

Gen. Augur called Gov. Nicholls' attention to the complaint of Packard. Nicholls replied that he would have the matter investigated and the ousted officials reinstated.

The Secretary of the Treasury, to-day, issued the thirty-eighth call for the redemption of ten millions of five-twenty bonds of 1865, May and November. The principal and interest will be paid on and after the 24th of April next, and interest will cease on that day.

CHICAGO, 24.—While the statement is made that the President is favorably inclined to the electoral compromise bill, it is ascertained that all the members of the Cabinet, with the exception of Secretary Fish, are opposed to it, and will not favor its being signed, if passed and submitted to the President. Unless the bill is promptly signed, and not retained for consideration for a few days, it will become inoperative. The opponents of the bill feel sanguine that the measure will not receive the President's approval without full consideration.

WASHINGTON, 25.—At 7 o'clock this morning the Senate passed the compromise bill by a vote of 47 to 17.

SPRINGFIELD, Ill., 25.—David Davis was elected United States Senator to-day, on the first ballot.

FOREIGN

PARIS, 22.—It is stated in official circles that that Prince Hohenlohe, the German ambassador, has lost no opportunity of assuring the Duke de Cazes that Germany regards the attitude of France, in regard to the European complications, with the best feelings, notwithstanding the attacks of the German press. The good understanding between the two governments is uninterrupted.

LONDON, 23.—The Times' Vienna special says notwithstanding the departure of the ambassadors no apprehensions seem to be felt of an immediate collision. On the contrary, both Turkey and Russia may attempt to initiate a diplomatic communication. Turkey through her ambassador has already expressed the hope that the failure of the conference might not altogether terminate negotiations. Russia's initiative, on the other hand, would in the first instance aim at ascertaining the positions which the various cabinets mean to take in the face of Turkey's refusal with a view to uniting them for a common movement against the Porte. Russia will only act independently if common action should prove impossible. As for Russia's acquiescing in the failure of the conference it has never been thought of for one moment.

The Telegraph's Pera correspondent says the Porte has sent telegraphic dispatches to its ambassadors at the various courts informing them that while rejecting the proposals of the conference, it undertakes to faithfully extend the new constitutional liberties to all its subjects. The Turkish ministers have given their word not to attack Serbia before the expiration of the armistice.

A dispatch to the Times from Semlin mentions reports that a Russian legion is being formed near Grahovo on the Danube, and the Russian volunteers who quitted Serbia are joining it.

The new American ship *George Green*, Captain Wilcox, has been lost with all on board. An inquest has been held at Kingston, Devonshire, on a body which has been identified as that of the captain's wife.

A special from Vienna reports that the officers of the Russian railways have been ordered to hold the roads in readiness from the end of the present week for a large increase of military transportation.

PARIS, 23.—The revenue from indirect taxation for 1876, estimated at 1,952,483,000 francs, amounted to 2,105,759,000 francs; 39,386,000 more than in 1875.

CITY OF MEXICO, 18.—The Government has fined Barron & Escandon's banking firm \$150,000 for failure to comply with the railroad concession, they alleging that the state of the country made compliance impossible. The Government seized Barron's estates. Barron is an Englishman. England has no representative at this Government.

The German minister has been attacked by thieves, who stole his watch and then drew their knives on the bystanders who tried to interfere. They effected their escape. President Diaz has banished Cortini from the Republic.

VIENNA, 23.—The journals here report that the Turkish ambassador, at a long consultation in Pesth, to-day, on Turkey's future course, informed Count Andrassy that the Porte intended to make peace with Serbia and Montenegro, and requested Andrassy's mediation.

LONDON, 23.—A fire broke out in the Stone Hill Colliery, near Bolton, to-day, while the men were at work, and is still burning. Fifteen miners are known to have perished. It is impossible to recover the bodies.

LONDON, 24.—The Standard's dispatch from Constantinople says it is absolutely certain that Russia, since the failure of the conference, has again endeavored to negotiate a special treaty with Turkey. Midhat Pasha as yet opposes such a course.

It is reported in Vienna that the Turkish ambassador, at his interview with Andrassy in Pesth, yesterday, assured him that Turkey would take no step likely to provoke war, and would vigorously push internal reforms.

It is stated that the Porte intends asking France to send military officers to Constantinople to instruct the Gen d'Armee, and to England for competent financial administrators with a view to reorganizing Turkish finances.

HAVANA, 24.—Advices from St. Domingo to the 11th January, state that President Baez has taken conciliatory measures, neither executing, imprisoning, nor banishing political antagonists.

The present government of Hayti repudiates the loan made by Frenchmen to the president of the Dominions.

CONSTANTINOPLE, 24.—Safvet Pasha had an interview with Gen. Ignatieff on Tuesday, and notified him of the Porte's application to France and England for gunboats, and informed him that the Porte proposed to carry out, of its own free will, all the reforms demanded by the conference.

WATCHMAKING IN AMERICA.

A FOREIGNER'S TESTIMONY.

Speech delivered in the amphitheatre of the primary college of La Chaux-de-Fonds, Tuesday, the 14th of November, by M. Edouard Favre-Perret, member of the international jury on watches of the exhibition at Philadelphia, and one of the Swiss commissioners to the United States.

Mr. Arnold Grosjean, president of the board of commerce, announced that M. Edouard Favre-Perret, member of the international jury on watches of the exhibition at Philadelphia, had kindly consented to repeat, at La Chaux-de-Fonds, the speech already delivered by him at Locle and Neuchâtel, on the situation of the industry of watchmaking in the United States.

THE ADDRESS.

"Gentlemen: I must, to start with, announce to you that you have not an orator before you, but a manufacturer, and as such I ask your indulgence. I shall give you information which, unluckily, is not cheerful, on the condition of Swiss watchmaking compared with the American competition. I shall tell you of facts simply, such as I have seen them, such as I have understood them. Frankness is here more necessary than anything else, for it is not by palliating the bad sides of a difficult situation that we can succeed in improving it.

"For a long time we have heard here of an American competition, with believing it. The skeptics—and there were many of them—denied the possibility of a competition at once so rapid and so important. To-day we are forced to believe the proofs of it, and to acknowledge the existence of a formidable manufacture.

"We have had the proofs of it under our own eyes; we have seen the American factories, and we have been able to satisfy ourselves exactly as to their power. We have treated the American manufacture as we have treated the neighboring manufactures—in the future of which we did not wish to believe at first, and which form to-day a most serious competition. I refer to Besancon, Bienne, St. Imier, Morat and Schaffhausen.

"For a long time America has

been the principal market for our watches—our milk-cow, so to speak. To-day we must earnestly prepare to struggle with the Americans on the fields where hitherto we have been the masters. Some of you have known Mr. Dennison, who was, we may say, the father of American watchmaking. Mr. Dennison traveled through the Canton of Neuchâtel, studying our mode of manufacturing, seeking to inform himself of everything, and carefully noting the weak parts in our industry. After his return to the United States, he founded a factory at Boston—'The Boston Watch Company.' This was in 1854. The capital—scarcely \$100,000—was subscribed by capitalists more than by practical business men. In the beginning the company turned out only the rough skeleton movement, and attended to the finishing; all other parts, such as trains, balances, jewels, etc., etc., were imported from Switzerland. Little by little, however, the factory extended its operations, and produced other parts. Notwithstanding all this progress, this mode of doing things not suiting the American character, so little inclined to let capital remain almost unproductive, the capitalists abandoned the factory, and it failed in 1856.

"Another American, Mr. Robbins, whom you have also known, gentlemen, when he had business relations with us, scented a good speculation, and bought in the entire factory, tools included, for \$75,000. A new company—'The American Watch Company'—was afterwards formed, with a capital of \$200,000. Soon this capital became insufficient, and it was increased to \$300,000 before the war of secession. This war, which seemed calculated to destroy such an enterprise, was, on the contrary, the cause of its prosperity. America put on foot a million of soldiers, and, as every one wanted his watch, there was great animation in the watch business. At this juncture, which might have been a lucky one for our industry, we failed to comprehend our real interests. Instead of sending good watches to the Americans, the worst trash was sent. Had mere skeleton movements been sent in cases they would have been thought good enough! The Americans, however, went to work on an entirely different plan. The company increased their plant, and turned out a better ordinary watch than the Swiss watch. At the end of several years, and with the aid of patriotism, the American watch enjoyed a good reputation, while our own was discredited everywhere. In 1865 the capital was increased to \$750,000, and the operations of the new company grew to immense proportions. During the following years business went on so well that everywhere new watch factories sprung up. Every one wanted to make watches. To-day you can count about eleven factories. The most important, after the Waltham company, is the one at Elgin, which turns out about 300 movements a day. The Waltham company give employment to 900 workmen, and make about 425 movements per day. The company again increased their capital in 1872; it amounts to-day to \$1,500,000, besides \$300,000 as reserve fund, or a capital of 9,000,000 francs. This watch factory is a real power; there is none like it in Europe. We have seen it in all its details, and we have admired its splendid organization. Last May, on the eve of the exhibition, we still seemed masters of the situation. One event, however, dealt us a mortal blow. Be it through the effect of the crisis, or from any other motive, the Elgin company made, all of a sudden, a reduction on the price of their movements of 40 per cent. to 50 per cent., so that all stocks of Swiss watches were seriously affected. Lever movements, with visible pallets, were sold at 19 francs. How can we meet this? Under such circumstances, how can we maintain competition? It will be necessary to turn out our movements at 13 or 14 francs to pay the custom duties and to leave a little margin of profit. The Waltham company, however, would not be outdone by the Elgin company; they even proposed to do better. They announced a reduction of price from 40 to 50 per cent. on prices already lower than their rivals, but at the same time they made known that this reduction would go back as far as January 1, 1876. So that a dealer in watches had simply to indicate the stock of his Waltham goods on hand to secure the rebate of 40 to 50 per cent. This coup de com-

merce has cost the company \$40,000.

"It is unnecessary, gentlemen, to tell you how very detrimental this was to the Swiss watch. Still another and more important reason explains the growing prosperity of the American company. Their tools work so regularly that all parts of the watch may be interchanged, by a simple order on a postal card, without necessitating the forwarding of the adjoining piece. The question has often been asked whether the Americans can sufficiently supply the demands of their markets. Yes, they can; we are driven out of the American market! I herein exclude, however, complicated watches, in which we are now, and I hope we shall always remain, masters.

"In 1860 the American companies produced only 15,000 watches; in 1863, 100,000. To-day they produce 250,000, and this figure can be easily doubled in case the crisis, which so severely prevails there as well as here, should come to an end. For we must not forget that, if several factories have been closed during the crisis, the tools as well as the workmen are still there, all ready to resume work again. Nor must we leave out of sight the exorbitant customs duties and freight, which amount to about 25 or 30 per cent., which take away from us every possibility of being able to stand the fight. And now that we know the figures of production in the United States, we can easily, with the aid of official reports, give an account of what is that country's consumption of watches. We have sent to the United States during the past twelve years, viz.: 1864 to 1875 inclusive, 2,842,000 watches, being an average of 236,833 per annum.

"In 1876 we shall barely send there 75,000 watches, or, since 1872, a deficit of 300,000 watches. What a loss for Switzerland, and particularly for Neuchâtel! For this deficit concerns principally our canton, and it is very easy to convince one's self of the fact. In 1875, Chaux-de-Fonds turned out 106,000 watches or movements. In preceding years she turned out double that amount. The deficit, therefore, amounts for la Chaux-de-Fonds alone to 400,000 francs; for Locle, Neuchâtel, etc., it reaches the same figure in proportion.

"We have stated that the shipment of our goods has largely decreased. Shall we attribute its cause to the crisis? Certainly in many respects we may do so; it cannot be denied. But the American competition contributes still more largely to it.

"The Americans have already commenced to send their manufacture to Europe. In England they sell annually from 20,000 to 30,000 watches. The American watch commences to drive from the English market the Swiss and even the English watch. The Americans commenced by creating a demand for their goods in the Indies and in Australia; and then—thanks to some powerful exporting houses—they invaded England. At Moscow and St. Petersburg they have already established important branch offices. They do not keep it secret, but loudly advertise it; their aim is to drive us first out of their own country, and then to compete with us on our own soil, if our sluggishness and our blind confidence leave the field free to them. I sincerely confess that I personally have doubted that competition. But now I have seen—I have felt it—and I am terrified by the danger to which our industry is exposed. Besides, I am not the only one to think so; the 'Société Inter-cantonale' have sent a delegate to make inquiries, and his report perfectly agrees with mine. Up to this very day we have believed America to be dependent upon Europe. We have been mistaken. The Americans will send us their products since we cannot send them our own. We ask ourselves whether the Americans can maintain their prices? I answer, yes, they can, for if they obtain a good profit on their superior quality goods they can afford to be satisfied with a smaller profit on the lower grades of watches. In America everything is made by machinery; here we make everything by hand. We count in Switzerland about 40,000 workmen, making on an average each per annum forty watches. In the United States the average is 150 watches. Therefore the machine produces three and a half to four times more than the workman. It remains for us to solve the situation. But how can we get out of the corner into which we have been driven? To-day, even with-

out machines, we cannot dispose of the 1,600,000 watches which our people can manufacture. How will it be if we establish machines which will twice increase our production? We must either diminish the number of our hands and make machines, or else cling to our system and be resigned to see our industry decline.

"Gentlemen, I do not pretend to point out the remedy. I simply call your attention to the evil—that is all. It remains for you to find the cure. However, I believe that it will be good to do for our mechanicians what we have done for our watchmakers—that is, to create schools. You must not despair; you must not desert the field; we must, on the contrary, organize for resistance, and to re-conquer the lost ground. If America closes her gates to us by customs duties and exorbitant freights, we are, at least left the resource of energetically fighting against her in European markets.

"Had the Philadelphia exhibition taken place five years later, we should have been totally annihilated without knowing whence or how we received the terrible blow. We have believed ourselves masters of the situation, when we really have been on a volcano. And, to-day we must actually struggle if we do not want to encounter in all the markets that rival manufacture. Did we not sneer at Besancon at the outset? And now Besancon suffices for France, and besides, she exports her surplus of manufacture. We ask ourselves if, in reducing the price of watches, we can increase their sale in the same proportion? And if the sales do not increase, what will become of us? We shall have an enormous stock of goods and a permanent stagnation. The customs duties, you know, amount to 25 per cent. For a long time hopes have been entertained that they might be reduced. We cannot count on it. America needs all her resources, especially in the present situation; and, whether democrats or republicans be in power, we cannot hope for a reduction in import duties. We must therefore make up our minds to lose the American market!

"It has been said, and it has been complacently repeated, that the Americans do not make the entire watch, and that they are dependent upon Switzerland for several parts of the watch. This is a mistake. The Waltham company make the entire watch—from the first screw to the case and dial. It would even be difficult for them to use our products, so great is the regularity, so minute the precision with which their machines work. They arrive at the regulation of the watch—so to say—with-out having seen it. When the watch is given to the adjuster, the foreman delivers to him the corresponding hairspring and the watch is regulated. (Sensation among the audience.) Here is what I have seen, gentlemen! I asked from the director of the Waltham company a watch of the fifth grade. A large safe was opened before me; at random I took a watch out of it and fastened it to my chain. The director having asked me to let him have the watch for two or three days, so as to observe its motion, I answered, 'On the contrary, I persist in wearing it just as it is to obtain an exact idea of your manufacture.' At Paris I set my watch by a regulator on the Boulevard, and on the sixth day I observed that it had varied thirty-two seconds. And this watch is of the fifth American grade; it costs 75 francs (movement without case). At my arrival at Locle I showed the watch to one of our first adjusters, who asked permission to 'take it down'—in other words, to take it to pieces. I, however, wished first to observe it; and here is the result, which I noted: Hanging, daily variation, one and a half seconds; variation in different positions, from four to eight seconds; in the 'heated room' the variation was but very slight. Having thus observed it, I handed the watch to the adjuster, who took it down. After the lapse of a few days, he came to me and said, word for word: 'I am completely overwhelmed; the result is incredible; one would not find one such watch among 50,000 of our manufacture.'

"This watch, gentlemen, I repeat to you, I took at hazard—out of a heap, as we say. You understand from this example that the American watch may be preferred to the Swiss. I have finished, gentlemen, and I have told you of things such as I have seen them. It remains for us to profit from this sad experience, and to improve our manufacture. Competent men are not wanting among us; they must go to work at once."