



# HUNT'S

## MERCHANTS' MAGAZINE

AND

## COMMERCIAL REVIEW.

EDITED BY  
WILLIAM B. DANA.

Price \$5 per Annum.

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M A Y , 1 8 6 9 .

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THE DECLINE IN BREADSTUFFS AND THE GENERAL TRADE OF THE  
COUNTRY.

The late heavy decline in the value of breadstuffs, though attended with results not immediately welcome to some interests, is yet one of the most auspicious features connected with our national industries that has occurred since the war. High prices of food mean high prices for products generally; for the reason that the cost of human sustentation regulates the cost of labor, and the cost of labor determines that of products. While, therefore, food was high, we could not have a healthy condition in the industries at large. Natural law, however, ultimately adjusts all industrial irregularities; and the late high prices of grain were infallibly prophetic of the lower prices we have now reached. If the war withdrew an undue proportion of population from the agricultural class, rendering farm labor scarce and the crops light; the consequent high prices of grain made agriculture exceptionally profitable, inviting labor from less remun-

erative employments, and attracting immigration from other countries. The rapidity with which this process has worked out conspicuous results is beyond what was generally anticipated, and illustrates the safety with which natural causes may be trusted to remedy irregular movements in production and commerce. The following comparison will show the decline in the prices of breadstuffs at New York within the last twelve months :

	April 23, 1869.	April 25, 1868.
Flour—		
Superfine.....	per bbl. \$5 40@ 5 60	\$9 40@10 00
Extra state.....	5 75@ 6 15	10 35@10 85
Shipping round hoo (Cho.....	5 9@ 6 40	10 50@ 10 90
Extra western, common to good.....	5 75@ 6 00	10 15@11 50
Double Extra Western and St. Louis.....	6 65@11 25	11 75@16 00
Southern superfs.....	6 25@ 6 65	10 40@11 15
Southern, extra and family.....	7 00@11 25	11 25@15 25
California.....	7 00@10 00	12 75@ 4 50
Rye flour, fine and superfine.....	4 7 @ 6 70	8 25@ 9 50
Corn meal.....	4 20@ 4 75	5 75@ 6 25
Wheat, S r n z.....	per bu h. 1 28@ 1 47	2 4 @ 3 70
Red Winter.....	1 50@ 1 60	... @ 2 85
Amber d.....	1 70@ 1 72	2 90@ 3 00
White.....	1 65@ 2 00	3 0 @ 3 49
Corn, Western mixed.....	82@ 84	1 10@ 1 19
Yellow.....	85@.....	1 22@ 1 21
White.....	84@ 88	1 14@ 1 16
Rye.....	1 30@ 1 35	2 05@ 2 27
Oats, Western cargoes new.....	7. @ 79	85@ 85

It will be seen from this comparison that flour and wheat are but little more than one-half the price of a year ago; while other kinds of grain also are very much lower. In passing, we may remind our readers of certain suggestions we made last Fall, condemnatory of the Western habit of holding back grain before the close of navigation, in hope of thereby exacting higher prices from Eastern and European consumers. The event has proved, as we foreshadowed, that the East would live upon its limited winter supplies and wait for the spring to determine its own prices; and that Europe also would be equally able to wait; while the West would, in the mean time, be embarrassed by carrying a heavy load of produce and its dealers lose heavily by a decline in prices. It remains to be seen whether prices are not, at the moment, exceptionally depressed. There is not, however, any very obvious reason for anticipating any important reaction. The class of causes which have operated to increase the production of grain in this country have been equally influential in all the grain growing countries of the world; and it is reasonable to assume that there is now a larger area of land and a larger amount of labor devoted to the production of grain than perhaps at any former period; so that, only in the event of adverse seasons, may we anticipate a falling off in the yield. So far as respects the United States, the weather has thus far been favorable and reports indicate the probability of ample crops. It is true that the farmer has to pay as high prices for labor, with wheat at \$1 35 per bushel, as when he obtained \$2 50 per bushel; and it may be that wheat

growing is consequently comparatively unprofitable. It would, however, be unsafe to conclude from this circumstance that the production of grain will be promptly curtailed. The farmer has had a succession of profitable crops, and he can afford to meet an adverse season. He stands committed to his extended production, having all the requisite appliances provided, and cannot readily contract; while he naturally hopes either for higher prices for his grain or lower prices for the labor he employs.

This changed condition of the grain trade has very important bearings upon the condition of the general trade of the country. One of the first results is apparently, as we noted last week, an unfavorable one. Eastern merchants complain of difficulty in making their collections at the West, and find the demand for goods from that section unexpectedly limited; the reason being very obviously that, with the reduced prices of grain, the farmers have to fall back upon credit, and cannot keep up their late scale of expenditures. This effect, however, in its turn becomes a cause, operating directly upon the manufacturing industries. The lightness of the Western trade is already compelling a reduction in the prices of manufactured goods, and many kinds of merchandise are selling at a loss to the producer. The contraction of the agricultural demand is such an important element in the goods markets, that manufacturers must soon be compelled to seek compensation in a reduction of the price of labor, or of raw materials, or of both. A necessity for such reduction has long been felt; but it was in vain to ask the laborer to concede while the costs of living were advancing. Now, the situation is essentially changed. The cost of the main element of subsistence has declined nearly one-half; fuel has fallen in nearly an equal proportion; clothing is rapidly cheapening, and the prospects of the Southern crops encourage the hope of a cotton yield which will give fresh impulse to this tendency; and although animal food still remains high, yet the reduced profits upon grain growing will naturally direct attention to cattle farming and increase our supply of pork and beef. Thus it will be seen that the return of breadstuffs to comparatively low prices leads the way to a general reduction in the value of all domestic products embraced in the costs of living. Under these circumstances, the manufacturers will be backed by natural causes in their efforts to secure a reduction of wages; and the attempt, when made, can hardly fail to be successful.

In view of these considerations, the efforts being made in some branches of labor to secure an advance of wages are peculiarly ill-timed; they show anything but an appreciation of the industrial condition of the country, and, if successful at all, can be so but very temporarily. The operatives of the East have for some time been demanding successive advances in wages, to compensate them for the high prices they have had to pay the

West for its food. The West, in return, having reduced the price of its products, now demands that the East shall charge less for its labor as represented in manufactured goods. If the operatives were right in the first instance; and the success of their demand proves that they were; then the farmers are right in the second instance; and their demand is equally sure of being acceded to.

The foregoing considerations throw some rays of light upon the present depressed aspect of business. The quiet of trade is really, to a certain extent, an incident of a remedial process, which must ere long work out highly beneficial results and produce a generally sounder condition of business. A downward course of values is always attended with losses to merchants, the disturbance of confidence, and a more or less despondent feeling. The capital of some merchants may be eaten up in the process, and mercantile establishments may be reduced, with the indirect advantage of driving a surplus of hands from the distributing class to the producing class. But, however, severely these results may be felt by those most directly concerned, yet the process is highly salutary to the country at large; it is a recovery from disease; and its issue will be health and prosperity.

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#### THE YANGTZE KIANG.

There is in Asia a river which, though named by a people who delight in high sounding titles, is yet more modestly designated than our own noble Mississippi, which we have named the "Father of Waters." The Chinaman, less pretentious for once, merely claims that the Yangtze Kiang is the "Son of the Ocean." A reference to the map will show that, in the distance traversed, and in the extent of country drained, the advantage, if any, is in favor of the Yangtze; while the population living on its banks outnumber the dwellers on the Mississippi, as 100 to 1. Of this great river until recently we knew literally nothing. Recent explorations and travels have taught us that the river proper is navigable more than 2,000 miles from the sea, and that its branches water a country extending between the 25th and 36th parallels of latitude, and the 80th and 122d meridians, comprising an area of over 1,300,000 square miles, and subsisting 200,000,000 of people, not including the tribes living on its banks, beyond the limits of China proper. With the exception of the Canton River, in the extreme south, and the Amoor, on the northern boundary, neither of which are navigable to any distance, the Yangtze is the only navigable river on the China coast. Foreign vessels have, for eight years, been permitted to trade as far as Hankow, 650 miles from the sea; yet the river is, at all

seasons, navigable for the largest sea-going steamers, as far as Ichang, 350 miles further up; and even at that point, vessels are not detained by want of water, but by the difficulty of passing narrow gorges, where the current is of wonderful rapidity. Through these gorges the depth of water exceeds, in many places, 150 feet, but powerful steamers, capable of passing these points, can ascend 1,000 miles further, into the heart of the province of Szechum, the garden of China. Beyond this we are without accurate information, as Captain Blackiston, to whom we are indebted for his careful and scientific exploration of the river above the Tung Ting Lake, was here compelled to turn back.

Limited and restricted as has been our intercourse with these people, and scanty as is our information as to their resources and wants, yet the increase of trade at the river ports, since the opening of Hankow, is sufficient to assure us that, when the day comes, as come it must, when the whole valley of the Yangtze is as freely open to the merchants of all nations, as the Mississippi now is, the volume of trade will assume proportions which will astound the most sanguine believer in the future of China. Let us examine the trade returns of the Imperial customs for 1867, showing the trade carried on in foreign bottoms alone, and reflect that we have access to the river for only one-third of its navigable length; and that even on that portion, the goods carried in native craft far exceed in value the amount carried in foreign vessels; and then try and form an estimate of what that trade will be when the entire river is open, and steam has superseded mat sails and oars as a propelling power.

We find in the returns referred to the figures in this table.

Ports.	Foreign Imports. Tael.*	Native Imports. Tael.	Native Exports. Tael.	Total. Tael.
Sha ghai .....	34,229,977	30,102,294	24,523,465	89,855,736
Hankow .....	10,244,636	7,826,138	12,416,332	30,577,126
Kin Kiang.....	2,636,381	865,468	4,537,761	7,860,609
Chin Kiang.....	3,233,618	2,084,266	385,928	5,806,802
	50,497,632	41,883,053	41,674,485	133,560,173

From official notifications published, it is almost certain that on the revision of the English Treaty, additional ports will be opened, and among them, probably, Ichang, Chung King and Suchow, on the Upper Yangtze. It is a favorite but fallacious argument, that the opening of a greater number of ports is disadvantageous to foreign trade, creating additional expense without proportional profit. This is, however, the doctrine of the China merchant of former days, who believed that China "was given to him for an inheritance," and looks on all fresh workers

\*The Tael is \$133½, so that the traffic in foreign vessels is about one hundred and seventy-seven millions in £ old.

in the field as intruders, and who cannot see that the world is a gainer by an increased production and trade, because all the profit does not go into his own pocket. There are many such in China who, having burnt their figures, in the vain attempt to control the business of fourteen ports, as they formerly did one, argue that each port opened retards trade. If their views are correct, the day that the entire country is thrown open, the mercantile world is ruined. The average price of goods has undoubtedly decreased, but the quantity used has increased in a wonderful ratio, and it is the question of quantity which is most interesting to the United States. Comparatively a very small amount of our productions find a market in China, the imports from the United States, in 1867, being only Taels, 702,683, against Taels, 66,332,514 from Great Britain and her colonies; while the exports to the two countries are respectively, Taels, 7,493,318, and Taels, 44,961,581. No material increase in this demand is to be expected, but it is none the less for our interests that additional ports, if in the interior, shall be opened. The navigation of the inland waters of China by steam was inaugurated by Americans, and, with one unimportant exception, has been conducted by Americans, in American built vessels, and there is no reason why it should not always be so. The prize is well worth striving for, since the day is not far distant when the carrying trade on the Yangtze will not only rival but surpass that of the Mississippi. That the Chinese have already practically decided the question of steamers *versus* junks, is shown by the fact that three-fourths of the merchandise carried by the river steamers is for Chinese shippers. Let England, then, open fresh ports, double and treble her supplies of cotton goods, and purchase every pound of tea and silk that China can raise; yet if we retain a monopoly of the transportation to and from the seaboard, we have availed ourselves of the most lucrative opening, and grasped the richest prize that China offers to America.

J. H. G.

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#### ENLARGEMENT OF THE NEW YORK CANALS.

At a meeting of the members of the New York Produce Exchange, held on the 25th of March, the subject of the enlargement of the canals of the State was considered, and an address delivered by Hon. Israel T. Hatch, of Buffalo. There is no discussion in which the country is more interested than this. The West and the East are alike desirous of seeing some measure perfected which shall lessen the charges for freight. Breadstuffs raised in the Western States and Territories are of little value unless an Eastern market can be obtained: and prosperity to the

West means also prosperity to the East. But whether the desired end can and should be obtained by the enlargement of our canals, is another question. Mr. Hatch, in his address, has pretty fully and ably considered this subject from his own standpoint, and we propose at this time simply to give the substance of his address, reserving any comments we have to make for another occasion.

In 1808, when discussions as to the Erie canal first assumed the form of definite action in the Legislature of the State of New York, all minor and selfish interests were patriotically regarded as subordinate to the national welfare. The Legislature itself, voluntarily renouncing the advantages of geographical position, except in participation with other States of the Union, confidently expected aid from the nation at large, and passed an act "causing an accurate survey to be made for the most eligible and direct *route* for a canal to open a communication between the tidewater of the Hudson River and Lake Erie, to the end that Congress may be enabled to appropriate such sums as may be necessary for the accomplishment of that great national object." On the 8th of April, 1811, a further law was passed, which stated in its preamble the objects of the act to be, to "encourage agriculture, promote commerce and manufactures, and facilitate a free and general intercourse between the different parts of the United States, tending to the aggrandizement and prosperity of the country, and to consolidate and strengthen the Union." Clinton, Morris, Fulton, and others, were appointed commissioners for the consideration of all matters relating to the proposed inland navigation. They were empowered to make application in behalf of the State to the Congress of the United States, or to the Legislature of any State, to co-operate in the undertaking. It was not believed that a work so universal in its benefits should be left to the isolated efforts of a single State.

During the presidency of James Madison, the commissioners thus delegated proceeded to Washington, and presented the application to Congress. The President made their proposals the subject of a special message, dated December 3, 1811, recommending the undertaking as a national work, and suggesting the adoption of whatever steps might be necessary to insure its accomplishment. At the request of Albert Gallatin, then Secretary of the Treasury, Clinton, Morris, and Fulton drew a bill, in effect, appropriating \$8,000,000 for the work, and embodying the memorable words: "On condition nevertheless that no tax, toll, or impost shall be levied upon the passage of boats through the said canal, other than such as may be needful to pay the annual expenses of superintending it and keeping it in repair." This bill, together with the special message of the President, was referred to a large committee,

and was favorably received. Gallatin, the Secretary of the Treasury, in answer to a letter from the committee, urged their favorable action upon considerations of the wisest statemanship and purest patriotism; but as it was expected, and this expectation was verified by subsequent events, that a rupture with Great Britain was impending, Congress finally declined to make the appropriation at that time, on the ground that "the resources of the country might be required to support a war." The commissioners marked their sense of the refusal to grant aid to a national object, no less important in war than in peace, by saying, in the conclusion of their report to the Legislature:

These men console themselves with a hope that the envied State of New York will continue a suppliant for the favor and a dependent upon the generosity of the Union, instead of making a manly and dignified appeal to her own power. It remains to be proved whether they judge justly, who judge so meanly of our counsels.

After the postponement of aid by Congress, applications were made to the Legislatures of different States; several of them returned favorable answers, but the war with Great Britain having begun, little progress was made. On the 10th of November, 1816, De Witt Clinton, as president of a board of commissioners, appointed the previous year, renewed the application to the government of the United States, and on behalf of this State, which he represented, again bore significant testimony to the lofty purity of her motives in seeking her own interest only by promoting the national welfare. He said:

The State of New York is not unaware of her interests, nor disinclined to prosecute them, but when those of the general government are concerned and seem to be paramount, she deems it her duty to ask for their assistance.

Finding that all her efforts to secure aid from other States or the general government were unavailing, the State of New York alone, and with the slender resources of those days, resolved to commence the gigantic work. Even then she persevered in rejecting considerations merely selfish. Her commissioners repudiated the idea of a "transit duty," to be levied for the advantage of the State, and said this would be "the better course if the State stood alone, but fortunately for the peace of the Union, this is not the case. We are connected by a bond which, if the prayers of good men are favorably heard, will be indissoluble." The act inaugurating the construction of navigable communications between the great Western and Northern lakes, and the Atlantic Ocean, was passed by the State, April 15, 1817, and was based upon an important memorial presented to the Legislature by the leading

merchants and men of influence in the city of New York. It stated that:

*Whereas*, Navigable communication between Lakes Erie and Champlain and the Atlantic ocean, by means of canals connecting with the Hudson River, will promote agriculture and manufactures, mitigate the calamities of war, and enhance the blessings of peace, consolidate the Union, and advance the prosperity and elevate the character of the United States, it is the incumbent duty of the people of this State to avail themselves of the means which the Almighty has placed in their hands for the promotion of such signal, extensive, and lasting benefits to the human race.

Having thus originally taken upon herself whatever there might have been of risk in making at her own unaided cost, a channel of cheap communication by water between the citizens of the Eastern and Western States, and between those of the West and the great highway of the world, the State of New York continues to be the great regulator of the cost of transit, by means of her canals between the East and West, protecting no small proportion of the people of the Union against those extortionate charges which might have been levied, if the canal, with its natural monopoly of position, had fallen into the hands of speculating individuals or companies, with no check upon the price of their freight tariffs except their forbearance, and no restraint upon them, except the easy virtue of modern legislations.

During the six months of navigation the canal alone carries as large a tonnage of freight as the five chief trunk railroads, from West to East, during the whole year, at half the cost to the public, being a saving annually, in transportation by water, to the great consuming and producing classes of the Northwestern and Eastern States of \$36,580,000. The average cost from Chicago to New York, via the lakes, the Erie Canal, and the Hudson River, including canal tolls and carriers' profits, embracing a period of 10 years, is \$7 66½. The cost of transportation on the Central Railway, as given in annual reports, taking the average for six years, is one cent four mills and nine-tenths of a mill per mile, not including carriers' profits. This average applied to the distance from Chicago to New York, by rail, 988 miles, makes \$14 31-6 per ton; or \$6 65-1 more per ton than the average cost for a period of 10 years, via the lakes, the Erie Canal, and the Hudson River, including State tolls and profits of carriers. The through freight moved Eastward by the five trunk lines and the Erie Canal is about, in round numbers, 5,500,000 tons, which, if multiplied by \$6 65 1, the difference before mentioned, would make a difference between rail and water transportation of the total freight carried, of \$36,580,500, and if the profits of the railway companies be added to the actual cost, this amount would be

largely augmented. Now, however, we have reached a crisis in our manner of dealing with the canal system which, if wisely met, will insure New York the commercial supremacy, not only of the continent, but of the world. Our water communication is the true basis of our intercourse between the interior and the seaboard. We have had practical proof, even under the past wretched system of management, of the immense revenue to be derived from the canals, and their great superiority in point of economy. During the period when navigation becomes closed, our people have experienced the costliness of railroad monopoly, and what it would be, were canal opposition set aside. You have only to recall the early close of canal navigation in the fall of 1867, and the losses amounting to over a million dollars by the forwarders, shippers, and consignees of property detained more by the bad management of our canals than the unpropitious elements. Did railways furnish the necessary relief and bring this property forward? No. All know that the heavy and bulky articles of commerce go by the canal—such as grain, pork, fuel, coal, salt, etc. Who suffered here? Not the rich who pay for the luxuries as well as the necessaries of life from their superabundant wealth, but the laboring classes, who are barely able to purchase the necessaries of life with their scanty earnings. This saving to the poorer classes, well illustrated in the annual financial report of the Auditor of the Canal Department, of 1866, in which a table of tonnage, carried by canal and rail, and a calculation made upon the basis of six years' transportation by the two methods, is given, showing that our canal saved to the great producing and consuming classes \$8,000,000 annually.

But the State has done little or nothing for the canals since the adoption of the Constitution of 1846. Only through the strength of a canal party in 1853 was the restriction of that Constitution removed, and so amended that a loan upon the pledge of canal revenues was authorized by the Legislature, and the present enlargement secured, with the advantages of decreased cost of transportation and increased trade and revenue. But for that enlargement, the vast volume of trade now flowing into New York through canals, would have been turned into other channels, and lost to the city and the State. The late Constitutional Convention had not the statesmanship to comprehend the commercial necessities of the hour and of the future, and consequently did not make any liberal provision for them. It refused to introduce into the proposed Constitution a provision conceding to the State Legislature the right to raise a loan for the furtherance of canal enlargement on the pledge of the canal revenues, or rather prohibited it from borrowing upon them. There is nothing now left for us except to amend the Con-

stitution by the same means as we did in 1853, to borrow \$10,000,000, if that sum is necessary to improve our canals; and if the Legislature will propose the amendment, it can be carried through in fourteen months. Auditor Bell, in his financial report of 1868, says:

The application of the balance now in all the Sinking Funds to the payment of the several canal debts for which these funds were provided and set apart, would reduce them to \$10,307,921 24, as will more fully appear by the following:

*Statement of the Canal Debt on the 30th September, 1868, the Balances in the Sinking Fund, and the Amount of the Debt, after deducting the Balances applicable thereto:*

	Debt 30th Sep- tember, 1868.	Balances of Sink- ing Funds 30th of Sep't. 1868, in- cluding Tempora- ry Advances.	Balance of Debt after ap- plying Sinking Funds.
Under Art. 7, Sec. 1 of the Constitution.....	\$2,240,860 00	\$2,810,033 67	.....
Under Art. 7, Sec. 3 of the Constitution.....	10,324,100 00	1,122,520 12	\$9,201,579 88
Under Art. 7, Sec. 12 of the Constitution.....	1,685,000 00	578,658 64	1,106,341 36
	<u>\$14,249,960 00</u>	<u>\$4,017,232 43</u>	<u>\$10,307,921 24</u>

From above and from other portions of his report, it will be seen that the amount of money on hand, or rather on deposit in "Albany City Depositories," or other banks, was \$4,048,379, which cannot be used, under the provisions of our Constitution, until 1873, when \$3,550,800 of canal debts fall due. This large sum must remain at a low rate of interest, and accumulate until 1873. If any improvement of our canals is needed, these surplus moneys cannot be used for it, because it would violate the sacred obligations of the Constitution of 1846, and the people must be taxed unnecessarily; the toll sheet cannot be changed but to a limited extent, so as to retain or increase the trade of the canals, because the money is all required to fulfill the provisions of the Constitution of 1846. It requires a great amount of credulity to believe that our canals, thus hampered by these constitutional restrictions, can long retain its present tonnage, and much less add to it that annual increase which belongs to them.

On the other hand, if this proposed amendment is adopted, our tolls can at once be reduced two thirds, and carriers' charges one-half. The history of successive enlargements and successive reductions of tolls upon them, demonstrates this fact, that in proportion as you increase the capacity of the canals for transportation, you decrease the cost of transportation, and increase the tonnage and revenue. Under this wise policy, adopted by Clinton, Morris, Marcy, Hoffman, Bouck, and Earle; the tonnage passing over our canals, and the revenues from them, have doubled in every decade.

Some object to the enlargement of our canals because they fear they will not be an honest expenditure of the money. They speak of it as

though there was some inherent wrong in our canal system, when the fault, if any, is in the incompetency and dishonesty of the public officers charged with its management. It is difficult to conceive how any very extensive frauds can be perpetrated, without there is imbecility and connivance in their execution. Yet in the Constitutional Convention of 1867, any liberality in a constitutional section to give the Legislature power to borrow money to improve our canals, was howled out of the Convention, under the cry of "Canal Frauds," debt, taxation, etc. Mr. Evarts moved the adoption of a section to empower the Legislature to borrow \$10,000,000, to enlarge the canals, which was voted down. Mr. Erastus Brooks at last moved \$2,000,000—voted down. Immediately after that the same Convention gave the Legislature unrestricted power to borrow as much as might be necessary to construct the new Capitol building (not needed, except for display), at a cost of \$10,000,000, and tax the people to pay it. Yes—an unproductive work they could authorize; but for a work that was paying \$3,000,000 net annually, under the worst kind of management, they would give no power to the Legislature to authorize any improvement, because they feared the people might be taxed. In one case they were willing the people should be taxed \$10,000,000 for the construction of an unproductive ornamental work; in the other, where it was shown that the improvement of our canal, from its own revenues, would increase the revenue, they refused any authority, because they were afraid the money appropriated would be stolen, and the people taxed. Everybody knows that there is no danger of the people being taxed for any canal debts, if our canals are managed and improved with any kind of wisdom, and with even tolerable honesty; and if the restrictions of the Constitution are removed, so that our Canal Board can use the money on hand to improve the canals, instead of lending the money to the Albany and other banks—now near \$5,000,000—and adjust their tariff rates the same as managers of railways do to retain and increase their business. The suggestion that the alleged stealing under our contract system must be stopped before any money is borrowed to improve our canals, scarcely deserves grave consideration. It arises from ignorance of the interests of our canals, or an interested opposition to any improvement of them. Why, such a course is about as wise as it would be for a man to stop in his endeavors to put out the flames of his burning house, and go after the thieves who he feared might congregate after the fire for plunder.

But we are told that our canals are not worth preserving. Mr. Jay Gould said, before the Canal Committee, in Albany, practically, that they were not; that he could use them up with his railways. He, in fact, claimed that he could demolish by successful competition, in a

day, our splendid canal system, which has been the work and pride of our people for half a century, and founded upon a policy inaugurated by the wisdom, the patriotism, and heroism of the earliest and noblest statesmen of this commonwealth. Only one such boast was ever before made in this country, and that was two years ago, in a speech in Chicago, by a foreign Knight and stock operator. He proclaimed that his continental railway, the Atlantic and Pacific, could and would carry all the lake and canal freights. It was Sir Morton Peto. He strutted his brief hour here—dashed through the country in his imperial car, giving his bouquet dinners. You all know his fate, and the fate of his railway, which stands on our soil, going to decay, a monument of his folly, and a warning to kindred spirits.

Let me say one word further upon the pretensions of those present claims of our railway managers who believe railways would use up our canals? The railway managers answered this question partially themselves, a short time since, before a committee of the Legislature, at Albany, while a bill was under consideration calculated to give the people of this State along their lines equal facilities for transportation of their property at relative prices, with people beyond the State. They say they cannot maintain the supremacy of their lines in the carrying trade of passengers and freight, if compelled to make a *pro rata* scale of charges to the people of this State. That is, unless they can levy an arbitrary rate upon the passengers and property of our citizens above the fair value of such services, and above that charged upon passengers and freight traffic of the citizens of other States, they cannot continue to serve the citizens of others States at rates below the fair value of such services. This would surely be a costly warfare to secure the supremacy—thus levying upon our own citizens the cost incurred in the destruction of our own canal system. Fortunately for the people of New York, the isthmus between the great lakes and our seaboard across the State of New York, has sufficient merit as the great natural tract or channel of commerce, to require no such forced contributions from the people along their lines, to maintain their supremacy over all others between the mouth of the St. Lawrence and the mouth of the Mississippi.

But this boast may in time become truth, if something is not done to improve our great series of public works. Anything can be destroyed by neglect. The cost of transportation could be reduced two-thirds under proper improvement and management. An amendment to the Constitution could probably be obtained, as the political power of the canal regions was great. There were 1,000 miles of canals, with the trunk canal and branches, extending to every part of the State. The majority in favor of the amendment in 1853, was 121,000. This major-

ity will not be diminished. There was a village along the banks, at an average of every three miles. Sixteen years ago the capacity of a canal boat was only sixty tons. Where, to day, would be your trade, if the last enlargement had not increased the tonnage of canal boats to two hundred and twenty-five tons. Some claim that the political power of the canal question, which was raised successfully in 1853, has diminished with the diminution of our local traffic, whilst the railway power has been augmented, from the increased use of the rail by our people. I admit there is some force in this suggestion, but with the decrease of our own local traffic on our canals, there has been an increase in the practical knowledge of the workings of our two carrying systems. The enlightened railway managers of our great trunk lines find rival lines through Canada, Pennsylvania, and Maryland can successfully compete with them, and that in order to maintain their commercial supremacy, as a portion of the carrying system of this State, six months in the year they must maintain the commercial supremacy of our canals, which during the season of navigation regulate the freight tariffs of our carrying system, bringing through them the volume of Western trade. Our railways have a fair share of the benefits arising from this current of trade, created and held by our canals during six months in the year, and a monopoly of them when our canals are closed for the other six months. The comprehensive minds of Erastus Corning and Dean Richmond, who were alike distinguished for their successful management of railways, and their intimate knowledge of the ebb and flow of our internal commerce, at an early day recognized the true basis of the relations of our two carrying systems. Their sagacity penetrated through the apparent antagonism, and found a community of interests, and maintained always that there should be harmony of action between the two. Of the former distinguished gentleman, and as an associate member of the Finance Committee in the Constitutional Convention of 1867, I feel at liberty to say, that he always maintained a most liberal policy toward our canals; insisting that tolls should be removed from them as fast as consistent with the payment of the canal debt; that railways could never successfully compete with canals in carrying the bulky articles of commerce, and that our railways could only maintain their commercial supremacy through the agency of our canals. I say then that we have nothing to fear from railways, for an intelligent examination of the subject will satisfy them of the force of these views; or they will adopt them through the instinct of self-preservation, if not from an enlightened consideration.

Mr. Hatch said he was detaining them longer than he wished (Go on, go on)—but he noticed, as doubtless they did, in the telegram from

Washington this morning, a resolution introduced by Mr. Schenck, Chairman of the Committee of Ways and Means, which was adopted, requesting the President of the United States to open negotiations with the Dominion of Canada, to secure, among other privileges, the free navigation of the St. Lawrence.

It is the old reciprocity scheme.

Col. Hincken said, they were divided upon the question of a reciprocity treaty.

Mr. Hatch resumed: Well, sir, you may be divided here upon some of the terms of a treaty, but you cannot afford to divide opinion or action upon the equivalents which are proposed in exchange between the two countries as a basis for a treaty, our free markets for their free canals, enlarged for passage of vessels of 1,200 tons, to be constructed and paid for from trade diverted from our lake marine, or our railways and canals, and your ships.

The Hon. A. T. Galt, the Canadian Minister of Finance, in a late speech, on behalf of the government, said:

We have no trade ourselves which would require enlargement of the canals; no trade which would justify us in enlarging them; we could only be repaid for such improvements by obtaining the American States' trade, and making it pay tolls, or otherwise contribute to our revenue.

How far our government will be willing to surrender its trade and revenues as a tribute to British-Canadian rivalry, will depend upon the character and honesty of American statesmanship in Washington. In other words, surrender to us your American commerce, that is now carried by your lake marine, over your railways and canals, and brought to this city to enrich your commission merchants and freight your ships, and we will give you the free navigation of the St. Lawrence with enlarged canals. To read this resolution, the credulous would suppose the honorable chairman of the Committee of Ways and Means was seeking to secure to us some great commercial advantage which is now withheld. What is the fact? The free navigation of the St. Lawrence is now conceded to our lake marine, and it is a barren concession, not half a dozen American vessels having passed through *via* the St. Lawrence, since the abrogation of the treaty. And what does the Dominion receive in return for this barren concession? Their vessels are allowed to go into our inland sea, Lake Michigan, and enter into the great grain port of this continent, Chicago, and others on that lake, and there compete with American vessels for the diversion of property which would otherwise go over our American carrying systems.

Again, Canadian railways are permitted, under the exercise of very doubtful authority, and policy, too by the Secretary of the Treasury, to carry American merchandise from one port of the United States to another, through Canada, when our navigation laws have prohibited their vessels from transporting the same property from the same ports; in fact, through our liberal concessions their vessels and railways are furnished with all their business, except that of their inferior local traffic.

If the Erie Canal is improved, and the cost of transportation reduced, the great cause of dissatisfaction in the West will be removed, and British capitalists will refuse to make further investment in the unproductive works of Canada, especially when this great State adopts a policy which will make our canals, in no distant time, as free as our lakes and rivers, and which in the end will give a free water line of transportation from this city, 1,500 miles long, to the centre of the continent, and by addition of 700 miles rail, extend it to reach the Pacific.

Finally, allow me to remind you that the Northwest aims at direct trade with Europe, and Boston believes that if the St. Lawrence canals can be enlarged, they can bring their largest line of propellers upon the lakes, which now are engaged in carrying freight from Chicago to Ogdensburg, and then by rail to Boston, through the St. Lawrence to Boston, become respectable rivals to you in the inland commerce of this country. Schemes to accomplish these objects are pending in Congress now, and I do not hesitate to say that I believe, as certainly as that the waters of the St. Lawrence will continue to flow to the ocean, that this commercial experiment will be tried to change the channels and outlets of the inland commerce of this country. Of its probable success I have nothing to say, only that if our commercial power on this continent should be diminished, or pass into rival hands, it will be owing to our neglect to improve those natural advantages with which the God of nature has surrounded us.

I will only add in conclusion, that longer inaction upon the part of our canal people must hasten the day for the abandonment of our public works. Clinton, Morris, and Fulton said to the Legislature, in a critical period of our canal history: "That delays are the refuge of weak minds." Corruption and a narrow policy are our worst foes. I appeal to you then to act promptly in this crisis of our canal affairs, and with some of the energy, faith, comprehension, and foresight of your illustrious predecessors—those merchant princes who, in 1817, memorialized the Legislature for the construction of the Erie Canal, and lived, thank God, to rejoice with the whole people of this State over its completion in 1825—a work unsurpassed in ancient or modern history,

both in the grandeur of the gigantic undertaking, and in the magnitude of commercial results. There is no mistaking the signs of the times—they point us to a steady march in the improvements around us; everyone can read progress. We are admonished to heed the teaching which this fact furnishes, and those who disregard it—whether they be States or political parties—and who do not move on and keep step to the forward movement of the day, will be forced behind by their more enterprising and progressive rivals.

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### MR. BOUTWELL AND OUR FINANCES.

The monetary operations of the government of the United States offer in our reports an anomaly which has its parallel in those of no other great commercial nation. Ever since the passage of the Sub-Treasury Law, in 1846, the financial machinery used, in the receipts and disbursements of the government, has been separated as far as possible from that employed in the receipts and disbursements of the business community. The use of the National Banks as depositories of the public money took away some of the evils and disturbing forces which arose out of this anomalous separation. But as the depository system is now less used than formerly, and as it will probably fall still more into inactivity, there is a change apprehended in the early future, and a revival, in exaggerated forms, of the derangement and friction which formerly was so often ascribed to the Treasury as its active cause. This apprehension may be modified to some extent by the skilful judicious administration of Mr. Secretary Boutwell and Mr. Van Dyck the Assistant Treasurer. But it will long constitute one of the perils of the financial situation, that at any moment the government may be selling two or three millions of gold, draw out of circulation and lock up from commercial use the four or five millions of currency which is all that is required by the banks as a machinery for effecting their exchanges of 100 or 120 millions of dollars a day. Mr. Boutwell showed in his speech at the Stock Exchange that he is not unaware of this sensitive and delicate peril which is one foundation for the feverish unrest which afflicts the money market, and for the uncertainty and speculative excitability which, while it depresses legitimate trade, gives occasion for the strategy of cliques in the Stock Exchange and the manipulation of capitalists in the Gold Room.

There are two leading features of importance in the policy which Mr. Boutwell says he shall pursue. The first has to do with the sales of gold, the second with the currency balance he will keep on hand. As to the sales of the coin received for customs, it is his intention to refrain from sudden, capricious, uncertain changes of plan. Other things being

equal he will sell every week about the amount required to keep the coin balance at about the same level. When the coin receipts are heavy he will sell more, and when they are light he will sell less. In no one week, however, will he place more than a million of gold on the market, and if the interest disbursements are heavy he may have very little to sell at all. Still, as we understand him, some sales will be made every week except the bids happen to be so low that he deems it not for the interest of the government to accept them. Now this arrangement, as we said, is a very satisfactory one. There is nothing irregular or spasmodic about it. It will produce no derangement or disturbance either in the money market or in the movements of business. Had such a policy been followed steadily out during the last three or four years it is safe to say that the losses of many millions of dollars would have been saved to our commercial and manufacturing industry. The secrecy, the mystery, the harrassing uncertainty which have been deemed a necessary part of the Treasury policy, is now given up, and that publicity for which the country has been waiting is now happily inaugurated. This is one of many reasons we would cite why our commercial and financial men are looking forward with much of hope and confidence to the results and operations of the administration of Mr. Boutwell.

But this confidence regards still more the other part of the Secretary's policy which refers to the mischievous hoarding of idle greenbacks in the Treasury. We are approaching that season of the year when currency accumulates in New York, the great mercantile and monetary centre of the country. Still the South has been absorbing a vast amount of greenbacks only a part of which have come back here. Forty or fifty millions have been drawn into the more active circulating channels of Southern industry where a large part will remain. This large sum taken from the North by the South will make greenbacks more scarce here this summer than in former years. Hence the importance of the knowledge that Mr. Boutwell will not, as McCulloch did more than once during his closing year of office, deplete suddenly the channels of the circulation by locking up greenbacks in the vaults of the Treasury. A depletion of the greenback from the banks to the extent of four or five millions at a critical moment, will suffice to fill an easy money market with convulsion, consternation and spasm. No trouble from this source is to be apprehended under Mr. Boutwell's management, and this fear being removed, there is more confidence in business circles. Such are some of the reasons for the rise in government bonds which was developed during Mr. Boutwell's brief visit to New York on Thursday. This advance was ascribed to the expectation that Mr. Boutwell would buy up some of the gold-bearing bonds for the sinking fund. The chief cause undoubtedly must be sought

in the general confidence which has been resuscitated by the sound, conservative, cautious policy which the Treasury is expected to pursue as to the currency balance and the sales of gold.

RAILROADS OF THE WORLD (CLOSE OF 1863.)

We have compiled from the most recent information published the following table, showing the extent and population of all countries into which the railroad has been introduced, the length and cost of the railroads therein, and their relation to area and population:

Countries & Stat. s.	Extent & Pop'n.		Railroads.			Sq. m's of mill. of road.	Inhabitants to each mile of railroad.
	Area in square m. es.	Popula- tion.	Len' h in miles.	Absolute cost.	Rela- tive cost.		
<b>NORTH AMERICA.</b>							
America.....	3,001,002	37,015,000	42,247	\$1,879,529,313	\$44,255	71.04	876.15
Dom. of Canada:							
Ontario.....	147,872	1,962,067	1,407	\$7,815,774	76,344	101.98	1,394.51
Quebec.....	499,990	1,334,067	575	43,085,549	74,811	35.20	2,354.90
N. Brunswick.....	27,377	819,027	223	6,942,332	30,771	119.13	141.62
Nova Scotia.....	18,771	382,345	145	6,955,178	47,969	123.79	2,337.00
Mexico.....	772,672	8,253,080	202	11,093,340	54,920	2,825.14	40,886.53
<b>WEST INDIA IS.</b>							
Cuba.....	47,278	1,449,264	431	22,453,548	52,108	109.99	3,362.59
Jamaica.....	6,250	441,264	14	391,174	27,911	446.43	3,151.88
<b>SOUTH AMERICA.</b>							
Colombia.....	521,912	2,797,473	48	8,000,000	166,637	10,873.23	58,280.68
Venezuela.....	426,000	1,561,310	32	2,788,784	83,212	13,331.56	82,589.77
British Guayana.....	99,300	155,026	60	5,539,140	92,319	1,665.00	2,583.77
Brazil.....	2,973,400	10,465,000	512	102,923,384	201,187	5,807.42	19,619.14
Paraguay.....	86,296	1,000,000	45	4,139,300	89,790	1,374.08	21,739.13
Peru.....	498,703	2,513,901	101	5,674,410	59,410	4,937.63	24,830.23
Chile.....	249,793	1,704,931	394	21,355,746	61,309	434.01	4,327.25
Argentine Republic.....	1,123,450	1,259,355	231	12,455,658	59,913	456.32	5,451.73
<b>EUROPE.</b>							
U. K. of Gr. Britain and Ireland.....	122,519	29,293,819	4,217	2,511,314,435	173,269	8.60	2,056.19
French Empire.....	211,160	37,822,225	9,931	1,576,634,892	158,714	21.25	3,763.06
Spain.....	182,773	16,031,277	3,429	367,437,924	107,156	53.29	4,675.20
Portugal.....	36,476	3,947,891	52	12,887,474	161,317	69.59	7,639.59
Swiss Republic.....	15,272	2,544,440	897	7,167,928	87,133	17.02	2,814.69
Italy.....	101,773	24,896,801	4,169	882,850,722	93,118	24.00	6,034.09
Roman States.....	4,748	692,076	216	18,643,472	66,317	21.06	3,206.51
Prussia.....	139,499	23,595,543	5,926	747,689,346	126,171	23.51	3,981.70
N. German States (other).....	24,252	5,657,791	1,311	117,107,679	89,327	18.57	4,375.63
S. German States.....	44,519	8,524,467	2,681	233,914,297	87,659	16.53	3,179.59
Austria Empire.....	240,252	32,573,072	4,429	373,935,35	73,915	54.21	7,354.38
Belgium.....	14,493	4,940,570	1,703	182,198,861	106,387	6.69	2,501.33
Holland.....	13,621	3,735,682	831	83,634,081	91,201	15.44	4,240.37
Sweden.....	170,552	4,111,141	1,194	74,599,032	62,833	12.89	3,445.79
Norway.....	123,228	1,701,478	44	4,055,656	92,174	2,800.63	3,469.93
Denmark.....	14,725	1,608,995	401	22,902,714	57,114	8.25	4,010.21
Russia (in Europe).....	1,961,730	65,952,67	4,317	734,701,274	161,522	455.74	15,257.57
Turkey (in Europe).....	203,122	13,725,367	379	14,936,551	46,729	629.50	49,295.82
Greece.....	20,166	1,325,340	100	5,000,000	5,000	201.66	13,233.16
<b>ASIA.</b>							
Turkey in Asia.....	678,300	16,070,000	143	6,964,243	48,701	4,778.49	12,237.76
Persia.....	526,000	19,000,000	100	6,000,000	60,000	5,260.00	10,000.00
British India.....	1,402,300	179,492,000	4,022	331,888,791	85,769	342.67	8,864.12
Java.....	52,000	13,917,000	102	7,750,000	75,000	56.80	136,441.17
Ceylon.....	24,700	1,791,000	37	2,230,530	61,636	667.37	43,405.13
<b>AFRICA.</b>							
Egypt.....	178,000	2,500,000	458	45,163,879	96,504	382.94	5,241.83
Algeria.....	214,000	2,500,000	28	1,825,821	65,280	7,367.31	85,485.53
Cape Colony.....	123,000	300,000	85	7,288,792	92,163	1,411.76	3,524.86
Natal.....	20,000	150,000	2	119,422	59,711	10,000.00	75,000.00
<b>AUSTRALIA.</b>							
Victoria.....	86,800	574,331	409	46,549,238	113,812	212.32	1,404.23
New South Wales.....	323,430	578,335	174	14,007,322	80,503	1,853.62	2,177.79
Queensland.....	678,000	49,712	1,421	165,728,622	116,320	4,128.83	14,775.93
South Australia.....	383,300	148,416	87	5,142,427	59,108	4,405.55	1,133.972
New Zealand.....	106,500	175,377	17	1,491,402	87,229	6,234.70	10,215.16
RECAPITULATION.							
North America.....	4,177,204	49,291,606	44,802	2,045,264,856	45,653	93.04	1,100.26
W. India Islands.....	53,528	1,890,528	445	22,819,722	60,343	120.29	4,248.38
South America.....	5,979,455	21,049,977	1,421	165,728,622	116,320	4,128.83	14,775.93
Europe.....	3,642,236	24,212,055	56,660	7,538,34,923	132,876	64.29	5,016.11
Asia.....	2,978,200	2,212,500,000	4,474	414,778,564	92,779	666.67	49,182.39
Africa.....	531,000	5,450,000	583	54,937,917	94,233	912.52	10,639.11
Australia.....	1,578,000	1,328,751	799	77,524,138	93,088	2,000.00	1,684.09
Aggreg. in World.....	19,441,013	584,463,937	109,177	10,829,751,982	99,194	178.06	5,333.36

## ASPECTS OF OUR DOMESTIC AND FOREIGN TRADE.

We shall scarcely subject ourselves to the imputation of croaking in asserting broadly that the results of the Spring trade have thus far been unsatisfactory. Liberal preparations had been made for the season's business; the demand, however, appears to have fallen below the supply of goods; and we now begin to witness the accumulation of stocks and the anxiety to realise usual under such circumstances. Our trade with the South has afforded little or no occasion for complaint; that section having taken more goods than at any period since 1860, and having also paid for them promptly. With the West, a market which is every year largely expanding, the case has been otherwise. The decline in the price of grain has been a serious disappointment to the thrifty rural population of that section, causing them to economise their expenditures; while the merchants of the lake ports are heavy losers upon carrying produce. The Atlantic States also have been scanty buyers, the country merchants generally showing the caution which indicates a lack of confidence in their customers taking any liberal amount of goods and a desire to keep their indebtedness here as low as possible. The complaint is universal among retailers that they find the pressure for credit increasing and that collections are becoming more and more difficult. In the manufacturing States, the profits of the mills have not recently been such as to encourage an expansion of operations, but, on the contrary, have necessitated a partial contraction in the mechanical industries, with a corresponding effect upon all dependent branches. The whole case, indeed, may be summed up in the statement that, the South excepted, the profits upon agriculture, manufactures and trade have been unsatisfactory, and the people, consequently, are compelled to contract their expenditures. A special cause of embarrassment to business has also arisen from the abnormal condition of our currency system, resulting in frequent spasms in the money market, and rendering it impossible for merchants to get needful accommodation from the banks; this difficulty having been but little less felt in the country generally than in this city, where for several weeks it has been impossible to get the best paper discounted at less than 10@12 per cent.

With this condition of the home trade, we naturally require a very moderate supply of foreign products. Our people, in addition to their reduced means arising from the causes just specified, have, after the war excitement, settled down into a conservative mood, and are disposed to regulate their expenditures so as to correspond more closely with their income; and the finer manufactures and the luxuries of foreign countries are consequently less wanted. Importers however, do not appear to have adapted their purchases to this changed condition of things. On the contrary, having experienced two or three fairly prosperous seasons upon





## PUBLIC DEBT OF THE UNITED STATES.

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

## DEBT BEARING COIN INTEREST.

	April 1		May 1	Increase.	Decrease.
	\$		\$		
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. . . . .	1,602,609,950 00		1,602,612,000 00	2,950 00	.....
Total. . . . .	2,107,876,650 00		2,107,878,700 00	2,050 00	.....

## DEBT BEARING CURRENCY INTEREST.

	April 1	May 1	Increase.	Decrease.
6 per ct. (RR) bonds. . . . .	\$56,852,300 00	\$56,852,320 00	\$2,915,320 00	\$ . . . . .
3 p. cent. certificates. . . . .	54,605,000 00	53,404,000 00	.....	1,365,000 00
Navy Pen. F'd 3 p.c. . . . .	14,000,000 00	14,000,000 00	.....	.....
Total. . . . .	125,457,320 00	124,092,320 00	.....	1,365,000 00

## MATURED DEBT NOT PRESENTED FOR PAYMENT.

	April 1	May 1	Increase.	Decrease.
7-30 n. due Aug. 15, '67, J'e & J'y 15, '63. . . . .	\$1,633,100 00	\$1,509,000 00	\$ . . . . .	\$123,500 00
6 p.c. comp. int. notes mat'd June 10, 1867 and Oct. 116, 1868. . . . .	3,220,630 00	3,077,700 00	.....	123,500 00
B'ds of Texas ind'y. . . . .	252,000 00	252,000 00	.....	123,690 00
Treasury notes (old). . . . .	148,011 64	147,211 64	.....	800 00
B'ds of Apr. 15, 1842, Jan. 28, 1847 & Mar. 31, 1848. . . . .	188,900 00	148,000 00	.....	40,900 00
Treas. n.s of Ma. 3, 63. . . . .	260,320 00	347,792 00	.....	12,400 00
Temporary loan. . . . .	188,510 00	188,510 00	.....	.....
Certif. of indebtedness. . . . .	12,000 00	12,000 00	.....	.....
Total. . . . .	6,003,403 64	5,792,113 64	\$ . . . . .	\$301,290 00

## DEBT BEARING NO INTEREST.

	April 1	May 1	Increase.	Decrease.
United States notes. . . . .	\$356,055,155 00	\$356,053,845 00	.....	\$1,310 00
Fractional currency. . . . .	366,583 00	355,323 40	.....	1,325,506 60
Gold cert. of deposit. . . . .	21,672,560 00	16,307,200 00	.....	5,365,360 00
Total. . . . .	414,413,435 00	407,721,368 40	.....	\$6,692,116 60

## RECAPITULATION.

	April 1	May 1	Increase.	Decrease.
Bearing coin interest. . . . .	\$2,107,876,650 00	\$2,107,878,700 00	2,050 00	\$ . . . . .
Bearing cur'y interest. . . . .	125,457,320 00	124,092,320 00	.....	1,365,000 00
Matured debt. . . . .	6,003,403 64	5,792,113 64	.....	301,290 00
Bearing no interest. . . . .	414,413,435 00	407,721,368 40	.....	6,692,116 60
Aggregate. . . . .	2,653,750,838 64	2,615,394,502 04	.....	8,356,336 60
Coin & cur. in Treas. . . . .	111,003,933 64	110,233,497 03	5,229,503 49	.....
Debt less coin and currency. . . . .	2,542,744,865 10	2,505,161,005 01	.....	13,583,860 09

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

## COIN AND CURRENCY IN TREASURY.

	April 1	May 1	Increase.	Decrease.
Coin. . . . .	\$104,232,355 12	\$108,389,329 96	4,157,974 84	\$ . . . . .
Currency. . . . .	6,802,628 44	7,896,564 07	1,093,935 65	.....
Total coin & cur'y. . . . .	111,034,983 56	116,285,894 03	5,229,503 49	.....

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

## ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	April 1	May 1	Increase.	Decrease.
Coin—5 per cents. . . . .	\$11,039,465 00	\$11,074,465 00	\$ . . . . .	\$ . . . . .
" 6 " 1881. . . . .	17,020,644 00	17,020,644 00	.....	.....
" 6 " (5-20's). . . . .	96,156,597 00	94,116,740 00	121 00	.....
Total coin interest. . . . .	\$124,256,706 00	\$124,256,829 00	\$123 00	.....
Currency—6 per cents. . . . .	\$3,351,139 20	\$3,251,39 20	.....	.....
" 3 " . . . . .	2,058,500 00	2,017,200 00	.....	41,300 00
Total currency inter't. . . . .	\$5,409,289 20	\$5,368,339 20	.....	\$40,950 00

NEW YORK STATE RAILROADS.

The following table exhibits the capital, cost, earnings, &c. of the principal steam Railroads in the State of New York during the year ending September 30, 1868:

Name of road.	Capital stock paid in.	Cost of road and equipm't.	Total funded debt.	Total floating debt.	Length of road in miles.	Tons of freight carried 1 mile.	Passengers carried one mile.	Total cost of transportation.	Earn'gs from pass.	Farm'gs from freight.	Total earnings.	Payments for interest.	Pay- m'ts for div.
Adirondack Company.....	\$1,183,000	\$2,196,579	\$315,000	\$487,715	25.00	158,376	178,824	\$.....	\$2,133	\$1,777	\$ 900	\$.....	\$.....
Albany and Susquehanna.....	1,867,313	6,387,456	2,802,000	560,000	125.00	4,350,199	7,051,361	308,004	208,822	248,931	535,833	174,468	.....
Albany and West-stockbridge.....	1,010,000	2,411,056	1,389,559	.....	38.00	20,004,534	8,542,596	.....	.....	.....	.....	.....	.....
Atlantic and Great Western.....	2,779,872	5,871,375	2,999,990	106,462	49.14	17,638,616	3,061,833	293,672	97,091	370,835	486,559	952	.....
Avon, Genesee and Mt. Morris.....	142,200	217,335	20,000	.....	15.50	48,312	418,617	11,400	17,333	8,215	28,838	1,538	8,176
Buffalo, Genesee and Pittsburg.....	2,271,718	1,431,466	700,000	876,231	43.21	8,206,745	173,400	163,471	57,971	154,761	23,030	68,793	.....
Buffalo and Erie.....	6,000,000	6,718,801	3,700,000	.....	88.00	37,442,161	26,080,746	1,616,165	828,307	1,294,823	2,146,915	66,527	540,000
Buffalo, New York and Erie.....	900,000	3,390,000	2,386,000	142.01	.....	.....	.....	.....	.....	.....	.....	.....	.....
Buffalo and Washington.....	428,472	675,350	.....	49,900	13.03	.....	263,106	.....	11,176	10,812	21,688	.....	.....
Cayuga and Susquehanna.....	589,110	1,132,012	.....	.....	34.61	5,370,704	768,304	183,637	30,622	141,564	174,910	.....	53,020
Elmira, a Jefferson & Canandaigua	500,000	1,177,384	.....	.....	47.00	10,734,419	3,856,471	409,700	132,317	241,033	377,813	.....	.....
Elmira and William port.....	1,000,000	2,218,000	1,570,000	.....	78.00	17,661,438	3,852,311	414,769	158,834	339,419	700,773	.....	.....
Erie Railway.....	45,302,210	56,488,606	24,384,800	4,893,736	45.01	595,699,225	124,322,884	11,716,163	2,744,416	11,257,759	14,946,872	1,934,644	.....
Hudson and Boston.....	175,000	233,336	.....	.....	17.33	3,457,541	679,781	.....	.....	.....	.....	.....	.....
Hudson River.....	13,927,000	19,185,939	6,774,960	1,167,144	144.01	88,816,929	95,853,232	3,793,319	2,000,475	2,988,523	5,523,612	433,093	1,003,880
Long Island.....	3,000,000	4,495,835	325,000	75,000	123.00	.....	18,592,514	1,596,388	352,121	279,724	682,330	54,955	.....
Middleton, Tonawanda & Water Gap	108,502	241,870	212,390	82,836	13.01	.....	133,041	10,801	4,812	6,373	11,263	.....	.....
Montgomery and Erie.....	150,055	287,301	176,000	5,000	10.37	87,624	260,560	22,066	8,110	75,096	34,638	7,318	.....
New York Central.....	28,700,000	36,607,697	11,454,014	297,735	366,159,736	201,629,514	9,238,163	4,067,791	9,491,427	14,813,283	857,003	2,102,248	.....
New York and Astoria.....	12,000	284,163	125,000	.....	8.00	.....	2,960,000	.....	106,655	.....	114,559	.....	.....
New York and Harlem.....	7,000,000	10,240,452	5,063,325	190,735	15,832,537	29,612,027	1,772,683	1,095,201	1,208,576	2,756,233	375,467	583,423	.....
New York and New Haven.....	6,000,000	7,151,526	1,031,500	239,749	15.29	7,202,413	67,218,167	1,419,465	740,713	43,235	856,936	61,570	600,000
N. Y. and N. J. (New Jersey).....	159,400	524,226	400,000	47,373	21.55	541,215	5,306,225	214,177	184,023	70,453	279,861	21,349	.....
Ogdensburg & Lake Champlain.....	4,417,500	5,517,206	3,910,000	83,149	118.00	29,665,222	5,029,543	747,200	175,874	783,673	987,037	2,311	170,573
Oswego and Syracuse.....	482,400	1,298,754	573,500	4,000	26.29	2,350,471	4,007,833	177,869	123,112	105,369	269,031	39,573	39,638
Rensselaer and Saratoga.....	2,850,000	5,514,439	1,500,000	175.01	23,273,882	15,355,890	1,038,860	595,041	811,799	1,514,839	107,629	174,750	.....
Rome, Watrwin & Ogdensburg.....	2,500,000	4,000,000	1,500,000	211	189.63	17,785,678	13,294,146	800,833	4,923	574,455	1,172,248	126,016	240,000
Schoharie Valley.....	47,830	82,002	25,000	.....	4.38	25,248	.....	.....	6,611	4,599	13,257	.....	.....
State Island.....	660,000	356,301	200,000	65,000	13.00	.....	2,798,224	173,941	77,801	4,555	277,622	29,593	49,500
Sterling.....	8,000	501,122	35,000	.....	7.60	486,194	.....	.....	23,133	18,199	47,002	23,275	5,600
Syracuse, Bigamton & N. Y.....	1,470,130	2,463,115	1,745,000	11,112	81.00	24,508,227	6,214,467	247,300	164,294	371,374	559,628	117,691	.....
Troy and Saratoga.....	607,111	2,283,981	1,575,000	443,381	34.91	5,152,044	4,707,755	272,155	201,683	289,433	517,000	204,324	.....
Utica and Black River.....	1,297,224	1,531,858	83,000	.....	44.64	72,563	2,698,991	96,498	38,494	76,641	169,952	.....	36,517
Utica, Chenango & Susqueh. V.....	1,351,593	1,154,811	.....	.....	43.00	233,550	1,418,955	54,662	53,079	31,594	90,397	.....	.....
Warwick Valley.....	99,000	199,162	85,000	.....	10.16	.....	283,515	35,027	9,485	44,180	56,445	5,652	7,520

## CIVIL SERVICE—THE VIEWS OF MR. JENCKES ON THIS MEASURE.

This measure, it should be remembered, deals only with the inferior officers, whose appointment is made by the President alone, or by the heads of Departments. It does not touch places which are to be filled with the advice and consent of the Senate. It would not in the least interfere with the scramble for office which is now going on, or which fills with anxious crowds the corridors of the Capitol. It relates only to the appointments which may be made in secret, which seldom meet the eye of the reader of newspapers, but which are a hundredfold more numerous than those which await the confirmation of the Senate, and without which the government could not be carried on. When I speak of candidates and officers, it will be understood that I refer only to this subordinate class; those which long custom has held to be the sport of the political whirlwind, cannot seek shelter under this measure.

There is a general confidence that the head of the government will use all his power under the Constitution to improve the service, collect the revenue, prevent thieving, and punish the thieves. But for this purpose he must have aid, which existing laws do not afford, and that is precisely what this measure proposes to give to him. It furnishes him with means, not now given by the laws, of testing the fitness of every candidate for the place to which he seeks appointment, and also of testing the unfitness of any one who now is or who hereafter may be in the service. The end being desirable, as all agree, the present question is, solely concerning the means of accomplishing it.

For this purpose this bill gives the President power to call to his aid a sufficient number of competent persons to perform the work of selection well and promptly. In the first place, he may appoint four commissioners, who are specially charged with the full performance of this duty, and the execution of all necessary and incidental powers. They may call to their aid such persons of learning and high character as they may select, and such officers of the civil force, or of the military or naval, as the heads of Departments may designate. The exigencies of the service and of the times no longer require the establishment of a separate department with the Vice-President at its head, for the proper and independent discharge of these duties. These commissioners, with their assistants, will constitute a civil staff, through whom the President and the heads of Departments can obtain the knowledge concerning their subordinates, which it is impossible for them to obtain personally. This is their duty, their function; nothing less, nothing more. The power of appointment remains as before; the responsibilities of office are unaltered. It is objected that if the board has the power of decid-

ing upon qualifications and of rejecting for incompetency, it practically has the power of appointment. This notion results from the confusion of thought which mistakes the duty of rejection for the power of selection. The duty of the board is performed when they declare the candidate qualified. They perform the sifting process by which the incompetent are kept back. They may certify ten persons as fit for a certain grade of office, yet but five get appointments. The Departments take for novitiates those certified to be the best, but these do not receive commissions till their merits are tested by probation.

The preliminary examination determines only the best apparent qualifications; it is the probation which secures or loses the appointment. Elementary learning, such as reading, writing, spelling, geography, and arithmetic are to some extent necessary qualifications for all officers. By competitive examinations you ascertain who are the most facile in these acquirements; those who make the best show are placed upon probation, until their other qualities are tested, and if they fail in this trial they must stand by and give place for others of equal prestige. By the competitive examinations we ascertain what education the candidates have received; by the probation, their character and fitness are developed, or their unfitness disclosed, and no one receives a commission till he is found worthy of it. Under the present system the commission is given first, and the qualifications of education, character, and personal fitness are ascertained afterward. Although unfitness becomes apparent, yet all the influence which procured the appointment is brought to bear against the removal. It is easier to shut the doors against incompetency, than to eject it after it has once gained admission into the service. The proposed commissioners are the doorkeepers of the entrances to public employment, to inspect the evidence of each candidate to the right of admission. Government employment should not be a school for the uneducated, or a refuge for the incapable, or an asylum or charity hospital for the indigent and unfortunate, as it is now too often held to be, but a service for the capable and industrious, to whom it opens an honorable career.

#### OF THE COMMISSION.

The success of the proposed reform of course depends upon the character and qualifications of the men who may receive the appointment of commissioners. Although it is admitted that there are men qualified for these high duties, yet it is intimated that such men will not find these places, and that the places will not seek such men. The most insidious, the most persistent, the most specious, and the most hopeful

attack upon the system are made at this point. Who shall examine the examiners? asks the gentleman from Pennsylvania, (Mr. Woodward.) What reform can be expected, again he asks, from a board of politicians? It is insinuated that they will be mere partisans, corrupted by political ambition, and be swayed by all the influences which that passion yields to. Nor are there wanting suggestions of venality and grosser corruption. The expression of the belief that a sufficient degree of virtue is attainable for such places is met with a continuous derisive sneer.

And I confess that all the venality, the frauds, the corruptions, the nepotism, the incompetency, the reckless disregard of the public interests which I have met with in the civil service, have not impressed me so much with the necessity of this proposed reform, as these insinuations that the reform itself would be impracticable from the supposed entire absence of public virtue, both in the appointing power, and in the persons likely to receive these appointments. It is the expression of a widespread belief that profligacy is the rule and not the exception in our political system; that the stream is poisoned at its fountain; that the government is given over to its corruptions and exists by them, and not in spite of them. It shows that those who represent the political element, and seek to manage the government for their own ends, affect to believe that integrity, honesty, honor, and patriotism have died out from among us, as they affected to believe, eight years ago, that the race of brave men had become extinct among the masses of the American people.

But as I believed in their courage and patriotism then, so I believe in their integrity and sense of honor now; and that I know, and that the President knows, many men who would select our civil officers with as much conscientiousness and care as our military servants have been selected—men who would no sooner permit an incapable, a drunkard, a knave or a thief to pass by their scrutiny into a place where the public money was to be handled, than our generals would have placed a coward, a traitor, or a renegade upon duty at an important outpost, or to lead a charge in an uncertain battle. There are heroes in civil as well as in military life, but their deeds seldom swell the poet's song, or find mention upon the historian's page. Yet it is to such civil heroes that nations chiefly owe their prosperity and happiness. I have faith, too, that commissioners who perform their duty justly, will gain the confidence of the great majority of the people, and that the moral weight of that support will enable them to resist all influence which would seek to swerve them from an honorable course.

## WHY SUCCESS MAY BE HOPED FOR.

The great element of success in the proposed system is the encouragement and development in the civil service of the sentiment of honor; that high tone which spurns bribes and the seductions of profligate ambition; that patriotism which dominates all selfish interests, and that resolute energy of purpose which sacrifices everything to the performance of duty. When I have seen our young men by tens of thousands at the call of duty, urged by patriotism, leave all the allurements of home and the chances of success in peaceful life, to bear the privations of the camp and the march; to brave "the leaden rain and iron hail" of battle, and the lingering torture and slow death of the prison, to save their country from dismemberment, I feel that I know that from these same men there may be found a sufficient number who will hunt out and exterminate the enemies within the lines, and face the corruptions of office as unflinchingly as they faced death in war. I do not believe that where honor and duty work together, with fair reward in either branch of the public service, that the dollar is almighty to corrupt, or that the chances of politics can wholly deaden the conscience. It is in this faith that I advocate this measure; and if it is not sound, then a government honestly administered is not practicable among men.

THE MODE OF SELECTION CONSISTENT WITH THE ORIGINAL PRACTICE  
AND THEORY OF THE GOVERNMENT.

There are some who pretend to think, and perhaps believe that they do think, that the proposed system is an innovation upon our republican theory. It is, on the contrary, a necessity arising from the growth of the republic, a demand of its intense and immense vitality. The republican idea is not that all are equally fit to hold office, but that all should have a fair chance to obtain office through fitness for it. "Equality is equal start for all." While the republic was small, and contained few more inhabitants than the present population of the State of New York, it was possible for the President and heads of departments to gain sufficient personal knowledge of all persons from whom they would select their subordinates. It was no more difficult than for a general of division to recommend the promotion of a meritorious subordinate to fill a vacancy. Competitive examinations and probations would be of little use when this personal knowledge existed, and the choice was exercised conscientiously. But the multitudes by whom this government must be carried on, and the greater multitudes from which they must be selected, have outgrown all personal knowledge and supervision. Some test must be applied to all candidates; some judgment must be had upon their qualifications.

This measure proposes to have the judgment of an independent board of qualified persons, and that access to this board shall be denied to none. Whose judgment will that of such a tribunal supersede? Not that of the President, for it is physically and mentally impossible that he should personally inquire into and decide upon the qualifications of those administrative subordinates in the cases where the appointment is vested by law in him; not that of the heads of departments, for it is not within their power to decide personally upon the fitness of their subordinates, except those with whom they come in contact in their respective offices. If they should personally undertake this task, they must neglect all other duties. What Secretary of the Interior could personally decide upon the qualifications of his Indian agents or pension office clerks, or Patent Office examiners? The Secretary of the Treasury has graver duties to perform than to select the many thousand instruments through whom he works, by personal interrogation. Those duties are graver than have ever devolved upon any of his predecessors. The management of our immense debt, the questions concerning the currency, loans, interest, redemption, fluctuations, or resources, which are constantly coming in upon him, may appal the stoutest heart and overtask the most cunning brain. Though his hair may be as black as the raven's wing on entering office, it may become blanched as the snowy owl's before leaving it. In order that he may be spared to perform those grave duties in any manner it is necessary that he should be relieved from all inquiries concerning applicants for office.

NO ACTUAL JUDGMENT NOW OBTAINED UPON THE FITNESS OF CANDIDATES.

Under the present system of whom do the President and heads of departments actually inquire; whose judgment do they get upon the persons who receive these minor appointments? If every member of the House of Representatives should, upon the instant, answer this question, each answer would be the same. We all know how this business is done, and although the people do not all know, they are rapidly becoming informed. In fact, the appointing power obtains nothing which can be called a judgment upon the questions of fitness and character. It is only a designation on account of political or personal services of persons not believed to be unfit. It is a way which custom has sanctioned of paying political debts. Men who would scorn to take a dollar of the public money without right, will not hesitate to place a personal or political friend in a situation where he receives the public money, without giving full consideration for it. The private political debt is paid by quartering the creditor upon the public Treasury. Is the office thus solicited and passed over to a friend, any less a bribe because it is not a gift which can be valued in lawful

money? Is the person who thus imposes an unfaithful servant upon the public less guilty of his peculations than the criminal himself? Is it any salve to the conscience to say, that if your man had not been accepted, perhaps under the present system a more incompetent person would have been?

“PATRONAGE” SHOULD NOT EXIST.

But the point which I make here has a graver and deeper significance than any question concerning the method of using the patronage system as it now exists. I maintain that such a system has no right to an existence in this republic. The three great departments of this government are distinct and independent, each sufficient for its appropriate sphere, and all necessary for a harmonious whole. Each department is also a check upon the other, and those who are charged with duties in one, cannot properly interfere with those who are charged with different duties in another. The executive department overshadows the others; the duties with which it is charged are the entire execution of the laws and the negotiation of treaties; and for the proper discharge of these duties that department is responsible to the people and to the representatives of the people. Congress should furnish the means for the performance of these duties, and, as the representatives of the people, should see that they are well performed. They should keep watch and ward over this mighty executive power, and see that it is used only for the proper administration of the government of the republic, and not for corruption, for personal ambition, for perverse partisanship, or for any form of tyranny.

Above all things, the body exercising the legislative powers, supervising the exercise of all other powers, and without whose co operation no other powers can be exercised—that which holds the purse, and which alone can authorize the use of the sword—should never surrender its independence, collectively or individually, to the department which merely administers without the power to provide itself with the means of administration. We should never forget that in the republic the representatives of the people are nearest to “the primal springs of empire,” which are the people themselves, and should never relinquish or compromise their independence while performing their high duties.

Believing this, I must express the conviction that it was an unfortunate hour for the republic when the representatives of the people abdicated their high functions, and consented to become the recipients and dispensers of what is called “executive patronage.” That is, they beg the Executive, who is charged with the faithful execution of the laws, to seek its instruments in such a manner, that the members of the legislative bodies can pay their political debts by designating the persons to whom the

executive and administrative offices should be given. Each office thus bestowed is a link in this chain of "executive patronage."

But the executive should have no patronage. The word "patronage" implies a bestowal by favor of what would not be obtained by the recipient by desert. That department should seek the most capable persons to transact the business of the people. Its high offices became degraded when their chief consented that they should be the instruments of such base uses. This surrender first introduced the sordid element into our politics, and caused the high tone of honor, high character, and eminent talent to begin to disappear from what has been becoming more and more a dishonored and dishonorable arena. When members of Congress became brokers of offices, as well as legislators, all their acts and votes began to bear the suspicion of being commercial transactions. This unholy alliance between the executive and legislative departments, which the Constitution created to be distinct, separate, and independent, has wrought no good to either. It is an intermingling of the *personnel* of the two which the law does not allow. It has paralyzed the executive in the administration of the government by destroying its independence. It has prevented the revenues from being collected, and caused the public moneys to be squandered. It has imported the alien curse of "patronage" into a government which ought to give an open career to all. In a republic, which must always be divided into parties, it has debased their contests into struggles as to which partisans shall fill the public offices, instead of developing a noble strife for the success of principles and measures upon which the prosperity of the country is believed to depend. More than any one cause it has tended to estrange one portion of the nation from another, and to embitter the feuds and inflame the passions which at last lighted the fires of civil war.

Now, when this long and bloody conflict has ended, and the grass is growing over its graves; when the republic is being reconstructed upon the principles of the immortal Declaration, its original corner stone, it has seemed to me wise that in matters of administration we should also return to the principles upon which our fathers set this government in motion. I would restore the executive to its original independence, and remit the legislature to its appropriate sphere. What the bill proposes is simply to furnish means to the Executive to obtain, independent of dictation from any quarter, competent and faithful persons to perform the duties required of that department by the Constitution and the laws. This is the origin, the aim, and the scope of this measure. The commissioners and their assistants are the eyes, the ears, and the mind of the Executive for the selection of instruments; they have no power, no patronage; they can neither reward friends nor punish enemies. It is true that they may not

do their work as well as all would wish it to be done; they can be but men, and consequently fallible instruments; but no one can deny that they will be better than no instruments at all. Even if this board should degenerate into a partisan machine, yet in course of time it must become the instrument of different parties; and it seems to me better, if our offices are to be filled with partisans, that we should secure the best material of each party by this mode of selection, instead of some of the worst, as we do now. And it is the worst of bad logic, as well as the poorest of compliments to say to the President that because he may fail to select the four men best qualified for this board, that therefore he should not have the aid which this bill gives him, but be obliged to select through the present more fallible and less impartial instruments the more than forty thousand officers within the scope of this measure. The same rule applies to each one of the forty thousand, that those who argue against me seek to apply to each one of the four. The false logic is too apparent, and the corruptive motive which advances such sophistry cannot escape detection. Under the present system the range of selection is confined to the personal and political friends of the politicians who push their favorites. Under the proposed system the choice must be made from the whole American people. The constituency is as numerous as the nation. Why should not the republic have the choice of its best sons for its service, instead of being obliged to grope around among the refuse for its servants? Why should it not go at once into its vigorous forests of native growth for its timber, instead of endeavoring to pick out some passable stick here and there from among the political driftwood of its periodical freshets?

I have heard it said by a member of a former Congress, I might say more than one—I say nothing of any member of the present Congress—that he thought he could choose better officers for his district than any board of examiners whatever. Each of such former members might have spoken, not his belief only, but the truth. In no case have I been disposed to question it, but it never seemed to have occurred to those former members that the selection of executive and administrative officers was no part of their constitutional duty. It was just what they were elected not to do. They had no more right to claim or exercise any portion of the executive power than of the judicial. I can fill a volume of quotations from the fathers to show how unwarranted, by authority or tradition, such a claim is on the part of members of the Legislature. It is one of the many corruptions that have threatened to change the character, if not destroy the existence of this government, by the intermingling of the functions of the branches which the Constitution created as separate and declares to be distinct. The evil of some of these attempts has been so glaring that they have been cut off by penal statutes. One was the seeking of con-

tracts by members; another, the use of influence at the departments for any purpose for a consideration, and the soliciting of offices for hire of money. It has been found necessary to purge Congress of these corruptions by prohibitory and penal statutes. So far have these statutes gone as to prohibit a member of Congress from being solicitor for a claimant in the Court of Claims, from acting as attorney for any claimant before any department or public officer, and even from arguing a case in court for a fee in which the government is a party. The great, the chief of these corruptions which yet remain unprohibited and unpunished, is the attempt to gain control of appointments to office, the wielding of the so-called executive patronage, and the exercise thereby of a share in the executive power.

LEGISLATIVE AND EXECUTIVE DUTIES SHOULD NOT BE INTERMINGLED.

Upon this subject I speak only for myself. I do not know that the opinions of any other member of Congress will, in this respect, coincide with mine. I do not intend that my words shall express a criticism upon either the language, the opinions, or the conduct of any other member of Congress. The constituency which I have the honor to represent, not inferior to any other constituency in any respect, elects one of the representatives of the people in the Congress of the United States. It is his duty to scan closely the measures proposed by the executive department to vote for furnishing means for carrying on the government according to the views of the administration, when convinced that these demands are warranted by law, and are in other respects reasonable and proper, and for denying them when not needed, or when the means might be used for improper purposes. In the district and among the people I represent, the government of the United States is felt through its officers of customs and internal revenue; indeed, few districts acknowledge the tax-gatherer's presence by larger contributions; and is welcomed by its postal conveniences, the presence of its judges, and its occasional and somewhat fitful aid to commerce and manufactures. It shares with all other districts an equal right in making laws for the whole country, and sends a representative here for that purpose. But it is no more a part of that representative duty to seek and dispose of executive offices, than to solicit pardons for traitors or condemned criminals. It is a part of his duty to prevent the appointment of incompetent persons by general law if he can, if not by personal remonstrance.

But if, as a matter of personal or political favor, he goes to the State Department to beg a consulate, or perhaps something higher, for a friend, or to the Treasury for an office within its gift, he is made to feel, if his natural instincts are not sensitive enough to be impressed before going

there, that he surrenders his independence as a legislator when he accepts the gift, and that the person and the power which grants his request will not be slow to claim his assistance in the Capitol when it is needed. I know there are ingenious ways for covering up this barter. The Secretary may say that he defers to the superior means of knowledge and to the judgment of the member in selecting his appointee, and may claim the member's vote upon an exceptional measure, upon the ground of allegiance to party. But, nevertheless, the bargain is made. Perhaps I could select as good executive and administrative officers in my district as any board of examiners could choose for the government, but when I am tempted to enter upon this business, I am checked by the reflection that I should be a mere volunteer. The people have not charged me with it; the Constitution does not require it of a legislator; the Executive has not yielded it; and its exercise would seriously interfere with the performance of my proper duties.

The Constitution contains a clause in restraint of bribery; the laws enacted to carry that clause into effect are full of penalties upon the use of money and the receipt of it by and among legislators. I do not see the difference between the bestowal of the gift of the nomination to an office upon a member, to be passed over to his friend, a political creditor, and the largess of a measure of coin for the same purposes. It may be a peculiarity of my own mental vision, but I cannot think I am doing my country service by becoming the almoner of my party in the distribution of administrative offices, when at the same time I am assuming obligations to the executive power which are inconsistent with my position as an independent legislator. It is my duty to aid the government in procuring the best service that its salaries will bring, in every district and in all localities where the flag floats; and that result I am endeavoring to secure by general law, with such persistence and ability as have been allotted me. But no provision in the Constitution, no law, no healthy custom, authorizes the blending of the legislative and executive duties in this illicit manner. I do not belong to the executive department, nor has that department any claim upon me as a representative to relieve it from the proper and responsible exercise of its duties, or to stifle my criticism or choke my opposition to their improper exercise, inviting or permitting me to share its power. If I perform the duties with which I am charged under the Constitution, I must stand aloof from the other departments of the government, and exercise the utmost vigilance which I possess, and which my constituents expect of me, to see that the officers of the other departments perform the duties which the Constitution and the laws require of them; and if the laws are weak and insufficient, to urge a remedy by new and wise legislation, which, with regard to one defect, I believe I am now doing.

THE PRACTICE AND ITS RESULTS IN THE FIRST FORTY YEARS OF THE  
GOVERNMENT.

We all know how in the early days of the republic, appointments to civil office were the subjects of personal care and supervision by the President and heads of departments. The correspondence as to the character, fitness, integrity, and patriotism of candidates was thorough and exhaustive. When the testimony concerning qualifications was balanced or doubtful, a personal acquaintance was not unfrequently sought, and its results determined the choice. The exercise of this intelligent care produced its legitimate results. For the first forty years of the existence of this government under the Constitution, no people ever had a more faithful and efficient body of public servants. Frauds, peculations, and defalcations in the civil service were almost unknown, and so heinous was the offense deemed, that the few perpetrators, in almost every instance, fled the country. Personal supervision by responsible and capable chiefs was possible in those days, when the numbers of the force were few. The service was honorable; its members were respected; removals for cause were few; political opinions were not deemed a cause; and though every commission limited the term of office to the pleasure of the President, it was practically for life. Under that system the revenues were faithfully collected, the public money honestly kept and disbursed; our prosperity increased; the direct and indirect taxes, save the customs, were removed; the government, although generally called an experiment, gained the confidence of the people and of the world; its credit was strengthened and remained unimpaired; its revenues were increased; its debts incurred in its two great struggles for existence extinguished..

THE CHANGE AND THE TIME OF IT UNFORTUNATE.

It was especially unfortunate that the change which made the civil offices of the government the spoils of party, and the government itself a political machine, operated for the benefit of a party, took place at the time when the receipts from customs exceeded all lawful expenditures, and were canceling the debt. While the Treasury from this source was being filled to overflowing, the people did not feel the burdens of taxation, and did not scrutinize closely the details of administration. They grew heedless of the extent and unmindful of the consequences of the viciousness and of the corruptions that were eating into the life of the republic. If it were not that every one is now made to feel the pressure of the great national debt, the price of the nation's life as the former debts were of liberty, there would be little hope of rousing the nation to overthrow the vicious political system which from forty years sufferance has almost become an accredited custom.

## THE ANTICIPATED RELIEF.

This nation, yet in its youth, has had to struggle for its life with two enormous evils. One, the curse of slavery, had coiled itself like a serpent around the young republic, and when its black folds had encircled every limb of the government, it sought to crush out the spirit of liberty, the soul of the republic. The effort of the nation to free itself from the crushing grasp of this reptile enemy was the greatest civil war of all times. While every energy was thrown into this struggle, another equally insidious and dangerous enemy, born of the strife itself, enveloped and almost paralyzed the force which finally laid the first foe dead at its feet. This second serpent is the debt which now oppresses the nation, and within whose folds these thousand corruptions which we complain of are bred and have their existence. It is true, as argued by Mr. Woodward of Pennsylvania, that if we did not have this debt, and the necessity attending it, of raising and disbursing immense sums of money, we should not have these corruptions in their present magnitude. The proposed reform is one of the methods of strangling this monster also. When the energies and intelligence of the people are bent upon this enterprise there can be no doubt as to the result. This young nation will deal with its debt as with slavery, and both, like the serpents sent to strangle the infant Hercules, will themselves be destroyed in its vigorous and conquering grasp. It will hardly have commenced its career till these two enemies shall have been annihilated.

It has been demonstrated over and over again, that our tax and tariff laws call for \$400,000,000 of revenue annually, and that but \$300,000,000 reach the Treasury. That this missing \$100,000,000 is lost by the incompetency and rascality of some branches of the civil service, has also been fully proved. Greater care in the selection of our servants will secure men who will see that this \$100,000,000 will be restored to the Treasury, and enable the government to purchase its indebtedness before it comes due. If we find the right men for the service they will find that lost dollar out of every four, that quarter out of every dollar, which eludes the grasp of our present revenue officials. Our problem is to find men honest enough, intelligent enough, faithful enough to seize that missing dollar which in the year swells to the enormous aggregate of \$100,000,000, and toss it into the Treasury, instead of letting it slide into the pockets of corrupt officials and their confederates.

## WHAT IS GAINED BY COMPETITIVE EXAMINATIONS.

But, says Mr. Woodward, this cannot be accomplished by competitive examinations, and he argues as if the whole scope of the bill was limited to these. He holds them up to ridicule as being the contests of boys just

from school, determining nothing but a superior flippancy and superficial excellence. He does not deem such an academic contrivance worthy of being admitted into the serious business of life. He entirely omits the consideration and value of the probations. He forgets that in some branches of this very business of public employment, a competition is constantly going on in which the employers are the examiners. We see it in the halls of Congress every hour. The stenographers who take down and report every word uttered, have achieved their positions by admitted, excellence in the most vigorous of competitive examinations and trials. The gentlemen in the gallery over the Speaker receive their credentials and cards of admittance after a more severe scrutiny into their qualifications, than any candidates for the government service will ever be required to submit to. Every live business that is going on around us is organized on this principle, which is absent from the government service alone.

This examination into qualifications and character will render ineligible for the administrative branches of the public service all the idle, the lazy the drunken, the dissolute, the incompetent, the vicious, the thievish. It will exclude the shoulder-hitter, the garroter, the repeater, the pipe-layer the ballot-box smasher, the false oath taker, the ward-room bully, the primary meeting manager, the ballot changer, the smuggler, the rioter, the peculator, the gambler, the thief. But in this representative republic the avenues to elective offices will continue to be open to all these. They may become alderman, mayors, governors of States, congressmen, and in some States even judges, by the popular choice. This reform is limited to an humbler sphere, though one which vitally affects the public interests. It simply provides that skill and vigor, in striking straight out from the shoulder, when brought to bear in behalf of either party in a strife to capture a ballot-box or to smash it, shall not be considered evidence of the champion's qualifications for an office in the appraiser's department of a custom house, or a clerkship in the State Department; and that alacrity and facility in doing the dirty work of a party, shall not entitle the person adorned by these qualities to a place where he shall handle the public moneys. I have no fear that the persons who seek these lesser places, will be too learned or too competent. Young men who seek the great prizes of life, will not imprison their energies or capacities in this limited sphere. We shall not coax distinguished scholars, adorned with university honors, into post office clerkships, or make them custom-house weighers or whiskey gaugers. We shall not require Hebrew and Greek in the Indian Bureau, or the higher mathematics in the State Department. But we shall require, and shall succeed in obtaining, fitness for our work.

## FIDELITY IN THE MINOR OFFICES WILL SECURE INTEGRITY IN THE HIGHER.

But it is objected that as this measure deals only with the inferior offices, it will not check the thieving which Mr. Butler, of Massachusetts, alleges is chiefly performed by those of higher grade. He insinuates, although he has not directly asserted, that the deficiencies in the revenue are owing more to the vices of collectors and assessors than to the clerks and subordinates. But if their clerks and subordinates are honest, faithful and diligent, how can their superiors be dishonest without detection? No one knows better than the gentleman from Massachusetts that the money is not stolen after it comes into the hands of these great officers, or into the coffers of the State. These magnates do not boldly commit grand larceny with comparative impunity, for they are surrounded by too many checks to make this kind of appropriation safe. It would be as great folly for them to make such an attempt, as it would be for a covetous commander of a department in war time to put his hand into the military chest and convey the contents to his own pocket. Such great embezzlements cannot be effected without a back door to his headquarters, and convenient and pliable aids, quartermasters, commissaries, sutlers, and storekeepers—his creatures, ready and willing to join in the public plunder. If the dishonest collector cannot have his choice of instruments; if, on the other hand, all his subordinates are selected for their honesty and capacity by men over whom he can have no influence or control, then they are guards over him, as well as over the smugglers he would favor, and speculation becomes impossible, except by actual crime. Each is a watch over the other, and if one becomes a thief, detection will be quick and punishment certain. I do not deny that large sums have been diverted from the Treasury by the connivance of the higher officers, but it has been done with comparative impunity, only when they have had the designation of their subordinates, who have been in fact their accomplices.

## WHAT SORT OF AN ARISTOCRACY IT CREATES.

Of all the objections to the proposed reform the most singular is, that which denounces it as creating an aristocracy which may tend to change the character of our republican institutions. An aristocracy is generally understood to be a governing class, which through the chances of fortunate birth, great wealth, family connections, social influence, and special education are enabled to exercise a controlling power in the government. We associate the term with great estates, liberal expenditures, fine equipages, lordly manners, brilliant assemblies, armorial bearings, and all the insignia of hereditary nobility. But alas for the comparison! Within the scope of this bill there are not a hundred officers whose salaries are

over \$3,000 a year, and the average is less than \$1,200. These are filled with hard-worked drudges, whose hours of toil are from six to ten each day. An aristocracy of deputy collectors, clerks, inspectors, mail agents, Indian agents, letter carriers, light-house keepers, and tide waiters! It is true that the bill provides means for obtaining the best persons for these places; but he who can see an aristocracy in this host of subalterns—in the offensive or dangerous meaning of that term—must be in that calenture of the brain which can discern green fields in the waves of the sea, or observe men as trees walking. It is a mirage of an over heated intellect.

If such an aristocracy were created by this measure, we should see the flower and cream of it here in Washington. Its lords would be the poor clerks who perform dusty drudgery in the departments, and beg and beseech us for an additional twenty or ten per cent of pay, in order that they may meet their board and grocery bills; and the queens of that dangerous society would be the poor women who clip and count the paper currency in the Treasury, or copy records in the Patent Office. These "bloated aristocrats" on \$1,800 a year, and these "flaunting ladies" on \$900, may disturb the dreams of the gentleman from Illinois [Mr. Logan], but the Constitution can withstand their insidious plottings. Although we deal only with subalterns, there is not enough in this aristocratical notion to bring out of it a new farce of "High life below stairs." It runs itself into the ground without comicality.

It is true that they form a class by themselves, excluded from the actual business of the world, and seeming to be connected with the business of the State, earning a miserable pittance by reluctant labor, their energies paralyzed, and their hopes extinguished by the uncertain tenure of their employment; but that they should ever become one of the dangerous classes is a new if not a patentable discovery. Among them are some noble, faithful, earnest, hard-working men and women, worthy of respect and deserving of honor. Would that they were all such, and that hereafter they may be, is one of the objects of this measure. I have not met with one of this better class who has not said to me, make your tests by examination and probation as rigid as you please; we will gladly submit to them if, after having passed them honorably, our offices shall thenceforth become permanent and respectable. They know and feel, and the whole people are beginning to perceive that the aristocratic element in our system is the patronage which bestows its gifts upon favorites, which removes faithful public servants from caprice, and which places the worthy beneath the worthless.

That merit shall have the places it deserves is the true republican doctrine, and the measure which is devised to bring forward and advance

merit, and merit alone, in the public service, is the keen edge of the axe to the root of these alien, corrupt, aristocratical practices. Its benefits will be at once felt in the better spirit and higher tone which will be developed in each officer. Hitherto the position of all these subordinate officers has not been merely a service, but a servitude. The mode of obtaining office, and the servility necessary to retain it, have brought into action the worse qualities of those thus serving. But when the officer obtains his place by his qualifications for it, holds it during efficiency, and can be advanced by merit, he becomes independent of the courtier's or politician's arts, and his best qualities are developed instead of his worst. Not the least beneficial effect of this measure in this era of emancipations, will be the abolishment of the servitude of office, which has been a blight upon the service and a curse to the republic.

I admit that if the measure should be strictly enforced, the government servants would become a class with distinctive qualities. In that class would be found only the qualified, the honest, the faithful, the capable, the energetic, the patriotic, the competent, while the opposites of all these would be turned back at the doors of the examination halls. It brings into the public service only the skilled laborer, whose education has been in a great measure completed before he receives his pay from the people's money; while under the present system the people pay the greater portion of those who are thrust into their service while their education is going on, and which in many cases never is, and never can be, completed. The proposed law elevates the meritorious and rejects the unworthy. If this be "class legislation," make the most of it.

The most disingenuous of the attacks upon this measure is, that it creates a life tenure of office in these subordinates. The present bill is so drawn as to remove any possible pretext for that charge. It merely holds on to the faithful officer, as long as he performs his duties efficiently; when he falls below the standard it puts him out. The interest of the government only is regarded, not that of the servant. It may be cruel in many cases to the old and meritorious officer, but it is the hard condition upon which he is allowed to serve at all.

It is also argued against the provision for promotions for merit by the gentleman from Illinois, that it might be used unfairly, as he intimates some advancements were made by boards during war time. Again we meet the same false logic that was used with regard to the commissioners. Because individual cases of favoritism or incorrect judgment may occur in the administration of a system framed for just ends, therefore no such system should be established at all, but every thing should go by favor and the consideration of merit be entirely excluded. Because merit might not in a few cases get the desert to which it is entitled under this system

therefore merit should not have the chance to win desert at all in the public service. This is the sum of that so-called argument.

Nor is it a valid objection to the measure that it does not include the higher officers. By the Constitution these are left to the exclusive jurisdiction of the President and Senate. It is a most insidious opposition to a measure that it does not go far enough. It is a part of the false logic I have already commented upon, that would argue that we should not attempt to do any good, because we do not undertake at one effort all that may be supposed attainable. But the limit in this case is not of my seeking; it is found in the Constitution itself. The most that can be done in that higher sphere is, to give the higher powers the use of the means which we create. The bill proposes to do this. For the results we are not at all responsible, for they are now, and must continue to be, beyond our jurisdiction or control.

WHY THE EXPERIENCE OF OTHER COUNTRIES SHOULD BE TAKEN  
ADVANTAGE OF.

It is objected that the examples drawn from other governments, "despotic or monarchical," "never can or ought to become a rule for a free republic." "It is one of the great vices of the bill," says he, "that it is, not built upon the American ideas of government, but upon those of the Old World." He says, further, that our Constitution "starts all the people even in the race of life, and recognizes no distinctions except such as they create themselves." This is precisely what this bill proposes to secure to every citizen, according to the spirit of the Constitution as the gentleman interprets it. Across the avenues to public employment are now placed bars which are taken down only for political and personal friends of the person who holds the appointing power, or for those who have exerted influence for the party to which that person belongs, or to those who may work for that party, if admitted within the magic circle of office. This measure proposes to throw down all these bars. Every one is to have a fair chance. Every young man in the country is to have the opportunity, if he chooses, of competing for the privilege of entering the public service, and to be entitled to the right to enter it, if he proves that he has prepared himself for it better than his competitors. Its principle is, that the people have a right to the service of the best men, and that the best men have the best right to serve the people. If this be not the true idea of the republic, my studies have been in vain. And even if the selection should be confined to the party in power, the honest application of this measure would secure the services of the best material from each party as it came in power, instead of admitting some of the worst of each as under the present system.

But the idea that we should not take a hint from the improvements in the machinery of administration made in other countries, because their governments are "despotic and monarchical," is as ridiculous as it is preposterous. The same rule would require us to reject the steam-engine the railway, and the locomotive, because they came from Great Britain, and the art of printing because it came from Germany, and all inventions and discoveries in the arts and sciences which may originate among the subjects of the emperor of the French, or the autocrat of all the Russias. These free trade men upon all articles of manual manufacture would be prohibitionists upon ideas and inventions. They forget that the science of government is progressive, and that all improvements in it are the common property of the human race, to whom governments of some sort are a necessity. The great family of civilized nations are continually borrowing from and giving to each other, and gaining by the exchange. It never could have entered into the mind of any but a Pennsylvania Democrat, who has been educated in the belief which he still clings to, that the administration of Andrew Jackson was the perfection of civil government, that we should not seek and receive lessons from the experience of other civilized nations, especially when that experience is in the line of our own innovations upon ancient traditions in opening a career for the children of the people, and not merely for "privileged classes" and "aristocratic ranks," or "the younger sons of a landed nobility."

We should remember that our present system of appointments to office is of monarchical origin, and is copied from that of the parent nation. Our fathers adopted the best system which they knew of. They did not invent any. The offices which they created were to be held at the pleasure of the President. The commissions for all inferior offices within the scope of this bill, still read that the office is to be held during the pleasure of the superior from whom the appointment is received. This, in 1787, was the best known mode, and the fathers of the republic adopted it as the best. It was not till some years later that the French republic discovered a better. But, like many good things evolved in that Revolution, it was lost sight of among its companion evils, and has but recently become apparent to the civilized world. And when its value has once been discovered, we look further and find that it has existed as an immemorial usage, in the most ancient of civilizations, and that it is the secret of the long continuance of the government of the greatest of the oriental nations. Like many other arts and inventions, it was known to them before our civilizations were born.

We are constantly borrowing ideas in jurisprudence and in legislation from other countries. All our jurisprudence is based upon that of the country from which our first colonists emigrated,—England, monarchical

England. Our government itself, with an executive chief, our representative legislature and independent judiciary, are all copied from the same model. We have made what we think are many improvements upon that system, but if we should reject other improvements made in the parent country because first made there, we might as well reject the parent system itself. Underlying all our constitutions, all our legislation, colonial, State, and national, is the great common law of England; a system of jurisprudence whose merciful maxims, wisely administered, have done more for the improvement of the human race in civil government than any utterances save those upon the Mount—the common law of England, which is to-day the rule of action for more millions of the human race than any other system of jurisprudence which ever emanated from man's experience; whose vigorous root and giant growth have sent its offshoots over the land and under the sea, wherever colonies of the parent nation have been planted, on every continent and in every clime; which have again taken root and flourished with a vigor equal to the parent stock; who fair flower has been the perfect freedom of thought and speech to all whom it shelters, and whose ripe fruit is the perfect equality of all men before the law. It would be as unwise so reject any improvements upon that law, as to attempt to reject the law itself. And as of the law, so of improvements in administration which are akin to it Nothing can be more foolish than for any man to believe that all wisdom dwells in one man's head, or in the practice and policy of any one nation. We render to other nations far more striking results of experience in civil government than they can give to us, for in them history but repeats itself in the main; and while we absorb yearly some hundreds of thousands of their citizens, we should be unwise to reject the practices by which they make their administration more perfect and their governments more secure.

#### THE ECONOMY OF THE MEASURE.

In its economical aspect I also ask for this measure the approval of the House and of the country.

The gentleman, Mr. Woodward, of Pennsylvania, has figured up the annual expense of the commission, including all salaries and incidental expenses, at about \$60,000, and I think they would not exceed that sum. He omits to estimate the credit to which it would be entitled from the receipt of fees; nor does he reflect that the sum of the salaries of the appointment clerks now employed in every department, and in the principal post offices and custom houses exceeds all the salaries and expenses of the commission. This mote in his eye prevents his seeing the hundred millions that we lose for want of some system like this. On the day when this measure was defeated by a majority of two votes in this House

in the Thirty-Ninth Congress, a fraud was detected in the Treasury, perpetrated by a clerk who had procured his appointment under an alias, which could not have been done if the proposed commission had been in existence, to an amount which would have paid the expenses of a commission for a year. While the bill was under debate during the session of the Congress just closed, the amount discovered to have been lost in the drawbacks frauds in a single custom house, and which never could have been committed under the proposed system, would have paid the expenses of the commission for at least ten years. I speak only of particular instances of discovered embezzlements. We all know that the amount which annually disappears from our revenues, would pay the expenses of the commission for a thousand years. We hire the reapers that the harvest may be gathered; but parsimony like that which begrudges the expense of this inquest, would let the grain rot on the ground before it would pay the hire of the laborer.

Nor is this loss alone in the failure to collect the revenues; it is almost as flagrant in the expenditures. The chairman of the Military Committee in the last House declared on this floor that out of every dollar appropriated for the benefit of the Indians but twenty cents was ever received by them. We have just appropriated \$4,500,000 for their benefit, and on his estimate eighty per cent of this sum must be a dead loss. We have also just appropriated \$8,000,000 for the collection of our internal revenue, about five per cent on the total receipts; while in other countries, with a well ordered revenue service, it costs less than two and a half per cent for collection. In the customs the cost of collection is about equally extravagant. Much of the loss is due to positive dishonesty; nearly, if not quite, an equal amount to incapacity. We do need an accession of intelligence as well as integrity to this branch of the civil service, although from what has been said in former discussions some members do not seem to think so. I have seen custom house clerks who knew no more of the foreign weights and measures in the invoices placed before them, and of the coinage in which the articles were valued, than they did of Sanscrit; and appraisers who had no more idea of the manner in which the goods they were called upon to value were manufactured, or of the cost of manufacture, than of the physical constitution of the moon; and gaugers who could not read the instruments put into their hands; and collectors and inspectors to whom the common chemistry of distillation was as much unknown as any of the lost arts. A former member of the House of Representatives told me of one who said he could tell the strength and quality of whiskey better by the "taste and the bead" than he could by any of "these new-fangled instruments." It would require numerous relays of such officers to obtain correct returns from a single distillery. There is as much

abstracted and withheld from the revenue under the noses of incapables, as through connivance with the dishonest. The government is plundered as well as defrauded; and so great is the extent of the thievery that the amount of it would buy up the national debt before it is due. Is it not a measure of economy to furnish means to the executive department to present a check to these gigantic frauds? It may not be thoroughly successful; no legislative measure can be; no millennium can be brought about by act of Congress. Yet the service can be improved by it. This measure simply proposes to fill a void in the present system, caused by the great growth of the country and its business. The garments which clothed it in its youth are now altogether too small for it. We must provide for its present and future gigantic proportions. We cannot return to the simpler and cheaper practices of earlier days. This government cannot be set back into the condition in which it was in the days of President John Quincy Adams. You might as well undertake to remand it to the colonial condition. All our legislation should be based upon the possible requirements of fifty States and a hundred million people. We shall reach that stature before the heads of our young men shall grow white; and if the government shall have honest and capable men in its service and no others, the present burdens of taxation upon the people would diminish so rapidly, that their previous existence would be as soon forgotten as was the debt of the war of independence funded by Hamilton. Those with whom we deal financially must not only be impressed with the extent of our resources, but also must be made to have faith in the honesty of the administration of our revenues. The credit of this government would stand higher than any other upon the money exchanges of the world, and the government itself would receive what is its just due—the respect, the reverence, and the love of all mankind.

Below we give a copy of Mr. Jenckes' proposed bill.

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A bill to regulate the civil service of the United States.

*Be it enacted, &c.*, That hereafter all appointments of civil officers in the several departments of the service of the United States, except postmasters and such officers as are by law required to be appointed by the President, by and with the advice and consent of the Senate, shall be made from those persons who shall have been found best qualified for the performance of the duties of the offices to which such appointments are to be made in open and competitive examinations, and after terms of probation, to be conducted and regulated as herein prescribed.

SEC. 2. And be it further enacted, That there shall be appointed by the President, by and with the advice and consent of the Senate, a board of four commissioners, who shall hold their offices for the term of five years, to be called the civil service examination board, among whose duties shall be the following:

First—To prescribe the qualifications requisite for an appointment into each branch and grade of the civil service of the United States, having regard to the fitness of each candidate in respect to age, health, character, knowledge, and ability for the branch of service into which he seeks to enter.

Second—To provide for the examinations and periods and conditions of probation of all persons eligible under this act who may present themselves for admission into the civil service.

Third—To establish rules governing the applications of such persons, the times and places of their examinations, the subjects upon which such examinations shall be had, with other incidents thereof, and the mode of conducting the same, and the manner of keeping and preserving the records thereof, and of perpetuating the evidence of such applications, qualifications, examinations, probations, and their result as they shall think expedient. Such rules shall be so framed as to keep the branches of the civil service and the different grades of each branch, as also the records applicable to each branch, distinct and separate. The said board shall divide the country into territorial districts for the purpose of holding examinations of applicants resident therein and others, and shall designate some convenient and accessible place in each district where examinations shall be held.

Fourth—To examine personally, or by persons by them specially designated, the applicants for appointment into the civil service of the United States.

Fifth—To make report of all rules and regulations established by them, and of a summary of their proceedings, including an abstract of their examinations for the different branches of the service, annually, to Congress at the opening of each session.

SEC. 3. And be it further enacted, That all appointments to the civil service provided for in this act, shall be made from those who have passed the required examinations and probations, in the following order and manner:

First—The applicants who stand highest in order of merit on the list of those who have passed the examination and probation for any particular branch and grade of the civil service, shall have the precedence in appointment to that branch and grade, and so on in the order of precedence, in examinations and merit during probation to the minimum degree of merit fixed by the board for such grade.

Second—Whenever any vacancy shall occur in any grade of the civil service above the lowest in any branch, the senior in the next lower grade may be appointed to fill the same, or a new examination for that particular vacancy may be ordered, under the direction of the department, of those in the next lower grade, and the person found best qualified shall be entitled to the appointment to fill such a vacancy: Provided, that no person now in office shall be promoted or transferred from a lower to a higher grade, unless he shall have passed at least one examination under this act.

Third—The right of seniority shall be determined by the rank of merit assigned by the board upon the examinations, having regard also to seniority in service; but it shall at all times be in the power of the heads of departments to order new examinations, which shall be conducted by the board, upon due notice, and according to fixed rules, and which shall determine seniority with regard to the persons ordered to be examined, or in the particular branch and grade of the service to which such examinations shall apply.

Fourth—Said board shall have power to establish rules for such special examinations, and also rules by which any persons exhibiting particular merit in any branch of the civil service, may be advanced one or more points in their respective grades; and one-fourth of the promotions may be made on account of merit, irrespective of seniority in service, such merit to be ascertained by special examinations, or by advancement for meritorious services and special fitness for the particular branch of service, according to rules to be established as aforesaid.

SEC. 4. And be it further enacted, That said board shall also have power to prescribe a fee, not exceeding five dollars, to be paid by each applicant for examination, and also a fee, not exceeding ten dollars, to be paid by each person, who shall receive a certificate of recommendation for appointment or for promotion, or of seniority, which fees shall be first paid to the collector of internal revenue in the district where the applicant or officer resides, or may be examined, to be accounted for and paid into the Treasury of the United States by such collector, and the certificates of payment of fees to collectors shall be forwarded quarterly by the commissioners to the Treasury Department.

SEC. 5. And be it further enacted, That said board shall have power to prescribe, by general rules, what misconduct or inefficiency shall be sufficient for the removal or suspension of all officers who come within the provisions of this act, and also to establish rules for the manner of preferring charges for such misconduct or inefficiency, and for the trial of the accused, and for determining his position, pending such trial.

Each member of said board shall have the power of administering oaths in all proceedings authorized by this act, and testimony may be given orally by witnesses in any hearing before said board or any member thereof, or by deposition to be taken in the manner prescribed by law, or upon such notice and in such manner as said board shall, by general rule or special order, direct.

SEC. 6. And be it further enacted, That any one of said commissioners may conduct or superintend any examinations, and the board may call to their assistance in such examinations such men of learning and high character as they may think fit, or in their discretion, such officers in the civil, military, or naval service of the United States, as may be designated from time to time, on application of the board, as assistant to said board, by the President or heads of departments, and in special cases, to be fixed by rules or by resolutions of the board, they may delegate examinations to such persons, to be attended and presided over by one member of said board, or by some person specially designated to preside.

SEC. 7. And be it further enacted, That the said board may also, upon reasonable notice to the person accused, hear and determine any case of alleged misconduct or inefficiency, under the general rules herein provided for, and in such case shall report to the head of the proper department their finding in the matter, and may recommend the suspension or dismissal from office of any person found guilty of such misconduct or inefficiency; and such person shall be forthwith suspended or dismissed by the head of such department, pursuant to such recommendation, and from the filing of such report shall receive no compensation for official service, except from and after the expiration of any term of suspension recommended by such report.

SEC. 8. And be it further enacted, That the President shall have power at any time to revoke and cancel the commission of any officer appointed in pursuance of the provisions of this act; Provided, however, That said revocation and cancellation shall not take effect, if said officer demand a trial upon charges to be preferred against him, in the manner prescribed in this act, within thirty days from the time of being served with notice of such revocation and cancellation, unless he shall be found guilty upon his trial of the misconduct or inefficiency alleged against him in such charges. The discontinuance of an office shall discharge the person holding it from the service.

SEC. 9. And be it further enacted, That the salary of each of said commissioners shall be \$5,000 a year, and the said board may appoint a clerk at a salary of \$2,500 a year, and a messenger at a salary of \$900 a year; and these sums, and the necessary traveling expenses of the commissioners, clerk, and messenger, to be accounted for in detail and verified by affidavit, shall be paid from any money in the Treasury not otherwise appropriated. The necessary expenses of any person employed by said commissioners as assistants, to be accounted for and verified in like manner, and certified by the board, shall also be paid in like manner.

SEC. 10. And be it further enacted, That any officer in the civil service of the United States at the date of the passage of this act, other than those excepted in the first section of this act, may be required by the head of the department in which he serves, to appear before said board, and if found not qualified for the place he occupies, he shall be reported for dismissal, and be dismissed in the manner hereinbefore provided, and the vacancy shall be filled in manner aforesaid, from those who may be found qualified for such grade of office after such examination and probation, as is hereinbefore prescribed.

SEC. 11. And be it further enacted, That any person appointed and commissioned in pursuance of the provisions of this act, may be required to serve in the branch and grade to which he may be appointed in any part of the United States, where the head of the department in which he serves may think proper, and in case of removal from one place of service to another, the necessary traveling expenses of such officer, to be ascertained and allowed according to fixed rules, shall be paid out of the Treasury.

SEC. 12. And be it further enacted, That all citizens of the United States shall be eligible to examination and appointment under the provisions of this act, and the heads of the several departments may, in their discretion, designate the offices in the several branches of the civil service, the duties of which may be performed by females as well as males, and for all such offices females as well as males shall be eligible, and may make application therefor and be examined, recommended, appointed, tried, suspended, and dismissed, in manner aforesaid; and the names of those recommended by the examiners shall be placed upon the lists for appointment and promotion in

the order of their merit and seniority, and without distinction, other than as aforesaid, from those of male applicants or officers.

SEC. 13. And be it further enacted, That the President, and also the Senate, may require any person applying for or recommended for any office which requires confirmation by the Senate, to appear before said board and be examined as to his qualifications, either before or after being commissioned; and the result of such examination shall be reported to the President and to the Senate.

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#### COMMISSIONER DELANO'S DECISION UPON THE TAXING OF BORROWED CAPITAL.

On the 30th ultimo, the Solicitor of Internal Revenue delivered an opinion on the appeal of one of our leading Wall street firms against the taxing of the borrowed money employed in their business as brokers; and upon the strength of the Solicitor's conclusion, Mr. Delano confirms the assessment of Assessor Webster, against which the appeal is made.

This decision affords a new illustration of the proneness of revenue officials to interpret all doubtful cases of claim arising under the law, in favor of the Government and against the people. This policy is impolitic and mischievous. It encourages the idea that the Government is hostile to the people, and not their creature and protector. Congress passes the law: if it is not clear in its application to any particular class or case, the official should refer it back for Congress to determine its intention, and make it clear if it desires. And when power is given to a Government officer to decide a question in dispute, he takes a very limited view of his duties, when he plays the part of an advocate, and gives the Government the benefit of the doubt. The true principle was well laid down by Frederick the Great of Prussia, in giving instructions to his judges upon their appointment. "If a suit arises," (he was accustomed to say) "between me and one of my subjects, and the case is a doubtful one, you should always decide against me." In the interpretation of statutes, this is the rule which invariably prevails in our courts, and especially where the statute is penal, or in the nature of a fine or tax. On the contrary, however, our revenue officials appear to act as if the faintest show of authority in the law was sufficient basis upon which to found a decision in favor of the Government. Just such indiscreet zeal for the collection of the utmost dollar of revenue, is what renders taxation odious, and creates dissatisfaction toward governments. We could desire no better exemplification of this shortsighted policy than is afforded by Solicitor Smith's argument on this appeal. He does credit to himself by making up the best possible case in favor of an unsound decision; but he does discredit to the Government by a conclusion which, according to our view, is totally unsupported by law or common sense; the credit and the discredit, however, are due to the fact that, as an officer of the Government, he acts as if he thought it his duty to make a decision in favor of his client.

The whole gist of the dispute turns upon the question what is the meaning of the term "capital," as used in section 110 of the act of June 30, 1864. That section, after imposing a tax of one twenty-fourth of one per cent per month upon the *deposits* with any person, bank, association, company, or corporation engaged in the business of banking, and a tax of one-twelfth of one per cent monthly upon *circulation* issued by such parties, also levies "a tax of one twenty-fourth of one per cent each month, as aforesaid, upon the *capital* of any bank, association, company, or corporation, and on the *capital* employed by any person in the business of banking, beyond the average amount invested in United States bonds." What then is the scope of the term capital as here used? The appellants, as we think very correctly, claim that it means the funds properly their own, used as the basis of their business, as distinguished from any deposited or borrowed moneys which their capital proper may have helped to attract into their hands. These are the Solicitor's reasons for dissenting from this construction:

In the first place, as to the term "capital." Ordinarily this word means the entire stock employed in one's business. This is not denied by counsel for appellants, but they claim that it has a different signification in this statute—that it signifies what a man *owns* and uses in his business, what the individual members of a firm contributed of their *own* money—"a permanent ownership of that which constitutes the financial strength of the organization.

I cannot concur in this construction. It seems to me that the term includes all the money employed and used in the business, no matter from what source it is derived. It is immaterial whether it is borrowed or is the separate or joint property of the members of the partnership. Is it used in the business and does it contribute to the profits or supposed profits of the business? If it does, then it is capital within the meaning of section 110, and is liable to taxation. The manifest spirit of that section is to tax all the sources from which profits can arise. It is the use that is made of the money and the privilege of using it that is taxed, rather than the money itself. Thus private bankers are taxed upon capital and deposits. These are their only sources of profit. Banks are taxed upon capital, deposits and circulation, where they have circulation. These are their only sources of profit.

It will be noticed that the Solicitor here absolutely assumes his construction to be correct, without one citation from analogy or usage to support it. He simply affirms—he does not argue—which is tantamount to an acknowledgment that his case does not admit of proof. He might be very safely challenged to produce a single instance from the phraseology of the fiscal and banking laws of Congress in which the term "capital" is employed in the sense he attaches to it. On the contrary, throughout the national bank acts, the word is used to represent the funds contributed as the permanent basis of the business of the banks. And in section 110 of the act of June 30, 1864, above cited, where the items of banking resources are separately classified and taxed as capital, deposits and circulation, this meaning is manifestly intended; for if the term capital covered all the means employed in the business, there could be no motive for this separation of items. The Solicitor says the term "includes *all* the money

used and employed in the business, no matter from what source it is derived." If it is used in the business and contributes to its profits, then, in his view, it is capital within the meaning of the law. This construction, however, goes too far even for the Solicitor's purposes. For, according to this definition, deposits and the money derived from circulation are both capital; and as such should be subject to taxation under the impost specifically upon capital. Both deposits and circulation, however, are distinctively taxed as such, so that Solicitor Smith must either maintain that these items are to be twice taxed, or that the term "capital" has not that comprehensive scope which he attributes to it, but that it has a narrower and more specific meaning determinable by the general usage of the word as applied to banks and bankers. When he so distorts the common usage of the term as to make it represent, not what a banker owns as his personal means and resources used in business, but what he borrows from day to day, what he owes, he certainly is bound to give strong reasons for such a novel interpretation; but, strange to say, his interpretation has no backing but the dictum of authority.

Mr. Delano's decision subjects banking reserves to repeated taxation. The funds borrowed by a banker from a bank or other banker constitute a portion of the lender's capital on deposits or circulation, and as such are taxed in his hands; or passing into the hands of the borrower they are, under this ruling, subjected to a second tax; and if the borrower should see fit to again lend them, can to yet a third tax, and so on; the Commissioner feel justified in assuming, upon a very doubtful point of interpretation, that the law contemplated such an oppressive injustice? It would have shown a much more seemly regard for a great financial interest had he given the tax payers the benefit of such a strong balance of probability in their favor, and requested from Congress, hereafter, a clearer definition of the purpose of the law.

It is unnecessary, however, to discuss the questions arising under this decision, for they will soon be brought before the courts; we only desire briefly to call attention to the bad policy the Government is pursuing in making illiberal decisions under the tax laws, with the hope that wiser councils may hereafter prevail.

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### RAILWAY CONSOLIDATION.

A bill is now pending in the State Legislature which we think calculated to have a very important influence upon our transportation interests. The introduction of this measure has been apparently conducted with secrecy, for little has been publicly known of its details beyond that it provides for the consolidation of connecting roads, but excepts from that

privilege competing or parallel lines. The bill is generally understood to have been introduced in the interest of the parties controlling, at the same time, the New York Central, Hudson River, and Harlem Companies.

It is well understood, among capitalists interested in our large State roads, that a great scheme of consolidation has been definitely determined upon by the parties controlling the Central, Hudson River, and Harlem properties, the details of which have been settled and consent to which has been given by the principal parties interested in the several companies concerned. The amalgamation is to comprise the Harlem, or the Hudson River, the New York Central, the Buffalo and Erie and the Lake Shore Roads, the latter now embracing the Michigan Southern. The proposed combination includes about 1,500 miles of road, with a total capital of about \$150,000,000. This then is the scheme for which authorization is now being bargained at Albany, and which we expect each morning to learn has been passed with a few hours consideration, the press having had no opportunity to discuss it, and the people no chance to confer with their representatives upon a matter of such vital consequence.

Indeed, it would appear, from the manner in which this and other important projects are handled at Albany, that the business of our legislators is not to discuss the merits of measures or their bearing upon the public good, but rather to determine the consideration for which their acceptance of the scheme shall be accorded. To this project we think there is a very decided objection in that its adoption will establish an overpowering transportation monopoly. It is true, the bill forbids the consolidation of competing lines, and so far has the appearance of a purpose to avoid the odium of abolishing healthy competition. But of what avail will this exclusion be, provided the parallel or competing lines should be virtually under the control of the parties who run the combination? If Harlem, for instance, should be left out of the consolidation will any one suppose that, owned as it is, it will be in any sense in competition with the amalgamated companies? Or is it to be deemed an impossible thing, or even an improbable one, that Erie may be covertly controlled in the interest of the same wealthy combination? Or, were neither of these cases supposable, is it probable that the Legislature would be able to resist the inducements which so powerful a corporation could hold out? Would it not rather so shape its legislation as to suit its interests as against competing roads? The time is coming when New York must have other and enlarged lines of transportation provided. Not very many years hence we may see the trade of this port doubled; and, in that event, we should need double our present carrying facilities. Is there no danger of the growth of such facilities being checked

and stunted by the corrupt power of an overshadowing monopoly? New roads to be sure might be constructed under the general railroad law, but the consent of this monster corporation would have to be obtained; or the roads would be projected upon such conditions as to make their success very doubtful and difficult. Really, therefore, while the bill has the appearance of aiming to admit competition, is there no fear of its establishing a power which will control and defy competition? And if such is its tendency, can the vast mercantile interest of this city and of the West look upon such a scheme with complacency?

The cost of transporting Western products to New York has become a serious element in the question of our ability to compete in the food markets of Europe, and to feed our own seaboard population cheaply enough to place our manufactures upon a favorable basis for competing with those of other countries. Upon our whole line of railroad, from the Hudson to the far West, we need the stimulus to invention, expedition and economy which a close competition alone can supply. Without this, the trade of the East and the agriculture of the West must suffer a constant repression, and the progress of our national wealth must be retarded. Indeed, it is impossible to attach too much importance to this matter of economizing the cost of carrying. Just in proportion as we can reduce the prices of our agricultural products to trans-Atlantic consumers, can we command the markets of the Old World; and in proportion as we can accomplish that, shall we be able to attract foreign capital and foreign labor to our shores, and build up our industry and commerce.

What, then, is to be said of a scheme which aims at controlling the main line of transportation between New York and Chicago, and which, by its great power and corrupting hand, may be able to control all present or future lines upon the same route and to dictate the canal policy of the State?

We cannot but think that it is to the advantage of the mercantile interest of this city, the grain interest of Chicago, and the agricultural interest of the whole West to prevent this project going forward. So far as respects our own State, the bargain is probably so far consummated as to render remonstrance useless. The consolidation of the roads of this State is, however, only a part of the scheme which is to place the main roads between New York and Chicago under one monopoly. It will still remain within the power of the Legislatures of Michigan, Ohio, Indiana and Illinois to determine whether certain roads of their States shall be comprised within this same control.

We might also enlarge upon the corrupting influence of this proposed monopoly upon the politics, the government, the Legislature, the officials and the general public morals of the State; but we refrain from doing so,

as our desire was especially to call the attention of the commercial community to the injurious results to their interests which are likely to follow from the creation of this extensive and wealthy corporation.

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### LAND AND WATER CARRIAGE.

There are those who believe that railroads will soon put an end to inland transportation by water. The growth of the railroad system in this country has been marvelous, and has had a great influence in the reduction of charges for the movement of products. But so far, in the neighborhood of all long water routes, railroads have acted as feeders to them, and have concentrated the traffic of large regions at those central points where the iron road has touched the lake or the river. It has been impossible for the railway to do its business as cheaply as it can be done by water. In the very nature of things the balance is largely in favor of the water route. The difference in the rates charged by either route has, however, been lessening, and it is but a few days since we read in a Chicago paper, that the demand for cars on that particular day for the carriage of grain was in excess of the supply, although the Lake charges to Buffalo were but five cents a bushel. It is claimed by the advocates of cheap railway transportation, that this state of things will be the rule before many years, and that the railroad will soon monopolize the business. At this time wheat is brought by rail from Chicago to New York for 30 cents a bushel, which is actually less than the cost by canal, 32½ cents; but of this last sum 20 cents only are freight and canal tolls. The rest goes for storage, insurance, commissions, elevators, &c. The railroads have carried wheat in the winter at even a less charge than 30 cents, but then and now the charge is no evidence of the cost, and no proof that profit is made. In fact, the charge is part of the "cut-throat" competition of four or five through lines, and while profitable to the grain producer, is ruinous to the companies; which, in the task of distributing breadstuffs to points on the long routes, put their charges at amply remunerative figures.

It may be interesting to compare the charges made by these two methods of transportation, in the view of showing their approach or divergence. The cost of transferring a bushel of grain from the Mississippi river by rail to Chicago, a distance of two hundred miles, is precisely the cost of transportation from Chicago to New York by water, the distance being some fifteen hundred miles. This is a very wide difference, but the disproportion is reduced when the cargo is carried a greater distance by rail, for the cost of handling is the same by the land route whether the car moves one hundred or five hundred miles. And one of

the heaviest burdens to which grain is subjected is the charge for handling it at the several places of shipment. A bushel of corn is carried from Chicago via Oswego for 17½ cents, or say 18 cents including the local charge at Oswego. The railway freight for a barrel of flour, which weighs nearly as much as four bushels of corn, is 58 cents from Oswego to New York, or 50 cents to Albany. The cost of transporting the same weight of corn from Oswego to New York is 32 cents by water. From St. Louis to New Orleans the freight in flour is 40 cents, for a distance of twelve hundred miles, a charge that must be reduced if the Mississippi is to be a rival of the Great Northern Water Route from Chicago.

When we consider the enormous extent of the transportation business that reaches New York from the interior, it is difficult to realize how and where the same business could be done if it was transacted on land. Every barge and every canal boat are floating storehouses. They can move at will about the harbor and transfer their cargo to a ship in the East or North river, or at a Jersey dock, or lying moored in the stream. They are limited to no yard or to no particular pier. The freight train is, however, tied down to an iron track. It moves from one place to another only with difficulty and at great expenditure of labor and time. The full train has but little greater capacity than that of a single canal boat. Twenty cars that carry 10,000 bushels are almost matched by the single boat which conveys 8,000. Trains must be limited in frequency and cannot be allowed to run too closely to each other. Delays, minor accidents the heating of a journal, track repairing, would interfere with that frequent succession of trains which would be necessary to transport the enormous tonnage offering, and they would be very sure to bring on inextricable confusion.

But commerce will seek the cheapest route, and whatever tends to remove burthens and lessen charges offers the strongest inducement to which commerce will respond. Slow freight trains can carry grain and flour cheaper than fast trains. Charges for handling must be reduced. Expenses on the water routes must be cut down, and the products of the Great West must be distributed through the East at a cheaper rate than now. The competition of rival routes does this effectually, as the present charges from Chicago to New York, above quoted, show. Competition is more effective than any labored argument that can be made based upon any array of statistics, however imposing.

One error committed by the advocates of new routes from the West to the seaboard is in supposing that the bulk of the breadstuffs from the West go to European and other foreign ports. Hence the great desire to reach the sea, whether by the St. Lawrence or the Mississippi. The trade

with Europe really absorbs but a small fraction of the immense product of the Western grain fields. The West Indies and South America require large quantities. But the greater part is consumed at home, and is distributed all over the seaboard States, in the large cities, in the manufacturing towns, and indeed in the smallest villages. For this distribution there is need of the railroad, and very quietly but regularly it does this work, conveying to all the multitudinous stations and depots the products which have found their way to the seaboard and to the centres from which distribution is made. In this distribution, as we remarked above, the railroad which has transported breadstuffs over long distances at losing rates now compensates itself by the amplest tariff that its managers have the face to impose, and they give abundant proof that carriage by water is cheaper than by land.

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### THE FINANCIAL SITUATION.

The suspense and uncertainty as to the Treasury policy produced a short time ago a good deal of uneasiness in financial circles, the depressing effects of which were diffused throughout the mercantile and industrial movements of the country. Now that Mr. Boutwell has told us what he means to do, it is only fair to look for a general responsive reaction in business. And this is especially to be anticipated, inasmuch as the policy which he has marked out for himself is generally approved as sound, conservative and safe.

The chief point to which apprehension was directed, was the money market. The frequent spasms and severe pressure which have distinguished the experience of the past six months, and have marked it out as the most troubled semi-annual period known in the New York money market for very many years, has so disturbed the financial machinery and demoralized financial confidence, that the reaction may be slow. Still as there is now good reason for anticipating monetary ease for some months to come, the usual results of business activity and speculative excitement are pretty sure to develop themselves before long.

In contemplating the late perturbations in monetary affairs, it is impossible to resist the conviction that we are in a state of transition to some new financial conditions which may greatly modify the future movements of commerce and trade. In all our large cities, and in this more than any where else, men of experience tell us that business is changing. Capital moves in larger masses than formerly, and for the time being the concentration of the moneyed power seems to be working to the impoverishment of the many and the gain of the few. A year or two ago the banks of this city would have considered it a violation of good faith towards their dealers to attempt to charge more than 7 per cent,—the legal rate of

interest—for any accommodation which it was possible for the bank to render. Now there are but very few banks in New York whose books do not show transactions during March and April at usurious rates. Such is the change in public opinion, that there is no attempt at concealment. The charging high rates of interest began with the private bankers; then one or two national banks adopted it, and now all have, more or less, fallen into the practice. This, however, is but one of the numerous symptoms of the concentration of capital in a few hands.

The transition state through which our finances are passing may be further illustrated by the absorption of our floating capital into fixed forms. How far this process has gone, what prodigious amounts of money have been invested in the South, in the West, and indeed in every section of the country, we may form some idea by noting the vast numbers of new buildings which are rising up in every town, city, and village where there is any industrial enterprise, commercial activity or agricultural progress. Our railroads are being extended and are doing for the most part a profitable business. The great trunk lines of the South are all resuscitating and several new pathways of commerce are being projected to connect the Atlantic with the Pacific.

Now all these improvements cost money. They absorb large amounts from the reservoir of floating capital and fix it in permanent forms, so that to render it inaccessible as loanable funds for borrowers. We thus have a severe depletion of the streams of loanable money, and at the same time there is an impulse given to the demand for loans. Such a state of things can scarcely fail to produce monetary spasms and except the bank machinery is extremely elastic, commercial convulsions are not unlikely to occur. It is one of the greatest triumphs of our national banking system that it has sustained during the past four or five years, such severe strain and pressure as have been imposed upon it by the negotiation of the stupendous aggregates of government loans. But that system will win a still more signal triumph if it carries us through the present financial troubles and through those of the near future, without any more severe spasms than those which we have already experienced. During the next five or six months there will be little danger, as the accumulation of capital and currency in this metropolis and in the other great financial centers will be such as to render the maintaining of monetary equilibrium an easy task. With the opening of the Fall trade, however, in October and November, renewed pressure is likely to be developed, the preparation for which may well engage the anxious solicitude of our financial men. So long as the national banks do not redeem their notes in New York, the only elasticity which our currency possesses to enable it to meet these recurring strains and spasms is imparted by the movements of the Treasury. By what device Mr. Boutwell will meet the emergency remains to be seen.

## WATERING RAILROAD STOCKS.

The diluting process which commenced with the currency appears to be destined to find its way into everything financial. For the last two years it has had unrestricted sweep in the management of railroad corporations. Most of the leading roads have been subjected to a material increase of their capital, and, on some the "watering" process has been repeated. We have just witnessed a virtual increase of 80 per cent on New York Central; it is proposed to make a fresh addition of 60 per cent on Hudson River, and a similar increase is talked of on Harlem; Fort Wayne is promised a stock dividend of 60 or 65 per cent; Rock Island, it is said, is to have its stock well nigh doubled; an increase of 10 per cent on the consolidated Lake Shore Company is talked of as certain; the Pennsylvania, after an increase of \$7,000,000, makes promise of yet another stock bonus; on the East Pennsylvania a stock dividend of 100 per cent is contemplated; the Macon and Western has increased its stock one third; and New York and New Haven, after a late addition of 50 per cent to its share capital, proposes to make a further liberal distribution of stock. For the purpose of illustrating what has been done in the way of "watering" railroad stocks, within the last two years, we select 28 prominent roads, giving, as follows, the capital stock of each, on the 1st July, 1867, and on the 1st May, 1869, respectively:

	July 1, 1867.	May 1, 1869.	Increase.
Baltimore & Ohio.....	\$16,152,000	\$18,152,000	\$2,000,000
Boston & Lowell.....	1,800,000	2,169,000	369,000
Boston & Maine.....	4,077,000	4,550,000	473,000
Central of New Jersey.....	13,000,000	15,000,000	2,000,000
Chicago & Alton.....	6,311,000	7,566,000	1,255,000
Chicago, Burlington & Quincy.....	10,193,000	12,500,000	2,307,000
Chicago & Northwestern.....	26,155,000	30,911,000	4,756,000
Chicago, Rock Island & Pacific.....	9,100,000	14,000,000	4,900,000
Cincinnati, Hamilton & Dayton.....	3,120,000	3,521,000	391,000
Cleveland & Pittsburg.....	5,391,000	5,958,000	567,000
Connecticut & Passumpsic pref'd.....	1,514,000	1,822,000	308,000
Dubuque & Sioux City.....	3,662,000	4,130,000	468,000
Erie.....	25,111,000	57,300,000	32,191,000
Hudson River.....	9,981,000	13,932,000	3,951,000
Hartford & New Haven.....	3,000,000	3,300,000	300,000
Illinois Central.....	23,386,000	25,277,000	1,891,000
Marietta & Cincinnati.....	12,666,000	14,620,000	1,954,000
Michigan Central.....	7,592,000	9,325,000	1,733,000
Michigan Southern.....	10,600,000	12,125,000	1,525,000
Milwaukee & St. Paul.....	10,998,000	15,181,000	4,183,000
Morris & Essex.....	3,500,000	4,823,000	1,323,000
Nashua & Lowell.....	6 0000	720,000	120,000
New York Cent al.....	26,530,000	51,624,000	25,094,000
New York & New Haven.....	6,000,000	9,000,000	3,000,000
New Providence & Boston.....	1,755,000	2,000,000	245,000
Pennsylvania.....	20,600,000	27,040,000	7,040,000
Philadelphia & Reading.....	22,742,000	26,280,000	3,538,000
Providence & Worcester.....	1,750,000	1,900,000	150,000
Total on 28 roads.....	\$287,036,000	\$400,684,000	\$113,648,000

We have here the startling fact that 28 roads whose combined capital in 1867 amounted to \$287,000,000 have since then increased their stock to \$400,000,000; showing an average inflation of 40 per cent; and

yet from the proposed stock dividends above alluded to it would seem that the "watering" mania is far from having exhausted itself. A movement so sudden and so sweeping deserves earnest consideration.

What then is the meaning of this railroad inflation? what its basis? what its motive? and what may be expected as its result? It is somewhat curious to trace the reasons successively assigned by railroad directors for this policy. First of all, it was said that the stock dividends represented earnings invested in construction, although it has in few cases been found easy to trace any correspondence between the increase of stock and the employment of earnings for such purposes; next, it was discovered that the land grants of the roads had become more valuable, and it was urged that this improved value should be represented in the nominal capital; still later, it has been found that it now costs much more to build roads than formerly, and that the capital stock ought to be raised proportionately; and finally, it is urged that the amount of stock should be regulated by the earnings, upon a basis allowing 7 per cent interest for each \$100 of stock. Stockholders and speculators have not been particularly careful about scrutinizing the reasons and motives of this policy; for its result has, in all cases, been to enhance the market value of the stocks and afford splendid opportunities for profit. There are, however, not a few thoughtful capitalists who look upon the "watering" mania with grave apprehension, as one of the worst forms of the prevailing financial derangement.

It is not to be denied that there may be good reasons for increasing the share capital of a railroad company. In case of the building of additional road, laying additional rails not originally contemplated, or making other permanent construction improvements—it may be deemed more prudent to issue stock for these purposes, than to take the requisite means out of the current earnings; or if, for a succession of years, a moderate portion of the earnings has been devoted to these objects, there can be no objection, upon principle, to distributing among the stockholders an amount of stock corresponding to such investments. The late enormous stock dividends, however, have been carried far beyond the limit allowed by this principle. In fact, the object of the new issues would appear to be mainly a speculative one, and no justification has been sought or cared for beyond the success of the speculation. It is, of course, within the province of the shareholders to determine how they shall have their interest in the road valued or represented. It is, however, a great mistake to suppose that by increasing the nominal capital they in the slightest measure improve the real value of the property, or augment the revenue they may derive from it. It may be that upon the basis of the present cost of con-

struction, the roads are worth much more than their original cost; an argument which, just now, is especially urged by the advocates of dilution. But is it to be held as a sound principle, that the nominal amount of corporate capital is to be increased with the progress of the general inflation of prices and of the currency? It is generally supposed that we have already passed the climax of high prices of products and labor, and that the cost of constructing roads may hereafter show a steady decline toward the old level. Are the dilutionists prepared to follow the logic of their policy, and reduce the capital stock of the roads when the costs of construction and the value of real estate have declined? If not, they must be prepared hereafter to witness a heavy decline in the market value of their shares, unless there is a corresponding increase of business, arising from the fact that the nominal capital exceeds the real value of the roads.

It is again true that the late and present earnings of many roads are such as would enable them to pay a good dividend upon a much larger amount of capital: which fact also is presented as an excuse for "watering." But before concluding that this is a sound reason for inflating the stock capital, it may be well to ascertain the cause and the probable permanence of the improved earnings. In the first place, the increased cost of construction, within the last six years, have deterred prudent capitalists from investing in new railroad enterprises; and carrying facilities having thus been restricted, the roads have had perhaps an undue control over freights. Within the last twelve months, however, new roads have been projected in every part of the country; and, as the costs of building decline, the late prosperity of the roads will naturally induce a very active competition from new lines, materially lowering the present high scale of profits. The late high prices of grain and cotton have facilitated the exaction of high rates of freight upon produce generally; but just as certainly must the now reduced values of breadstuffs compel a reduction in the charges for carrying Western produce. The earnings basis for "watering" is thus seen to be a fluctuating one, and may hereafter just as reasonably call for a reduction of capital stock as it now warrants an increase.

It is impossible to adduce any really sound justification of the "watering" policy. It is, in most cases, simply a deceptive game played by speculative directors, who, after the inflation has been consummated, will be the first to forsake the bubble, and quietly wait to profit from the ultimate violent revulsion in values; while the attempt to draw out of the consumers of the country high charges for freight, so as to pay dividends on the increased stock, is a direct check to our material progress.

## CLEVELAND, COLUMBUS, CINCINNATI AND INDIANAPOLIS RAILWAY.

This property is a consolidation of the Cleveland, Columbus and Cincinnati, with the Bellefontaine Railway Company. The consolidation was consummated and took effect May 14, 1868, but considering that the official year is to close December 31, the first annual report is made to cover the joint transactions of the two constituent companies for the full year.

To this consolidation the Bellefontaine Company contributed (from Indianapolis to Galion) 202.60 miles, and the Cleveland, Columbus and Cincinnati Company (Cleveland to Columbus 137.98 and Springfield to Delaware 49.89) 187.87 miles. Thus the total length of direct track is 390.37 miles, which there are 29.59 miles of second track and 41.25 of miles of sidings. Equivalent single 4 feet 10 inches gauge track 461.21 miles, averaging 56 lbs. per yard of rail.

The number of locomotive engines in the consolidation was 83, from the C. C. C. Company 47, and from the B. Company 36, two of which were replaced by new engines during the year, and eight others were thoroughly rebuilt. Steel tyres are being substituted for iron tyres, and so far as brought into use, have proved to be both economical in general wear and their entire freedom from breakage.

The number of passenger train cars was, at the close of the fiscal year, as follows: 43 first class and 4 second class passenger cars, 10 baggage, 5 baggage and express, and 7 mail cars. Two baggage and express cars were built during the year. The number of merchandise cars was at date as follows: 736 house, 239 live stock, 319 platform, and 21 caboose cars. Of these there were built during the year 18 house and 23 live stock, and during the same time 13 house, 14 live stock and 18 flats were condemned and broken up. The increased and growing traffic of the road, however, demands large additions to this apparently extravagant amount of equipments. The mileage service in all branches for the year is thus summed up: Passenger trains run, 768,374; freight (including switching), 1,261,755; repairs and graveling, 80,509; and fuel, 66,767—total, 2,177,407 miles. The cost per train mile for repairs was 9.21 cents. Of the total number of passengers carried over the road, viz., 546,377, the through travel numbered 76,036, and the travel from station to station 470,341. The result was a mileage of 29,770,918 miles, earning \$849,283 58, or 2.85 cents per mile. The amount of freight or merchandise (net load) was 628,356½ tons, and the transportation mileage 95,130,679½ miles resulting in earnings, \$1,843,129 82, or 1.94 cents per mile.

The earnings and expenses accounts are given very full. From these we make up the following:

EARNINGS.		EXPENDITURES.	
Passengers.....	\$849,283 58	Operating.....	\$1,976,002 65
Freight.....	1,843,129 82	National and local taxes.....	152,161 94
Expres.....	115,114 86	Net revenue, 28,171 p. c.....	\$884,449 03
Mails.....	6,918 00	Bond interest, \$94,935 13.....	
Rents.....	48,901 57	Dividends, 7 p. c. 731,244 50.....	625,179 63
Berea branch.....	8,886 79	Surplus.....	8,269 40
Interest and dividends.....	11,943 69	Surplus on consolidation:	
Miscellaneous.....	15,065 33	C., C & C. RR.....	156,048 83
Earnings L. M. & Col. & X R R.		Bellefontaine Railway.....	78,283 97
to Nov. 30, 1868.....	8,369 98	Surplus Dec. 31, 1868.....	\$242,602 20
Total.....	\$2,962,613 62		

The following is a statement of the earnings and expenses of the consolidation for the last five years. They are simply abstract accounts, and lose much of their value from our inability to compare them with mileage of passengers and freight through the series of years. The loss in earnings may be attributed to a general lowering of rates.

Fiscal year.	—C. C. & C. R. R.—		—Bellefontaine R. R.—		—Conjoint—	
	Earnings.	Expenses.	Earnings.	Expenses.	Earnings.	Expenses.
1864.....	\$2,499,348	\$1,261,185	\$1,743,644	\$1,161,744	\$4,247,992	\$2,425,929
1865.....	2,386,132	1,550,622	1,675,164	1,182, 57	4,061,296	2,732,879
1866.....	1,933,770	1,254,017	1,325,280	973,033	3,258,080	2,227,050
1867.....	1,894,887	1,228,434	1,487,587	954,920	3,382,474	2,183,354
1868.....					2,962,614	2,128,165

The dividends paid in August and February were at the rate of 7 per cent annually. The two previous years gave to the C. C. and C. R. R. 8 per cent; and to the Bellefontaine 6 per cent. The total cost of the railroad and its equipments is \$11,936,146 30, or \$30,605 per mile. The following is the general balance sheet of the company, as of January 1, 1869:

Capital stock.....	\$11,620,000	
Less held by company.....	1,159,100	\$10,460,900 00
C. C. & C. R. R. bonds (\$25,000 falling due yearly).....		400,000 00
B. & Indiana R. R. 1st mortgage bonds.....	\$791,000	
Less held by company.....	51,000	740,000 00
B. & Indiana R. R. 2d mortgage bonds.....		16,000 00
B. & Indiana R. R. income bonds.....		87,000 00
B. & Indiana R. R. bonds past due.....		2,000 01
Indianapolis, Pittsburg & Cleveland R. R. 1st mort. bonds.....		379,100 00
Indianapolis, Pitts & Clevel'd R. R. 2d mort. bonds.....	\$347,000 00	
Less held by company.....	6,000 00	341,000 00
Dividend No. 2, payable Feb. 1, 1869.....		365,444 50
Surplus fund.....		242,602 20

Per contra : the charges as stated :

Cost of road and equipments.....	\$11,936,146 03
Materials on hand.....	455,314 19
Cash.....	402,040 47
Cash assets.....	137,416 02
Other assets—S. & H. Valley R. R. bonds.....	\$2,000 00
" Real estate.....	30,691 61
" Wood lands.....	46,701 04
" Stone quarry.....	4,915 46
" Bills receivable.....	18,646 31
" Insurance scrip.....	475 00
Total.....	\$13,034,346 70

The report of the Board says : The results of the consolidation have been satisfactory, each part of the railway showing its fair per centage of earnings in proportion to the capital represented. It is the opinion of the Board that the mutual benefits to be derived from one organization between Lake Erie and the Eastern railroad connections at Cleveland,

and the rich agricultural country traversed by the western connections in Indiana, Illinois and west of the Mississippi, will increase yearly. The Company have also aided in the construction of the Indianapolis and St. Louis R.R., and on its completion it is expected that that road will be of essential advantage to the C. C. C. & Ind. R. R.

### RAILROAD EARNINGS FOR APRIL AND FOR THE FOUR MONTHS ENDING APRIL 30.

By special information obtained from several of the Companies we are enabled to compile our monthly statement of railroad earnings at an earlier period than usual.

There is not so uniform an increase in the earnings for April as was shown in the previous month, but they are still very satisfactory, and compare favorably with those for the same month of 1868. The largest increase is shown in the earnings of the Illinois Central, the Chicago, Rock Island and Pacific, and the Chicago and Alton Roads, while the Pittsburg, Fort Wayne and Chicago, and the Ohio and Mississippi Roads show a considerable decrease. In the case of the latter the falling off is accounted for by the trouble between the Erie Company and the Cincinnati, Hamilton and Dayton, which stopped the passage of through freight for a portion of the month; that difficulty having been favorably adjusted, a resumption of the full earnings may be expected.

The receipts of grain at Western ports, which affect so greatly the earnings of the principal Western roads, fell off largely with the beginning of April, and for the whole month were below those of 1868; as to the future, the accounts differ widely, some parties declaring that there is still a much larger quantity of grain to be sent forward than usual at this season, others being equally positive that very little more grain will be forwarded. The earnings which have been published for the first week in May, show a considerable increase.

The earnings for April are as follows:

RAILROAD EARNINGS FOR APRIL.				
	1869.	1868.	Inc.	Dec.
*Chicago & Alton.....	\$331,148	\$279,121	\$52,027	....
Chicago & Northwestern.....	1,092,378	1,094,597	....	\$2,219
†Chicago, Rock Island & Pacific.....	362,901	288,700	74,200	....
‡Illinois Central.....	595,835	518,800	76,555	....
Marietta & Cincinnati.....	109,526	108,461	1,065	....
Michigan Central.....	411,614	415,768	....	3,944
Michigan Southern.....	473,544	452,429	21,124	....
Milwaukee & St. Paul.....	460,287	435,629	24,658	....
Ohio & Mississippi.....	214,409	252,149	....	37,740
Pittsburg, Ft. Wayne & Chicago.....	729,777	770,198	....	40,420
St. Louis, Alton & Terre Haute.....	171,869	155,368	16,480	..
Toledo, Wabash & Western.....	311,632	292,365	19,447	....
Western Union.....	41,592	49,233	....	7,641
Total.....	\$5,306,430	5,112,848	285,556	91,964

\* 431 miles in 1869, against 280 in 1868.

† Number of miles open continually increasing. Over 100 miles more were worked in April, 1869, than in the same month of 1868.

‡ Including leased lines.

For the four months from January 1 to May 1, all the roads show an increase, with the single exception of the Ohio and Mississippi. In the following table we compare the earnings of the several roads for the first four months of 1869 with the some period in 1868:

## EARNINGS FROM JANUARY 1 TO MAY 1.

	1869.	1868.	Inc.	Dec.
Chicago & Alton.....	\$1,369,385	\$1,097,470	\$271,915	....
Chicago & Northwestern.....	3,940,108	3,477,157	462,951	....
Chicago, Rock Island & Pacific.....	1,433,109	1,171,182	261,927	....
Illinois Central.....	2,444,523	2,086,850	357,673	....
Mar etta & Cincinnati.....	403,267	380,975	22,292	....
Michigan Central.....	1,503,096	1,390,649	112,447	....
Michigan Southern.....	1,670,35	1,531,520	138,815	....
Milwaukee & St. Paul.....	1,665,424	1,488,281	177,143	....
Ohio & Mississippi.....	832,314	961,378	....	\$129,064
Pitts. Fort Wayne & Chicago.....	2,687,000	2,569,336	117,664	....
St. Louis, Alton & Terre Haute.....	565,539	508,257	57,282	....
Toledo, Wabash & Western.....	1,213,835	1,100,149	113,686	....
Western Union.....	180,339	175,547	4,792	....
Total.....	\$19,878,274	17,938,751	2,068,587	129,064

## RAILROAD ITEMS.

PACIFIC RAILROAD OPEN.—The following statement of time and distances is given by the *Western Railroad Gazette*:

	Miles.	Hours.
New York to Chicago, Ill.....	911	36½
Chicago to Omaha, Nebraska.....	491	24½
Omaha to Bryan.....	853	43
Bryan to Ogden, Utah.....	233	10½
Ogden to Elko, Nevada, via Central Pacific Railroad.....	278	12½
Elko to Sacramento, California, via Central Pacific Railroad.....	465	31
Sacramento to San Francisco, via Western Pacific Railroad.....	117	3½
Total.....	3,353	161½

Thus a total distance of 3,353 miles is made, according to the present schedule time, in 6 days and 17½ hours, actual time, by a traveler's watch, from which we deduct 3½ hours, difference of time, when going West, leaving the apparent time consumed in making the trip 6 days and 14 hours.

At San Francisco the mails will connect with the various steamship lines running on the Pacific, and may be landed at Honolulu in nine days from that city, or 15½ days from New York. They can reach Japan in 19 days from San Francisco, or 25½ days from New York, or 33 to 34 days from Great Britain—thus beating the British mails sent *via* Suez, three to four weeks. The trip between Yokohama, Japan, and either Hong Kong or Shanghai, is readily accomplished by the Pacific Mail steamships in from five to six days, which, added to the time in reaching Japan, will give the through time necessary to reach either of the above named ports of China. The mails for Australia, it is thought, will hereafter go *via* San Francisco, as the Australian and New Zealand Steamship Company intend transferring the terminus of their line, which has been running from Sydney to Panama, so as hereafter to run from Australia to Taluti, thence to Honolulu, and thence to San Francisco, making 28 days schedule time, which will give us monthly mail to Australia in 34 or 35 days through time.

THE CINCINNATI, HAMILTON AND DAYTON AND THE ERIE RAILWAY DIFFICULTY SETTLED.—The *Cincinnati Commercial* of April 29th has the following:

"We learn, by a private telegram from New York, that the recent difficulty between the Cincinnati, Hamilton and Dayton and the Erie Railway Companies has been amicably settled. The details of the arrangement have not been made public, but the main features, we understand, are about as follows: The contract is for ten years, and goes into effect immediately. The Erie is to have the exclusive use of the broad gauge track for a through business only; the local traffic, both passenger and freight, is expressly reserved to the Cincinnati, Hamilton and Dayton; the Erie runs its own trains, and receives and delivers its own freight, at its own expense. For the use of the track merely, including necessary depot facilities, the Cincinnati, Hamilton and Dayton is to receive one hundred and eighty thousand dollars per

annum, in monthly installments of fifteen thousand dollars each, payable in advance. All damages and losses to be paid by the party causing the same.

"This arrangement would seem to be advantageous to both roads. While the Erie gets all that she needs, the Cincinnati, Hamilton and Dayton at the same time receives a handsome return on a hitherto profitless investment.

"Besides the one hundred and eighty thousand dollars from the Erie, the Cincinnati Hamilton and Dayton now receives from another company twenty-five thousand dollars per annum for track privileges on six miles of road; thus making its income from rents alone, two hundred and five thousand dollars, or very nearly 6 per cent on its entire capital stock of \$3,500,000. With such a showing, and such prospects, the stock of the Cincinnati, Hamilton and Dayton should take rank among the safest and most profitable railway investments in the United States."

In this connection it is worthy of remark that the Ohio and Mississippi Railroad lost a great portion of its through freight while the difficulty lasted, and this fact accounts for a decrease in the April earnings.

—A proposition has been submitted to the Massachusetts Legislature to consolidate into one road the Boston and Lowell, Nashua and Lowell, Nashua and Concord, Northern Vermont Central and Ogdensburg Railroads, covering the entire line between Boston and Ogdensburg, N. Y. It is proposed to call it the Great Northern Railroad. The bill authorizes the purchase of all the above named roads, and limits the capital stock of the new corporation to the capital stock and amount of indebtedness of the several roads, with the railroad and steamboat lines now leased by them, which the corporation is also empowered to buy, the whole to be upon terms to be mutually agreed upon, and to be ratified by a majority of the stockholders of each road at a meeting to be called for the purpose. It is understood that all the roads above mentioned are in favor of the consolidation. A hearing upon the matter will be given at a future day.

—The Indianapolis and Chicago Air Line Railroad, by which the present distance by rail between Chicago and the capital and principal city of Indiana will be shortened twenty miles, is contemplated. The route was partially surveyed two years ago, and it is proposed to have it extend through five different county seats in Indiana

—Frankfort, Clinon County; Delhi, Carroll County; Monticello, Pike County; Rensselaer, Jasper County, and Crown Point, Lake County. The Counties of Jasper and Clinton are now wholly without railway facilities, and the construction of the proposed line will bring these important localities in direct connection with Chicago. The right of way, from Indianapolis to the city limits of Chicago, has already been procured.

—Steel rails, it is reported, are to be laid on the entire length of the railroad from Paris to Marseilles. The change from iron to steel will require 137,000 tons of steel. From experiments made by the company, it has been calculated that in the vicinity of the stations iron rails will not last over four years, and on the whole line not over eight or ten years.

—The *Lafayette Gazette* says; "Indiana will not long be behind her sister States in the amount and extent of her railroad interests. There are now in running order, within the border of this State, 2,566 miles of first-class railroad. The Tracks, engines, shops, and all their property complete was valued, one year ago, at \$164,224,000. The three roads that have the greatest number of miles of track are the Ohio & Mississippi, Louisville, New Albany & Chicago, and the Indianapolis, Cincinnati and Lafayette, according to their old plats; but since the consolidation of the Indiana Central, Union, and Logansport, and Chicago and Air Line into the Columbus and Indiana Railway, the latter takes the lead of all; and, in a few days, the track to Vincennes will be added also. The construction of the new line to connect with the Alton and St. Louis Road, is a fixed fact. The Pittsburg and Fort Wayne, and the Cleveland, Columbus, Cincinnati and Indianapolis Railway, guarantee the means for building it. The route has been surveyed and plotted, portions of it have been put under contract, and all will be in running order by next Fall. The building of this road will give two competing parallel railroad lines from St. Louis to New York, *via* Pittsburg, and both running through fine coal and iron beds between Indianapolis and Terre Haute. The work upon the Crawfordsville and Danville Road is progressing finely, and it is expected the iron will be laid from Crawfordsville to Indianapolis by the 26th inst.

## CHEAP TRANSPORTATION.

The subject of cheaper transportation from the West to the East has attracted much attention of late. The report of the Hon. Israel T. Hatch, of Buffalo, to the Secretary of the Treasury; the speech of the same gentleman before the New York Produce Exchange; the mission of representatives of New York grain interests to the shippers and dealers of the lake cities; the action of the Board of Trade in these cities; and, finally, the convention of delegates from boards of trade in the lake cities at Chicago during the last week, attest the interest that is felt in this matter by shippers and commercial men. This action and agitation has been stimulated by the conviction that the cost of transportation of grain and breadstuffs is higher than is necessary, that the transfer charges at Chicago, Buffalo, Oswego and New York are too great, and to the further fact that the merchants of St. Louis and New Orleans are energetically moving with reference to making the Mississippi the outlet to the sea for agricultural products of the Northwest. Other disturbing causes are the agitation in reference to a Niagara Ship Canal, the enlargement of the Welland Canal, and the marvellous growth of the railroad interest which menace the ordinarily cheaper lines of water communication.

Grain and flour will, as a matter of course, take that route to market which, all things considered, is the cheapest. Time is not an important element. To the millions of bushels of grain in the Northwest which seek a market various routes are presented, and the solicitations of these are of various degrees of strength. Thus far transportation by the Lakes and the Erie Canal or by the railroads direct to the seaboard have been the favorite routes. Rivals have risen and grown threatening; direct trade with Europe has been talked and dreamed of, but there has been no really formidable competition to the route which has for so many years been the natural outlet. The fact that the Erie Canal earned over and above expenses some \$3,000,000 last year, at once suggested the thought that the canal tolls were excessive, and this stimulated an investigation which has shown that freight and transfer charges could be reduced, and that the whole business of shipping grain could be transacted at less cost, and the saving be transferred to the pockets of the producer and the consumer.

In the discussion of this question of cheaper transportation there are two classes of reasoners: One believes that the cheapening of freight must be in the direction of water transportation; the other looks to the railroads as the certain means for reducing charges and as the commanding power in transportation for the future. Into this question we do not propose to enter at present. Our object is to show that freight and transfer charges are now too high, and that they can be reduced. To

transport a bushel of grain from the Mississippi to the seaboard, it now costs  $52\frac{1}{4}$  cents. The details are as follows:

Freight by rail to Chicago.....	20
Inspection (in and out).....	$\frac{1}{4}$
Storage.....	$2\frac{1}{2}$
Commissions.....	$1\frac{1}{2}$
Freight to Buffalo.....	$6\frac{1}{2}$
Insurance.....	$1\frac{1}{4}$
Elevator at Buffalo.....	2
Handling.....	$\frac{1}{4}$
Commissions at Buffalo.....	$1\frac{1}{2}$
Freight by canal to New York.....	$13\frac{1}{2}$
Expenses in New York.....	3
Total expenses.....	$52\frac{1}{4}$

Of this sum, 40 cents are for carriage, and  $12\frac{1}{4}$  are for transfer and local charges. The railway West of Chicago receives 20 cents for 200 miles. The canal, 352 miles, and the Hudson River, 150 miles, require  $13\frac{1}{2}$  cents, of which 6 cents are for tolls. The lake charges for a distance of more than a 1,000 miles are but  $6\frac{1}{2}$  cents. The aggregate is about \$10 a ton from Chicago, or \$17 from the Mississippi. The charges at grain elevators vary from one cent to two cents a bushel. The charge for shovelling is from \$2 to \$5 for 1,000 bushels. At Buffalo, last year, the transfer and shovelling charges on 36,754,948 bushels exceeded the canal tolls by \$216,000; and at Oswego the transfer charges alone on 6,270,466 bushels exceeded the tolls by \$15,000. To this the charge for shovelling is to be added. It is a curious fact that the steam elevators have actually been in the habit of charging more than the same work could be done for by hand power. Two cases are cited at Buffalo. In one instance a cargo of 87,000 bushels of oats was transferred by an elevator in fifteen hours. The elevator fees were \$1,740, the cost of shovelling \$435; total, \$2,175, or  $2\frac{1}{2}$  cents a bushel. In another case, two vessels were unloaded by hand, and the cargo transferred to cars, at a cost of  $1\frac{1}{2}$  cents a bushel. An inspection and comparison of these figures indicate that in order to cheapen transportation, it is not necessary merely to reduce canal tolls and freight charges. The local charges for transfer, etc., also require reduction. The following statement of present prices, and estimates for the future, are made by a gentleman in Buffalo who is familiar with the whole subject:

	—Present rates—		—Prospective—	
	Wheat, per ton.	Corn, per ton.	Wheat, per ton.	Corn, per ton.
Lake freights.....	\$2 33	\$2 33	\$2 33	\$2 38
Canal freights.....	3 15	2 91	1 78	1 65
Transfer charges.....	2 04	2 04	75	75
State tolls.....	2 07	1 73	69	69
Total.....	\$9 64	\$9 06	\$5 62	\$5 47

As the elevator charges at Chicago, Buffalo, and New York are  $5\frac{1}{4}$  cents a bushel, and the shovelling from 1 to  $1\frac{1}{2}$  cents more, a movement for a general reduction has been made. The work can be profitably done at half the price, and the leading dealers in the ports named have agreed to make the reduction. It remains then for the Legislature of the State of

New York to reduce the Canal tolls to a proportionate extent, and for the transportation lines West of Chicago to reduce their rates. They now charge from 20 to 30 cents a bushel. The result of this is that grain is carried past Chicago and as the journals of that city complain, it can be carried from Central Illinois half way to New York for the cost of carrying it to Chicago alone.

This subject is of great importance not only to New York City and State, but to the whole seaboard. It has an interest too for every producer in the great Northwest, and it is not strange that such vigorous efforts are put forth to secure so important a trade in the channels now occupied by it, or to divert it into new channels. The business of the Erie Canal comes from the West. Only one-ninth of its traffic is local. The residue is from beyond Buffalo. There are single States in the West which, when the Erie Canal was dug, had not even a name, that furnish it now more traffic than all that the State of New York now supplies. Year by year this business increases, and it is the part of wisdom to see to it that the channel of trade is equal to the demands upon it, and that the Erie Canal remains what it has so long been, the great route of transportation between the seaboard and the West.

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#### THE BANK REPORTS AND THE LATE STRINGENCY.

We publish on another page our tabular summary of the first reports made under the new law by the National Banks of this city. In consequence of the change in the form of the returns, which causes them not to correspond precisely with former statements the aggregates are not quite so convenient for comparative reference, but this difficulty will be obviated in the next, as the present form is to be adhered to in future, and circulars to secure this conformity are now being addressed to the National Banks all over the country. There is one point of view in which the present reports are more valuable than any of those which have heretofore been published. For this report was made under such circumstances as prevented all cookery of the accounts, and all preliminary preparation. These returns therefore will afford a very good starting point for future comparison, and will show with trustworthy accuracy the changes which take place from time to time in the position and strength of the banks.

After the recent stringency, caused as it was by a lack of loanable resources in bank, we might have expected to have found these institutions holding a weaker reserve than they really appear to show. The net amount of their liabilities is reported at \$187,000,484. Now the 25 per cent reserve which the Internal Currency Act requires would call for a legal tender reserve of about \$47,000,000. But the banks really hold \$53,801,622. That is, they are stronger in reserve than the law requires.

They hold an excess of legal tenders amounting to no less a sum than \$7,051,501 which is certainly a very handsome exhibit. The question arises, however, how it has happened that with so much strength the banks were in such distress as to be obliged to charge usurious rates for money throughout the recent period of financial stringency. Perhaps a partial answer to this question may be suggested by an analysis of the elements of which the reserve is made up.

The aggregate amounts, as we have said, to almost \$54,000,000. Of this sum less than one-third is in greenbacks. The rest is more or less unavailable. Five millions in gold and gold notes. Fifteen millions are in Clearing House Certificates payable on demand. Fifteen millions are in temporary Loan Certificates. All this reserve of Certificates bears interest at three per cent. It thus appears that the reserve which the banks are prohibited by law from lending to the public, and are compelled to keep on hand as a basis of credit, pledge of solvency and a guarantee to the people against panic—this reserve, or thirty-one millions of it, the banks have lent to the government at 3 per cent or about half the usual current rate of interest. It is evident that this is an unsafe and undesirable state of things. The greenback reserve is too small for safety, and the interest-bearing reserve is too large. There are indeed serious objections to the allowing of banks to draw interest on their reserve at all. As an exceptional arrangement to bridge over a season of special drain for currency, this accumulation of interest bearing certificates may be tolerated; but the principle should be always held as paramount that the greenback reserve should amount to at least twice as much as that part of the reserve which bears interest. The special drain for currency to which we have referred, has arisen from the peculiar circumstances of the South and Southwest, where over fifty millions of currency have been absorbed during the past few months, and most of this currency will be very slow in returning to the Northern financial centres. The presence of these interest-bearing certificates in the reserve of the banks, unfits that reserve for performing with the requisite pliant elasticity the functions which devolve upon it. This brings on a rigidity and spasmodic obstinacy of the movements of the financial machinery, and a consequent spasm and stringency in the money market. It is even asserted that a few at least of the banks exhibited a disposition to exaggerate rather than to mollify the distress. Certainly some of the private bankers and money lenders were tempted to do so, because of the large profits which the usurious rates of interest brought them.

On the whole, the statement before us is amply sufficient to prove that our banks are in a strong condition, and that although in this delicate and fundamental arrangement touching the reserves, there is room for improvement, still as capital and currency are now pouring rapidly towards New York, and will concentrate here for some months to come, with increasing accumulations, we have one of the most important conditions for ease in the money market, and for such movements in the financial mechanism of the country as are usually productive of active speculation.

## NORTHERN CENTRAL RAILROAD.

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

From Freights .....	\$2,928,260 77
“ Passengers .....	914,761 04
“ Express .....	90,500 85
“ United States mails .....	44,161 00
“ Sundry sources .....	173,570 25
Total earnings .....	\$4,151,351 91
The operating expenses were .....	2,962,327 52
Net revenue .....	\$1,189,024 39

The report states: The operating expenses of the road were 71.35 per cent of the receipts, being  $4\frac{1}{2}$  per cent greater than in the year 1867. The increase of per centage is to be attributed to increased sidings; to the damage done to the lower end of the line by the flood which occurred on the 24th of July last; the repairs of which have been charged to operating expenses, and to the rebuilding bridges on the Shamokin Division.

The large increase of gross receipts for the year does not show an equivalent increase of the net income. But the extraordinary expenses just referred to, together with the reduction of rates received for the tonnage moved, will account for the failure to realize the additional profit.

The average rate received for transportation of freight was 2.22 cents per ton per mile, a reduction of 38-100 of a cent per ton from the rates received the previous year. The same rates of freight upon the tonnage of 1868 as received in 1867 would have given us an additional net profit of five hundred thousand eight hundred and eighty-nine dollars and six cents, (\$500,889 06.) The reduction of rates has inured to the benefit of the consumer, and is the best evidence that can be given to show that the management of the road is not adverse to the interests of the public.

The advantages to the City of Baltimore to be derived from the ability of this company to reach tide-water, we believe, is now thoroughly appreciated by the city authorities, and we have no doubt that means will be taken to have the work on the Union Railroad resumed and pushed forward to completion.

There has been a very large increase in the coal trade over the preceding year. The coal transported South in 1868 amounted to 602,025 tons, against 453,919 tons in 1867, an increase of 148,106 tons. Of this increase, 26,741 tons were carried to Baltimore, and the balance 121,365 tons to local stations on this and connecting roads. The coal transported North, to Elmira and points beyond, in 1868 was 1,167,777 tons, against 35,619 tons in 1867, an increase of 96,958 tons. We anticipate a further increase in this business during the present year.

In 1865 it was determined upon to issue a six per cent mortgage of \$2,500,000 for the purpose of purchasing equipment, and making such improvements as might be required. This was done, and about one-half the bonds were sold. But, owing to the fact of its being a third mortgage upon the property, we found it difficult to use the remainder at a price we considered them worth; and finding too that improvements, which, at the time these bonds were issued, we thought could be postponed for some years, had now become imperatively necessary—it was deemed best to create a consolidated mortgage and withdraw the balance of the loan from the market: This has been done. A mortgage of \$6,000,000, bearing six (6) per cent interest, payable in coin free from taxation, has been created, and is to be issued only as the former bonds of the company are retired, either by purchase for the sinking funds, or by cancellation. A portion of the \$2,500,000 has been retired and a like amount of the new bonds have been sold, and we are now offering a limited number of them at par and accrued interest.

With these bonds we shall be enabled to cancel the floating debt of the company, make the improvements which cannot be delayed—while the funded debt of the company will not be increased beyond its present amount. And, by the time this entire mortgage is issued it will be the first, and only mortgage, except the annuity to the State of Maryland on this property.

The regular payments have been made to the sinking funds during the year. In the sinking fund for the redemption of the bonds due in 1885 there is now four hundred and thirty-one thousand dollars (\$431,000) of these bonds; and in the general sinking fund we have two hundred and fifty-two thousand five hundred dollars (\$252,500), an increase in both of one hundred and one thousand dollars (\$1,000).

## RECEIPTS AND EXPENDITURES FOR THE YEAR ENDING DEC. 31, 1868.

RECEIPTS.		Expenses of Canandaigua Div 243,18	
Earnings of Main Line.....	\$2,977,151	Interest.....	\$2,962,327
Wrightsville Br.....	43,788	Dividends on capital stock.....	434,872
Shamokin Div.....	577,763	Taxes on capital stock, &c.....	332,895
Florida.....	528,626	Rent of Shamokin Valley and	
Chungung.....	160,397	Potsville Railroad.....	101,167
Canandaigua.....	233,624	Rent of Elmira and Williamsport	
Capital stock.....	\$4,151,351	Railroad.....	165,000
Bonds.....	150,000	Rent of Elmira, J. & Can.	
Real estate.....	1,110,508	Road.....	25,000
	636	Discount on bonds.....	95,156
Total.....	\$5,424,487	Sinking funds.....	101,071
		Construction.....	96,497
		Real estate.....	127,647
		Equipment.....	472,741
			\$4,997,936
		Floating debt decreased.....	414,551
		Total.....	\$5,412,487
EXPENDITURES.			
Expenses of Main Line.....	\$1,893,765		
Wrightsville Br.....	36,370		
Shamokin Div.....	194,252		
Elmira.....	433,245		
Chungung.....	101,519		

## FINANCIAL STATEMENT, DEC. 31, 1868.

ASSETS.		LIABILITIES.	
Railway and appurtenances.....	\$8,907,252	Capital stock—95,978 shares.....	\$4,798,909
Canton excise.....	342,182	Funded debt, less sinking fund.....	6,391,509
Real estate.....	641,449	Bills payable.....	417,675
Equipment.....	2,120,837	Interest, &c., accrued.....	246,601
	\$12,111,761	Interest coupons.....	12,181
Cash.....	279,622	Pay rolls and vouchers.....	450,683
Passengerages.....	8,825	Freight roads—ascenger account.....	23,977
Freight.....	112,013	Foreign roads—freight account.....	11,816
Post Office Department.....	12,031	Individuals and corporations.....	107,125
Stock of Wrightsville, York & Get-		Profit and loss account acct.....	\$12,300,466
tyburg Railroad Co.....	47,595		78,445
Debt of Wrightsville, York & Get-			\$13,088,811
tyburg Railroad Co.....	76,484		
Bonds of Warren & Franklin Rail-			
way Co.....	10,413		
Individuals and corporations.....	309,755		
Materials and supplies.....	225,340		
Total assets.....	\$13,088,811		
	\$1,077,110		
Total expenses.....			\$501,754 74
Balance point to income account.....			245,306 62
Total.....			\$747,061 26
		<i>Earnings.</i>	Gold
Product—25,628 flasks of Quicksilver, at \$30.....	\$768,840		
Less one account reduced.....	90,867		
Profit over \$30, on sales of 5,056 flasks.....			\$678,173 00
Profit on purchases and sales of 2,764 flasks.....			30,562 71
Rents, privileges, &c.....			3,924 22
			21,401 43
Total.....			\$747,061 36

## DETROIT AND MILWAUKEE RAILROAD.

The report for the year ending 31st December, 1863, shows that the gross traffic and rents for the year were \$1,718,097.22, being \$13,214.42 less than those of 1867. The working expenses, taxes and insurance were \$1,013,636.06, being \$21,169.96 greater than those of 1867. The net revenue is \$701,457.66, being \$69,295.26 greater than that of 1866, and \$64,331.38 less than that of 1867. This has been applied to

interest on the bonded debt existing prior to 1866, \$368,685 80; in part towards interest on bonds of June 30, 1864, \$53,550; to sundry discounts and exchanges, \$5,670 27; to new works and rolling stock, \$8,899 3; to rebuilding on account of the fire in April, 1866, \$15,715 52; to new cars on same account, \$93 08; to payment for baggage and merchandise consumed in that fire, \$20,573 15; to old debts of the Detroit and Milwaukee Railway Company, for supplies, \$3,588 71; to redemption of bonds issued to the Commercial Bank of Canada, 30th June, 1866, \$100,000; and on account of dividend to Great Western Railway Company of Canada, on preferred shares, \$73,325; the whole exclusive of interest and dividend, amounting to \$211,257 8; and after deducting the amount received for insurance on the steamer "Milwaukee" less paid for losses of through freight and baggage, being net \$36,717 95, to \$175,007 82. The balance to credit of Net Revenue, 31st December, 1867, was \$75,210 84, and the balance to credit of that account 31st December, 1868, is \$103,429 61.

The total amount paid on account of the fire of April, 1866, is \$368,129 74 (less received for insurance, \$19,766 66). All of the second mortgage bonds due 15th May, 1866, have been extended to 15th May, 1875, except \$3,500, which have not been presented; and all the funded coupon bonds due 1st January, 1866, have been extended to the same date, except \$8,217 50, not yet presented. Of the coupon bonds due 15th November, 1868, \$63,925 00 have been extended to the same date, and the remainder will be extended from time to time, as presented.

The bonded debt and stock of the company may be seen on reference to our tables of Railroad Bonds and Stocks on a subsequent page.

The following is a comparative statement of the receipts and expenses for the last five years:

Years.....	Receipts.	Work'g Ex.	Per Cent. on Gross Re's.	Total Rev. including Taxes & Ins.	Per Cent. on Gross Re's.	Net Rev. Balance.
1864.....	\$1,333,402	\$831,226	63.03	\$502,176	66.84	\$438,644
1865.....	1,691,735	939,510	55.54	1,001,751	54.15	690,984
1866.....	1,659,217	959,23	57.79	1,024,155	61.72	645,062
1867.....	1,761,303	931,711	53.23	992,519	56.35	768,789
1868.....	1,715,093	956,898	55.69	1,013,656	58.99	704,466

And the number of passengers and tons of freight carried during each of those years, together with the gross earnings therefrom, are as follows:

Years.....	Number.	Receipts.	FREIGHT AND LIVE STOCKS.		TOTAL Passenger and Freight Rec's.
			No. tons, including weight of Live stock.	Receipts, excluding Storage &c.	
1864.....	403,901	\$661,827	165,311	\$618,919	\$1,280,746
1865.....	499,904	842,372	189,427	808,196	1,648,569
1866.....	439,453½	794,952	218,810	813,792	1,608,745
1867.....	488,04	827,189	254,409	848,532	1,675,721
1868.....	438,394½	754,261	287,729	901,434	1,655,765

NORTHEASTERN RAILROAD OF SOUTH CAROLINA.

The report for the year ending March 1, 1869, states the following:

	In 1867-'68.	In 1868-'69.	Dec.	Inc.
Receipts from freight.....	\$172,618 32	\$151,844 89	\$20,03 43	.....
"    "    passengers.....	92,033 76	81,03 72	7, 85 04	.....
"    "    mails and other sources.....	14,495 67	18,115 78	..	\$3,00 11
Operating expenses.....	\$279,232 75	\$254,161 39	\$26,68 47	\$3,620 11
	\$173,655 82	145,489 69		
	\$105,376 93	\$108,725 90		
Excess of net income in 1868-'69.....				\$31 8 27
The statements of the Treasurer will show that there remained at the credit of profit and loss account at the close of the past year.....				\$10, 09 14
Since which it has been further credited with proceeds of transportation for 1868 and 1869.....				108,725 20
				\$119,134 44
And charged with interest on bonded debt and current interest.....		\$18,665 73		
Loss of stock in Society Hill and Marlboro' Bridge Company.....		2,337 55		
Right of way, previously unsettled.....		1,011 00		97 014 33
Leaving a balance at credit of profit and loss.....				\$22,120 11

The following will appear as the indebtedness on the 28th February, 1869 :

1,400 first mortgage bonds, of \$500 each, due September 1, 1869.....	\$700,000 00
280 second mortgage bonds, of \$500 each, due September 1, 1868.....	145,000 00
3,100 shares preferred stock, \$50.....	155,000 00
Certificates of indebtedness (for interest prior to 1st March 1867).....	107,765 24
Outstanding interest to 1st March, 1867.....	111,622 31
Outstanding interest, due in cash.....	9,983 80
Real estate bonds.....	28,000 00
Bills payable.....	23,566 66
Profit and loss.....	22,120 11
Stockholders.....	198,950 00
	\$2,199,007 52
To meet this indebtedness we have the road (102 miles long) with its sidings, equipment, etc., at a cost of.....	\$2,148,130 65
And assets.....	49,876 87
Total.....	\$2,198,007 52

The amount of second mortgage bonds, originally issued, was \$300,000—of which \$145,000 were sold—the remaining \$155,000 were subsequently pledged and deposited with trustees, as a security for a corresponding amount of preferred stock, say \$150,000. This preferred stock is then, virtually, a substitute for that amount of second mortgage bonds.

As stated above, the company's first mortgage bonds, amounting to \$700,000, mature on the 1st September, 1869, while the second mortgage bonds for \$1,000,000 are past due, having matured on the 1st September, 1868. Of the coupons representing the interest on the first, and unpaid up to March 1st 1867, there are still outstanding about \$92,000, and of those representing the interest on the second, and in the same position, there remain about \$22,000. These, with our past due bonds, are now held by comparatively few parties, who have submitted to a delay in their settlement, until they could be embraced in the general plan of the company for the readjustment of their entire debt, to take effect in September next. We are also indebted in a balance of \$28,000 on certain bonds for real estate in this city, purchased in 1853, and duly secured by a mortgage thereon, which is antecedent to those executed in 1855 and 1857, for the security respectively of their first and second mortgage bonds. In the readjustment of our debt, it would, therefore, be expedient and proper to consider these real estate bonds as among our first mortgage bonds, and to be absorbed by them, that the special mortgage thereon may be duly cancelled. We would, then, propose to you to consolidate and renew this whole indebtedness by the issue of 1640 bonds of \$500 each, amounting to \$820,000, to be dated 1st September, 1869, and payable 1st September, 1899, bearing 7 per cent interest, payable semi-annually, by coupons attached, to be styled "first preferred bonds;" and by another issue of 640 bonds, of the same date, tenor and amount each, as the first, for \$322,000, to be styled "second preferred bonds," both to be secured by one general mortgage upon the entire property, rights, franchises, etc., of the company, duly expressing the order, and defining the conditions of these preferences, and their relations to each other. The first preferred bonds should then be offered in renewal of, or exchange for our old.

First mortgage bonds for.....	\$700,000
Outstanding interest and interest thereon.....	92,000
Real estate bonds.....	28,000
	\$820,000
And the second preferred bonds should be applied to our old second mortgage bonds for.....	\$300,000
Outstanding coupons and interest thereon.....	22,000
	\$322,000
Making our bonded debt.....	\$1,142,000

## LAKE SHORE RAILWAY COMPANY.

This company, as most of our readers know, was formed by a consolidation of the Cleveland and Toledo and the Cleveland, Painesville and Ashtabula Railroads. The annual report for the year ending with 31st December, 1868, shows the following:

The receipts have been as follows:		The disbursements have been as follows:	
From Passengers .....	\$1,712,875 27	For transportation and General expenses .....	\$2,909,790 52
“ Freight .....	2,995,280 44	“ Taxes .....	28,405 77
“ Express .....	21,335 17	“ Interest paid .....	881,416 87
“ Mails .....	48,950 00	“ July Dividend .....	524,940 50
“ Miscellaneous .....	177 79	“ January .....	674,943 75
<b>Total .....</b>	<b>\$5,037,994 67</b>	<b>Total .....</b>	<b>\$4,771,497 42</b>
		Surplus, Dec. 31, 1868 .....	\$263,497 26

The details of interest paid and of the entire surplus held by the two companies, January 1, 1868, were as follows:

Interest on C. P. and A. Debt .....	\$74,986 87
“ “ C. and T. .....	206,430 00
July Dividend, 3¼ per cent .....	52,940 50
July “ 4¼ “ .....	6,4943 75
<b>Total .....</b>	<b>\$1,581,311 12</b>
Surplus 1868 .....	263,497 26
“ on C. P. and A. Ledger, January 1, 1868 .....	713,823 18
“ on C. and T. .....	1,026,967 34
<b>Total .....</b>	<b>\$2,001,287 78</b>

The gross revenue of 1868 exceeds the aggregate receipts of the Lake Shore and Cleveland and Toledo Railroad Companies during any previous year; and the expenses of 1868 embrace a large outlay upon the Western (Toledo) Division, in the renewal of bridges, of bridge and culvert masonry, of superstructure and ballasting, and include the construction of nine and one half miles of new side tracks.

The Sinking Fund Commissioners report in their hands on January 1, 1869, the following securities:

Cleveland and Toledo Sinking Fund Bonds .....	\$369,000 00
Junction R. R. 1st Mortgage 2d Division Bonds .....	400 00
United States Five-twenty Bonds .....	100,000 00
Cash .....	8 43
<b>Total .....</b>	<b>\$509,008 43</b>

Statement showing the Assets and Liabilities of the Lake Shore Railway and Cleveland and Toledo Railroad Companies, January 1, 1869.

## ASSETS.

Construction .....	\$16,527,290 02	
Second Track .....	489,946 45	
Ashtabula Branch .....	34,005 59	
Equipment .....	2,218,855 01	
<b>Materials on hand—Road Department .....</b>	<b>179,320 66</b>	<b>\$19,598,066 10</b>
“ “ Machine Shops .....	85,126 31	
“ “ Car Shops .....	129,265 25	
<b>Fuel on hand .....</b>	<b>178,041 40</b>	<b>571,756 62</b>
Sunbury and Erie R. R. Co. Stock .....	500,000 00	
Jamestown and Frank in R. R. Co. Stock .....	30,000 00	
“ “ Bonds .....	312,000	
“ “ (advances to) .....	571,526 47	
Cleveland and Painesville R. R. Co. Bonds .....	\$2,500	2,000 00
Western Railroad Company Bonds .....	3,500	2,537 50
Toledo, Warren & Western R. R. Co. Bonds .....	6,900	4,695 00
Toledo City Bridge .....		1,800 00
Sinking Fund Commissioners .....	*293,200 89	
<b>Balances due from Agents &amp; R. R. Co's .....</b>	<b>1,975,159 86</b>	
Bills Receivable .....	104,197 20	
Cash .....	11,416 23	
	260,919 22	
<b>Total .....</b>	<b>\$22,521,535 28</b>	

## LIABILITIES.

Capital Stock	\$15,000,000 00	
Sanbury Bonds, issued by C. P. & A. R. R. Co., due July, 1874	500,000 00	
Registered Loan, issued by C. P. & A. R. R. Co., due January, 1880	1,000,000 00	
Third Mortgage Bonds, issued by C. P. & A. R. R. Co., due October, 1892	1,000,000 00	
Sinking Fund First Mortgage Bonds, issued by C. & T. R. R. Co., due July, 1885	2,014,000 00	
Mortgage Bonds of 1886, issued by C. & T. R. R. Co., due April, 1890	\$64,000 00	
*Present cash value of securities held by Sinking Fund Commissioners,	\$509,084.	
Junction R. R. First Mortgage, Fris. Div. de d Bonds, issued by C. & T. R. R. Co., past due (not presented for redemption)	12,000 00	
Junction R. R. First Mortgage Second Dividend Bonds, due December 1882	16,000 00	
Income Bonds, C. & T. R. R. Co., due Sept. 1870	5,000 00	
Dividend Certificate	185 00	
Unpaid Dividends	1,662 50	
Subscriptions	2,001,287 78	
		\$32,511,535 82

## CONDITION OF THE NATIONAL BANKS OF THE CITY OF NEW YORK.

The following is the report of the condition of the National Banks in the city of New York at the close of business on the 17th day of April, 1869. Number of banks reporting, fifty-six:

Dr.	RESOURCES.	
Loans and discounts		\$132,692,110 27
Overdrafts		240,745 38
United States bonds to secure circulation		4,060,450 00
United States to secure deposits		1,764,000 00
United States bonds and securities on hand		7,627,300 00
Other stocks, bonds and mortgages (as per schedule)		5,677,776 13
Due from other National Banks (as per schedule)		10,519,574 28
Due from other banks and bankers (as per schedule)		1,361,477 76
Banking house, their real estate, and furniture and fixtures		7,024,108 59
Current expenses and taxes paid		1,271,971 23
Premiums		57,906 98
Cash item (including stamps) (as per schedule)		2,390,430 40
Exchanges for clearing house		125,030,974 28
Bills of other national banks		2,196,715 00
Bills of State banks		8,392 00
Fractional currency (including Nickels)		389,561 55
Specie, viz: Gold	\$1,952,555 21	
Gold Treasury notes	3,421,000 00	
Checks on other banks payable in gold	1,499,866 64	6,842,441 85
Legal tender notes		17,219,007 00
3 per cent certificates stamped as Clearing House certificates		17,000,000 00
3 per cent certificates		16,000,000 00
		\$426,107,942 58
Cr.	LIABILITIES.	
Capital stock paid in		73,882,700 00
Surplus funds		18,931,094 98
Discount, exchange, interest, and profit and loss		9,087,698 77
Circulating notes outstanding		34,518,397 00
State bank circulation outstanding		253,998 60
Individual deposits	\$137,451,901 04	
Certificate checks	81,381,009 21	
Cashier's check outstanding	1,81,058 02	223,326,058 27
United States deposits		8,1508 08
Due to National Banks (as per schedule)		53,357,851 11
Due to other banks and bankers (as per schedule)		1,620,802 37
		\$426,107,942 58

Statement showing the condition of the lawful money reserve of the National Banks in New York city at the close of business on the 17th day of April, 1869:

Liabilities to be protected by reserve—	
Circulation outstanding	\$34,158,397
Due individual depositors	\$137,452,901
Certificate checks	84,281 09
Cashier's checks outstanding	1,885,053

Gross deposits .....	222,226,078
Due to the United States .....	89,708
Due to national banks .....	51,357,805
Due to other banks and bankers .....	12,670,702
Gross amount of liabilities .....	\$223,952,510
Deduct—	
Due from National Banks .....	\$10,529,574
Due from other banks and bankers .....	1,762,477
Exchanges for Clearing House .....	125,060,974
	<hr/>
	136,559,025
Net amount to be protected .....	\$187,401,484
Amount required as reserve (25 p. c. of net amount to be protected) .....	46,750,121
Proportion of reserve, which must consist of lawful money (two fifths of the reserve) .....	\$18,700,468
Funds available for reserve—	
Coin .....	\$1,932,555
Legal tender notes .....	17,229,007
Gold Treasury notes .....	2,420,060
Three per cent temporary loan certificates, stamped as Clearing House certificates .....	15,300,000
Aggregate amount of lawful money on hand .....	27,801,622
Three per cent temporary loan certificates held in addition to the above .....	16,000,000
Aggregate amount of funds available for reserve .....	57,801,622
Funds available for reserve exceeding amount required .....	\$7,051,501

## COMMERCIAL CHRONICLE AND REVIEW

**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.**

In financial affairs, April has been characterized principally by a relaxation of the stringency in money. At the opening of the month, the banks suffered serious inconvenience from the withdrawal of currency by their country correspondents in this and adjoining States, usually occurring in connection with the April settlements so that from March 27th to April 10th, they lost nearly \$9,000,000 in deposits, and had to contract their loans \$6,500,000. This movement was naturally attended with excessive rates of interest, brokers having had to pay upon stock loans rates ranging from 10 to 50 per cent, the stringency being aggravated through the Comptroller of the Currency not calling for the periodical statement of banks, which naturally prevented the banks from expanding to meet the exigency.

The mercantile community suffered serious inconvenience from this condition of things, it being found extremely difficult to negotiate the best class of paper at 10 to 12 per cent, while the lower grades were almost unsaleable. About the 10th of the month the funds sent temporarily to the country banks began to flow back, and currency has, from that time, come in freely from the South, Southwest and West, so that within the last three weeks the banks have increased their legal tenders \$500,000 and their deposits \$6,000,000, while the loans remained about stationary; for the last half of the month, therefore, money has been easy at 6 to 7 per cent on demand loans, and 8 to 10 per cent on discounts. At the close of the month the currency balance of the Sub-Treasury was reduced to the extremely low figure of \$3,500,000; this fact, however, appears to have caused little or no uneasiness; first, because it is understood to be the purpose of the Secretary of the Treasury to work upon a lower balance than formerly and, next, because although the weekly sales of gold will take a

considerable amount of gold into the Treasury, and the collection of income tax in May will have the same effect, yet other sections stand so largely indebted to New York that the receipts of currency from the interior will more than offset these movements. At the same time it is not to be concealed that the banks are not now in so strong a position as at this period of last year. In specie and legal tenders combined, they have less by \$5,000,000 than a year ago, and \$13,000,000 less than at the same time of 1867, while their deposits are \$3,000,000 less than in 1868, \$10,000,000 less than in 1867, and \$25,000,000 less than in 1866. Under these circumstances it would be unsafe to indulge in sanguine expectations of ease during the summer months.

The active speculation in United States bonds and the upward tendency in prices which characterized the month of March, have been continued through April. At the close of March the larger portion of the supply on the market passed into the hands of foreign bankers, who were willing to take them in anticipation of a European demand, while domestic dealers were willing to sell them, under the supposition that the stringency in money would depress prices. The event has proved that the foreign dealers were the more sagacious, inasmuch as prices improved in the face of the monetary pressure and have since advanced, so that, at the close of the month, prices ranged from  $2\frac{3}{4}$  to  $3\frac{1}{2}$  per cent above the opening quotations. For the last fifteen days bonds have been steadily going out to Europe, and no small amount of the shipments have been supplied from "calls" upon domestic dealers, who have had to meet the demand by purchases rather than from stock on hand.

The Stock Market has exhibited a very decided firmness throughout the month. The large increase in the earnings of last month have encouraged a speculative feeling among outside speculators, and shares have advanced, in many instances, in opposition to the efforts of the clubs controlling them to keep them down. The more active stocks have been New York Central, Rock Island, Northwestern, and St. Paul. Erie has been very weak, and at the close fell to 28. Within the past week Hudson River and Harlem have advanced  $8\frac{1}{2}$  @ 9 per cent, in sympathy with efforts at Albany to secure authority to consolidate the roads with the New York Central. The total sale of stock at both boards, during the week, amount to 1,768,000 shares, which is 145,000 shares less than for the same month of last year.

Classes.	1868.	1869.	Increase.	Dcc.
Bank shares	2,532	3,207	675	....
Railroad "	1,511,803	1,518,901	6,898	....
Coal "	2,903	2,712	..	6.6
Mining "	33,536	68,769	35,233	....
Improvement "	15,975	10,250	..	5,725
Telegraph "	74,639	68,901	..	5,938
Steamship "	170,831	51,457	..	125,374
Express &c "	95,109	44,854	..	50,245
Total—April	1,913,327	1,768,361	..	144,966
Since January 1.	7,756,264	5,326,349	..	2,529,875

Few bonds have been sold by investors; nor have the purchases from that source been important; the city and country banks appear to have been the principal sellers, their sales having been made perhaps less with a view to reinvesting in the same class of securities than in contemplation of employing their surplus in lower priced investments—a tendency which has been in process for the last two years. For the last week the market has been strengthened by an understanding more or less general that the Secretary of the Treasury intends carrying out the sinking fund provision by purchasing bonds for cancellation.



Chicago & Al'on .....	159	159	140%	149%	149%	162	149	161%
do do pref .....	166%	154%	151	150	150	16 1/2	150	161%
Chicago, Burl. & Quincy .....	174%	174%	172	172	173	175	172	175
do & Northwest'n .....	82%	75%	81	8 1/2	84	8 1/2	83	87
do do pref .....	92	92%	89%	92%	93%	9 1/2	91%	98%
do & Rock Island .....	128	131	124%	131	138	139	128	137%
Columb. Chic. & Inl. C. ....	46	44	42%	43%	42	49	3 1/2	48%
Clev. & Pittsburg .....	89%	89%	87	87	86%	94	8 1/2	92%
do & Toledo .....	106%	107%	104%	106%	97	97	96%	96%
do (cl. in & Ind. ....	63%	69	62	65	65	79	64%	68
Del., Lack. & Western .....	117%	117%	113%	113%	114	116	113	115%
Dubuque & Sioux city .....	103	115%	107	115%	116	116	114%	1.6
do do pref .....	101	101	101	101	.....	.....	.....	.....
Har'em .....	134%	137	134%	135	135%	170	135	150
Hannibal & St. Joseph .....	115	119	108	117	114%	119	114	116
do do pref .....	115	115	110	114	113	114	1 2	113
Hudson River .....	136	140%	135%	138	140	155	138	156
Illinois Central .....	140	141	1 9	139	139	145%	139	144
Joliet & Chicago .....	96	96	96	96	95	95	95	95
Long Island .....	45	47	45	47	46	46	46	46
Lake Shore .....	106	107%	105	106%	97	106%	97	1 2 1/2
Mar. & Cincin., 1st .....	24	24	23	23%	23%	23%	20%	21
do do 2d .....	8%	8%	8%	8%	8%	8%	8%	8%
Michigan Central .....	118	118%	117%	118%	118%	132	118%	128
do S. & N. Ind. ....	97	97%	94%	95%	95%	1 3/2	95%	103%
Milwaukee & St. Paul .....	66%	71%	64%	71%	72	81	61%	79
do do pref .....	78%	80%	76	80%	80%	83	80	86%
Morris & Essex .....	87	88	86%	86%	88	89%	87%	89%
New Haven & Hartford .....	.....	.....	.....	.....	200	200	200	200
New Jersey .....	129	129	129	129	124	126	124	126
do Central .....	111	112	108%	108%	108%	112	108	111%
New York Central .....	162	164%	155%	160	161%	175%	1 9	175
do & N. Hav'n .....	.....	.....	.....	.....	120	121	1 0	121
Norwich & Worcester .....	105%	105%	100	102%	100	104	100	104
Ohio & Mississippi .....	34	34	32	32%	33	34%	2 1/2	33
do do pref .....	75	76	75	76	76	76	75	76
Panama .....	330	335	330	330	325	330	335	325
Pittsb., Ft. W. & Chica. ....	124	125%	117	125%	124%	139	123	1 7/8
Reading .....	92%	92%	91	91	91	97%	91	97%
Rome, W. & Ogdens'bg .....	11 1/2	11 1/2	11 1/2	11 1/2	.....	.....	.....	.....
Stonington .....	.....	.....	.....	.....	83	83	83	83
Toledo, Wab. & Western .....	66	68	65%	66%	67	73%	63%	73%
do do do pref .....	78	79	78	79	77%	80	77%	79
Warren .....	87%	87%	87%	87%	.....	.....	.....	.....
Miscellaneous—	.....	.....	.....	.....	.....	.....	.....	.....
American Coal .....	.....	.....	.....	.....	40	40	40	40
Central .....	62%	63	62%	63	6 1/2	62%	62%	62%
Cumberland Coal .....	37	37	37	37	33	35	30	30
Del. & Hud. Canal Coal .....	138%	129	127	128	126%	130	125%	130
Pennsylvania Coal .....	215	217	212%	215	.....	.....	.....	.....
Spring Mountain Coal .....	.....	.....	.....	.....	44	44	44	44
Wilk-bar & C. al. ....	28	28	28	28	.....	.....	.....	.....
Atlantic Mdl. ....	20	20	20	20	22	22	22	22
Pacific Mail .....	101%	101%	88%	89%	8 1/2	9 1/2	8 1/2	9 1/2
Boston Water Power .....	16	18%	16	16	16	17%	16	16
Canton .....	59%	61%	59	59	59	63	59	63
Brunswick City .....	9%	9%	9%	9%	9%	9%	9%	9%
Mariposa .....	18%	19%	13	18%	19	23	18%	20
do pref .....	23%	35	31%	34%	34	44%	34	41
Quickilver .....	25%	25%	19%	21	20	22%	20	21
Union Trust .....	145	145	145	145	.....	.....	.....	.....
West. Union Telegraph .....	37%	38%	36%	38%	39%	43%	39	43%
Express—	.....	.....	.....	.....	.....	.....	.....	.....
American M. Union .....	40%	45	49%	40%	40%	42	39%	44%
Adams .....	60	64	58	58%	58	63	58%	62
United States .....	55	56%	54	56%	56	63	59	68
Merchant's Union .....	16	17%	15	15	15 1/2	16	15	16
Wells, Fargo & Co. ....	31%	32	30	30%	37%	37%	30%	38

In the gold premium there has been a steady reaction from the low figures of last month, the price having advanced from 131 3/8 to 134 1/8. The principal cause of the change has been the adverse course of our foreign trade, and the anticipation of the remittances to be made at the beginning of May, against the coupons of foreign bondholders. The offer of the Secretary of the Treasury to prepay the coupons of May and July, with rebate, was but little availed of, the whole amount prepaid being within \$3,000,000. On the 29th the Treasury sold, by public tender, \$1,000,000—the first of a series of weekly sales, to be continued until further notice. This sale and the maturing of \$24,000,000 of coin interest to-day, have, however, failed to check the upward tendency of the premium. Owing to the incompleteness of the data, we defer our usual monthly statement of the specie movement until next week.

COURSE OF GOLD AT NEW YORK.

Date.	Open'g	Lowest	High st.	Closing	Date.	Open'g	Lowest	High st	Closing
Thursday....	1 131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	Friday.....	23 132 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$
Friday.....	2 132 $\frac{1}{2}$	131 $\frac{1}{2}$	132	131 $\frac{1}{2}$	Saturday.....	26 133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$
Saturday.....	3 131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	Monday.....	27 133 $\frac{1}{2}$	133 $\frac{1}{2}$	131	133 $\frac{1}{2}$
Monday.....	5 131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	Tuesday.....	29 133 $\frac{1}{2}$	133 $\frac{1}{2}$	131 $\frac{1}{2}$	133 $\frac{1}{2}$
Tuesday.....	6 131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	Wednesday.....	29 133 $\frac{1}{2}$	133 $\frac{1}{2}$	131 $\frac{1}{2}$	133 $\frac{1}{2}$
Wednesday.....	7 131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	131 $\frac{1}{2}$	Thursday.....	29 133 $\frac{1}{2}$	133 $\frac{1}{2}$	131 $\frac{1}{2}$	133 $\frac{1}{2}$
Thursday.....	8 131 $\frac{1}{2}$	131 $\frac{1}{2}$	132 $\frac{1}{2}$	131 $\frac{1}{2}$	Friday.....	30 134 $\frac{1}{2}$	134 $\frac{1}{2}$	131 $\frac{1}{2}$	134 $\frac{1}{2}$
Friday.....	9 132 $\frac{1}{2}$	132 $\frac{1}{2}$	133	133	April...1869.....				
Saturday.....	10 133 $\frac{1}{2}$	132 $\frac{1}{2}$	133	133 $\frac{1}{2}$	“ 1863.....	1 83 $\frac{1}{2}$	1 77 $\frac{1}{2}$	140 $\frac{1}{2}$	139 $\frac{1}{2}$
Monday.....	12 133 $\frac{1}{2}$	133	133	133 $\frac{1}{2}$	“ 1867.....	133 $\frac{1}{2}$	132 $\frac{1}{2}$	141 $\frac{1}{2}$	135 $\frac{1}{2}$
Tuesday.....	13 133 $\frac{1}{2}$	132 $\frac{1}{2}$	132 $\frac{1}{2}$	132 $\frac{1}{2}$	“ 1866.....	128 $\frac{1}{2}$	125	129 $\frac{1}{2}$	135 $\frac{1}{2}$
Wednesday.....	14 132 $\frac{1}{2}$	132 $\frac{1}{2}$	133	132 $\frac{1}{2}$	“ 1865.....	151 $\frac{1}{2}$	14 $\frac{1}{2}$	15 $\frac{1}{2}$	116 $\frac{1}{2}$
Thursday.....	15 132 $\frac{1}{2}$	132 $\frac{1}{2}$	132 $\frac{1}{2}$	132 $\frac{1}{2}$	“ 1864.....	107	66 $\frac{1}{2}$	181 $\frac{1}{2}$	113 $\frac{1}{2}$
Friday.....	16 133 $\frac{1}{2}$	132 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	“ 1863.....	157	145 $\frac{1}{2}$	157 $\frac{1}{2}$	150 $\frac{1}{2}$
Saturday.....	17 133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	“ 18 2.....	102	101 $\frac{1}{2}$	102 $\frac{1}{2}$	102
Monday.....	19 133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	“ 1861.....	1 100	100	100	100
Tuesday.....	20 133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	133 $\frac{1}{2}$	See Jan 1, 1869.....	134 $\frac{1}{2}$	133 $\frac{1}{2}$	136 $\frac{1}{2}$	131 $\frac{1}{2}$
Wednesday.....	21 131 $\frac{1}{2}$	134 $\frac{1}{2}$	134 $\frac{1}{2}$	144 $\frac{1}{2}$					
Thursday.....	22 134 $\frac{1}{2}$	134	134 $\frac{1}{2}$	134 $\frac{1}{2}$					

The following formula will show the movement of coin and bullion at the post of New York during the month of April, 1868 and 1869, respectively:

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1868.	1869.	Increase.	Decrease.
Receipts from California.....	3,455,392	1,105,001		2,350,391
Imports of coin and bullion.....	777,538	4,624,513	3,846,975	
Coin interest paid.....	276,100	4,655,480	4,379,380	
Total reported supply.....	\$4,509,020	\$10,388,974	\$5,879,954	\$.....
Exports of coin and bullion.....	\$5,487,619	\$2,040,661		\$3,446,958
Customs duties.....	10,244,419	10,936,263	691,844	
Total withdrawn.....	\$15,737,038	\$12,966,929	\$.....	\$2,770,109
Excess of drawings.....	\$11,228,018	\$3,581,955	\$.....	\$8,646,063
Specie in banks decreased.....	2,162,752	1,887,529		275,223
Derived from unreported sources.....	\$9,065,266	\$691,426	\$.....	8,373,840

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

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

Days	London, cents for 54 pence.	Paris, centimes for dollar.	Amsterdam, cents for florin.	Bremen, cents for rix daler.	Hamburg, cents for M. banco.	Berlin, cents for thaler.
1.....	107 $\frac{1}{2}$ @108	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35	71 $\frac{1}{2}$ @71 $\frac{1}{2}$
2.....	107 $\frac{1}{2}$ @108	525 @523 $\frac{1}{2}$	39 $\frac{1}{2}$ @40	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35	71 $\frac{1}{2}$ @71 $\frac{1}{2}$
3.....	107 $\frac{1}{2}$ @108	525 @523 $\frac{1}{2}$	39 $\frac{1}{2}$ @40	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35	71 $\frac{1}{2}$ @71 $\frac{1}{2}$
4.....	108 @108 $\frac{1}{2}$	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	39 $\frac{1}{2}$ @40	77 $\frac{1}{2}$ @78	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
5.....	108 @108 $\frac{1}{2}$	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	39 $\frac{1}{2}$ @40	77 $\frac{1}{2}$ @78	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
6.....	108 $\frac{1}{2}$ @108 $\frac{1}{2}$	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
7.....	108 $\frac{1}{2}$ @108 $\frac{1}{2}$	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
8.....	108 @108 $\frac{1}{2}$	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
9.....	108 @108 $\frac{1}{2}$	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
10.....	108 $\frac{1}{2}$ @108	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
11.....	@.....	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
12.....	@.....	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	40 @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
13.....	107 $\frac{1}{2}$ @107 $\frac{1}{2}$	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	40 @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
14.....	107 $\frac{1}{2}$ @107 $\frac{1}{2}$	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	40 @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
15.....	108 @.....	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	71 $\frac{1}{2}$ @70 $\frac{1}{2}$
16.....	108 @.....	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	71 $\frac{1}{2}$ @70 $\frac{1}{2}$
17.....	108 @.....	523 $\frac{1}{2}$ @522 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
18.....	108 @.....	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
19.....	108 @.....	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
20.....	108 @.....	522 $\frac{1}{2}$ @521 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
21.....	108 $\frac{1}{2}$ @108 $\frac{1}{2}$	521 $\frac{1}{2}$ @520	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
22.....	108 $\frac{1}{2}$ @108 $\frac{1}{2}$	521 $\frac{1}{2}$ @520	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
23.....	108 $\frac{1}{2}$ @108 $\frac{1}{2}$	521 $\frac{1}{2}$ @520	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
24.....	108 $\frac{1}{2}$ @108 $\frac{1}{2}$	521 $\frac{1}{2}$ @520	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
25.....	108 $\frac{1}{2}$ @108 $\frac{1}{2}$	521 $\frac{1}{2}$ @516 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @70 $\frac{1}{2}$
26.....	109 @109	520 @518 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	71 @71 $\frac{1}{2}$
27.....	109 @109	520 @518 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	71 @71 $\frac{1}{2}$
28.....	109 @109	520 @518 $\frac{1}{2}$	@.....	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	71 @71 $\frac{1}{2}$
29.....	109 $\frac{1}{2}$ @109 $\frac{1}{2}$	518 @517 $\frac{1}{2}$	@.....	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	71 @71 $\frac{1}{2}$
30.....	109 $\frac{1}{2}$ @109 $\frac{1}{2}$	518 @517 $\frac{1}{2}$	40 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 $\frac{1}{2}$ @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	71 @71 $\frac{1}{2}$
April, 1869.....	107 $\frac{1}{2}$ @109 $\frac{1}{2}$	525 @516 $\frac{1}{2}$	39 $\frac{1}{2}$ @40 $\frac{1}{2}$	78 @78 $\frac{1}{2}$	35 $\frac{1}{2}$ @35 $\frac{1}{2}$	70 $\frac{1}{2}$ @71 $\frac{1}{2}$
April, 1868.....	109 $\frac{1}{2}$ @110 $\frac{1}{2}$	516 $\frac{1}{2}$ @512 $\frac{1}{2}$	41 @41 $\frac{1}{2}$	79 $\frac{1}{2}$ @80	36 @36 $\frac{1}{2}$	71 $\frac{1}{2}$ @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 :

## NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
January 2....	\$259,090,057	\$20,736,122	\$34,379,009	\$180,490,445	\$48,896,421	\$585,504,799
January 9....	258,792,562	27,384,520	24,344,156	187,908,530	51,141,128	707,772,051
January 16....	262,338,831	29,258,536	34,279,153	195,484,843	52,927,083	675,795,611
January 23....	264,454,619	28,864,197	34,265,946	197,101,163	54,022,119	671,334,542
January 30....	265,171,709	27,784,923	34,231,156	196,985,462	54,747,569	609,360,286
February 6....	266,541,732	27,939,404	34,246,436	196,603,899	53,424,133	670,329,470
February 13....	264,380,467	35,854,331	34,263,451	192,977,560	52,334,952	680,754,499
February 21....	263,423,064	29,371,911	34,247,321	187,612,546	50,997,197	701,991,049
February 27....	261,371,997	20,832,603	34,247,981	185,216,175	50,835,054	529,816,021
March 6.....	262,039,883	19,486,634	34,275,885	182,604,437	49,145,669	727,148,131
March 13.....	261,699,695	17,358,671	34,690,445	182,392,458	49,639,625	629,177,566
March 20.....	263,098,302	15,213,305	34,741,310	183,504,999	50,774,874	730,710,003
March 27.....	263,909,559	12,073,722	34,777,814	180,113,910	50,555,103	797,987,488
April 3.....	261,933,675	10,757,889	31,836,916	175,325,789	48,446,359	837,323,692
April 10.....	257,450,227	8,791,543	31,609,360	171,495,570	48,644,732	810,056,455
April 17.....	255,184,882	7,811,779	31,436,769	172,203,494	51,001,788	772,365,294
April 24.....	257,458,074	8,850,760	31,000,561	177,310,080	53,677,898	752,905,766

## PHILADELPHIA BANK RETURNS.

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
January 4.....	\$51,716,989	\$52,483	\$13,210,397	\$38,121,023	\$10,593,719
January 11.....	51,642,237	544,691	13,498,109	38,768,511	10,593,272
January 18.....	52,122,733	478,462	13,729,493	39,625,158	10,596,560
January 25.....	52,037,015	411,837	14,054,870	40,583,462	10,593,914
February 1.....	52,632,813	322,733	14,296,570	29,677,943	10,599,351
February 8.....	53,059,716	337,011	13,785,595	40,050,939	10,586,552
February 15.....	52,929,391	304,681	13,573,043	38,711,575	10,582,226
February 22.....	52,416,146	211,307	13,208,607	37,990,986	10,458,546
March 1.....	52,251,351	256,933	13,010,503	37,735,205	10,458,546
March 8.....	52,232,000	297,837	13,258,201	38,293,956	10,458,953
March 15.....	51,911,532	277,517	13,028,207	37,571,582	10,459,081
March 22.....	51,228,419	235,097	12,765,769	36,960,009	10,461,406
March 29.....	50,597,100	210,644	13,021,315	36,863,344	10,472,420
April 5.....	49,499,866	189,013	12,169,221	35,375,854	10,622,896
April 12.....	50,770,193	184,246	12,643,357	36,029,133	10,625,166
April 19.....	51,478,371	167,818	12,941,753	37,031,747	10,629,425
April 26.....	51,294,222	164,261	13,640,063	37,437,235	10,624,407

## BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, \$41,900,000.)

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
January 4.....	\$98,423,644	\$2,203,401	\$12,938,332	\$37,538,767	\$25,151,345
January 11.....	100,727,007	3,075,844	12,894,700	38,032,891	25,276,667
January 18.....	102,305,209	2,677,688	12,992,327	39,717,193	25,243,823
January 25.....	102,959,942	2,394,790	12,228,874	39,551,747	25,272,300
February 1.....	103,696,853	2,161,284	12,564,225	40,238,462	25,312,947
February 8.....	104,342,425	2,073,908	12,452,795	39,693,877	25,232,057
February 15.....	103,215,084	1,845,524	11,642,856	37,759,792	25,382,122
February 23.....	102,252,632	1,545,418	11,260,790	36,323,814	25,304,053
March 1.....	101,309,539	1,238,936	11,200,149	35,889,466	25,301,537
March 8.....	101,425,932	1,297,599	10,985,972	35,525,680	25,335,377
March 15.....	100,820,203	1,277,315	10,869,183	34,051,715	25,351,654
March 22.....	99,553,319	1,330,864	10,490,448	32,641,077	24,559,312
March 29.....	99,670,945	937,769	11,646,232	32,930,430	25,254,167
April 5.....	96,969,714	862,376	11,248,884	33,504,099	24,671,716
April 12.....	99,625,473	750,160	11,391,519	34,392,377	25,333,782
April 19.....	99,115,550	639,460	11,429,905	31,257,071	25,351,814
April 26.....	98,971,711	617,433	12,361,827	35,302,203	25,319,751

# MARINE INSURANCE.

OFFICE OF THE

## NEW YORK 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 54

Premiums received during the year ending December 31, 1868:		
On Marine Risks.....	\$624,680 87	
On Land and Risks.....	14,707 97	
		639,388 84

Total Premiums.....	\$861,980 38
Marked off as earned during the year 1869.....	\$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 Land Risks.....	2,118 43

Expense, Re-insurances, Taxes, Commissioners, Abatements in lieu of Scrip, &c.....	316,413 42
	100,728 89
	\$493,957 44

The ASSETS of the Company on the 31st Dec., 1868, were as follows.	
U. S. 5 0 bonds.....	\$340,400 00
U. S. 10 40 bonds.....	164,600 00

	\$505,000 00
City Bonds and other Stocks.....	11,752 00
Bonds and Mortgages.....	26,000 00
Cash on deposit, and loans on demand, secured by Bonds and Stocks.....	62,292 62

Premium Notes and Bills Receivable not matured.....	\$605,044 62
Subscription Notes.....	154,974 91
Cash Premiums in course of collection and accrued interest on Loans and Stocks.....	111,166 35
Sundry Salvage, Re-insurance and other claims due the Company, estimated at.....	2,168 25
	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.

That a SCIP DIVIDEND OF TWENTY 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:

- |                       |                       |                      |
|-----------------------|-----------------------|----------------------|
| Moses H. Grinnell,    | Isaac A. Crane,       | Percy R. Pyne,       |
| John P. Paulison,     | A. Yznaga del Valle,  | Samuel M. Fox,       |
| John E. Devlin,       | John S. Wright,       | Joseph V. Onativia,  |
| Louis DeBebian,       | Wm. Von Sachs,        | Edward S. Jaffray,   |
| William H. Macy,      | Phillip Dater,        | William Oothout,     |
| Fred. G. Foster,      | Wm. Joel,             | Ernest Caylus,       |
| Richardson T. Wilson, | Thomas J. Slaughter,  | Frederick Chauncey,  |
| John H. Macy,         | Joseph Galliard, Jr., | George L. Kingsland, |
| Henry Forster Hitch,  | Alex. M. Lawrence,    | James F. Penniman,   |
| Elias Ponvert,        | Isaac Bell,           | Frederic Sturges,    |
| Simon De Visser,      | Elliot C. Cowdin,     | Anson G. P. Stokes.  |
| Wm. R. Preston,       |                       |                      |

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

ISAAC H. WALKER, Secretary

# 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
	\$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. PICKERSGILL,  
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,  
B. 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. FERGUSON,  
SAMUEL G. WARD,  
WILLIAM E. BUNKER,  
SAMUEL L. MITCHILL,  
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*