 71% @ 71% |
| 21.....         |             |      |        |           | (Holiday.)   |           |           |
| 22.....         |             |      |        |           |              |           |           |
| 23.....         | 100 @ 109%  | 517% | @ 516% | 40% @ 41% | 78% @ 78%    | 85% @ 86  | 71% @ 71% |
| 24.....         | 109% @ 109% | 516% | @ 516% | 40% @ 40% | 78% @ 78%    | 85% @ 86  | 71% @ 71% |
| 25.....         | 109 @ 109%  | 51%  | @ 516% | 40% @ 40% | 78% @ 78%    | 85% @ 86  | 71% @ 71% |
| 26.....         | 108% @ 108% | 517% | @ 516% | 40% @ 4%  | 78% @ 78%    | 85% @ 86  | 71% @ 71% |
| 27.....         |             |      |        |           | (Irregular.) |           |           |
| Feb., 1869..... | 10-% @ 109% | 520  | @ 514% | 40% @ 41% | 78% @ 79%    | 85% @ 86% | 7 % @ 72  |
| Feb., 1868..... | 109% @ 110% | 516% | @ 513% | 41% @ 41% | 78% @ 79%    | 86 @ 86%  | 71% @ 72% |

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Returns of the New York, Philadelphia and Boston Banks.

Below we give the returns of the Banks of the three cities since Jan. 1 :

| Date.           | NEW YORK CITY BANK RETURNS. |              |              |              |              | L. Tend's.   | Ag. Clear'gs. |
|-----------------|-----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                 | Loans.                      | Specie.      | Cir ul n on. | Deposits.    |              |              |               |
| January 2....   | \$259,490,057               | \$50,736,122 | \$34,379,009 | \$18,040,445 | \$18,896,421 | \$58,504,799 |               |
| January 9....   | 258,792,662                 | 27,384,150   | 34,344,356   | 187,908,539  | 51,141,128   | 70,772,051   |               |
| January 16....  | 262,328,881                 | 29,278,536   | 34,279,153   | 195,484,843  | 52,927,083   | 675,796,611  |               |
| January 23....  | 264,454,639                 | 28,864,197   | 31,265,936   | 197,101,163  | 51,022,119   | 671,234,542  |               |
| January 30....  | 265,171,709                 | 27,784,923   | 34,231,156   | 196,985,462  | 54,747,569   | 649,361,246  |               |
| February 6....  | 266,541,732                 | 27,939,104   | 34,246,436   | 196,601,899  | 53,424,133   | 670,329,470  |               |
| February 13.... | 264,380,407                 | 35,854,331   | 34,263,451   | 192,977,860  | 52,334,652   | 690,754,499  |               |
| February 21.... | 263,428,064                 | 28,351,191   | 34,247,321   | 187,612,546  | 50,969,197   | 70,991,049   |               |
| February 27.... | 261,371,697                 | 20,832,603   | 34,247,981   | 185,216,175  | 50,835,054   | 529,516,021  |               |

| Date.            | PHILADELPHIA BANK RETURNS. |           |                |              | Circulation. |
|------------------|----------------------------|-----------|----------------|--------------|--------------|
|                  | Loans.                     | Specie.   | Legal Tenders. | Deposits.    |              |
| January 4.....   | \$51,716,999               | \$352,483 | \$13,210,397   | \$33,121,023 | \$10,593,379 |
| January 11.....  | 51,642,237                 | 544,691   | 13,498,109     | 35,768,511   | 10,594,372   |
| January 18.....  | 52,122,788                 | 478,462   | 13,729,498     | 39,625,158   | 10,596,560   |
| January 25.....  | 52,557,015                 | 411,837   | 14,054,870     | 39,555,462   | 10,593,914   |
| February 1.....  | 52,632,813                 | 3,27,82   | 14,26,650      | 29,677,943   | 10,599,351   |
| February 8.....  | 53,059,716                 | 317,011   | 13,785,595     | 40,600,399   | 10,586,552   |
| February 15..... | 52,929,391                 | 104,681   | 13,573,343     | 38,711,575   | 10,582,226   |
| February 22..... | 52,416,146                 | 2,1,307   | 13,203,607     | 37,990,986   | 10,458,546   |

| Date.            | BOSTON BANK RETURNS. |            |                |              | Circulation. |
|------------------|----------------------|------------|----------------|--------------|--------------|
|                  | Loans.               | Specie.    | Legal Tenders. | Deposits.    |              |
| January 4.....   | \$98,423,644         | \$,203,401 | \$2,983,334    | \$31,633,767 | \$5,151,245  |
| January 11.....  | 100,727,077          | 3,075,814  | 12,864,700     | 38,032,891   | 25,276,667   |
| January 18.....  | 102,365,109          | 2,677,688  | 12,992,327     | 39,717,193   | 25,243,823   |
| January 25.....  | 102,959,942          | 2,394,770  | 13,228,874     | 29,555,747   | 25,272,300   |
| February 1.....  | 103,696,453          | 2,161,284  | 13,164,225     | 40,238,462   | 25,312,947   |
| February 8.....  | 104,342,425          | 2,073,908  | 12,452,795     | 39,693,877   | 25,220,257   |
| February 15..... | 103,215,064          | 1,845,524  | 11,642,856     | 37,759,772   | 25,352,122   |
| February 23..... | 102,352,632          | 1,545,418  | 11,400,790     | 36,323,814   | 25,304,055   |

SPECIAL NOTICE.

WESTFIELD WHIP MANUFACTORY.

When Jasper R. Rand established his whip factory at Westfield in 1833, whip manufacture was a slow business; these gentle stimulants were made almost exclusively by hand—machinery being used only for braiding the thread. Now that factory has grown to mammoth proportions, and under the management of its present proprietors, Rand, Lewis & Rand, whip manufacture has become a fine art. They have in operation twenty-five braiders, run by water power, each of which turns off twenty-five times as much work as the wooden machines formerly in use, five minutes being occupied in braiding one whip. They make whips of all imaginable kinds and styles, from buggy whips worth eighty five cents per dozen, to elegant ivory-handled, gold mounted articles worth six hundred dollars per dozen. If all the whips made by them in a year, were placed together, they would reach from Boston to Albany and back. Their warehouse is 36 Murray street, New York.

# MARINE INSURANCE.

OFFICE OF THE

## SUN MUTUAL INSURANCE COMPANY,

INCORPORATED MAY 22, 1841,

NO. 52 WALL STREET.

|                       |                  |                       |
|-----------------------|------------------|-----------------------|
| Cash Capital paid up  | - - - - -        | \$500,000 00          |
| Surplus 1st Jan, 1869 | - - - - -        | \$531 167 17          |
| <b>Total Assets,</b>  | <b>- - - - -</b> | <b>\$1,031,167 17</b> |

New York January 23, 1869

The following statement of the affairs of this Company on the 31st of December, 1868, is published in conformity with the requirements of the 10th Section of the Act of its incorporation:

|                                                             |       |                   |
|-------------------------------------------------------------|-------|-------------------|
| Premiums on Unexpired Risks, Dec. 31, 1867                  | ..... | \$222,591 74      |
| Premiums received during the year ending December 31, 1868: |       |                   |
| On Marine Risks                                             | ..... | \$624,680 87      |
| On Inland Risks                                             | ..... | 14,707 97         |
|                                                             |       | <u>639,388 84</u> |

|                                           |       |              |
|-------------------------------------------|-------|--------------|
| Total Premiums                            | ..... | \$861,980 58 |
| Marked off as earned during the year 1868 | ..... | \$636,574 79 |
| Return Premiums during year               | ..... | \$76,815 63  |

|                                                                                   |       |                   |
|-----------------------------------------------------------------------------------|-------|-------------------|
| Losses incurred during the year (including estimates for all disasters reported): |       |                   |
| On Marine Risks                                                                   | ..... | \$314,294 99      |
| On Inland Risks                                                                   | ..... | 2,118 43          |
|                                                                                   |       | <u>316,413 42</u> |

|                                                                            |       |                     |
|----------------------------------------------------------------------------|-------|---------------------|
| Expense, Reinsurances, Taxes, Commissions, Abatements in Pen of Scrip, &c. | ..... | 100,728 39          |
|                                                                            |       | <u>\$493,957 44</u> |

|                                                                    |       |                     |
|--------------------------------------------------------------------|-------|---------------------|
| The ASSETS of the Company on the 31st Dec., 1868, were as follows: |       |                     |
| U. S. 5% bonds                                                     | ..... | \$340,400 00        |
| U. S. 10/40 bonds                                                  | ..... | 164,600 00          |
|                                                                    |       | <u>\$505,000 00</u> |

|                                                                   |       |                     |
|-------------------------------------------------------------------|-------|---------------------|
| City Bonds and other Stock                                        | ..... | 11,752 00           |
| Bonds and Mortgages                                               | ..... | 26,000 00           |
| Cash on deposit, and loans on demand, secured by Bonds and Stocks | ..... | 62,291 62           |
|                                                                   |       | <u>\$605,044 62</u> |

|                                                                                |       |            |
|--------------------------------------------------------------------------------|-------|------------|
| Premium Notes and Bills Receivable not matured                                 | ..... | 154,974 91 |
| Subscription Notes                                                             | ..... | 111,166 25 |
| Cash Premiums in course of collection and accrued interest on Loans and Stocks | ..... | 21,168 25  |
| Sundry Salvage, Reinsurance and other claims due the Company, estimated at     | ..... | 138,813 04 |

Total Assets remaining with the Company on the 31st December, 1868 ..... \$1,031,167 17

No Fire Risks have been taken by the Company during the year, except in connection with Marine Risks.

In view of the foregoing result the Board of Trustees have this day resolved that a PROFIT DIVIDEND OF FOUR PER CENT, in Cash, be paid to the stockholders on demand, free of Government Tax, in addition to the Interest Dividend of Seven per Cent, paid in July and January.

Also that a SCIP DIVIDEND OF TEN PER CENT, free of Government Tax, be declared on the net-earned premiums entitled to participation for the year 1868, for which certificates may be issued on and after the 1st day of April next.

By order of the Board,

ISAAC H. WALKER, Secretary.

TRUSTEES:

- James H. Grinnell,
- John P. Paulison,
- John E. Devlin,
- Louis DeBehan,
- William H. Macy,
- Fred. G. Foster,
- Richardson T. Wilson,
- John H. Macy,
- Henry Forster Hitch,
- Elias Pontvert,
- Simon De Visser,
- Wm. R. Preston,

- Isaac A. Crane,
- A. Yznaga del Valle,
- John S. Wright,
- Wm. Von Sachs,
- Philip Dater,
- Wm. Toel,
- Thomas J. Slaughter,
- Joseph Gaillard, Jr.,
- Alex. M. Lawrence,
- Isaac Bell,
- Elliot C. Cowdin,

- Percy R. Payne,
- Samuel M. Fox,
- Joseph V. Onativia,
- Edward S. Jaffray,
- William Oothout,
- Ernest Caylus,
- Frederick Chauceur,
- George L. Kingsland,
- James F. Penniman,
- Fred. W. Sturgis,
- Anson G. P. Stokes,

ISAAC H. WALKER, Secretary

MOSHS H. GRINNELL, President,  
JOHN P. PAULISON, Vice-President

# ATLANTIC

## Mutual Insurance Company,

(ORGANIZED IN 1842.)

Office, 51 Wall St., cor. of William, New York,

**JANUARY, 1869,**

*Has now Assets, accumulated from its business, of over Thirteen and one-half Million Dollars.*

VIZ.:

|                                                                                           |              |
|-------------------------------------------------------------------------------------------|--------------|
| United States and State of New York Stock, City, Bank and other Stocks,                   | \$7,587,435  |
| Loans secured by Stocks and otherwise,                                                    | 2,214,100    |
| Premium Notes and Bills Receivable, Real Estate, Bond and Mortgages and other securities, | 3,453,795    |
| Cash in Bank,                                                                             | 405,545      |
|                                                                                           | <hr/>        |
|                                                                                           | \$13,660,875 |

Insures against MARINE and INLAND  
Navigation Risks.

*The whole profit of the Company reverts to the Assured, and is divided annually upon the premiums terminated during the year; and for which certificates are issued, bearing interest until redeemed.*

### TRUSTEES:

J. D. JONES,  
CHARLES DENNIS,  
W. H. H. MOORE,  
HENRY COIT,  
WM. C. PICKERSGILE,  
LEWIS CURTIS,  
CHARLES H. RUSSELL,  
LOWELL HOLBROOK,  
R. WARREN WESTON,  
ROYAL PHELPS,  
CALEB BARSTOW,  
A. P. PILLOT,  
WILLIAM E. DODGE,

DAVID LANE,  
JAMES BRICE,  
DANIEL S. MILLER,  
WM. STURGIS,  
HENRY K. BOGERT,  
DENNIS PERKINS,  
JOSEPH GAILLARD, Jr.  
C. A. HAND,  
JAMES LOW,  
R. J. HOWLAND,  
BENJ. BABCOCK,  
ROBT. B. MINTURN,  
GORDON W. BURNHAM,

FREDERICK CHAUNCEY,  
R. L. TAYLOR,  
GEORGE S. STEPHENSON,  
WILLIAM H. WEBB,  
PAUL SPOFFORD,  
SHEPPARD GANDY,  
FRANCIS SKIDDY,  
CHARLES P. BURDETT,  
ROBT. C. FERGUSSON,  
SAMUEL G. WARD,  
WILLIAM E. BUNKER,  
SAMUEL L. MITCHELL,  
JAMES G. DE FOREST.

JOHN D. JONES, *President.*  
CHARLES DENNIS, *Vice-President.*  
W. H. H. MOORE *2nd Vice-Pres.*  
J. D. HEWLETT, *3d Vice-Pres.*

J. H. CHAPMAN, *Secretary*