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ANNUAL REVIEW OF THE NEW ORLEANS MARKET.

September 1, 1874.

In accordance with custom at the close of the commercial year, we present our readers with the following review of the course of the market since last August. In complying with this duty we shall confine our remarks to the movement of the leading articles of our commerce, without attempting to give a general statement of the various manufacturing and commercial establishments in the city or any special mention of the minor branches of its trade. At the same time we can not forbear from such observations as the occasion suggests in relation to the means that may be expedient for the promotion of the general welfare.

In a cursory glance at the entire movement of the year it is difficult to avoid the conclusion that the result is unusually unsatisfactory. Not only has there been a greater diversion of trade to Western cities by their increased facilities for furnishing districts, formerly almost exclusively tributary to New Orleans, with supplies of Western breadstuffs, provisions and manufactures, but a second partial failure of the sugar crop has added to the serious disappointments of the previous year, and has been accompanied by an extraordinary shrinkage in the value of real estate and in the market prices of the bonds, stocks and other securities which constitute the stock list of our money market. These various values, to a greater or less extent, represent the capital of our banks and incorporated companies. Whether a bank holds real estate directly or is indirectly concerned in it by mortgages on long paper or collaterals on short, its decline has a corresponding influence on the bank's affairs; and what is true of real estate is equally true of stocks and bonds and of personal security, the solidity of which is weakened by a depreciation of any of the values we have mentioned. Hence, with the general shrinkage we have referred to, there has been a special depreciation in the market value of bank stocks, to such an extent that it has been found necessary in several cases to scale down the number of shares in order to place them in proper correspondence with the actual capital. When we add that a large part of the assets of these institutions is locked up in securities, which, however solid as permanent investments, are unavailable for immediate use, we think that these facts can not be fairly considered without the conviction that at no former period was our community more in need of active capital, to stimulate the general movement, and impart healthful vigor to every branch of trade. Were there any considerable amounts lying idle in private hands—in iron safes, or less secure depositories—such sums might be made available by the establishment of new banks, or an increase in the capital of those already established, in which such funds would be absorbed to be returned to the commercial community, in the discount of business paper, or short loans on solid collaterals. But this process has already accomplished its ends. There is hardly a nationality, class or pursuit which has not been appealed to by some institution specially pledged to foster its interests, and whether in the form of stocks or deposits, it may be affirmed that nearly the entire amount of floating capital has been thus utilized for the general benefit. Least of all can the desired end be attained by the establishment of banks under the national banking law, if based on New Orleans capital, only ninety per cent of the face of the deposited United States bonds being returned to the institution for banking purposes. We say "if based on New Orleans capital," for if, on the contrary, they were founded on foreign capital, such institutions would actually increase our active banking resources to the full extent of their circulating notes. Formerly it was otherwise, and the banks were compelled to hold a reserve of twenty-five per cent of such circulating notes. But this feature of the law has been repealed. Under these circumstances it would be difficult to designate a means of investment by foreign bondholders which would be safer or more remunerative. To illustrate this we will suppose a company of capitalists at the North, or in Great Britain or on the Continent, hold an aggregate of $1,000,000 in United States bonds, on which they receive five per cent, or $50,000 per annum. If these capitalists should employ their bonds in banking in New Orleans under the national banking law, the result might be stated as follows:

Deposits attracted by the capital	$1,500,000
Less twenty-five per cent reserve	375,000
Total	$1,125,000
Profits on $1,000,000 of the above at eight per cent	80,000
Interest on $1,000,000 at five per cent	50,000
Profit on circulating notes, $900,000, at eight per cent	72,000
Total	$202,000
Deduct contingent expenses, etc	32,000
Net profits	$170,000

Thus by holding these bonds on their portfolios these foreign capitalists would make 5 ₩ cent on their face, but by using them in New Orleans under the national banking act they would realize 17 ₩ cent. We give these merely hypothetical or *pro forma* figures. The actual result would, perhaps, be less, but might be even more favorable.

In this we have only considered the question with a view to its actual pecuniary returns as an investment. But this is far from covering the entire ground. We will suppose that these foreign capitalists are British manufacturers. Is it not evident that by their owning such an institution in this city they would be able to exert a powerful influence in extending the consumption of their own fabrics? Could they not stimulate the importation of such goods by safe and prudent facilities to dealers engaged in the trade? If foreign houses could realize on exchange drawn on New Orleans customers, which they could readily do by the aid of the British bank, could they not safely extend credits which would give them a preference over any Northern American houses? Would not such a bank be the means of bringing together the British manufacturer and the Louisiana merchant, to their mutual benefit? We think that all these questions must be answered in the affirmative. But this is not all. British manufacturers have a vital interest in augmenting the supply of American, and especcially of Gulf cottons. Could not such a bank use its influence to this end? It hardly admits of a doubt. Five millions sterling invested in New Orleans would do more to increase the product of the staple than ten millions invested in India. The delta of the Mississippi is of such surpassing fertility and so remarkably adapted to the cotton culture that it only requires capital to attract labor, in order to realize from its millions of uncultivated acres an exuberant production to which there would be no parallel in agricultural annals.

What we have said of a British bank is no less applicable to a German, Swiss, Dutch or French bank. Either of these nationalities could largely meet the consumption of the fabrics and goods in which it is specially interested by the establishment of a bank, under the national banking law, in this city, or the control could be obtained by purchase of a majority of stock in almost any of the institutions already established. Even if they bought out the shares of the present stockholders, it would still be adding so much available capital, the amount paid for the shares being distributed through the seller to the community. Weak banks might use the foreign element for reinvigoration, and suspended banks for recuperation. As long as we have the patent fact before us that the use of money is not more than half as valuable abroad as it is here, and that it has a natural tendency to seek its level, no one should despair of solving the problem how to direct its current to this city.

The want of capital, however, is not so absolute that even from their own resources the people of New Orleans can not by earnest co operation and a liberal spirit effect important results in restoring the commercial prosperity of the city, in which every other interest is concerned. We find that although the volume of our trade is still of the imposing proportions due to the remarkable natural advantages of this port, the diversion to other markets has been sufficient to depress nearly every branch of business. The sagacious merchant will investigate the cause of this evil, and discovering the cause will adopt whatever measures may be in his power to remove it. In his examination he finds that the additional facilities for transportation offered by the extension of the railway system, populous districts, which formerly received their entire supplies from New Orleans, are made conveniently nearer to the Western cities. The country merchant can consequently buy his breadstuffs, provisions and Western manufactures more cheaply at the West, and lay them down at his store, at less than the charges for transit via New Orleans. A portion of the trade we can hardly expect to recover, but a part is still within our reach. When the charges for river transportation are reduced by improvements in the navigation and in the means for transportation to a rate not exceeding 1-10c ₩ lb from St. Louis to New Orleans, our merchants will start with no more than this against them in their competition with their Western rivals, and it will soon be found that this difference can be compensated by a saving in the transit charges hence to the point of consumption. The charges by rail per mile being equal, it is manifest that wherever the interior town is nearer by rail to New Orleans than to the Western city the former may have an advantage greater than the additional cost of river transportation. The result will then depend on successful buying. The New Orleans merchant will ascend to the original source of supply and there meet his competitors from the Western cities on equal conditions, and if under such circumstances he proves the closer buyer, he may be able to offer the storekeeper or planter at the point of consumption greater advantages than his competitor. The conclusion, then, must be that in the railroad communication from this city and the cheapened river transportation New Orleans can successfully compete with the West in supplying the interior with even Western products. Of course, there can be little question with regard to imported goods or articles raised or made in our own vicinity. The New Orleans, St. Louis and Chicago, and the New Orleans, Mobile and Texas railways and their connections present us ample means of testing this competition east of the Mississippi. These remarks are equally applicable to the country traversed by Morgan's Louisiana and Texas road. Even at the present rates of river freights, the Western produce dealers and all others engaged in the Southern and Southwestern trade need not despair of successful competition with their Western rivals. New connections may have to be made, more comprehensive arrangements effected, and the modes of doing business be modified, but in the end it will be found that energy, enterprise and perseverance will win the prize.

We wish to take a practical view of this subject; to consider it in its immediate business effects, without any regard to a distant future. But examining it in this light we find that, although the roads we have designated are of great importance, and have a substantial influence either for us or against us, they are only a commencement of a system that must eventually make New Orleans as comprehensive a railroad terminus as New York. We find, moreover, that west of the Mississippi our progress has been slow. Even now, after the many years in which we have been contemplating Western extension, we have advanced far enough only to affect local interests. In the meantime Northern capitalists have promoted Western interests by extending the rail from the Western cities into Northern Texas, and have established direct communication between St. Louis, Memphis, Louisville and Cincinnati and a rich and populous section, with which we have no communication, except by an uncertain and unreliable river navigation, but with which, nevertheless, we formerly transacted an important business. This trade naturally passes by these railroads to the Western cities. We lose not only the advantages from supplying the section referred to with Western products, but with imported goods as well, and lose no inconsiderable volume of our leading staple. And yet we have assurances which we can not doubt that trade will be restored to us on the extension of our roads to that part of our State, so as to make connection with the roads penetrating Northern Texas. A leading factor whose mind has been enlightened by personal observation, appreciates the necessities of the situation, and is ready to abstract from his regular business a considerable part of his capital for this desired extension, provided he can be assured that the object will be accomplished. When this is thoroughly scrutinized, our factors will find that a few thousand dollars invested in railroad extensions gives assurance of a greater increase of his individual business than twice the amount advanced to planters; and wholesale dealers, especially dealers in Western produce, will discover that this extension is a vital element in their future success. All, however, may rest assured that with such extension there is a bright prospect for New Orleans. If not they, then their successors will profit by the reaction.

Taking, then, a general view of the situation, we find that an increase of our active capital, an extension of our railroad system and cheap transportation are the three features on which we must rely for the multiplication of our commercial resources and the product of population and wealth.

But of these three agents, not least important is the last. The question of cheap transportation comprehends the improvement of the navigation of the upper Mississippi—that is, the river above the Missouri—the river from St. Louis to Cairo, the lower Mississippi, the outlets to the Gulf, and the means of transportation.

Systematic and unintermitting dredgeboats, even if no more efficient than those now in the service, may be relied on to give us an uninterrupted channel of 18 feet; unless in exceptional cases they will give us 19 feet; and we have not a doubt that if the service be really *unintermitting*, they will give us 20 feet. This depth of water is sufficient for all practical purposes, as long as the trade is conducted in ships of the tonnage of those now engaged in it, but with a depth of 25 feet a larger class of vessels could be employed, and be run at an economy of not less than 7c ₩ bushel on corn, and 7½c on wheat. Hence, the necessity of the Fort St. Philip canal to give the products of the West a minimum rate of ocean freight. Then, too, the improvement of the river by the removal of snags and the deepening of sandbar channels, and the channels over the rocky ledges in the upper river. Finally, the improvement of the means of transportation. In discussing this subject last year we advocated, as he had done for many years, the employment of suitable barges, towed by a tug of sufficient power to control a fleet of eight or ten boats, but at the same time referred to freight boats specially adapted to the transportation of Western produce as a means that might possibly prove even of more practical value than large lines. The experiments made in this direction had been highly satisfactory, and so far at least the problem had been solved, that by hulls constructed for burden, and not for speed, improved engines, and dispensing with the multitude of employes necessary in a passenger steamer, double the burden could be transported with half the power. But we were not satisfied to regard this as the objective point in view, but suggested that new contrivances would yet be devised still more favorable to cheap transportation, and now our anticipations seem to be on the eve of fulfillment. In the Shanock freight boat of Captain Charles G. Johnson the inventor has contrived a hull to carry 3000 tons of freight down stream on eight feet draft and 1000 tons up stream on six feet. These features were suggested by the general capabilities of the Mississippi but, if necessary, could be adjusted to any other proportions. For example, experience may prove that Cairo is the best shipping port for the entire Northwestern section, and diminished Shanock may be constructed to carry produce from St. Paul direct to Cairo, thence to be transshipped by means of steam elevators on magnified consorts to the floating elevators at New Orleans and the Fort St. Philip canal, which will pour their grain into the bins of ocean steamers of 4000 tons burden. We have held for years that we were yet only on the threshold of river transportation, and we see on the simple, yet ingenious contrivance of the Shanock freight boat, a bold, grand step toward the realization of our views. Reaffirming what we have already averred, that we desire to take a practical view of these matters, and endeavoring sedulously to avoid all sensationalism, so repugnant to the commercial reader, we feel quite confident that we see the way clear to 10c ₩ cental from St. Louis and 8c from Memphis, and our readers can calculate for themselves how much that will be per bushel for corn and per bale for cotton.

COTTON—The commercial year commenced with a stock on hand of 7177 bales, against 6259 on September 1, 1872, and 25,328 in 1871. The entire supply for the year consisted of 1,240,384 bales proper, including corrections from sample-balings, etc., 167,427 bales from other delivery ports, and 6259 bales on hand at the commencement. The bulk of the receipt from other delivery ports was sent here for sale, and consequently contributed to the general movement as well as the receipts proper. The actual basis for the market may consequently be put down at about 1,400,000, or about 25,000 bales more than for the past year. The new crop was coming in slowly, the total being only 71 bales, against 1644 in 1872, 22 in 1871, 109 in 1870, 432 in 1869 and 476 in 1868. The first arrival was a bale from Brownsville, on the Rio Grande, via Galveston and Brashear, received here on July 10, which was ten days earlier than the previous year. The first of our own crop was a bale from the plantation of Mr. C. A. Pierson, near Natchitoches, which was received here on August 1, three days earlier than first part of the Mississippi valley crop in the previous year. During the ensuing month the receipts of new crop were so limited as to afford but little scope to buyers, but the demand was quite animated and the month's sales of old crop reached 13,200 bales, which was a large business compared with the actual supply. Low middling, which may be used as a basis for quotations, had declined to 17½c, showing a falling off of ¼c from the commencement of the month and 2⅞c from the close of the previous year. As usual, there was considerable diversity of opinion with regard to the probable yield, but both factors and shippers had been inspired with distrust of present appearances by the disappointments of their calculations in former years, and although there was about the usual tendency to wager on the result, it was with a wider margin than customary.

In the year which had just closed the yield exceeded the early Northern estimates from 250,000 to 500,000 bales, and the Southern figures nearly 750,000, but on the year previous it fell short of the former about 1,000,000 bales, and of the latter about 300,000. The presumption was that the sources of information were more reliable. The press had used comprehensive means to ascertain the facts, and the cotton exchanges had devoted an unusual degree of well directed and intelligent labor to the same end. But with all these efforts they could only approximate the condition of the crop at the time, and could have no elements from which to forecast the weather and the various other contingencies to which the crop is subject during the fall months. Cautiously weighing the probabilities, the popular views differed from 250,000 to 500,000 bales. The worms were believed to have done considerable injury, and warm dry weather was needed in August to destroy these pests, as well as to mature the plant. Instead of this there had been excessive rains, and the complaints of worms were consequently more general. The crop, moreover, was admitted to be a fortnight later than usual. The general tenor of the accounts was so discouraging that both long crop and short crop estimates had been reduced. The Cotton Exchange report of August 15, which contained a voluminous correspondence from all the cotton States, under dates from the first to the twelfth of the month, reported worms at nearly every point, and indicated a falling off from the previous crop, even if there should be immunity from early frosts. Although picking had commenced during the first week of the month, it was not expected to become general until a fortnight later. All these features in the situation were calculated to impart more firmness to the market, which was also strengthened by the advices from Liverpool. Stocks had been steadily running down, and it was apprehended that by the first of November there would be left hardly more than a fortnight's supply. The effect of these considerations was seen in an advance during the first fortnight of September of ½@¾c, which was followed by a further improvement of ¼c, low middling ruling at 18¼@18½c and middling at 18⅞@19c. The news of the New York panic then unsettled the market, suspending the movement of foreign exchange and thereby compelling buyers to temporarily withdraw. Prices, consequently gave way, until on the twenty-sixth of the month low middling exhibited a decline of 2¼@2½c from the highest point. This excessive reduction—excessive, when regarded in relation to the markets, at the ultimate points of consumption, and excessive, even when the cause of the revulsion was considered. The latter, however, although not sufficient for a decline in a staple, the price of which is governed by the world's consumption, and by the course of foreign markets, was well calculated to demoralize most branches of trade. The telegrams received on September 22, and those posted at the Cotton Exchange, reported almost unprecedented excitement in Wall street. The national banks continued to pay ordinary checks in legal tender notes, but any attempts at a sum from brokers or others was promptly avoided by payment in certified checks, which would have to pass through the Clearing House and be settled under its regulations; the Stock Exchange was closed; the Union Trust Company was in the hands of receivers. The savings banks had virtually suspended. The Gold Exchange had closed except for the purpose of settlements, and foreign exchange was at a stand still. The decline in cotton, however, had been really unwarranted by the facts of the case, and the crop accounts becoming more discouraging, the demand revived, and factors were enabled to recover ¾@⅞c of the previous decline. Passing over the advance during the first fortnight, and comparing the closing with the opening rates, the quotations on September 30 showed a net falling off of only ⅝@1c. The improvement, however, was somewhat illusive, being partly caused by the change in the measure of value from currency to certified checks, which was equal to ⅛@¼c ₩ lb on the price of cotton. This change took place on September 25, when the following resolution was adopted by the Clearing House banks:

"*Resolved*, That all deposits made hereafter shall be paid in kind, and that against previous deposits no checks exceeding $25 will be paid in currency to any one depositor on the same day."

The resolution was followed by the publication of the agreement for self-protection, which was signed by nearly all the incorporated banks.

The cotton movement in September had been only moderately active, the sales summing up 17,900 bales, against gross receipts of 26,732, while the stock by our running statement had increased to 22,386, and the amount unsold was 11,400. This indicates that although the demand had not been very animated the supplies were proportionately light, an actual supply of 11,400 bales, a considerable part of which was unmerchantable or held off the market for further developments, showing that the offerings had been pretty well absorbed by the demand.

Buyers having adjusted their operations to the new order, October opened with a more active demand, and, although the New York panic had still a disturbing and unfavorable influence, yet, the supply being light, the previous upward tendency continued, and at the end of the first ten days factors had been enabled to establish an advance of ¾c, but on the eleventh, in response to a decline at New York, the market took an unfavorable turn, and prices receded from day to day until they closed at a net falling off of 1⅝@1¾c from the opening rates and a reduction of 2⅜@2½c from the highest point. The movement at the same time had exhibited considerable activity, the month's sales amounting to 72,200 bales, against gross receipts of 96,116, the stock by our running statement being increased to 56,919 bales, and the estimated amount unsold to 23,800.

The supplies now became more liberal and meeting with a good demand at the ruling rates, the movement was quite active, resulting in largely increasing the supply of domestic and foreign exchange, turning the balance of our account with New York in our favor, and enabling our banks to order out considerable amounts of currency by express. It was consequently manifest that we would soon be entitled to resume currency payments. In the meantime, partly to accelerate the progress to the event, and partly to avoid the inconvenience of the standards—certified checks and currency—a meeting of cotton factors and buyers was held at the Exchange on the evening of October 25, when a committee, previously appointed, reported that they had had a conference with the Clearing House directors, when the latter adopted a resolution to the effect that they could see no serious objections to the proposition of the factors to sell cotton exclusively for currency after the tenth of November, and that they would do all in their power to bring currency to the city for the purpose of aiding the movement, as well as with the view of accomplishing a general resumption of currency payments at an early date. When the matter was fairly brought before the trade it was found that a number of buyers who had sold their bills payable in checks were opposed to any proceeding in anticipation of resumption by the banks, and then brokers were unwilling to be bound by the proposed regulation. Under these circumstances a compromise resolution was adopted at the meeting of the trade, to the effect that on and after November 10 "the factors would sell cotton on the basis of the currency of the United States," leaving buyers and sellers free to pay or to accept certified checks at the ruling discount, the price of cotton being its currency value. The effect was that a few factors firmly refused to sell, except at the currency price, receiving payment either in currency, or in checks with the proper allowance, while others met the demand freely, payable in checks at the check quotations. In a short time, however, all these obstructions to the regular movement vanished, and long before the formal resumption by the banks, they virtually accomplished that end by making them daily exchanges at the Clearing House in currency. During the period in which these two standards of value were recognized, in order to effect our object of giving a clear idea of the market, we found it necessary to give two sets of quotations, respectively for certified checks and currency, which prevented any misapprehensions either at home or abroad.

November opened with the previous downward tendency, accelerated by a decline both at Liverpool and New York, and a material reduction in foreign exchange, while more copious supplies, a large part of which was sent forward as the basis of additional advances, made it necessary for factors to meet the demand freely on the fair parity of their markets. Low middling consequently declined to 15½@15¾c, showing a falling off of 1¼c. This however was unexpectedly followed by a sharp reaction predicated on a favorable turn at New York, and at the close of the month low middling was quoted at 15⅝@15¾c showing a net advance of 2½c from the lowest point. The movement moreover had shown an increased degree of activity, the month's sales summing up 117,500 bales, against gross receipts of 140,900, while the stock by our running statement was increased to 127,690 bales, and the estimated amount unsold to 32,600, the latter indicating, when compared with October's return, how large a proportion of the actual supply had been absorbed by the current demand.

The gross receipts for the three months ending in November amounted to 269,757 bales, the sales to 207,600, and the exports to 149,344, including 76,138 in November. The distribution of the exports was as follows, viz: 53,668 to Great Britain, 39,466 to France, 20,297 to the north of Europe, 2171 to the south of Europe, principally Spain, and 33,542 coastwise, showing, compared with the corresponding period in 1872, a decrease of 26,662 bales to Liverpool, 26,212 to France, 7818 to the north of Europe, 15,931 to the south of Europe, and 22,353 coastwise. During this the Liverpool market had exhibited some irregularity, but closed at very little variation from the opening rates in September. Early in that month the prospect was that the market would be controlled by the advices from this side. The question of prospective supply was involved in a good deal of doubt. Our crop was generally admitted to be a fortnight later than in 1872, and there was supposed to be a contraction of acreage equal to fully eight per cent. On the other hand the condition was generally better. Taking, however, a general survey of the field, the Liverpool circulars pretty generally regarded American cotton as holding a sound position. This was the situation early in September. Later in the month the accounts from this side made the crop question still more uncertain, and estimates varied from 3,750,000 as short crop to 4,250,000 as long, the medium between these extremes being generally accepted by conservative observers. At a still later period the matter was still more involved by the New York panic and its influence on exchange.

December exhibited still more activity, but accompanied by increased irregularity in prices, low middling giving way early in the month, but subsequently recovering a part of the decline, and then again taking an unfavorable turn until it settled down to 14⅝@14¾c, showing a decline from the opening rates of ⅜@⅝c, when the market again rallied and recovered ¼@⅜c, making the net reduction for the month ⅛@¼c. The receipts were considerably in excess of previous anticipations, and crop estimates were generally raised to 3,750,000 and 4,000,000 bales as extremes. The unfavorable influence of these heavy receipts and advanced views of the prospective supply was to a great extent neutralized by the spirited competition among buyers, and the month's sales proved to be the heaviest of the year, summing up 232,500 bales, against gross receipts of 326,568. The stock by our running statement was increased to 263,821 bales, and the estimated amount on sale to 110,000, showing an increase during the month of 77,400 bales.

Notwithstanding this copious supply, January opened with an upward tendency, and the demand being stimulated by the scope afforded to buyers, prices hardened and continued to rule in favor of factors until about the middle of the month, when the market took an unfavorable turn and not only lost the previous improvement, but closed at a net decline for the month of about ⅛c. The entire movement was less than in December, but the sales for the week ending on the ninth proved to be the heaviest of the year, amounting to 57,600 bales, the largest on any one day being 12,250 on Thursday, the ninth. With the general increase in the supply, there was a corresponding increase of dusty and sandy lots, with occasional mixed bales, indicating either great negligence or intentional fraud. This evil was less than in the previous year, but was, nevertheless, of sufficient magnitude to prove extremely annoying, attended occasionally with serious loss and preventing sales when the highest figures were realized for clean and well handled lots, thereby compelling the factor to sell subsequently at disproportionately lower rates, causing dissatisfaction and disappointment. There has, undoubtedly, been some reform in this matter, but the evil is still one of sufficient moment to merit the constant attention of planters and the strictest vigilance to prevent negligence or fraud on the part of their employes.

Laborers working on shares may foolishly suppose that the heavier the cotton from sand or dust the greater will be their returns. This result, however, is nearly in every case the very opposite to such anticipations; the increase in weight being a great deal more than offset by the diminution in price. Instances might be adduced in which the loss in price proved to be more than double the gain in weight. Such cottons, morever, are neglected even at disproportionately lower prices than clean, and factors have often to carry a heavy load for weeks and months, from which they would have been relieved had proper attention been given on the plantation to picking and handling. In addition, moreover, to the losses suffered from the negligence of laborers, our factors have sometimes to meet reclamations from abroad for false packing manifestly perpetrated with an intent to defraud the buyer. Last year this evil assumed such grave proportions that the Cotton Exchange found it expedient to issue a circular on the subject, the principal part of which we reproduce as follows:

"The quantity of false and fraudulently packed cotton shipped to this and we believe to nearly every other market in the United States since the war, caused the adoption of various devices for the thorough examination of every bale and the detection of fraud has consequently been reduced to almost a certainty. These examinations by means of boring, etc., are made through the buyer after purchase and entail much loss in weight, besides the expense necessary to the employment of competent inspectors—a tax which is made up by the reduced price at which the buyer is enabled to execute his orders and, consequently, really falls upon the producer.

"That a considerable portion of the false packed cotton is the result of carlessness and ignorance, rather than a deliberate intention to defraud, we are fully prepared to believe; but still so many evidences of the latter have been made apparent within the past twelve months, that a serious and determined effort should be made by every good man to frown down and expose so injurious and criminal a practice.

"We call attention to the fact, that in the criminal code of nearly every Southern State, provisions are made for the punishment of those who falsely and fraudulently pack cotton, so that not only does the packer lose heavily by detection, from the depreciation in the value of his shipment (the price being regulated by the poorest quality in the bale), but renders himself liable to conviction for felony and a consequent long imprisonment.

"We earnestly call upon each planter and country merchant to aid in stopping this injurious practice, not only by direct proceedings, but by forwarding to this institution, with proofs, the particulars of every case coming within his observation."

Although the movement in January exhibited considerable activity, it was materially less than in the previous month, the sales summing up 202,300 bales, against gross receipts of 272,073, while the stock by our running statement was increased to 296,523 bales, and the amount unsold was estimated at 178,600, showing an apparant increase during the month of 68,600. A large part of this visible supply was held off the market for future orders, and a considerable portion also consisted of unmerchantable kinds requiring rebaling, but making liberal allowance for all that was not actually on sale, the offerings were liberal and presented ample scope to buyers for whatever market they were holding orders. The movement in February, consequently, continued animated, although again showing a falling off in volume, while prices hardened, rising during the first fortnight ¾@1c, and after subsequently receding a fraction, closing at a net advance for the month of ¼@½c. The sales summed up 185,600 bales, against gross receipts of 217,101, while the stock by our running statement was increased to 325,018, to which it had receded from its highest point of 340,324 on February 14. The amount unsold was estimated at 200,800 bales, showing a further increase of 22,200 bales. The gross receipts during the second quarter, ending on February 28, summed up 815,742 bales; the sales 620,400, and the exports 618,414, of which 286,532 were to Great Britain, 135,710 to France, 77,078 to the north of Europe, 46,719 to the south of Europe, principally Spain, and 72,475 coastwise. Compared with the corresponding three months in 1872-3 this showed a decrease of 31,950 bales to Liverpool and 1317 coastwise, and an increase of 72,816 bales to France, 5107 to the north of Europe and 9325 to the south of Europe, giving a net increase of 53,872. The course of the Liverpool market during this period continued to be mainly affected by the accounts from this side and the prospective supply, in relation to which there was considerable conflict of opinion, although the leaning was to higher crop figures, 4,250,000, being regarded as conservative.

March consequently opened with increased depression in prices, although the demand was fair at the ruling rates, and low middling declined to 14¼@14½c, but as the receipts soon exhibited sufficient falling off to attract attention on both sides, the market soon rallied, and for the rest of the month exhibited a pretty general upward tendency, closing at a net advance of 1¼@1⅜c. The sales embraced 187,000 bales, and the gross receipts 127,810, while the stock by our running statement was reduced to 245,116 bales, and amount unsold to 131,800, the last showing a decrease of 69,000 bales, which is only 9890 bales more than the difference between the sales and gross receipts.

The falling off in the receipts now became more marked, and the movement was proportionately restricted. April, nevertheless, opened at rather easier prices, but under the question of supply, the market soon rallied, and tending upward for the rest of the month, exhibited a net improvement of 1⅜c. The sales embraced 107,900 bales, and the gross receipts only 47,523, while the stock by our running statement was reduced to 117,313 bales, and the amount unsold to 64,000, showing a falling off of 67,800, against a difference between the gross receipts and sales of 60,400.

May commenced with a slightly unfavorable reaction, but, under a light supply and a fair demand, the market soon rallied and at the end of the first fortnight exhibited a net improvement of about ¾c on the lowest point, but during the ensuing ten days the advantage was on the side of the buyers, the net advance at the close hardly exceeding ⅛c. The movement, moreover, exhibited only a moderate degree of animation, the sales embracing 70,350 bales, against gross receipts of 57,452, while the stock by our running statement was reduced to 77,895 bales and the amount unsold to 53,800, showing a decrease of 10,200 bales, against a difference between the sales and gross receipts of 12,900. The entire movement for these three months comprised 232,785 bales gross receipts, 363,250 sales and 480,601 exports; the last embracing 243,265 to Great Britain, 66,965 to France, 101,414 to the north of Europe, 14,055 to the south of Europe and 54,962 coastwise. Compared with the corresponding quarter in 1873 this shows a decrease of 4637 bales to Great Britain and an increase of 10,823 to France, 17,751 to the north of Europe, 5833 to the south of Europe and 988 coastwise, showing a net increase of 30,758.

The movement for the past three months has been of limited proportions, showing a greater falling off than was expected, and embracing only about one-half of last year's business, while prices have exhibited a good deal of irregularity, closing at a net decline for the quarter of ¼@½c. June exhibited a downward tendency throughout the month, closing at a net reduction of about ⅜c. For the first fortnight the demand was slack, but buyers subsequently came forward with more spirit and about two-thirds of the entire business was done during the last two weeks, the month's sales embracing 31,050 bales, against gross receipts of 20,303, while the stock by our running statement was reduced to 41,747 bales and the estimated amount unsold to 30,100, the last showing a decrease of 23,700, against a difference between the sales and gross receipts of 11,750. July was still less animated, the sales being confined to 14,600 bales and the gross receipts to 9691, while the stock by our running statement was 22,861 bales and the estimated amount unsold 16,800 bales, the last showing a decrease of 13,300 against a difference between the sales and gross receipts of 4900. Prices improved about ⅜c during the early part of the month, when they receded a fraction, after which they continued steady up to the close. The past month has shown the usual apathy at the close of the year, the sales yesterday embracing 500 bales, including 150 new crop at the outside figures of our revised quotations, as follows:

	General quotations.	Exchange quotations.
Inferior	8 @ 9	—
Low ordinary	10⅛@10⅝	10½
Ordinary	11⅜@12⅛	12
Strict ordinary	13 @13½	—
Good ordinary	14⅜@14⅝	14½
Strict good ordinary	15½@15⅝	—
Low middling	15⅞@16	16
Strict low middling	16⅛@16⅝	—
Middling	16⅝@17	16⅞
Strict middling	17⅛@17⅜	—
Good middling	— @—	nominal.

In giving, in connection with the above, the quotations of the Cotton Exchange a few words of explanation may be necessary. Our own figures are intended to fully as well as correctly represent the market, which can not be satisfactorily done by a single quotation for each grade. It is not only that an actual range is necessary to describe or represent the various styles of the same grade, but that the same often varies in price and where there is a range the fact should be presented in justice to the factor who sells at the inside rate, as well as of the buyer who purchases at the outside. This difference is greater at some times than at others, and is caused by an actual variation in the market as well as by disagreement in classification among brokers. Hence a crop may be divided between two factors and be sold on the same day, and even at the same time of the day at a differance of ⅛@¼c. Planters who are entirely independent of their factors may order their cotton held, unless it meets with highly satisfactory rates, the factor will consequently ask extreme prices and refuse to sell for less. In other cases the planter orders his cotton sold as promptly as possible at the market price, to cover previous advances. In this instance the factor will be justified in accepting the ruling rates—the figures at which more than half of the sales are made, although they be ⅛@¼c less than other sales, of considerable number and magnitude. No report of the market can fairly represent it that does not give the range, nor would any other do justice to the factor who sells at the inside rate, or the broker, who buys at the outside. Adopting any other rule, the planter, even if in courtesy he made no comment on the matter, would feel that his crop had been sold too low, or the shipper, though equally courteous to his broker, might suspect or believe that he had been treated unjustly. The necessity of this comprehensive system, by which the market is fully represented, led the trade before the war to add strict middling to the grades previously in vogue, and a like necessity has since compelled us to enlarge our quotations by the addition of strict ordinary, strict good ordinary and strict low middling. A free and frank consultation with many of our factors has confirmed our views on this subject and we feel quite confident that they meet general approval. Whether the quotations be accurate or not must depend on the diligence, judgment, discrimination, experience and intelligence of the reporter who with all his industry and fidelity will sometimes be deceived or misapprehend the information given. To obtain accuracy, so important in reports which are accepted elsewhere as a true statement of the market, it is essential that the reporter should be sustained by the cordial support of both factors and brokers, in relation to which it affords us pleasure to make our sincere acknowledgments. Without this aid our distrust of our own judgment would have made our daily labors unsatisfactory. The Cotton Exchange gives only a single rate for each grade, which applies to its official types kept in type cases for examination by its members. When the Exchange was organized both the single grade and the type were regarded as necessary to promote prompt and satisfactory settlements of contracts. This, however, has not conflicted with the time-honored custom of the press, in giving the principal range, avoiding exceptional extremes, for each grade respectively. In connection with this matter it must be observed that the range varies with the demand and the crop. When there are buyers for different markets, some of which require rigid, while others admit of liberal or even loose classification, the range is widened by the demand. And thus too when there is much irregularity in quality and the offerings present several styles of the same grade, the range is affected by the character of the crop. Giving a fair consideration to the whole matter, it must be manifest that it can not be determined satisfactorily to the public by any arbitrary or inflexible rule, but much must be left to the intelligence and discretion of the reporter, and in our duties as such we feel quite confident that the trade will award to us the credit of fidelity and independence. Finally to make our reports as comprehensive as possible, as well as to do justice to the labors of the Exchange committee on quotations, to whose opinions we have always rendered the deference due to their intelligence and impartiality in the discharge of their delicate and responsible duties, we have given the Exchange single rate figures in connection with our more comprehensive range.

SUGAR—Referring to our preliminary remarks on this leading Louisiana product, it must be observed that the general result of the trade has been disastrous, the crop showing a falling off of 21,000 hhds, or about 20 ₩ cent, from the previous year, 42,000 hhds from the year before, and nearly 52,000 from 1870. The receipts at this port, constituting our active movement, were proportionately unfavorable, showing a falling off from last year of nearly 19,000 hhds—77,000 against nearly 96,000. At the commencement of the commercial year the prospect was far from being so discouraging. The stubble was backward, its growth having been checked by a late and unpropitious spring, but although its stands were poor, yet in most cases the roots were sound, and it was hoped it would yet recuperate and show a fair degree of vigor; but, with the exception of the stubble, everything favored a large crop. A wider acreage had been planted from seed cane which had been well preserved during the winter, more so in fact than for many years. The lands, moreover, were reported in very good condition, the cane came up early and was generally well advanced. The prospect, therefore, rested mainly on the plant cane, especially among those who had but little hope of the stubble. Above all, labor presented more encouraging features, the hands appreciating the necessity of the reduction that had been made in wages, and willing to make the most of the circumstances. This result has not only disappointed the hopeful but been more unfavorable than was apprehended by the desponding, when it is considered how much of the cost of sugar planters, embracing money and supplies, is forwarded by the New Orleans factors. It will be appreciated, even by those who have no familiarity with the matter, how heavy the loss must be on the city trade, at the commencement of grinding.

The year commenced with a limited stock in the sheds, mostly held by speculators, while the receipts were trifling, and the sales, which summed up in September about 450 hhds, were mostly on the basis of 9¾c for fair, the course of the market showing very few fluctuations. The first hogshead of the new crop was received on the eighth of October from the Charenton plantation of Mr. E. Meynard, Indian Bend, on the Teche, parish of St. Mary, who was equally successful in sending the first hogshead to market on October 16, in the year previous. Classing fair, this hogshead was sold to a dealer by the consignee, Mr. Robert Hare, at the fancy price of 11c. There were some further receipts of a few hhds yellow clarified on the fourteenth, which commanded 11½c, after which the arrivals were more liberal, but met only a moderate demand, and went off slowly at 9¾c for seconds, 10c for centrifugal, and 10¾c for white clarified; the closing rates of the month being 9½c for good fair, 10@10½c for seconds, 10½@10¾c for yellow clarified and 11c for white. The receipts up to the close of October comprised 492 hhds, 226 of which were received before any arrivals of new, against 1282 for the corresponding date in the previous year, a falling off which may have been regarded as premonitory of the probable diminution of the crop. During the ensuing fortnight the supplies became more copious, but were still moderate, and, meeting a slack demand, went off slowly at prices still more in favor of buyers, until seconds sold at 7@8c, fully fair to prime 7⅛@7¾c, and clarified at 8⅝@8¾c for yellow and 9@9½c for white. The stock steadily increasing, the demand improved and prices rallied, while the movement was on a more liberal scale, and the month closed at 8@9¼c for fair to good seconds, 8@8½c for fully fair to prime, 9@9½c for yellow clarified and 9¾c for white, showing an irregular advance of ½@¾c. The receipts for November summed up 7921 hhds, against 12,258 in 1872, and the stock in the sheds was put down at 942. December presented still more activity, the receipts amounting to 28,582 hhds, against 81,297 in 1872, and the sales to 14,000, while, after giving way during the first week ½@¾c, prices rallied under an improved demand for the West, but soon receded, and ruling for the rest of the month generally in favor of buyers, closed at 6@8c for seconds, 6@6½c for fair, 7@7¾c for good fair to fully fair, 8@8½c for prime to strictly prime, 8½@9½c for yellow clarified and 9¼@10c for white. There was but little change in January. The demand continued fair but not very active, and the business again embraced about 10,400 hhds, while the receipts comprised 14,610, the general range of the market at the close being 5¾@6¾c for common to fair, and 8@8¾c for prime to choice. These two months were much the most active of the year. In February the receipts fell rapidly off, summing up only 7485 hhds, while the sales exhibited a corresponding decrease, amounting to only 5500 hhds. Prices, however, under the manifest shortness of the crop, showed increased firmness, and soon assuming an upward tendency, sellers were enabled by the end of the month to establish an advance of fully ¼c, the range being 6½@7c for common to fair, and 8¼@9c for prime to choice. The previous shrinkage in the receipts was still more marked in March, when they embraced 6179 hhds, while the sales were 5000 hhds, and prices exhibited unusual steadiness, closing steady at the opening rates. In April the receipts fell off to 8197 hhds, and the sales were confined to 8500, but, under the pressure of the demand on the supply, prices advanced ⅜@½c, the range at the close being 7@8c for common to fair, and 8½@9¼c for prime to choice. This may be regarded as the close of the more active part of the business season which ruled from November to April inclusive, the sales during these six months amounting to 47,000 hhds, against 6000 for the remaining six, and 87,600 for the corresponding time last year. The subsequent movement comprised receipts of 2028 hhds in May and sales of 2500, receipts of 857 in June and sales of 1800, receipts of 520 in July and sales of 2200, and receipts of 850 in August and sales of 1500. Prices at the same time showed some fluctuations, but a general upward tendency. Prime closing in May at 9c, in June at 9¼c, in July at 9¾c, and in August at 10c.

In consequence of the short crop our shipments to the Atlantic ports show a large falling off, 1675 against 8557 last year and 11,995 the year before. The heaviest decrease is to Baltimore, 92 hhds, against 2868 last year and 6212 the year before. With a ship canal through the peninsular of Florida there could not fail to be a large increase in the shipments to all the Atlantic ports, but especially to Savannah and Charleston for distribution by rail.

The following, compiled from Mr. Bouchereau's statements of the crop, gives the crops, by parishes, compared with the three preceding years, and the big crop of 1861-62:

CROPS IN HOGSHEAD.

PARISHES.	1861-62	1870-71	1871-72	1872-73	1873-74
Orleans	......	1,129	1,084	1,077	1,367
St. Bernard	8,430	1,449	1,876	2,040	1,232
Plaquemines	22,433	9,099	9,509	7,912	6,038
Terrebonne	28,839	11,389	11,549	11,263	6,538
Assumption	37,766	15,053	12,455	10,715	7,466
Lafourche	29,781	10,816	11,604	9,354	5,596
Ascension	30,721	11,819	8,464	7,591	8,328
Iberville	41,922	10,854	8,381	5,473	7,567
Jefferson	11,086	4,088	3,942	3,279	2,278
St. James	34,224	11,247	7,838	9,975	8,891
St. Charles	18,191	5,527	3,583	3,766	3,922
St. John Baptist	18,843	8,431	6,600	6,958	4,827
Rapides	19,571	5,231	2,055	1,734	1,742
Pointe Coupee	22,665	3,342	3,218	2,687	1,498
W. Baton Rouge	24,697	3,876	3,713	1,831	2,823
East Baton Rouge	10,949	2,785	2,238	1,737	1,647
St. Mary	48,799	12,615	13,787	12,220	10,257
St. Martin	16,088	2,645	3,401	1,607	1,717
Iberia	......	4,681	4,404	2,040	1,948
St. Tammany	......	33	51	21	36
St. Landry	7,963	2,272	2,622	1,139	1,033
Vermilion	907	398	567	416	365
Lafayette	1,348	486	380	14	107
Avoyelles	6,121	1,427	947	549	740
West Feliciana	5,712	425	462	292	293
East Feliciana	716	6	......	12	31
Livingston	......	69	67	30	14
Cistern bottoms, of 389,264 hhds, at an estimate of 3 per cent	11,677	141,192	125,237	105,786	87,270
Cistern bottoms	......	3,689	3,234	2,734	2,228
Scattering crops, of which we have no returns	746	......	......	......	......
Total crop	459,410	144,881	128,461	108,520	89,498

Notwithstanding all the improvements in sugar-making, and those now advocated, one of the chief efforts of which is their effecting by machinery that was formerly done by the hands, there can be no doubt that the labor question will continue to be one of the most important that concerns the planter. In fact, improvements in making the manufactured article only increase the demand for the raw material, and consequently require an augmented supply of labor. But it is manifest that for this purpose we can not rely exclusively on the negro race, drawn off from sugar as they constantly will be by rice and cotton, unless they are retained on sugar estates by ruinous rates of wages. In this particular there has been a great improvement in the past year, while the laborers have been paid tolerably for their services, more so than white laborers at the North and the West, they have no longer been able to exact the extravagant wages given last year, which in many cases sprung from the injudicious competition among planters, each attempting to outlead the other. The result was ruinous both to the planter and his factor, and seriously involved many others indirectly interested in the culture. This year many planters determined to abandon the culture unless they could engage hands for the year at a reduction of 33⅓ per cent on wages, and were indifferent about continuing it even at the reduced rates. Having determined on this course they soon found an ample supply of good hands, and the latter, having been taught the necessity of thrift and economy, have really saved more from their two thirds than they formerly did from full pay, while the relation between them and their employers has been more satisfactory than at any time since the war. But in addition to negro labor there is a necessity for an additional supply of white labor. In connection with this matter we reproduce the views of Mr. Bouchereau, whose opportunities for observation entitle his opinion to the highest consideration. It is in his reports Mr. Bouchereau claimed for the Louisiana sugar region advantages for white laborers not offered in either the cotton or rice districts, to both of which negro labor is better adapted. In the sugar culture, as planting and digging out of stubble is completed in April, and the taking off of the crop does not commence until the latter part of October, there is little or no field work to be done in the interim except working the crop in May and June. In fact many among the Creole population commence at daylight, stop at eight o'clock to water mules and for breakfast, stop again at half-past ten and remain in the house until three o'clock and then work until dark, thus obtaining ten hours labor under the most favorable circumstances for man and horse, and rest during the heat of the day. This is not general but is mentioned to show what can be done to avoid exposure to the extreme heat of the day if it be desired. The success of white labor on sugar plantations is no mere theory. It has been fully tried and proved satisfactory to both the employer and the employed.

"The greater the product, the cheaper its cost. A crop of 200,000 hhds in Louisiana will cost the plantation interest proportionately less than one of 100,000. The same sugar house and the same managers that are necessary for such a crop, will suffice for a large one, and even with regard to wages, less labor in proportion to the yield is required. But to make large crops, additional laborers are essential, not only for the sugar lands already in cultivation but the wide expanse, of remarkable fertility, now lying idle, as well as for those plantations now abandoned. To make those wildernesses and deserts blossom like the rose more labor is needed and white labor becomes a necessity. Divided and sub-divided into small farms, the deserted plantations may yield more than it did even in our palmy state of production and prosperity before the war. Small farmers can profitably engage in the cane culture, provided they are furnished a ready market at some central mill, and can have their cane ground at reasonable toll. The experiment of central sugar factories has been successfully made in the West Indies and is even more applicable to Louisiana, and we confidently hope that the time is not far distant when a large portion of a sugar crop will be made by thrifty white men, and their crops be ground for them at such moderate tolls at the neighboring mill that it will actually pay them better than any other crop."

With the reduced supplies already referred to our shipments by sea and rail show a heavy falling off from last year, the shipments by sea embracing only 10,178 hhds and 6427 bbls, against 21,015 hhds and 16,184 bbls last year, and 22,515 hhds and 6719 bbls the year before. The distribution has been as follows: 327 hhds to New York, against 774 hhds and 79 bbls last year; 142 hhds to Philadelphia, against 2291; 92 to Baltimore, against 2863; 4541 hhds and 2927 bbls to Mobile, against 6264 hhds and 4092 bbls last year; and 3557 hhds and 16,950