# SOCIAL SCIENCE.

## A Day Devoted to Silver and Humanity.

## THE DOUBLE STANDARD QUESTION

### Benefits to Result from the Resumption of Specie Payments.

### BEST INTERESTS OF THE UNITED STATES

### Interesting Reports Regarding Charity and Prison Systems.

SARATOGA, N. Y., Sept. 5, 1877.

In the Social Science Association the day has been largely devoted to silver and the double standard question, and the papers which were read on the subject, while, as usual, they may have failed to reconcile those having conflicting views thereon, were very erudite and full of interest. Mr. Gamaliel presided, and the proceedings were opened by the reading of the annual report of Mr. F. B. Sanborn, the Secretary.

PROFESSOR JEVONS ON SILVER.

The all absorbing double standard question came to the front in the paper read by Professor Stanley Jevons, of England, as follows:—

It is evidently impossible to discuss the innumerable facts of the silver question in a brief paper like the present. My purpose must be restricted almost entirely to expressing the conclusions which force themselves upon an English reader of the recent discussions, in several official publications—in the excellent minority report of Professor Bowen or the works of Mr. Blake, M. Cernuschi, Mr. S. Dana Horton, in Mr. W. L. Fawcett's useful "American Handbook on Finance" and in numerous minor books or articles—we have abundance of facts. We are not likely at present to get more information of importance, and our task, therefore, is to digest what we have and to interpret its outcome wisely.

QUESTION OF A DOUBLE STANDARD.

The general result, as it appears to an Englishman, is that the United States should not, or rather cannot, adopt the double standard. If the attempt be made it must be made either with or without the similar action of other nations. But the first supposition is easily disposed of. The notion of M. Cernuschi that there might be a congress of nations and that the leading commercial States might be induced to unite in adopting bimetallic money is chimerical. Several of the more important European nations have for the present no hope of using coin, whether gold or silver. Germany is only now establishing an excellent currency on a gold basis and is most unlikely to abandon it without further trial. The Scandinavian kingdoms have no reason for retracting their late adoption of gold, which has done no harm. Even France, which has still the law of the double standard in nominal existence, shows no desire to put it into operation again, having experienced the trouble of an alternating standard and a heavy silver currency.

As to England, there is not the most remote chance that the proposal would be accepted or even entertained here. The present English system of metallic money has now existed almost unchanged since 1816, and it has worked so satisfactorily in most respects that it would require very strong reasons for making a fundamental change. Even were there a considerable weight of evidence in favor of the double standard, it would probably be found impossible to persuade the House of Commons to accept it. In nothing is the English nation so conservative as in matters of currency. To show this by some instances, I may mention the question of decimal money. Nothing is more apparent than the superiority of a decimal system, like that of the United States or France, over our £. s. d. The subject has been discussed, *ad nauseam*, for forty or fifty years, and some of the ablest men, such as the late Professor De Morgan, wasted great labor in advocating the obvious reform; but nothing has been done, and we are, perhaps, further from success than ever. Again, there is absolutely no sensible reason against the use of one-pound notes, which have been in constant circulation in Scotland from the first origin of the Scotch banks. But an English Chancellor of the Exchequer would not venture to propose their use in England. When it was shown, a few years ago, that the alteration of the pound sterling to the extent of two pence would probably lead to the establishment of international money, our financial wiseacres decided that it could not be done. What, then, would be the reception in England of a proposal to subvert our standard altogether? So long, too, as the mother country retains the gold standard there would be no chance of the Australian and South African colonies abandoning it. If, then, the United States were to adopt the double standard they would throw into confusion the monetary relations of the foremost commercial nations, while the universal bi-metalism essential to the success of M. Cernuschi's schemes would be as far distant as ever.

If, indeed, the adopted legal ratio of gold and silver were such as to enable gold to circulate in the United States, then no effect on the value of silver would be produced, and all the discussions would end in nothing. If the legal ratio were fifteen and a half to one, as proposed, then full weight gold coins could not circulate, and the currency and the standard of value would consist of silver only. American trade would be hampered by a money fifteen and a half times as heavy as it need be. Americans would be loading themselves with silver fetters; and for what purpose? In order that the rest of the world might enjoy the superior convenience of gold money. While other advanced nations are passing, one after another, from the silver age of currency to the golden age, America, and probably America alone, will be stepping back from the gold age into the silver age. This seems to me about as wise as if the men of the bronze age had solemnly decided to reject bronze and to go back into the stone age. In a matter of this sort we must take account of general and long continued tendencies, and the tendency now appears to be inevitably toward the general adoption of gold as the standard money.

COMPARATIVE VALUES.

To say the least, it is quite open to argument that silver is now a metal less steady in value than gold. If one mine like the Comstock lode produces so serious an alteration in the supply what may we not apprehend when the mineral treasures of Peru and Mexico are opened up by Anglo-Saxon miners? Both Humboldt and Murchison were of opinion that enormous supplies of silver would some day be obtained from South America, and what has occurred in Nevada lends probability to their predictions. Moreover, silver is drawn almost exclusively from regular mines, and it is extracted from ores, so that the advance of mechanical and metallurgical science tends to cheapen it in the same way (though not in so great a degree) that it cheapened iron and steel. This is much less true of gold, which is found to a considerable extent in the native state in surface deposits. Gold is a widely diffused metal, and there are large tracts of auriferous deposits which might be worked if an increased demand for gold should make it profitable.

THE SUPPLY OF GOLD.

One of the most powerful arguments in favor of the double standard is founded on the idea that there will not be gold enough to meet alone the advancing needs of commerce. Prices, it is said, will fall, and the burden of debt will be increased by the demonetization of silver. But there is no proof, not even a probability, that such results will follow. In the past thirty years the supply of gold has certainly been excessive, as shown by the progressive rise in the cost of living in almost all parts of the world. The same tendency to progressive depreciation of the precious metals has been going on, as I have already remarked, for centuries. Should the adoption of a gold metallic currency in America and elsewhere tend to slacken this continual fall of value for a time, there would be nothing to regret in the result; but I doubt if it would even do this. On the one hand, there is no good evidence of any considerable falling off in the excessive supplies of gold yielding by California and Australia. Elaborate calculations have been made to show the inadequacy of the gold supply. I am much inclined to agree with the late Mr. Bagehot, who, in the course of his excellent evidence concerning the depreciation of silver, said that estimates of the stock of gold and silver were not worth the paper they were written on. Even the apparently precise returns of produce and the amounts transmitted are, probably, most inaccurate. But, even taking these returns, Mr. S. Dana Horton, in his ingenious work on gold and silver (p. 28), comes to the conclusion that the net annual supply of gold for the use of money is twice that of silver—namely, $60,000,000, as compared with $30,000,000. Now, if we remember that of the whole population of the world probably two-thirds use silver coin exclusively, and are in the habit of melting it up and burying it in the earth, whereas those who use gold use silver also for subsidiary currency, I cannot see that there is any evidence of gold becoming comparatively deficient. Mr. Horton concludes, too, that the present annual addition of new gold is one and two-thirds per cent of the total stock of gold money, while that of new silver is only about one per cent of the silver money. So far as such calculations have any weight they are strongly in favor of a gold standard. I may add that Mr. Hollingberry, after an elaborate inquiry carried out for the information of the Indian government, comes to the conclusion that the production of gold is much underestimated; that there has been little falling off in the aggregate yield, and that there is little prospect of any further falling off. It should be remembered, too, that the produce of the Comstock lode consists of gold to the extent of forty-five per cent in value.

RESUMPTION OF SPECIE PAYMENTS.

The resumption of specie payments seems to me to need no heroic measure whatever. Already the premium on gold is so low that, if the dollar were made coincident with the five franc piece, the paper dollar would be almost at par. The difference of about two per cent would disappear of its own accord as trade becomes brisk again. The par having been once established it would be possible to begin making specie payments in gold in a partial manner, as is actually done at present by the Bank of France. Payments might at first be limited to small sums or issued round with such conditions and precautions as would prevent any sudden run for gold. After the novelty of specie payments was worn off these precautions might be gradually abandoned, and convertibility would be achieved without any violent change whatever. Nor does there seem to me to be any need to make national bank notes convertible to any amount at the bank issuing them. They might continue to be convertible into Treasury legal tender notes, which would become convertible into gold at Washington, or such other few spots as might be selected for the deposit of the reserve. As gold is really only needed for international transactions, the reserve should be concentrated, and not dispersed over a great many local and minor banks.

THE FUTURE AMERICAN DOLLAR.

Finally, as regards the future American dollar I agree nearly, but not entirely, with Professor Francis Bowen. Excepting in a few minor points, I believe his report to be true and wise from beginning to end, and I trust that his recommendations will for the most part be adopted. He proposes that the dollar shall contain 22.6 grains of gold, so that the five dollar piece may be the exact equivalent of the pound sterling. The choice ought, doubtless, to lie between this and the twenty-five franc piece, and those who do not yet quite despair of international currency would prefer the latter. In this case the dollar would contain 22.40 grains of pure gold, and the American five dollar piece, containing about a grain less gold than the sovereign, would be preserved in this way from being melted wherever it came into competition with the sovereign. It is a law of currency that the lighter coin lives and the heavier one goes to the melting pot. In this way the American five dollar piece would probably become the predominant gold coin, until such time as the English people would see the wisdom of reducing their sovereign by two pence, and thus establishing a simple ratio between the Latin, American and English currencies.

But this is a matter only of detail. My principal purpose is accomplished if I have adequately expressed the strength of my conviction that in trying to establish a bi-metallic money the American nation would be setting themselves against irresistible natural tendencies so as to insure defeat. For the sake of making those richer who are rich already they would be loading themselves with heavy metal, which, if it is to be abundant, had better be left to other uses or to those eastern nations who are too poor and ignorant to employ gold. It is the general rule in commerce to take care of "number one," but in bi-metallic money the rule is reversed, and "number one" is asked to carry silver coin in order to benefit "number two" and "number three."

PAPER OF B. F. NOURSE.

Professor B. F. Nourse then read a very extended and exhaustive paper upon the bi-metallic question. He said the modern range of the question which is of the relative value and utility of silver and gold as standard coin is pressed with new force upon the consideration of all governments by recent events, beginning in 1871, and in this form:—

Is it better that the coin standard, or unit of money value, shall be of gold, or of silver, or of the two metals associated at a fixed relation of value, and which is the better for all commercial nations?

He then proceeded to give a history of the metallic question in Europe and America during the present century, showing the action of the various nations and the effect upon the prosperity of the respective States and upon international commerce, following this by reciting the various arguments for and against the bi-metallic system.

WHAT IS BEST FOR THE COUNTRY.

Our opening question, he said, was of the better coin standard for all nations. Now, what is expedient for our own country?

By the existing law it is the duty of the Secretary of the Treasury to make provision of money wherewith to redeem all United States Treasury notes that shall be presented for redemption on and after January 1, 1879. To a certain extent, and by its operation upon the obligations of contracts, this law makes a pledge of the public faith that it shall be executed. Its execution will restore specie payments. As the coinage laws now stand the money of redemption must be gold. An effort will be made at the approaching session of Congress to secure the enactment of a law to re-establish the bi-metallic coinage as it nominally was prior to the coinage act of 1873.

Should this be done, all debtors, including the government, in the absence of specific promise in the contract, will have choice of the legal tender dollars, gold, silver or greenback, with which they will pay their debts. Paper dollars will then be worth the same as the coin dollars with which they will be redeemable, which then will be of silver. Then, the legal value of gold and silver dollars being in the ratio of 1 to 16, an undervaluation of gold by 7 to 8 per cent compared with present bullion values in Europe, and supposing bullion values to remain as now, a premium of over 7 per cent will be offered for the export of gold, and our whole currency will consist of silver and notes redeemable in silver. There is not time now to obtain international adoption of bi-metallic money before the Resumption act must take effect. The alternative is redemption with gold, as the law stands, or with silver, which the restoration of the old bi-metallic law would give us.

EFFECT OF GOLD STANDARD.

Let us suppose that the decision shall be to adhere to the gold standard until the bi-metallic standard shall be adopted by international agreement, what will be the consequences? All of our currency will be brought to gold value and power—good abroad as at home. Private credit will be strengthened. Confidence, so long lost or impaired, the element essential to activity and prosperity, will quickly return upon the resumption of specie payments in gold. After a few months, in which the permanence of the resumption will be tested, the average of prices, lately depressed by the stagnation which is the effect of want of confidence, will probably advance under a revival of business the proper effect of resumption; except that the cost of living may be cheapened, as it ought to be, in proportion to the prices of labor and manufactures. Under gold resumption no question can arise as to the kind of dollar to be paid on contracts of debt, public or private. After gold resumption we shall be in position to adopt bi-metalism in concurrence with other nations, without difficulty and under most favorable conditions, if then it shall seem desirable. No citizen of the United States, reasonably proud of his country and conscious of her credit and resources, will admit her inability to have and maintain the gold standard, if it shall be for our best interests, even of those who advocate the adoption of the bi-metallic system independently of other nations, from a conviction that it is the wisest and best policy.

ATTITUDE OF CONTINENTAL EUROPE.

The present attitude of the bi-metallic nations of Continental Europe on the silver question is said to be "one of expectancy." They defer the decision of their own complete demonetization of silver for further events, and the chief of these is looked for from this country. They have been led to believe that the Bland bill, or one like it in effect, would become the law of our land. They count upon an American demand for their surplus silver, whether to load it upon us and effect their own escape from its burden, or under favor of its aid in restoring value to silver, to resume their own former policy, is not disclosed.

It is suspicious when we see European advocates of the gold standard urging upon the United States the adoption of the silver standard and suggests the wish to make our country the market for what they would discard.

Let us hope that Congress will not condemn us alone of all the Western nations to the use of another depreciated currency, though it be of silver, nor issue a decree of banishment against gold so long as that alone is the international money of the world.

Now what will be the consequence of the alternative, the adoption of the bi-metallic coinage, practically a silver standard for the United States?

In the absence of visible effort toward an international bi-metallic standard we must assume that European nations having the gold standard will keep it; that the drift of others will be toward the same, as it has been since 1873; and the present surplus of silver will increase by further demonetization and increasing production. Useful as this surplus silver would be, and inconsiderable as its sum is in the whole standard money of Europe, if still fully employed as money it becomes idle merchandise of uncertain value for which the best markets must be sought, a sort of dead weight to be carried when discarded as money. Our policy ought to be adapted to the probable condition in Europe; it must be to avoid loss and trouble. Gold and silver dollars as coequal legal tender must have a legal relation of value one to the other. It is proposed that the new law shall restore the old dollar of 412.5 grains of standard silver and the old ratio, 16 to 1. At that ratio or any other which shall undervalue the gold dollar even one per cent compared with the rates of value in the bullion markets of Europe, a premium will be offered for the export of our gold to Europe, and the same premium (or profit) for the importation of silver. At the current gold price of our silver in London, say 54¼d. per ounce, the ratio 16 to 1 here would offer about seven per cent profit on the export of gold dollars.

ADVOCATES OF THE SILVER STANDARD.

There are two classes of advocates of the double or silver standard, both demanding unlimited tender of silver. One of them proposes that the silver coinage shall be exclusively on government account and limited in amount upon a mistaken idea that the limitation of issue can overcome the difference in the market value of the metals and hold the gold and silver dollars in use at the legal ratio; while the other class, knowing the impotency of limitation of amount of silver to preserve its value under the provision for unlimited tender, boldly proposes the free coinage of silver equally with gold, regardless of the legislation in other countries. The latter class profess an earnest belief that the demand for silver in the United States upon the resumption of specie payments and the practical exclusion of gold, which they admit will occur for a time, will absorb the surplus silver of Europe and of the annual production not required for the Eastern trade, so as to restore in Europe the old ratio of 15½ to 1, which, offering 3 per cent more for silver than our ratio, 16 to 1, would, in turn, reverse the metallic current, sending silver to Europe and returning our gold. It cannot be supposed that a coinage of silver dollars, limited as proposed by one class, could have any effect upon the bullion values in Europe. This form of proposition must, therefore, suppose the government to issue coin as legal tender much depreciated below its nominal value, after the fashion of arbitrary rulers in old times, for the profit to be made out of the people. If it also contemplates that the depreciated dollars shall be paid to public creditors it intends one of the most odious abuses of arbitrary power in ancient times. It would open a temptation to private coinage of dollars, having full value in weight and fineness, in fraud of the government, but to the rich profit of the false coiners. It would lose the most beneficent feature of the true bi-metallic policy, the free coinage of both metals, without which the policy is impracticable, locally or generally. Finally, the proposition, if made practical, would be pregnant with evils and impotent for good. The broad and bold proposition for unlimited issue and free coinage of standard silver would be justified if its assumption of effects could be demonstrated. Its merit depends upon its assumed power to deplete Europe of its surplus silver and thereby restore the old European ratio of value. Now, what sum of silver can fairly be accounted as surplus in Europe for which a market elsewhere is, and will be, sought, under the present aspect of monetary affairs, and what sum of silver can the United States employ as standard money in circulation and reserves in addition to the paper money then to be redeemable in silver, excluding gold?

PRESENT ASPECTS IN EUROPE.

The present aspect is of continued demonetization of silver in Europe. Upon the hypothesis that France and the other States of the Latin Union will proceed gradually to adopt the gold standard, Europe can spare $760,000,000 out of its present stock of standard silver, especially if receiving gold in exchange for it, and then retain an ample stock of subsidiary silver. But the proposition contemplates that our demand will arrest the demonetization of silver and restore it to its former value. Granting that our demand shall raise the price of silver, as long as it shall last, what sum would Europe spare at or under 58d. per ounce, which is 3¾d., or nearly 7 per cent over the present price. The evidence is that Germany has at least $100,000,000 for sale, and probably much more, if 53d. can be had. It is believed that the stock of silver that would be sold from the Latin Union at 58d., regardless of the prospects of future advance, exceeds now $200,000,000, much of which in foreign coin and bars is already used to borrow money upon and not as money itself. Other countries in Europe can spare $100,000,000, and the probability is that so good a price as 58d. would draw large sums of silver from India in exchange for government bills, to the great improvement of London exchange on India.

It seems probable, therefore, that if the demand for the United States should raise the price of silver in London to 58d. it would command at least $400,000,000 of silver for our coinage, if so much could be absorbed in addition to the yearly production. Yet 58d. per ounce would be 1½ per cent below our old ratio, and nearly 5 per cent below the old French ratio, which is expected to be restored by our demand.

The amount of coin to be retained in our currency after the resumption of specie payments, *i. e.*, in active circulation and reserves, will depend very much upon the manner of arriving at specie payments and other circumstances. Leaving out of question the subsidiary or change coinage, our people will prefer the use of paper to the silver which the paper represents, for convenience and cheapness. Gold may remain only at a premium as now, but it will remain as indispensable to transactions of trade and of government. The Supreme Court of the United States has decided in several cases that contracts for payment of specified kinds of money or commodities are valid and can be enforced. Congress, with the approval of the President, can make the silver dollar a legal tender, but it cannot deny the right to make contracts for specific performance, and gold contracts are necessary in some departments of business. Therefore, with or without the bi-metallic law gold in large sums will remain, and doubtless will be countable in reserves of banks and the Treasury.

It is not easy to conceive how so much as $200,000,000 of standard silver can be got into all uses in this country, unless the paper currency shall be abolished.

While admitting that the proposition to restore the bi-metallic coinage and ratio of 1870 is good, if the effect shall be, as assumed, to absorb the surplus silver of Europe so far as to raise the bullion value there to its former ratio—15½ to 1—we are compelled to say, upon all the evidences of fact and probability, that the assumption is too violent and cannot be sustained. The maximum of our demand could not relieve Eur pe of its present redundancy, and would not equal one-half of the sum that may become surplus. Any considerable excess remaining would forbid the recovery of the old ratio. The yearly production of silver can now supply an export of $25,000,000 to the East, $10,000,000 to manufactures and $40,000,000 to the available money silver.

The opening of our mints to the free coinage of standard silver would, doubtless, advance the price of this metal in some degree and for some time, but it would require the resolute purpose and effort of France and other nations to carry its value up to the old ratio of 15½ to 1. These are not indicated. The effects of silver remonetization by the United States acting independently, relied upon by its advocates and assumed as the basis of their proposition, are not reasonably to be expected. The real effect may be, on the contrary, to relieve the markets of Europe so far as to encourage further demonetization by alleviating their loss in depreciation.

The proposition to restore the old silver dollar to full tender and coinage presents other considerations when once it is conceded that its restoration by law cannot restore its old relation of value to gold. It is, then, a depreciated money.

EXPERIENCES OF THE PAST.

After sketching the history of the depreciated paper currency in the United States the learned speaker concluded as follows:—

Shall we, then, have the experience with a depreciated greenback currency repeated with a depreciated silver currency—one currency for the government and another for the people? God forbid! To bring back again a fair price for labor and cheaper cost of living, with employment for the willing labor and the capital that are now idle, conditions which will attend upon a return of prosperity, these monetary provisions seem to be necessary:—

*First*—The resumption of specie payments January 1, 1879, as required by existing law and in obedience to its pledge of public obligation, to the end that confidence may return and fear depart.

And, second or coincidently with the first, one of these alternatives as a coinage system: the bi-metallic if to be secured in co-operation with other nations, so that gold and silver will together and in fixed relation of value constitute the money of the commercial world; or, failing that desirable consummation, a faithful adherence to the existing gold standard, and use of all the subsidiary silver coin that the public commerce may require.

The superior benefits of the bi-metallic system, when made international, are assumed to be undeniable. They are, however, less important for us than for any other of the great commercial nations. We have no Eastern empire for which full value silver is indispensable to its prosperity and for the due revenue return to the home government; nor have we already on hand a large and embarrassing currency in depreciating silver; nor have we any condition to hinder the adoption of whatever shall be best for the prosperity of our own people and the honor of our government. It is, however, the parting of the ways. Rarely is the importance of a right choice of such magnitude in its good or ill consequences. From the gold standard a change to the bi-metallic can be made without loss or difficulty whenever found to be expedient.

But our adoption of the bi-metallic standard now and alone, if not followed by similar action by other Powers—as then would be very unlikely—would make a return to the gold standard, however desirable and necessary then, costly, difficult and hurtful to all interests, public and private, unless the government should assume the duty of redeeming all the standard silver with gold, as Germany is now doing—a proceeding which, if relieving the people as holders of silver from loss, would put the loss upon them again in the form of taxes, leaving the uncomfortable reflection that the loss had been incurred for the benefit of foreign nations.

SAVINGS BANKS.

Mr. John P. Townsend, of New York, read an interesting paper on "Savings Banks." In tracing the history of these beneficent institutions he said that the first suggestion, published in England in 1797, came from Jeremy Bentham, whose plan for the management of paupers included a system for what the writer called "frugality banks." Among the first to introduce the idea in practice was Mrs. Priscilla Wakefield, superintendent of a "Friendly Society for the benefit of women and children," in 1801. In 1817, when the first act of Parliament on the subject was passed, there were nearly one hundred private societies in England, Ireland and Wales which received and invested the savings of the laboring poor. In 1816 several benevolent gentlemen of Massachusetts, applying to the Legislature for a savings bank charter, used the following language:—"It is not by the alms of the wealthy that the good of the lower class can be generally promoted. By such donations encouragement is far oftener given to idleness and hypocrisy than aid to suffering worth. He is the most effective benefactor to the poor who encourages them in habits of industry, sobriety and frugality." These are the ideas upon which the early savings banks in this country were conducted by their founders. In some States the managers were governed by their own prudence only in the investment of the trust funds; in others they were limited by law to the best classes of securities, specified in their charters. While the number and amount of deposits was small in the aggregate little difficulty was experienced in investing the money safely and wisely, but when the system became more popular, as it did when good management and its fruits were exhibited, the deposits increased so rapidly that trustees, who before were limited, were further authorized to invest the funds, not only in bonds and mortgages, United States and State stocks, but in bonds of counties, cities, towns and villages of the States in which the banks were located, and in some quarters, notably in New England, authority was given to invest in first mortgage bonds of railroads chartered by the State in which the banks were located and in the stock of their State or national banks. Loans on these securities in New England banks now amount to $58,000,000, or 13 per cent of the total assets, Vermont being the largest, or 23 per cent. In the New England States, except Massachusetts and Rhode Island, railroad stocks, as well as bonds, are allowed to be held by the savings banks. The result of such investment is shown in a shrinkage of assets and reduction of dividends.

EXPANSION AFTER THE WAR.

The speculative mania following the war speedily reached the savings banks. Before that time failures were unknown. Speculators saw in them a new field, and with friends in the legislatures it was easy to have them created. In this State, where 74 were in operation in 1862, by 1875 they had increased to 1,875. In Massachusetts there were 93 in 1862, and in 1875 180 reported. In the city of New York 21 were in existence in 1862, and in 1874 44 were doing business. Of these last all had special charters, the provisions of the most of which might be termed "liberal"—that is, the trustees were at liberty to do many things in an agreeable way for the parties in interest. Expensive offices were hired and fitted up with the funds first deposited; high rates of interest were promised and paid out of the deposits when necessary to make up deficiencies; extravagant salaries were given from the beginning to officers and clerks, particularly to the former; loans were made on unproductive as well as improved real estate for a large part of the purchase money, and to such an extent was this carried on, both in Massachusetts and New York, that it is quite safe to say that the speculative price which this class of property reached down to 1870 was largely due to the facilities offered by savings banks and the insurance companies. In Massachusetts these loans rose between 1865 and 1876 from $15,000,000 to $121,000,000, while the total deposits for the same period rose from $60,000,000 to $243,000,000, showing an increase in the proportion of deposits invested in mortgages from one-quarter to one-half, and at the end of eleven years the mortgage loans were more than double the entire deposits of the first period. In 1868 the banks of that State held about $25,000,000 in United States bonds; in 1876 they held less than $12,000,000. Out of a total deposit in the six New England States of $438,000,000, more than one-half, or $228,000,000, is invested in mortgages, Connecticut having the largest amount, or 63 per cent of the total assets. New Jersey has 45 per cent invested in a similar manner. Some of the New England States invest in second as well as in first mortgages. In New York State mortgage loans rose, between 1865 and 1876, from $23,138,000 to $116,154,000, while the deposits increased from $111,737,000 to $316,677,000. In this State, also, the savings banks show a better condition as to United States stocks, for in 1871 they had $48,600,000 and in 1876 $81,586,000, being 23 per cent of their assets. One bank alone in New York city, having added about $8,000,000 to its assets, owns more than $15,000,000 of these securities, or more than half the amount of its deposits.

EXTRAVAGANCE IN MANAGEMENT.

The extravagant amounts of money spent in fine buildings, simply for offices in which to carry on the business of savings banks, is in some cases an outrage on the system; it is not only unwise and unjust, but the example taught to the class of people these institutions were designed to benefit is unqualifiedly bad; instead of teaching economy and thrift, which must be the rule of every proper savings bank depositor, they learn, on seeing the palatial architecture of the exterior, the sumptuous and high priced furniture and fixtures, that the custodians of their funds have no proper ideas of economy in expenditure which should govern those who invest the money of others. The value of a banking house that had cost a moderate amount, could be readily obtained in case of a forced sale; but for one that had cost $600,000, probably not more than one-third could be got, the loss of $400,000 to a bank having liabilities of say $11,000,000, would be a serious one to the depositors, being three-quarters of a year's interest at the present legal rate paid by savings banks in this State, or 3¾ per cent on the total amount of deposit. The item of salaries is also one deserving consideration. With the exception of the executive, who devotes the principal part of his time in the institution, tending to the internal management, and who, in connection with the secretary or treasurer, should have charge of the securities, no other trustee should receive any pay or profit for his services; every other should be willing to devote all the time needed to perform the labor incumbent on him without hope of pecuniary reward, and solely with a desire to do a beneficent work in the interest of those who have not the ability or the opportunity of doing it for themselves. Trustees do violence to their trust, who, in a bank having less than $9,000,000 deposits, authorize the payment of nearly $14,000 per annum to a single officer, or who pay $22,000 per annum to two officers in a bank having less than $11,000,000 deposits. Such salaries, under such conditions, cannot be too severely condemned.

Mr. Townsend closed his paper by an account of a system of savings banks in public schools introduced in Belgium and France with the promise of great success as educating the rising generation in habits of thrift and self-respect.

A VARIETY OF VIEWS.

Samuel P. Ruggles, of New York, addressed the association strongly in opposition to a double standard of silver and gold. He favored gold exclusively.

George A. Potter, of New York, criticised Professor Jevon's paper. He thought gold and silver both good, and that they should be used together, and that a simple standard of gold, silver and paper would be better. France had used both gold and silver to advantage. Gold and silver are the works of the Almighty, and should be used together.

Dr. E. V. Wright, of Washington, spoke in favor of a silver standard. He thought if Congress would reinstall the silver standard it would stop fluctuation.

Professor Ottenburg, of Princeton, spoke against a double standard.

DEPARTMENT OF JURISPRUDENCE.

The sectional meeting of the Department of Jurisprudence met, with Judge Bliss, of Missouri, presiding. Professor W. P. Wells, of Michigan University, read a paper on the work of the American law schools and its hindrance.

Professor Pomeroy, of Rochester University, spoke in favor of the law schools.

David Dudley Field thought the law schools were indispensable. He would have a three years' course in school followed by one year in a lawyer's office.

Professor Hunt, of New Orleans, spoke on the same side of the question.

COMMISSION OF CHARITIES.

The conference of the Commission of Charities branch of the association opened to-day. Governor Robinson, who was expected to preside, being absent on account of an affection of the eyes, John V. L. Pruyn, chairman of the New York Board of Charities, presided and made the opening address. Speaking of the institutions under the charge of his Board he said that they had been much improved in the last few years. A most complete census of the insane of the State was made in 1871 by Dr. Hoyt, Secretary of the Board, who in the course of the same year wrote 17,000 letters—not printed circulars. The condition of delinquent children has been much improved under the laws of this State. The number of insane now in the State is 7,000, of whom 1,000 are cared for by friends.

REPORT FROM WISCONSIN.

Mr. Elmore, President of the State Board of Charities of Wisconsin, reported that that State was twenty-eight years old, and since 1850 has expended in charities $6,000,000. On the 1st of July last the State Prison contained 232 inmates and the House of Correction 104 inmates. The proportion of criminals in the State is much less than in the States adjoining. An asylum for the chronic insane, of whom there are over 300 in the State, is needed. The State Board of Charities has done much to improve the condition of the poor houses, penal institutions and asylums. The condition of the educational and other institutions compare favorably with other States.

FROM MICHIGAN.

The Secretary of the Board of Charities of Michigan reported verbally 54,210 persons in all the poor houses and relieved temporarily in all the reform and penal institutions of that State. The cost of maintaining dependents of all kinds, charitable and penal institutions, was $735,000, two-thirds of which was for what may be called pauperism. He denounced imprisonment in county jails as a greater punishment than State prisons. On the representation of the Board the Legislature directed that a large proportion heretofore sent to the county jail be sent to the new Reformatory. Boys now in the Reform School are allowed to guide themselves, and moral suasion is found to be fully effectual. Heretofore the insane and blind have been kept in the same institution; but now a new insane asylum to accommodate 600 is ready, while another for 400 will be ready next year.

RHODE ISLAND.

In Rhode Island the Board of State Charities and the Board of Trustees take the work. The latter is responsible to the Legislature. The former have nobody between them and the institutions, and this Board has charge of the penal institutions and the care and transfer of the incorrigibles from the House of Correction to hard work in the prison. The principle is to give the largest amount of liberty possible to build up character.

STATE AID ASSOCIATION.

Theodore Roosevelt, of the New York State Aid Association of Charities, said it is auxiliary to the State organizations. Its committees visit the county institutions; they take children and try to put them in houses under family influence. Pauper tramps must be made to work and must have a sentence which will compel it. As to the hospitals the committee have done nothing.

R. L. Dugald, of New York, spoke briefly in behalf of the Prison Association.

MISSOURI.

The representative of Missouri gave a discouraging report of the institutions of that State, school houses as well as penal and benevolent institutions, but improvements are in progress.

Verbal reports were made by Mr. Coggeshall, of Rhode Island, and others.

## QUARTERLY PENSIONS.

Paying the pensioners was continued at Colonel Howe's office yesterday from five o'clock in the morning until seven o'clock at night, and even at that hour there was a large number of persons still waiting to receive their checks. The assistants of the Pension Agent were nearly worn out, otherwise Colonel Howe would have kept the office open much longer. The payments of yesterday aggregated over $35,000, distributed to about one thousand applicants. A large number of veterans of 1812 and the Mexican war were among the recipients of pensions. The following counties have been added to Colonel Howe's office, and pensioners residing therein draw their pay here:—Albany, Clinton, Columbia, Delaware, Dutchess, Essex, Greene, Kings, Orange, Putnam, Queens, Rensselaer, Richmond, Rockland, Saratoga, Schenectady, Suffolk, Sullivan, Ulster, Warren, Washington and Westchester.

## EXCISE MEETING.

The Society for the Prevention of Crime yesterday presented several complaints against liquor dealers for violations of the law touching their business before the Excise Board. Two cases were tried before the Commissioners, one the complaint of William Mitchell, of the Eighth Ward branch of the society, against H. T. Krouse, who proposed opening a saloon at No. 3 Vandam street, directly opposite a church. As Mr. Krouse gave over what the society regarded as a sacrilegious intention the case was dismissed. The other case was that of John P. Wendolph, of No. 346 Eighth avenue, who was charged by three complainants with selling liquor on Sunday, July 29. After hearing the prosecution's side of the question the case was adjourned.

## THE OCEANPORT HERO.

OCEAN GROVE, N. J., Sept. 3, 1877.

TO THE EDITOR OF THE HERALD:—

The excitement caused by the Oceanport disaster has not yet all died away in the minds of the general public, and the remembrance of the catastrophe will linger a long while, if, indeed, it is ever effaced from the minds of those who were on board the ill-fated train. The sudden rush over the end of the bridge, the dull splash in the draw, the rush of the incoming water and the excitement of the half-crazed passengers, make at once a startlingly awful and never to be forgotten picture. But through it all there lingers one pleasant remembrance, the recollection of the helping hand stretched out "to rescue the perishing." I, with many others, wished to know who he was who stood there from first to last (the first fifteen minutes entirely alone) helping those in the water to a place of safety, and covered with the blood from their wounds, and have at last found out. Every one supposed he was from the last car, the one which was not capsized, but no one has been able to name him that I have yet met, until by accident the other day I discovered the name of the hero, for such he was, is John H. Darlington, and that he is a manufacturing machinist at the corner of Franklin and Centre streets, New York, and I now write this to let the victims of that disaster know who their preserver was, and (I myself was not aboard) to thank him personally for his care over several of my near and dear relatives. Hoping you will insert this in your columns and thus give honor to whom honor is due, I remain, yours respectfully, JAMES D. HENRY.

## CONFERENCE OF LIBRARIANS.

PROCEEDINGS OF THE SECOND DAY'S SESSION—RULES FOR CATALOGUING.

The attendance at the second day's session of the American Library Association in the Young Men's Christian Association Building yesterday was much larger than on the preceding day.

The time devoted to the morning session, which began at ten o'clock, was mostly taken up with a long and general discussion on the distribution of government publications. Many abuses were pointed out in the system, and various remedies looking toward improvement suggested, but no action was taken, and the matter was accordingly referred to a future consideration.

The next matter taken up by the Conference was the discussion of various means for the proper and most uniform cataloguing of books, and after quite a number of suggestions had been made, some of which were deemed worthy of consideration, while others were decided impracticable, the association adopted the following proposed rules, and their use among librarians will therefore become general:—

NEW RULES FOR CATALOGUING.

*First*—The title is an exact transcription of the title page, neither amended, translated, nor in any way altered, except that mottoes, titles of authors, repetitions, or matter of any kind not essential to a clear familiar description are omitted. Where great accuracy is desirable omissions are indicated by three dots (. . .). The phraseology and spelling of the title are exactly copied; but capitals are given only to proper names and adjectives, and to initial words of sentences. Any additions needed to make the title clear are supplied and inclosed by brackets.

*Second*—After the title are given in order the edition, the place of publication, the publisher's name, the year, the year of copyright of publication in brackets, the number of volumes, or of pages, if in only one volume; the illustrations, maps, plates or portraits, and the approximate size from actual measurement regardless of the fold of the sheet, in accordance with the report of the Committee of the American Library association. In books having more than one pagination the number of pages is indicated by giving the last number of each pagination connected by an X, an added X indicating additional matter unpaged.

*Third*—The contents of volumes are given when on title pages, or when necessary to properly describe the volume, but no analysis is attempted. Necessary notes are given after the imprint entries.

*Fourth*—Books are entered under the surnames of authors when known; under the initials of authors' names when these only appear, the last initial being put first; under the pseudonyms of the writers when the real names are not ascertained; under the names of editors of collections, under the names of counties, cities, societies or other bodies which are responsible for their publication, under the first word not an article of the titles of periodicals and of anonymous books; the names of whose authors are not ascertained; commentaries with the text, and translations, are entered under the heading of the original work, but commentaries without the text are entered under the name of the commentator. The Bible or any part of it is entered under the word Bible. Books having more than one author are entered under the first named in the title.

*Fifth*—In the headings of titles the names of authors are given in full and in their vernacular form. In English and French surnames beginning with a prefix (except the French de and le) the name is entered under the prefix. In other languages and in French names beginning with de d', the name is recorded under the word following the prefix. Compound surnames are entered under the first part of the name. Noblemen and ecclesiastical dignitaries are entered under their family names; but sovereigns, princes, Oriental writers, friars, persons canonized and all other persons known only by their first name, are entered under this first name.

*Sixth*—A single dash indicates the omission of the preceding heading; a subsequent dash indicates the omission of a subordinate heading, or of a title. A dash connecting numbers signified "to and including," following a number it signifies "continuation." An interrogation point following a word or entry signifies "probably." Brackets inclose words added to titles or changed in form.

*Seventh*—Dates are all given in years of the common calendar, and Arabic numerals are uniformly used for all numbers.

GENERAL BUSINESS.

After the rules had been read and briefly discussed the association adjourned, to reassemble at two o'clock in the afternoon, when a number of committees were appointed.

The executive committee for the coming year was nominated and elected, and consists of the following gentlemen:—Messrs. Winsor, Spofford, Poole and Dewey.

A general and somewhat desultory conversation then ensued among the gentlemen, their remarks covering a wide range of topics, when an adjournment was had until ten o'clock this morning.

AN EVENING RECEPTION.

At eight o'clock in the evening a reception was given, under the auspices of the Library Committee of the Young Men's Christian Association, to the visiting librarians and a large number of invited gu