TRADE IN NEW YORK

THE material decline in gold has upset mercantile calculations, and materially restricted both domestic and foreign trade, during the period under review. The failure of several mercantile firms, including the old and highly respectable house of Richard Patrick & Co., in the hardware trade, of I. Egerton & Co. in the carpet trade, together with the alleged under-valuations of sugar in the bonded warehouses, and bounty frauds, has also had a restraining influence, by leading to distrust among the banks and discount houses in regard to collaterals. In addition to these causes of business apathy, many mercantile firms are occupied with the adjustment of accounts and stock-taking, to the exclusion of other business. Prices, as might naturally be supposed under the steady fall in gold and the improved aspect of the national finances, are irregular and for the most part quite weak. The impression is beginning to prevail that Congress will take some decided action towards the abridgment of the volume of currency, now that the gap between the gold dollar and the paper dollar is steadily narrowing, thus contributing to the shrinkage in prices. Money is in strict demand at 7 per cent. on call, and 10 to 15 per cent and upwards discount, according to collateral. The currency movements to the *inte* for are moderate, and more than counterbalanced by the disbursements by the Treasury on account of bond purchases. Yet we are not likely to have an easy condition of monetary affairs until after the 1st of January, since all the available resources of the banks will be needed to enable the debtor mercantile interest to bridge over the period of annual settlements. Gold has touched 120¼, the lowest point in six years. For the million offered by the Treasury for currency yesterday, the bids amounted to only $432,000, at 121 to 121.52, which were accepted. The closing price in the open market was 120¾. The emphatic manner in which the dogma of repudiation was overthrown in the House of Representatives, on Thursday, has vastly strengthened the credit of the nation, and afforded one more element of gold depression. Both of the great political parties are now committed to an honest payment of the debt; and with continued retrenchment at home of the Government, we see no reason why specie payments may not be reached during the ensuing year. That accomplished, we believe the country will enter upon a career of prosperity unequalled by any past achievements. We annex the price of gold.—*Shipping List.*

RESUMPTION—ITS BEARINGS ON CONTRACTS.

THE return to the specie basis involves *inevitably*, and under any and every method, a certain degree of inequality, and perhaps also of injustice in the settlement of contracts made during suspension, payments having to be made in gold, or its equivalent, upon engagements made when the lawful currency was more or less depreciated. The amount of contracts, State, county, city, corporate, commercial, and agricultural, outstanding at any given time is enormous, running far into the thousands of millions; and, for this reason, their settlement in a currency more valuable than that on which the agreement was based appears upon a surface view, for to be only a matter calculated to produce the most serious losses and derangements to all interests. We think the practical importance of this inequality is very much over-estimated.

Upon the suspension of specie payments we had the reverse process. The then outstanding contracts, made upon the specie basis, had to be settled in a currency which fluctuated at various periods between 1 and 35 per cent below par. The creditor class had then to sustain the loss, the debtor class profiting. Upon resumption, these classes change places, the creditor gaining what it lost on suspension the debtor losing what it then gained, thus, as between classes, resumption adjusts the inequalities connected with suspension.

During the entire seven years of suspension there have been these inequalities in the settlement of contracts, growing out of the wide fluctuations in the value of the currency. Indeed, within that period there have been few seasons when a four months' engagement could be contracted without the currency being 5 per cent. to 25 per cent. more valuable or less valuable at the time of settlement than at the time of contract.

This much then is certain—the inequalities upon contracts, connected with the decline of gold to par, would be no greater or more general than those which have occurred, as a part of the established order of things, since January, 1862. History furnishes an answer as to what have been the effects of these inequalities. Neither failures, panics, nor general bankruptcy can be traced to them. But, we are told, these catastrophies in their most aggravated forms will follow the inequalities attendant on resumption. Now, before this prophecy, the grounds of which are flatly negatived by history, is made a reason for the postponement of the recovery of a sound monetary basis, we have a right to expect that the prophets show why, in this case, like causes must produce different effects.

There are very substantial reasons why the changes in the value of the currency should not produce general injury upon the settlement of contracts. The debtor class, who it is said, would be serious sufferers, are at the same time creditors, and it is from the proceeds of obligations due to them that they would pay their debts. As a rule, the commercial community have about the same amount owing to them as they are owing; so that, if they have to pay more, in respect of value than they bargained for, they have equally to receive more. Of the exceptional few who are not thus situated, a considerable proportion are in a condition of insolvency; and, even were it not so, these exceptions could not fairly claim the right to control the action of the Government in a matter designed for the benefit of the country at large. The class of debts upon which resumption would fall with real severity would be real estate mortgages. But those who borrowed greenbacks at a heavy depreciation, upon that class of security had no right to assume that the currency would for ever remain depreciated. If they took the risk of the lawful money of the country being more or less at the period of liquidation so also did the lender, and the fact that the risks have turned against the borrower is no reason that every interest should be injured by keeping the currency depreciated, for the convenience of these settlements.

Indeed, if resumption is to be postponed for the convenience of a limited class of debtors, (for we have shown that it is only a limited class who would be affected adversely,) we may surrender all hope of ever recovering the specie basis, for there will always be that class to protest against it. It is an inevitable result of resumption that certain exceptional classes must be thereby arbitrarily injured and others arbitrarily benefitted. This is one of the penalties of an irredeemable currency, and cannot be escaped, no matter how gradually resumption may be approached. We must protest against the unreasonableness of making this extremely tender solicitude for a minority of the debtor class the controlling consideration in this question. The debtor class, as a whole, is likely to fare no worse than did the creditor class after suspension, and may be safely left to take care of itself. It is an unhealthy symptom that there should be such a disposition to magnify the importance of this and other objections to resumption. The patient's repugnance to medicine only shows the gravity of his disease, and the necessity for the prompt application of the remedy; and they are but quacks in finance who would regard his nervous dread of partial and temporary inconvenience as a sufficient reason for withholding the only means of cure.—*Com. Ad.*

THE HOP MARKET.

WE have all I to report a dull and quiet market, with scarcely any business doing, except exporting on owner's account and the filling of small orders from brewers—who, by the way, are buying sparingly under the hope and belief that lower prices will yet rule. We can see nothing at present to warrant the opinion that hops will go lower. Western brewers are just beginning to send in their orders, thus fully verifying the prediction set forth in our late circulars that the West is short of hops, and that this market would soon be the recipient of orders from Western dealers and brewers. To what extent these orders are likely to be continued, we are not at present prepared to say, but judging from what we know to be the large requirements of the West and considering the fact that scarcely a brewer has laid in his full supply as in former seasons, the draft upon our stocks is likely to be sufficient to influence prices, and cause an early advance. This new feature of the trade, added to the expectations of large orders yet to come in from London, ought to be sufficient to awaken our local brewers to a true sense of the "situation" and cause them to lay in their supplies before it becomes too late to do so. One of the most important grounds for predicting a better market may be found in the fact that of the 50 000 bales surplus of American hops of the new growth now on hand not over 20,000 may be considered desirable in quality or such as will be wanted to fill bona fide orders for export. No doubt many more bales than this will be sent over to England, but the shipments will have to be on owner's account and risk, and most of the common hops thus thrown upon the London market will be likely to suffer the same fate as did our low grades of 1868. There could be no more natural state of the market than that which now exists. The few weeks preceding the new year is always marked by dullness, yet if orders come in heavy from the West our local brewers will be likely to take hold more freely, and should the brewing trade assume anything like activity it may lead to something like a speculative movement on the part of shippers, though we consider it best not to count too much upon a very active market until after the holidays. Receipts of the week, 3 791 bales. Total receipts of the season, 71 638 bales. Export clearances last week, 699 bales. Total exports of the season from the port of New York, 53,235 bales. Quotations at New York were, on Friday as follows:—New York at 21c to 23c, Eastern at 16c to 22c, Ohio, 16c to 22c, Michigan, 16c to 22c, Wisconsin, 16c to 25c, Yearlings 6c to 10c, Old Olds, 2c to 3c per lb. Receipts to-day 853 bales, exports 485 bales.—*Emmett Wells Report.*

SHODDY.

IN a former article, which was taken up chiefly with the importance of "Rags" as an industrial material, we referred to the fabric generally known as "Shoddy" and intimated that we should mention it again. The word has come to be a sort of standing satire on a class of manufacturers, who, in some instances, whether intentionally or through excessive haste we know not, were not too careful of the material that they sold to the United States Government during the late war. There was so tremendous a demand for soldiers' wear at the time and the need was so pressing, that, in truth, every branch of the milling business, abroad as well as at home, was frequently driven to extreme haste, and the temptation to slight the goods was to some persons too strong for their resistance. The consequence was that many a bale of poor goods was foisted upon the public service.

Shoddy, however is a quite important commodity, and not by any means the utterly inferior thing that so many good folks suppose it to be. A writer in the *Westminster Review*, as far back as 1861, calls it the *great latter day staple of England*, and designates the town of Batley, in Yorkshire, as the *seat* of its production. Batley, indeed, is the "Ragopolis" of Great Britain. All the fag-ends, shreds and scraps of the three kingdoms and the Continent find their way thither, so far, at least, as they can be collected, and after being "reduced to filament and greasy pulp, by mighty tooth-cylinders, the much-vexed fabrics re-enter life in the most brilliant forms—from solid pilot-cloth to silky moleté and the glossiest tweed." In Yorkshire, the prying examiner will find that *pilot cloth* is shoddy; that glossy beavers are shoddy; that the petershams, so largely imported into the United States, are shoddy; that the soft, delicate cloths in which ladies feel so comfortable and look so graceful are shoddy; that the "fabric" of Talmas, Raglans and paletots, and other garments in which fine gentlemen and ladies go to court and ball, are shoddy.

The principle of the rag-carpet, so well understood by thrifty housewives in all parts of America North of the Mexican line, is the principle on which shoddy is constructed, only that while everything is used in the latter as in the former case, and bright mixtures and contrasts enhance the beauty of the carpet, the rags and cuttings are sorted into uniform hues for the cloth.

In England, the waste of the woollen factories, and the woollen rags brought from abroad are shredded out by the rag-grinder, torn into fibres by machinery, spun into "low numbers," and made up into all kinds of coarse woollens, such as are used for baize, table and horse-covers, coarse carpeting, &c. When mixed with a certain proportion of new wool, it may be spun into cloths of different qualities, from drugget to doeskin. The sixteen rag-machines in the town of Leeds can, when in full operation, produce 3,600 760 lbs. of raw material in a year, which, at the English average of 7 lbs to the fleece, adds what is equivalent to the fleece of 521 000 sheep to the British stock of wool. Thus, it will be seen, the shoddy process is one of high importance to a manufacturing nation.

Authorities assign 1813 as the date of the first use of the present article known as shoddy in England. A Mr Benjamin Law is believed to be the originator of the regular manufacture, and one Brighouse led off in making it in Yorkshire. Rag-machines had previously been used in London to make flocks from rags for employment in saddlery and upholstery and probably the grinding of cotton and linen rags for paper suggested the idea of grinding woollen rags.

In 1858, in the township of Batley alone, the quantity of rags converted into rag-wool was 7 764 tons, which yielded 12 940,000 lbs. or 5,785 tons of shoddy. Within a radius of four miles around Batley, there is as much more made, and as the neighbourhood produces somewhat less than one-third of the total for the whole kingdom, an expert has computed the whole quantity for England at 23 143 tons, or 51,840 000 lbs. of rags worked up, and 17,357 tons, or 38 880,000 lbs. of rag-wool produced. From this new fibrous product both *mungo* in finer fabric and *shoddy* are made, the former being about one-third of the total. Then, computing values, we get:—

25 920,000 lbs. *Shoddy* at 4d, per lb.	£432,000
12,960,000 lbs. *Mungo* at 6d. per lb	324,000
Total	£756,000

More than three quarters of a million of pounds sterling is a value not to be despised in a picked-up material.

Again, no part of the *debris* or waste of shoddy is valueless. The rotted fragments of rag, and shoddy dust, are used for manure, and a coarse oil is extracted from some parts of them. Recently, a higher use has been found for the dust proper. It is now gathered and carefully kept to *separate colors*, and for use in the manufacture of the *flock* paper-hangings, which are among the best kinds of the latter article.

At present writing the production of mungo and shoddy has become important in various parts of Continental Europe, Denmark particularly excelling in quality. At Berlin and other cities of Prussia, there are several flourishing factories of rag-wool, established by English people.

What has been done in the United States, must form the subject of a separate article.—*Ex.*

WHAT SHALL THEY DO?—Who? Why, the young men. In our business operations, we should never be ignorant of the true state of our affairs, and we can only be in possession of the requisite knowledge from having conducted our business systematically and with the utmost precision. No man is capable of doing this, however, without long years of practice accompanied with innumerable failures, or by having gone through a proper course of training which has accomplished the same purpose in a shorter time. Everybody, and especially every young man and woman should improve every opportunity that presents itself for securing practical knowledge, and to those who are prepared to do so, there is probably no surer means available than taking a course in a good finishing school or business college. Of these institutions we feel confident there is none better or more efficient than the one located in London. It must have been evident to all good judges who attended the late fair, that the specimens of penmanship executed at this college by Professor Mann, far excelled in beauty of design and skill of execution any and all others which were exhibited on that occasion. But it is a well known fact, that the college also bears a most excellent reputation for the thoroughness of the instruction imparted in all its departments. Come, then, and spend your winter months there. It will cost you much less for board than in any other city, and we feel assured that you cannot acquire as much really useful knowledge in the same time at any other place.—*Prototype.*