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STEAM ON THE PACIFIC OCEAN.  
TRADE BETWEEN CHINA AND JAPAN.

H. B. A.

AN attempt was made in the spring of 1863, by the American House of RUSSELL & Co., so long and favorably known in the China trade, to establish a line of steamships between Hong Kong and San Francisco, in connection with their other steamers on the coast and rivers of China. Their steamer, the *Robert Lowe*, of twelve hundred and seventy-seven tons and eighty horse-power, made a trip from San Francisco in March, stopping for a few hours at Honolulu, although her Captain did not see fit to enter the harbor, and, of course, obtained no supplies of coal there. The greater part of the way was made under sail, and her passage to Hong Kong was not particularly brilliant. So little encouragement was met with on this preliminary trip, that neither she nor the *Scotland* (of seven hundred and fifty-nine tons, and one hundred and fifty horse-power,) which was to have been the second steamer in the line, were sent back, and, as freights were very much depressed in the Chinese waters, and steamship owners could scarcely find employment for their regular vessels, she remained idle in the Woosung river throughout the summer, and the project was abandoned. There were many reasons for this failure. The vessels of the line were old, unreliable, and notoriously slow, so that no one had much faith in their beating the clippers by many days; it was understood to be an experiment, and some degree of permanency is necessary to form business for a steamship line on so long a route; freights from San Francisco were not plenty at the moment, and several small and fast barks were loading, which had the preference; while, at any time, there is not much valuable freight offering which can pay steamer charges, except bar silver and Mexican dollars, and for some time to come it is not to be expected that this will be otherwise.

But it is not to be inferred from one temporary failure in a favorite project of Americans in California and China, that the importance of a steam line on the grand ocean is undervalued; or that a very long time

will elapse before it will be an established fact, as regularly in operation as the Cunard or Peninsular and Oriental lines. We may look upon this pioneer voyage as a promise for the future, to be fulfilled with the first active resumption of trade, after the settlement of our civil war.

A mail contract from the United States Government, ensuring \$300,000 to \$400,000 per annum for three or four years would lead to the establishment of a permanent line immediately; and even without such aid, in a very few years, the rapid growth of California and of her trade with China, already considerable, will make such a line a pressing necessity, profitable without the help of government contracts. To start it now such aid would seem to be necessary.

It is needless to comment on the great advantage that would accrue to San Francisco with the growth of her China trade, and the importance of placing her in as close communication with China as is possible, if we desire her to retain the commercial supremacy of the eastern shore of the Pacific. San Francisco papers often allude to it, and San Francisco men are full of it. Steam on the Pacific comes after the Pacific Railway only, in their estimation, and they are so sure that they will have it shortly, that much more of their attention is engrossed by the Railway.

British Columbia (or England herself by direct communication via Panama,) promises to be her rival, strange as this may appear to men whose attention has been absorbed by events nearer home. It is not generally understood what a magnificent territory the vast tract of land, watered by the Red river and Saskatchewan, has been proved to be by recent explorations, since the charter of the Hudson's Bay Company fell in; and that England possesses here a land greater and richer than Canada, occupying a peculiarly fortunate position in comparison with our own western territory.

To connect ourselves with California, we must surmount a desert of at least a thousand miles, and in one sense of the word our Pacific States will always be separated from us by a vast distance. Emigration cannot pass beyond the great valley of the Mississippi and its tributaries. It may begin again from the Pacific coast, and stretch to the eastward, over the Sierra Nevada and almost to the foot of the Rocky Mountains, but there it must stop. A few mining villages may spring up, like Virginia City in Washoe, far out in the desert, but excepting such, (which will draw their supplies from over the mountains) there must always be a vast wilderness, separating the Atlantic and Pacific States, to be traversed only by relays of horses, with stations in the desert as at present, and eventually by a great railway. Just at that part of the continent where our progress westward is stayed, and when the most profound engineering skill will encounter gigantic obstacles in building a railroad, England possesses a finer district than any other in her possession on this continent; fertile, well-watered, and enjoying a moderate climate for so high a latitude, more equable than that of Canada. It is only within the last three years that her attention has been fairly drawn to its great value, and to the important advantage it possess of almost direct water communication, with breaks amounting to scarcely a hundred and fifty miles, from the Atlantic to the foot of the Rocky Mountains. There the headwaters of the Saskatchewan and Frazer river almost meet; the one connecting with the vast system of rivers and lakes by which we have traveled from Lake Superior, the other emptying into the Pacific; there, too, the Rocky Moun-

tains sink to an elevation far below the Southern Passes, and do not present any greater engineering difficulties than have been overcome on the Erie Railway.

The Frazer river empties into the Gulf of Georgia, when the harbor of Victoria on Vancouver's Island is the finest north of San Francisco, with a good channel to the ocean through Juan de Fuca Strait. To speak more correctly, Victoria harbor, itself, is safe for vessels drawing eighteen feet, and ships of that depth can lay alongside the wharf, the only drawbacks to the harbor being several rather sharp turns round the outer point. Esquimauld Harbor, however, four miles from Victoria, is represented to be one of the finest in the world, accessible to ships of all sizes at all hours.

At the point where the Rocky Mountains are to be crossed, in all other parts of the continent the grand obstacle to a railway, they are so low that the head waters of Frazer and Peace rivers, flowing in opposite directions, are only three hundred and seventeen yards apart, and the report of Captain KENNEDY, who was sent by the Canadian Government in 1861, to explore the Saskatchewan valley, declares that no more serious obstacles exist in the other portions of the vast territory, which lie between the Rocky Mountains and the great lakes. The very fact of there being water communication for so vast a distance proves this.

Probably the most serious obstacle to be met with is the depth of the snow for seven months of the year in British Columbia and these Northern Passes of the Rocky Mountains. Victoria is represented as a place where it snows every day and freezes every night during the winter months, when snow is always to be found on any parallel north of 50° often to the depth of three or four feet. In the mountain passes the drifts are often twenty-five or thirty feet deep, and how any railroad North or South, can keep its track clear over such an immense distance, it is difficult to foresee. Where snow drifts to such a depth it would be a work requiring the constant labor of a very large force.

The country east of the Rocky Mountains, in the great Saskatchewan valley is described as a fertile prairie, nearly bare of trees, but possessing extensive fields of coal, which are seen cropping out in the Red river country, and we know that valuable coal beds exist on Vancouver's Island. The climate moderates as we approach the West coast, and the average temperature is several degrees below that of Canada. Both theory and observation point to this, and the winters in the great valley are mild enough to permit the buffalo to remain all the year round; nothing is said about the heavy rains or snows, which, in all probability, fall for at least five months of the year in the country lying between the Rocky Mountains and Lake Winnipeg.

With such a country justly thrown open to English colonists by the close of the Hudson Bay Company's monopoly, and with so tempting a route, during at least four or five months in the year, for certain and speedy communication between Canada and British Columbia, it is to be expected that the growth of the settlements in the great valley of the Saskatchewan will be rapid, and that in time the attention both of the Canadians and English will be directed to this new project for a Pacific Railway. The old Hudson Bay Company has been reorganized with a capital of \$2,000,000, and with Sir EDMUND HEAD, the former Governor-General of Canada, as President. Its policy has been entirely changed, and its immense

landed estate, claimed to be upwards of 896,000,000 acres, making it strongly for the interest of the company to promote emigration, and the settlement of the Red river country, as it is called, will be the first object of the new association. Preliminary arrangements have been made by independent parties for providing postal and telegraphic communication between Canada and British Columbia, based upon a five per cent guarantee of the Colonial Government, and no doubt the new company will both aid and sanction this important work. The project of a Railway through the Company's territories already attracts the notice of farsighted men in Canada, and is not unheeded in England. The splendid Grand Trunk Railroad of Canada is a half-finished work (as the most sanguine among these men are wont to say,) until it receives its freight from China and Japan; and it must be granted that it is not altogether a speculator's dream.

If such a railway would ensure a shorter route from India and China, or a safer and more certain one, even if only ten or fifteen days were gained in the time from China, it would be of immense value to the British colonies, benefiting the most distant alike.

In view of the great strides taken by Russia towards obtaining power and commercial influence in Eastern Asia, England is extremely jealous of all that affects her standing on that continent, and the vast trade depending upon it. Russia holds territory, as well as England, on the eastern and western shores of the Pacific, and her outlays for railroads by which she can draw towards her the wealth of that ocean is enormous. Her communication is rapid and certain now, although her couriers must cross Siberia and the great desert of Cobi. The treaty of October 24, 1860, was known at St. Petersburg two weeks before the bearer of despatches from Lord ELGIN could reach London by rail and steamer. Russian cloths have supplanted the Spanish and German in Chinese markets, although carried over the Ural Mountains through Siberia to Kiakhta, and thence by the Chinese over the deserts for thirteen hundred miles before they reach Peking. Russia at this moment is the only power in Europe on cordial terms with Japan, because Russia has always been careful to show this proud people her power, even when not seeking to trade, by keeping a respectable force in Japanese waters.

She is making quiet, but gigantic efforts to connect St. Petersburg with the Pacific ocean,\* by opening the Amoor river, which is navigable

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\*The Amoor is 2,500 miles long, navigable for vessels drawing less than twelve feet, the seventh of the great rivers in the world, draining 583,000 square miles. This great basin although a fine grazing country, contains a population of less than 80,000.

The Tablonac Mountains, rich in iron and gold, in forests of oak and other timber, protects the valley to the north, so that the climate of the lower part is quite mild. At Nicolaiosk it is bad, the mean annual temperature being 39° 42' Fah., and the difference between the average summer and winter temperature 58°; but at the southern bend of the river (latitude 47° 42' N.,) Mr. Atkinson states that the plains are adapted even to the cultivation of cotton. Mr. Tilley, another of the few Englishmen who have traveled here, speaks of the grape as indigenous and needing only care on the sunny hillsides to make excellent wine.

The history of the acquisition by Russia of the valley of the Amoor, and the greater part of Manchouria, is a curious one, China having been cajoled out of her territory

for two hundred miles, by putting steamers on Lake Baikal, a body of water as large as Lake Erie, and by an expenditure equal to fifty millions sterling on railroads which will reach to the Ural Mountains. Since the Crimean war Russia has made great strides towards becoming a commercial power, and if, by concentrating the mighty resources of her empire, she can divert a large portion of the great China trade across the Continent of Asia, and distribute the teas of China to Western Europe from the market of St. Petersburg, without carrying them twice across the equator, the profits will be worth the prodigious expenditure of money and labor which such an enterprise involves. We must take into account the greatly superior flavor of teas transported across the land, without exposure to sea-air damp and the heat of a long voyage in which they are twice carried the breadth of the tropics. Travelers tell us that

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by the Russian diplomacy. The Chinese, since 1689, had held the river with extreme jealousy, had driven off the Russians, demolished their forts, and effectually excluded them; but, in 1858, shrewd advantage was taken of the Chinese rebellion, and the English war, and later, in 1860, of the panic arising from the occupation of Peking by the allies, to extort this province under cover of friendly service in meditation. Now that she has gained it, Russia has gone vigorously to work, and has not only fortified the ports of the Gulf of Tartary, but has established the nucleus of a navy in the Pacific.

Its importance will at once be seen, for with the possession of the Amoor, the chain of communication from St. Petersburg to the Pacific can soon be made complete. The connection between the Baltic and the Caspian is already secured, and it now requires only two hundred miles of canal to connect the Caspian with the Pacific.

Although it is objected that Nicolaiosk, the great port of eastern Siberia, twenty miles from the mouth of the Amoor, is a worse harbor than Cronstadt, being frozen seven months of the year, Russia has several fine ports, open all the year, on the island of Saghalien, which she has managed to wrest from Japan, and beds of coal there sufficient for her steam-navy of the Pacific, which, in 1861, consisted of twenty-two ships, mounting one hundred and fifty-eight guns. There are, also, excellent harbors in the Gulf of Tartary in that great province of Manchouria, her diplomacy obtained from China, which can be connected by rail with the Amoor before it turns to the north, and where, in consequence, navigation opens earlier. One of these, the Bay of Olga, open at all seasons, is only one hundred and fifty versts (ninety-nine and a half miles,) from the Usuri, a large and navigable branch of the Amoor. Port St. Vladinin is described by M. Ravenstein as the finest on the coast, having ten fathoms, and these inlets easily entered, besides offering great advantages for building and refitting ships.

It would be significant, too, (if space would permit,) to observe the stealthy steps of Russia on the great plains of Tartary, and to mark the influence she is acquiring over the Kirghis hordes, of which Mr. Atkinson, who has lived among them, says that one tribe alone—the Kara Kirghis—can muster 40,000 cavalry. These hordes are the Cossacks of Asia, and it is not improbable that they will yet perform similar service for Russia, or protect her in her designs upon the Pacific. If Russia is ever to be a maritime nation it will be in that ocean where Admiral Krusenstein won his laurels, and it is all important to her that her communication between the Pacific and the Baltic, a distance of eight thousand miles, should be beyond all reach from without or border disturbance.

nowhere out of China, certainly nowhere else in Europe can such excellent tea be procured as in Moscow and St. Petersburg.

Viewing this activity, lately sprung up, on the part of Russia, in connection with the jealousy of Great Britain in respect to all rivalry in eastern Asia, any project for shortening the distance, however expensive, by which her power there will be increased, and by which the products of the East could be distributed by herself or her Colonies, even on the Atlantic seaboard and interior of the United States, would be looked upon with favor; and it is well worth the attention of the American people, and the American Government to strengthen in every possible manner our State of California, and her magnificent seaport of San Francisco—a harbor which seems given to man for the commerce of a hemisphere.

This can be best effected by a speedy attention to the work of the Pacific Railway, a work which must remain in abeyance while a faction of slave-owners holds our Southern States in rebellion, and until it is accomplished by encouraging the trade growing up between California and China, by supplying it with the only certain and rapid means of communication—a line of steamers.

The effect of such a line upon the future of the Sandwich Islands is by no means to be despised, and as these islands are likely to become in a few years of much more importance and value than they are at present, it would be well to consider in what way their prosperity would affect us.

The Sandwich Islands are destined to be the Cuba of the west coast. Their position is peculiar; they are inhabited by a people who are fast disappearing from among the nations of the earth, even more rapidly than the North American Indians; they are governed by a feeble monarchy, modelled after that of Great Britain, and at present powerfully influenced by a ministry composed mostly of Englishmen; while the white population of the Islands is largely made up of American citizens and their descendants. Their natural connection in trade is with the American coast of the Pacific, although for many years they have been intimately connected with the whaling ports of New England, and in consequence the amount of American capital invested there largely exceeds that of all other nations. As long as the present monarchy stands, and a respectable number of the native race remains, all will go on well enough; but it is hopeless to expect that this can be the case for many years to come; while the rapid growth of California, and the increasing interests of England in British Columbia and Vancouver's Island, owing to the gold mines of Frazer river and the coal beds of Victoria, to say nothing of the vast forests of timber which are yet to find their way to the comparatively timberless lands of China, will render these islands of greater importance to each nation as the years roll on.

That the English residents near the Hawaiian court, in office and out, are so playing their cards as to obtain, if possible, from the feeble and failing monarchy, a tender of the islands in due time to the British crown, there can be little doubt to any one who has watched the course of events of Honolulu of late years. The first step would be to create a Protectorate, as was attempted at the Fiji Island and Talita, an easy and decent move when the native population is so feeble, and the foreign so likely to outnumber it before many years. The great obstacle to their schemes would be the interests of the large majority of American citizens, who had settled in the kingdom, and who are rapidly obtaining the estates held by

the old chieftains, and turning them into sugar plantations. The surest way to bind the Sandwich Islands to American interests, and to retain them as they are now, an outlying colony of California, is to encourage emigration from that State by the frequent and intimate connection afforded by a line of steamers. They are sure to be occupied soon by citizens of some nation, or of all, from the tempting profits of sugar-growing, profits which can be made to equal, if not exceed, those of Cuban estates. But one element is wanting to make them even more profitable in the future—an abundance of cheap labor; and nothing would tend more to promote this than frequent and rapid communication with China. Coolie labor must eventually be used here; it is true that the present ministry has prohibited the importation of Coolies, but if Coolie labor can be profitably carried round the Cape of Good Hope\* to Cuba, a passage, when made in winter, equal in its horrors and excessive mortality to the awful middle passage of the slaves, it would seem unwise and suicidal to exclude it from Hawaii whenever the extent of the plantations shall create a pressing want for it. To call it slavery and talk of the horrors of the passage to Hawaii is all cant. The Coolie works out his passage money and is free ever after—apprentices do as much, and are not slaves; the passage from China to Honolulu is as pleasant as any voyage in the world, and when the poor fellow gets there, his lot is that of Paradise compared to life at home on three pounds sterling per annum. There are many Chinese now in Honolulu, and some are even conducting sugar plantations; one cargo of Coolies was landed on Kauai some years ago, when the ministry became alarmed, and checked immigration—but whenever the necessity for Coolie labor is really apparent, as it is likely to be in a few years, no legislation can keep the laborers and the Chinese capitalists themselves away. The ministry, in their anxiety to shield the Kanakas from Chinese competition, have forgotten that of late years the Chinese, harassed by internal wars, have become a colonizing nation, and wherever they have planted colonies they have remained in spite of the most violent opposition. Such laws are scarcely worth the paper they are written on. Thus far the native labor has been adequate for the limited wants of the planters, the cultivation of the sugar-cane, although indigenous to Hawaii, being yet in its infancy, and this law has never been really tried.

The attention of the American people has never been fully directed to the value of these islands for the cultivation of sugar. Although they have an area of arable land far exceeding that of Mauritius, and very fertile, and are on the same parallel of north latitude that Mauritius occupies of South, with superior advantages in every respect for the cultivation of the cane—besides the enormous advantage of freedom from hurricanes or cyclones, which sweep over Mauritius with awful force—their production is not *one-eightieth* part either in amount or value. Speedy, cheap, and regular communication with San Francisco would soon increase this amount prodigiously under the stimulus of American capital and American emigration.

By these remarks on the real value and peculiar position of the Sandwich Islands, it is not meant that any encouragement should be given to filibustering, or any of the disgraceful ideas that characterized the dealings

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\* The passage around Cape Horn from China to Cuba is never made now-a-days.

of the slaveholding ports with Cuba, before that party, by its suicidal conduct, lost power in the American Union; but simply to point out the fact that the present nation in whose name the Sandwich Islands stand is in a feeble and almost dying condition, that it must soon give up the ghost, and before it expires will devise this fair land to some foreign power; to England, if, by the intrigues of her resident citizens who watch by its bedside, she can be appointed attorney in illness, heir when dead; or to the United States, if citizens of the United States, by actual colonization become the owners of the land. The nation would thus gradually change from Hawaiian to American without violence or revolution, and thus far the Americans have the majority of the foreign population. Indeed, it is probable that they equal all other nationalities put together. They are orderly and peaceable, with scarcely a thought among them of a revolution of the government; they knowing well that while the natives outnumber them as twenty to one, and most of the offices of law and politics are in their own hands, it would be folly to agitate such schemes. The mild, constitutional monarchy is directed solely to the administration of justice, the greatest order reigns throughout the kingdom, and no well-conducted white man has any serious grievances to complain of. Attempts at filibusterism or annexation would be criminal folly, such as the law-abiding planters, missionaries, and merchants would never countenance. At the same time it is felt that the Hawaiian nation is hopelessly decaying, and that if English intrigues are successful in turning this settlement founded by American missionaries into an English colony, gross injustice will be done to the Americans, who are by far the larger proportion of the owners of the soil.

The attitude taken by Mr. FILLMORE towards these Islands was, that the United States had no desire to annex them; that they belonged to a different race, brought from heathenism, it is true, by American colonists, but now able to govern themselves, and that they ought to govern themselves. He was right. The islands would have been a useless incubus at the time, and their experiment of self-government has been eminently successful. But it could not arrest the decline of the native race, which seems inevitable on contact with the white man, although no decaying people has ever had a fairer chance to preserve its nationality. The question now arising, or soon to arise, is of an entirely different nature.

When the feeble remnant of the Hawaiian nation becomes extinct, to whom will the islands belong?

Clearly, if any nation has a right to them, by colonization, by possession, by affinity to her coasts, and by capital invested in their improvement, it is the American. Let us see to it that we keep all these advantages in the future, and increase, by every possible means, the connection of the group with our Pacific coast.

But why take so much trouble about a little group of islands, the largest of which is only sixty miles long?

Their position in the Pacific, and the great width of that ocean, make them of a relative importance out of all proportion to their size or productions, although it has been shown that these, sugar especially, can be made of no mean value.

The voyage from California to China, by sailing vessels, consumes, on the average, sixty days. MAURY says sixty-four, but it is frequently made in fifty-five at the present day. From San Francisco, *via* Honolulu, to Hong Kong and Shanghai, the distances are respectively 7,000 and 7,500

miles, and the voyage would take a propeller, traveling by wind and steam, about thirty-five days. It is too long a voyage for a vessel to make by steam alone, unless she carries so much coal as to swallow up all her profits, so that all steamers traversing the Pacific will be obliged to call at Honolulu, on the westward voyage, to fill up with coal for the longest stretch of her journey. Depôts of coal could be easily formed there by colliers from Vancouver's Island, where there are large beds of excellent quality. No quantity could be obtained at Honolulu at present, very little fuel being required in that equable climate; but much of the wood used for building purposes throughout the group is brought from Puget's Sound and the Columbia river, a distance almost as great as it would be necessary to transport coal. It is therefore seen that Honolulu would be an important station for any line of steamers traversing the Pacific, and the facilities for obtaining supplies which would soon spring up would contribute materially to the success of the line. The harbor is safe, and easily accessible, the channel through the reef is well buoyed, and the wharfage facilities quite adequate for any trade likely to be found there for ten years to come. Although the Sandwich Islands are 17° south of San Francisco, and 11° south of Shanghai, the great apparent deflection to be made by vessels touching there is, in reality, no deflection at all, for the prevalent winds compel all vessels from California to China to pass within a hundred miles of the group. The winds blowing into the harbor of San Francisco, for nine months of the year, are strong northwest gales, and any vessel going west is compelled to run down as rapidly as possible on the starboard tack, until in the latitude of 30° north. It would be useless to beat or steam against these gales; they blow with greater force in this ocean than in the Atlantic, in the same latitude. From Lat. 30° to about Lat. 27° north, are variable winds and calms, which a steamer would soon dash through, but which sometimes detain the sailing ships four or five days. Passing the variables, a ship finds herself in strong northeast trades, blowing with steady power all the year, and at times stretching as far south as 5° north latitude.\* They are strongest about the parallel of 20° north the parallel which cuts Hawaii, varying with the season for two or three degrees in either direction. The northeast trades of the Pacific are steadier than those of the North Atlantic; they are very much like the fine southeast trades, from

\* KERHALLET, in his "Considérations générales sur l'Océan Pacifique, 1856," gives the following table, from observations of ninety-two vessels:

	of the		Polar Boundary		of the		Breadth of the belt of calms.	
	N. E. Trades.	S. E.	N. E. Trades.	S. E.	N. E. Trades.	S. E.		
	N. lat.	S. lat.	N. lat.	S. lat.	N. lat.	S. lat.		
January.....	21° 0'	33° 25'	6° 30'	5° 0'	3° 30'	2° 1'		
February....	28 28	28 51	4 1	2 0	2 0	2 1		
March.....	29 0	31 10	8 15	5 50	2 25	2 25		
April.....	30 0	27 25	4 45	2 0	2 45	2 45		
May.....	29 5	28 24	7 52	3 36	4 16	4 16		
June.....	27 41	25 0	9 58	2 30	7 28	7 28		
July.....	31 43	25 28	12 5	5 4	7 1	7 1		
August.....	29 30	24 18	15 0	2 30	12 30	12 30		Doubtful.
September..	24 20	24 51	13 56	8 11	5 45	5 45		
October.....	26 6	23 27	12 20	3 32	8 48	8 48		
November...	25 9	28 39	.. ..	.. ..	.. ..	.. ..		
December...	24 0	22 30	5 12	1 56	3 16	3 16		

the Cape of Good Hope to St. Helena, but they never rise to the power of the grand trades of the Indian Ocean. Still, a ship or steamer, if she, is careful to keep in their center, is sure of fine weather, a fresh breeze, and a quiet sea, for at least 4,500 miles of her voyage. Most of those who suppose that the great breadth of the Pacific has always been the most serious obstacle to steam operations, thinking only of the tempestuous North Atlantic, and the powerful machinery needed for quick passages there, forget that, for so long a portion of the voyage, steam would be only an auxiliary to be used in an emergency, such as a day of light wind. If a propeller was provided with an abundance of studding-sail gear, she could sail more rapidly than she could steam, for at least half the distance from California to China. Keeping in the center of the trades until after she had passed the Marianne Islands, or about 140° east longitude, she could then head directly for Shanghai, using her machinery from meridian 130° east until in the Middle sea (often confounded with the China sea), where, for six months of the year, she could run into port, with the southwest monsoon blowing, at the rate of nine knots per hour. We say Shanghai, for reasons to be explained hereafter believing that port to be the best terminus for a line of California steamers. On the return voyage, it would not be expedient to call at the Sandwich Islands, if it could possibly be avoided. If it was deemed advisable, she might touch at one of the ports of Japan—Yokuhama, for instance—and start from thence with a full supply of coal. Sailing from Japan to the eastward, she could use the Great Circle route with advantage, shortening the distance to 4,500 miles, with strong westerly winds. The southwest monsoon would aid her for six months in reaching Japan, and she would at all seasons always have the advantage of the Kuro-Siwo, or Japanese gulf stream, which sweeps past Japan as the gulf stream of the Atlantic sweeps past the coast of the United States, its powerful current having been felt as far east as 140° west longitude, although its limits are not yet well defined. If a steamer could make this distance of 4,500 miles, by sail and steam, in twenty days, and carry coal enough for the trip, no deflection from her direct course would be necessary; but in case of stormy weather, especially in winter, the turbulent sea navigators report in these high latitudes would make it a task for a powerful and well appointed steamer. By stretching more to the southward, milder weather and a smoother sea would be found, in a few days' steaming; but more coal would be burnt in contrary winds and calms. Whether any steamers likely to be used in this trade could make such a stretch, with a succession of heavy gales and a confused sea, without coaling, is a question that can only be answered by experience; but it is not probable that any line of steamers would be able to run, without frequently stopping at Honolulu, although it should be their aim to avoid doing so. Commodore TATNALL, in the *Powhatan*, with the Japanese Embassy, in 1860, tried to make the trip from Kanagawa to San Francisco, direct, with coal for twenty-four days, but was obliged, on the twentieth day, to put into Honolulu to fill his coal bunkers. Although compelled to turn back, in this case, by which she lost two days, the *Powhatan* made the trip from Japan to California in thirty days' steaming. In any event, the deflection to Honolulu would not consume more than four days, and in all probability the eastern trip from Shanghai can be made with ease, under favorable circumstances, in thirty days. Sailing vessels sometimes

make it, starting with the fair monsoon, in forty-two days, and some clipper will yet make the voyage in thirty-five. We will allow that small propellers, which are the class at present best adapted for this trade, will be compelled to call at Honolulu for coal, both coming and going.

To recapitulate the advantages possessed by these routes, for vessels with steam as auxiliary:—

In either direction, it would be safe to count on ten or fifteen days of strong and fair winds, in which sails alone would be required, and on six or seven in which little aid would be needed from the machinery.

In the tradewind zone the steady action of the winds, and the equatorial heat, make a favorable current, varying from fifteen to forty miles a day. On the return voyage, the Kuro-Siwo or Black Stream, so called from its dark blue water, like that of the Gulf Stream, runs from the Loo Choo Islands, along the coast of Japan, and northeast toward the Aleutian Islands, with a velocity varying from twenty-five to eighty miles a day, the mean from the Loo Choo Islands to 140° west longitude being about thirty-five miles. On the coast of California there is a southerly set of fifteen miles a day. On both trips, the wind being abaft, the swell of the sea is favorable.

Indeed, there is no other long route in the world where the advantages are so uniformly in favor of the ship. The nearest approach to it is that between England and Australia, a very much longer route, but one on which "auxiliary" steam screws ply with success.

Such being the route, it would be well to consider what kind of vessels are best adapted to it. There is a class of propellers on our northern lakes, starting from Cleveland, of about six hundred tons, which seem to combine all the requisites for this trade except that they have the schooner rig, which will not do for vessels intended to spread every inch of canvas in the tradewinds. Give them the bark rig, with iron masts and spars, and plenty of studding-sail gear, and they are just the thing. The northeast trades blow from east-northeast and east-by-north nearly aft, and do not shift more than a point for days together. After passing the meridian (180°), at certain seasons, they draw more to the eastward, and again blow as steadily at east and east-by-south. These propellers consume little coal, have good passenger accommodations, and their light draft makes them all the better, for after they become unfit for sea service they would be admirably adapted for the Chinese rivers. Their tonnage would do for a beginning. Let them only make regular and tolerably rapid passages, and very soon such a trade would be built up as would call for the largest and best ocean steamers which money can obtain. Whatever class of steamers may navigate the Pacific Ocean, they must, to be economical, be modified to profit by the strong and steady winds which give an advantage, while they last, to the sailing-ship over the steamer.

(To be continued.)

## THE AGE OF GREENBACKS—DEBT AND CURRENCY.

## ARE WE PROSPEROUS?\*

SECTION 1. Throughout the loyal States the hum of human industry is heard, labor is fully employed, human skill and ingenuity are opening new channels of production, new schemes and enterprises are constantly brought forward and prosecuted with energy, trade is active, and money plenty; and, everywhere, in the marts of trade, in the legislative hall, at the stock exchange, and the political gathering, are heard rejoicings over our prosperity.

Remote from the scene of conflict between contending armies, ignorant of the horrors of war, and experiencing but little inconvenience, and, as we think, large profits from its destructive powers, we are living happily under the impression that we are "prosperous," and are, to an alarming extent, indifferent respecting its speedy and successful termination.

2. Our so-called "prosperity" has had the effect to draw off our attention, allay our excitement, quiet our fears, and stupefy our sensibilities relative to the great conflict in which we are engaged; and the principal reason why men do not volunteer with alacrity is because of this delusive prosperity which abounds at home. There is no want of able-bodied men, for our streets are filled with them; but it is because neighbors, friends, and companions are supposed to be making their fortunes by speculations, or because labor is completely supplied with steady employment and high wages, that even the heavy bounties provided do not offer sufficient inducements for men to enter the service. Thus it is that this nominal prosperity, which is, to a great extent, the product of the war, is the proximate cause why war languishes for want of men to fill up its armies.

3. It appears to me, however, that this "prosperity" is, to a great extent, a popular delusion, that it rests upon a fictitious basis, and although presenting to the public mind a specious and plausible appearance, when clothed in its "glittering generalities," it is nevertheless imaginary rather than real, and illusive rather than actual. Believing thus, and entertaining the conviction that the only way to secure prosperity is by securing

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\* The prevalence of erroneous impressions relative to our real condition, the tendency of which is to encourage general extravagance, excessive importations, and a prolongation of the war, has induced me to give expression, in the following, to a few thoughts upon the subject, based, as I believe, upon right principles, for the purpose of correcting popular misapprehension, and arousing the public mind to the consideration of the actual condition of our affairs, the right appreciation of which is so essential to our prosperity as a nation.

In speaking of the North, says Mr. COBDEN: "They are mistaken if they think they can carry on a civil war like this, drawing a million of men from productive industry, to be engaged in the processes of destruction, to spend \$1,500,000,000, they are deluded if they think they can carry on a war like that without a terrible collapse, sooner or later, and a dreadful prostration in every part of the community."

A. W. S.

the speedy and successful termination of the war, it seems desirable that some effort should be made to check the spread of this popular error, and bring the public mind to a more correct appreciation of our true condition.

4. Apparent prosperity generally precedes disaster. In our own history we have experienced severe monetary disasters, the most, if not all, of which have been preceded by great apparent prosperity, the sequel of which proved conclusively that our nominal prosperity was, to a considerable extent, a phantom, as it resulted in disaster to thousands who were deceived by its pretentious appearance.

5. In attempting to correct a popular error, I am aware I have a difficult task to perform; for popularisms, when they are supported by so many superficial appearances, and harmonize so beautifully with our feelings and desires, are with great difficulty overthrown. I approach the subject, therefore, reluctantly. So general is the belief in "our prosperity," its superficial appearances are so fascinating and bewildering, that it seems almost unkind to disturb the tranquil course of thought by endeavoring to look beneath the surface.

6. In what does true prosperity consist? A short and, I believe, correct answer is, in the productive employment of labor. For it is by the labor of the people that all subsist, and, when that labor is actively and productively employed, when the capital and skill of the nation are united with the industry of the country in acquiring the greatest possible amount of produce, then it is that the nation may be said to be truly prosperous, and to become wealthy to the extent of its surplus products. Conversely, it must be admitted that, when a large proportion of people are non-producers, and another large proportion are engaged in unproductive employments, that people cannot be said to be truly prosperous, as it is by the unproductiveness of labor that nations decay.

In dealing with this question, I wish to abstract it from all political relations and associations, and view it, so far as it relates to the wealth and productive prosperity of the country. It is, therefore, material and not political prosperity which we are to examine.

7. According to common report, we have nearly one million men in the service of the Government. These men, with thousands of office-holders, are non-producers, and the value of their labor is an absolute loss of productive capital to the country. Then, we have nearly a million engaged in unproductive employments, or, in other words, the manufacture of the materials of war, which is like the complete destruction of so much capital, so far as any increase of wealth is concerned.

Says J. S. MILL, "By unproductive labor will be understood labor which does not terminate in the creation of material wealth; which, however largely or successfully practiced, does not render the community and the world at large richer in material products, but poorer by all that is consumed by the laborers while so employed."

Our immense armies are, therefore, not only non-producers, but are destroyers and consumers of the capital of the country. And, while other labor produces more than it consumes, these classes produce comparatively nothing, involving a loss to the country, not only of the productive labor of these large classes, but also the losses which arise from waste and destruction of material incident to war.

A vast amount of real capital or wealth is thus withdrawn from pro-

ductive employments, and annihilated. A value is thereby taken from the community without its receiving any in return, and that value is destroyed.

8. Government consumption, therefore, unless spent upon internal improvements, or other useful objects, is destructive of capital, and differs entirely in its character from the consumption of the community; for, in the community, the consumer reproduces by his labor more than he destroys, whereas, the Government, being a consumer and a non-producer, extinguishes the capital it consumes, and reproduces nothing. When speaking of capital I do not wish to be understood as referring to money, for paper money is not capital; but, by capital, I mean the accumulated product of man's industry, available for his support, or which will produce other commodities.

Paper money is simply a medium of exchange for the transfer of commodities from one person to another; and, when the Government calls for a loan, it does not want money, but really wants commodities to consume and to destroy.

"Nations," says J. B. SAY, "never borrow but with a view to consume." He also says, "War costs a nation more than its actual expenses; it costs, besides, all that would have been gained but for its occurrence."

9. Had capital or commodities not been loaned to Government, they would have consumed reproductively, instead of unproductively, and the wealth of the nation would have been thereby increased.

"All material products," says MILL, "consumed by any one, while he produces nothing, are so much subtracted, for the time, from the material products which society would otherwise have possessed."

Labor and industry are, therefore, great promoters of wealth and prosperity, and if we wish to increase our wealth, or attain real prosperity, we must not only have our labor industriously and actively employed, but it must be employed profitably, in producing those material products which are valuable to society.

In spite of all this, it may be said, nevertheless, we are prosperous; for it is apparent to every observer.

10. Now, having discovered some of the elements of true prosperity, let us specify some of the characteristics of this apparent or specious prosperity. In relation to it, Dr. WM. ELDER says, "The knowledge of our immensely enhanced activity in all branches of industry is brought home to everybody in the Free States, by the almost perfect distribution of its benefits."

"It is estimated that the manufacturing industry of the present year (1863), in the loyal States, is nearly equal to that produced in 1860, and when we consider the loss of our Southern customers, who took six times more of our products than all the world besides, such results awaken wonder." Other significant signs of prosperity are said to be the millions of property liberated from incumbrances, the large increase in number of depositors and deposits in the Savings Banks, the abundance of money, and property on the rise.

The above are some of the prominent indications of this prevailing prosperity.

11. Now, considering the character of a gigantic war, in its consumption of products, its immense destruction of material, and its consequent enormous expenditures, it cannot be considered very surprising or won-

derful that the remaining labor should find employment, and that nearly all branches of business should experience "enhanced activity." Hence, before adopting the conclusion that all this manufacturing industry and apparent wealth is proof of our prosperity, it would be well to examine into its causes and results.

The great primary cause is the demand of the Government upon the farmer, the woolen manufacturer, the ironmonger, the papermaker, the tanner, and other artisans and producers, too numerous to mention, for the supply of a large army in the field, and a large army of public officials out of it, which inevitably furnishes a constant stimulant to traffic, the effects of which are felt throughout the whole fabric of society.

It is thus that the loss of our Southern customers, who were producers, is made up. An army of government customers, who are non-producers, have taken their places at the marts of trade; and hence, instead of obtaining *products* in exchange for our commodities, we are receiving *debt*, or mortgages upon the property of the people, and this is called prosperity.

That the expenditure of hundreds of millions of dollars per annum, with the withdrawal of a large army of laborers from productive employments should stimulate industry and "enhance its activity" is not, therefore, a matter of so much "wonder;" while the assertion that such a condition of things is an evidence of prosperity must be a great error of judgment.

For instance, suppose a nobleman, possessing a large estate, occupied by one thousand laborers, should authorize his son to withdraw a considerable portion of them from their productive employments to indulge in idleness, while another portion were engaged in the manufacture of materials which those indulging in idleness destroyed, we should readily perceive that the remaining portion would be actively and industriously employed in providing for themselves and for the large body of their fellow-laborers withdrawn from productive employments. Then suppose the son to be short of money, and, by an agreement and with the indorsement of his father, is allowed to issue promissory notes and bonds to sustain his prodigality,—could that estate be termed prosperous? Would it not be a specious or imaginary prosperity, because created and sustained by debt? Is it not, in some aspects, a fair illustration of our position? Is not this gigantic war, and its consequent enormous expenditures, by promises to pay, the mainspring of our present national industry? And is not this national industry created and sustained by debt?

12. That this war, and consequent war debt, is the mainspring of our present national industry, and the symbol of so-called prosperity, I need only refer to the able Report of the Bank Commissioners of Massachusetts for 1862, who, after a thorough investigation, say, "It becomes necessary to show the effect of the war on the business of the Commonwealth:—

"At the breaking out of the rebellion, it was feared that the business of the country would be entirely prostrated, and the banks, which make their gains out of the activity of trade, expected to be the greatest sufferers. Neither of these fears has been justified by the event. Seldom, if ever, has the business of Massachusetts been more active or profitable than during the past year. *The war has brought into activity many*

mechanical employments for which there is little occasion in time of peace; such, for example, as the manufacture of arms and ordnance, camp and garrison equipage, saddlery and artillery harness, and military clothing and accoutrements. It has also greatly stimulated the manufacture of boots and shoes, and of woollen goods; while the subsistence of the army has furnished a constant and remunerative market for bread-stuffs and provisions. There is hardly a branch of domestic industry which has not been actively employed. \* \* \* \* Nor has the condition of the operatives deprived of their usual employment been materially impaired. So great has been the draft upon the male population to fill the army that there has been an unusual demand for men's labor in other directions, while female operatives have found occupation in the manufactories of clothing, etc.

"The railroads of the Commonwealth were never more profitably employed, and they have made larger dividends, and their stocks have borne a higher price, than at any former period. The vast grain crops of the West have sought a market on the seaboard or in foreign countries, and having been deprived of their usual water-carriage by the closing of the Mississippi have poured through the canals and over railroads leading to New York and Boston. The carriage of troops and army supplies has, also, furnished a considerable business, even to the New England roads, while those of the Middle and Border States, leading toward the seat of war, have been completely occupied with the new traffic.

"The loss of the cotton crop, and the closing of the seaports and great rivers of the South seemed likely to destroy the occupation of our mercantile marine; but here, again, new channels of business have arisen, and anxieties have been dispelled. The necessity of transporting great bodies of troops from point to point along the seaboard, and of furnishing them subsistence, has called into the service of the Government a vast fleet of transports, for the hire of which the owners have received rates of compensation greatly exceeding the ordinary profits of commerce.

"Every steam vessel, capable of navigating either the ocean, or harbors and rivers, has been thus employed; and many more, previously regarded as worn-out, and no longer seaworthy, having been flimsily repaired, and made to pass through a hasty and corrupt inspection, have gone out laden with valuable property, or invaluable lives, to be wrecked or rescued, as the chances of weather or as skilful seamanship might determine. The shipyards, both public and private, have been worked to their utmost capacity, in the construction of iron-elad gunboats and other vessels of war; while machine-shops, rolling-mills, and foundries have been equally busy in building their engines, rolling their armor-plates, and casting their guns. Nor has foreign commerce greatly declined, the grain trade and the imports of munitions and arms having come in to supplement the loss occasioned by the detention of cotton.

\* \* \* \* IN EVERY DEPARTMENT OF LABOR THE GOVERNMENT HAS BEEN DIRECTLY OR INDIRECTLY THE CHIEF EMPLOYER AND PAYMASTER."

Such is the decision of our Massachusetts Bank Commissioners, that it is debt, national debt, the consumption and destruction of so much of the capital of the nation, which amount—an incumbrance upon the property of the people—has produced this industrial activity.

13. Whereas, in former times, every addition to the stock of one man's

produce created a demand for another man's produce, and that was the constant stimulant of national industry and wealth, now a new element in political economy has been discovered, in which nearly every addition to the stock of one man's produce creates a demand for government debt.

Industrial activity, created by running into debt, is thereby termed a prosperous condition. To me, however, it seems far otherwise; as it partakes of a somewhat similar character to that of the father, whose son, a spendthrift, squanders his father's fortune, burdens his estate with debt, thereby annihilating so much of his father's capital, to the loss of its productive employment.

14. Debt is not and cannot be a healthy stimulant to prosperity, unless the amount of that debt has been spent in production. And if our national industry is the offspring, to any considerable extent, of the war which has created our great national debt, as all thoughtful minds must admit, such a condition of things cannot, with any semblance of truth, be termed prosperous.

If the rapid increase of debt—which is, to a great extent, the destruction of capital, and a mortgage upon the property of the citizens of the United States, for the payment of which their estates stand pledged—is the normal condition of prosperity, then indeed are we prosperous.

But, if prosperity consists in the productive employment of labor, the payment of debts, and the economical employment and accumulation of capital, then it cannot be said that we are prosperous.

15. It is therefore necessary that, as a people, we should remember that no real prosperity can exist, and that the impoverishment of the masses of our people must ensue, unless this war is brought to a speedy and successful termination. Says RICARDO, "It is by the profuse expenditure of government, and of individuals, and by loans, that a country is impoverished."

16. The prevailing blindness to our real condition is not, however, the result of the industrial demands of war alone, but it has been greatly promoted and fostered by the issues of a paper currency, and a bonded debt by the Government. And this brings me to the consideration of our National Debt and Currency.

#### THE NATIONAL DEBT AND CURRENCY.

17. Our national debt is an almost complete annihilation of capital; nearly its whole amount having been withdrawn from productive employment, it stands to-day a mortgage upon the property of the people, the interest on which must be met by taxes paid by the people.

That we have abundant ability to sustain the burden of a large national debt, I have not the slightest doubt. That a debt, of reasonable proportions, distributed among the people, would have the tendency to unite us more compactly and steadfastly as an undivided nation, I believe susceptible of proof. And that Mr. CHASE, the Hon. Secretary of the Treasury, has played his part with admirable shrewdness, tact, and skill, I fully believe.

Nevertheless, I am of the opinion that debt created by war, and consequent destruction of capital, cannot result in the material wealth and prosperity of the nation, whatever specious appearances it may possess. If, however, the hundreds of millions of capital destroyed and debt created had been spent in improving rivers and harbors, the construction of

railroads, the widening of canals, the advancement of learning, and the encouragement of science, all of which would have been a productive expenditure of capital, then indeed should we have been enabled to rejoice in our prosperity as a people, and in the brilliant position we should have attained among the nations of the earth.

It is often said, England is prosperous; she sustains a large debt, and so can we. This is all very true; but we know not to what higher degree of prosperity she might have attained, had she not been burdened with debt; for, with all her prosperity, the masses of her people are impoverished.

“The poor of Great Britain,” says JOSEPH KAY—than whom no one is more competent to express an intelligent opinion—“are more depressed, more pauperized, more numerous in comparison to the other classes, more irreligious, and very much worse educated than the poor of any other European nation, solely excepting Russia, Turkey, South Italy, Portugal, and Spain.”

We do not, therefore, want to imitate England—far from it, for there the rich grow richer, and the poor poorer—but we desire to raise the masses of liberty-loving Americans to a higher level, and to a more prosperous condition, rather than oppress them with a burden of government taxation, which, in all nations, inevitably falls directly and indirectly upon the poor and producing classes.

18. Our national debt, although for a noble purpose, has been contracted through the deceptive character of a paper currency, without the reception of an adequate value. The increased prices of commodities produced by paper issues have very much enlarged it. The nation has been in fact, an immense borrower of a depreciated currency, which it agrees to refund in specie. In other words, we are borrowing commodities at high paper values, which are fifty per cent premium over their specie value, and agree to pay for them in specie. Our debt is therefore undergoing a rapid increase; because we thereby agree to pay \$150 in gold for every \$100 we receive.

19. The doctrine of the celebrated JOHN LAW was, that money was the cause, and not the effect, of wealth; and he favored large issues of paper money, as the high road to wealth. He tried the experiment, and met with complete disaster.

In our day, there are thousands who believe and advocate the same doctrine.

There is a general impression that the more paper money issued, the better; and the idea is commonly entertained that the more of it we have, the more wealth we possess. In some quarters, it is asserted that there is now an actual necessity for an additional issue of legal tender currency. Thus, the public mind appears confused by the deceptive character of our paper currency.

20. The issue of legal tender currency was, on the 30th of September, \$420,503,107, and the national debt, inclusive, \$1,222,113,559 80, which debt must be very considerably increased by outstanding claims against the Government.

21. Our paper currency consists of two kinds, one of which rests upon confidence, and the other upon authority. If we would preserve its value at par with coin, the quantity issued must conform to the amount required by the country to circulate its property and products at average

specie values ; otherwise, it will be depreciated, or appreciated, as it is increased or decreased above or below its just proportion.

22. Money is properly a medium of exchange for the transfer of property between man and man ; it represents and measures values, and facilitates the exchange of products, and is endowed with legal power to represent actual value. Every nation requires a certain amount of money sufficient to make its exchanges, transfers of property, and circulation of commodities, and it is graduated or distributed among them in accordance with the general law of supply and demand regulating all values.

“Gold and silver,” says RICARDO, “having been chosen for the general medium of circulation, they are, by the competition of commerce, distributed in such proportions among the different countries of the world as to accommodate themselves to the natural traffic which would take place if no such metals existed, and the trade between countries were purely a trade of barter.” There is then, we may say, a general level of values, which are moved by the metallic circulating medium of the world. And when any one nation, by any method, increases its circulating medium, the values relatively remain the same, but the prices become enhanced, and those prices in specie-paying countries check exports, while they increase imports, and turn the balance of trade against the country, until, by the exportation of specie, and consequent reduction of the currency, the circulating medium is restored to the general equilibrium.

23. In countries where the currency is exclusively paper, the effect is somewhat different ; in those countries the values remain the same, and prices become greatly enhanced, but they do not have the same effect upon imports and exports, because, as prices advance, the currency is inversely depreciated. If, therefore, the currency depreciates as rapidly as prices advance, as manifested in the premium on gold, then, although at higher prices, the values of gold and commodities are preserved at their just equilibrium, and scarcely any effect is produced upon either exports or imports.

24. Almost universally among the civilized nations of the earth, gold and silver have been selected as the standard measures of value for carrying on their relations, because, of all commodities, they are the least fluctuating in value. Gold has a recognized and stable value throughout the world, which value is determined, as a general rule, by the cost of production ; and the direct tendency of this metallic commodity and currency is to distribute itself where it is most wanted ; thus preserving the general level of value between the whole ocean of currency and other values. In order, therefore, to ascertain the condition of our currency, or the currency of any people on the face of the earth, it must be tried by that standard. Bank notes, paper credits, and government currency are not commodities, and have no intrinsic value, and their marketable value must therefore be tried by the generally recognized standard of value.

25. To prevent depreciation, paper money must be so regulated as to keep it in the same condition, in regard to amount and value, in which the medium of exchange would exist, were the circulation purely metallic.

When specie payments were suspended by the Bank of England, in 1797, the value of paper currency was maintained for several years, because the issues of paper were regulated with reference to the indication of exchanges or the price of gold.

26. If there was perfect security for the issue of paper money in only such quantities as would preserve its value relatively to the mass of currency and values throughout the world, it would never suffer depreciation, and would be of great advantage to the public. But no such security can be given; the production of it is too easy and simple a process, and the temptation, when in want of money, too strong to restrain the issue. Hence the instability and unsatisfactory character of paper currency.

27. The large issues of paper money by our Government have enhanced prices, but have not produced any augmentation of value; yet, because of the general rise in prices, a popular impression prevails of a large increase in wealth. The prevailing opinion seems to be that a general rise in prices is indicative of increasing wealth, whereas, nothing is more absurd. Price does not create value. Neither can legislative enactment. "Value," says MILL, "is a relative term. The value of a thing means the quantity of other things which can be obtained in exchange for it." "By the price of a thing we understand its value in money; by the value or exchange value of a thing, its general power which its possession gives in the purchase of other commodities." "There may be a general rise in prices, but there cannot be a general rise in values."

If there is a general rise in the money *prices* of all things, it cannot make the slightest difference as to the wealth of the community, because their exchangeable value, or relation to one another, must remain precisely the same, although it may take more money to effect transfers. The great principle to be constantly borne in mind is, that the *value* of capital is the essential thing, and constitutes the wealth of society. If half our currency was swept away, the nation would not be any the poorer. With our present large issues of paper currency, values circulate at high prices, but, as a general thing, one product will not exchange for more of another than it would on the old specie basis, which proves that real *value* remains the same, while the variation in *prices* is caused by an alteration or depreciation in the value of money. But why call it a depreciation in the value of paper money, I may be asked.

28. Because paper money will not purchase as much of the commodities of life as the same amount of our former currency would do, which, after making all reasonable allowances for other operative causes, proves that money has lost its purchasing power, and become depreciated. If we take the two articles of consumption, sugar and coffee, we find, after deducting the additional duty, that the advance in price has been considerably over fifty per cent. It consequently takes \$150 in paper currency to pay for the same amount of those products procured by our old currency, or the currency of the world, for \$100, while the value of sugar and coffee holds its same relative proportion to each article. With two pounds of sugar one could procure one pound of coffee, under our old specie currency, as they now can under our paper currency. Our currency, therefore, has been unduly increased and depreciated, while values have not been in the slightest degree affected. The paper price and imaginary value of one hundred barrels of flour is nine hundred dollars, but with specie at fifty per cent premium its exchangeable value is only six hundred dollars; therefore, one hundred barrels of flour will pay for only six hundred dollars worth of foreign produce which we consume, and for

which our flour is exchanged. Hence, its real value consists in its exchangeable value of six hundred dollars, and not in its paper, fictitious, or its imaginary value.

29. There are only two ways by which a currency can be depreciated. If metallic, by a debased or degraded coin, or a redundancy of gold; if paper, by loss of confidence, or over-issue. Gold, being a commodity, has its value based as a general rule, like all other values, upon the cost of production, and when redundant in one country, its price, being fixed, remains unaltered, while the prices of all other values have advanced; therefore, gold, being the most valuable at its price, is taken in preference to other values which bear a high price, for exportation. Paper, however, when issued in excess, having no intrinsic value, does not rise relatively with other articles, and, though the price remains unaltered, is not wanted for export.

30. Hence, the excess of paper money in the United States never goes out of it; but is kept in constant circulation; it cannot be returned to the issuer for redemption, but must be pressed upon the market, and passed from hand to hand; and, as it is not desirable for its own sake, but only for what it will accomplish, every holder is desirous of employing it in the purchase of something of value. It acts, therefore, as an originating cause of speculations, and the activity of circulation engendered has the direct tendency to enhance prices and foster extravagance.

Says TOOKE, "Additional currency, in whatever way it comes into circulation, must eventually raise the price of commodities and labor."

31. A certain amount of circulating medium is demanded, and no more; when that amount is exceeded, its value is diminished, because it requires more of it to make exchanges, and is not therefore worth as much as before. Money controls or commands capital, and the more or less capital a certain amount of money will control, demonstrates its value. If the amount of money is so profuse, by the introduction of a paper currency, that it takes fifty per cent more to buy with paper what one could buy with gold, the currency of the world, it seems to me the depreciation of the currency must be manifest. As an illustration of depreciation, simple and to the point, let us take the case of any man who laid by one hundred dollars of our old currency; could he not to-day, with that, buy one hundred and fifty dollars' worth of any commodities as valued by our present currency? Will any one say, then, that one hundred dollars of our present currency is worth as much in real value as one hundred dollars of our old currency? No. Has it not then depreciated? Money having a legal nominal price, which is invaluable, any depreciation in its value must show itself in the enhanced price of commodities. In California, however, where gold is current at par, the depreciation is seen in the price of legal tender.

"No government," says SAY, "has the power of increasing the total value of money otherwise than nominally. The increased quantity of the whole reduces the value of every part." Says P. WEBSTER, in relation to vain endeavors to increase the value of money by paper issue, "I have known people who had not milk enough to water it, but the nutritious particles of milk were not increased thereby. I have known children to change their pistareens to coppers to gain a greater heap of money; in these cases the *substance* was wanting; the *show* though increased was delusive."

"Any further increase," says MILL, "of paper beyond the amount substituted for a metallic currency is but a form of robbery."

"A circulation can never be so abundant as to overflow," says RICARDO ; "for by diminishing its value, in the same proportion, you will increase its quantity, and by increasing its value, diminish its quantity."

32. While Secretary CHASE, as I have just noticed in his report to Congress, entertains somewhat similar views, relative to depreciation caused by increase of the circulating medium, expressed in these words: "Such addition tends inevitably to depreciation, and depreciation, if addition be continued, will find its only practical limit in the utter worthlessness of the augmented mass," yet, he seems to question the representation that any "large measure" of the increase of price is attributable to the existing amount of circulation.

With all his attempted explanations, however, he is very cautious in his statements as to what proportion of the present enhanced prices is properly chargeable to our depreciated currency, and goes on to say, that "much the greater part of the rise of prices, not accounted for by other causes, as well as much the greater part of the difference between notes and gold, is attributable to the large amount of bank-notes yet in circulation." And then, after giving the following excellent advice, viz: "all proper measures should be adopted to hasten the return to the normal condition of prices and business"—he urges the further establishment of national banks.

33. It seems to me our Honorable Secretary is in this matter very inconsistent. For, in the first place, he says addition to the currency tends to its utter worthlessness. 2d. That bank circulation is the cause of the greater part of the depreciation between notes and gold. Then, after giving wholesome advice about returning to the normal condition of prices and business, he turns about and urges the further issue of bank circulation by the establishment of national banks. He is really an advocate, therefore, by other instrumentalities, of the same results which he deplors. Suppose, for instance, our State banks were converted into national banks, would their circulation be thereby decreased? Not at all; their bills, instead of being furnished by themselves, would be provided by the government, and their circulation would be increased rather than decreased, because their bills would have an additional currency, being current for all government dues excepting duties on imports, and for all government debts except interest on bonded debt; and, with the currency of their bills increased, their circulation could not fail to be augmented. But, not only does the Honorable Secretary wish State banks to adopt the new system, but he desires to establish other banks throughout the country, the effect of which would be to increase bank circulation and foster speculation, bringing about the very disastrous results which he deplors.

34. Our present bank circulation, however, is not, in my opinion, the cause of the difference between notes and gold. That assumption is entirely unsupported by any good or sufficient reason. Mr. CHASE says, with great truth and accuracy of statement, "that the currency cannot be materially augmented without evil consequences of the worst character." In order, therefore, to ascertain from what quarter evil consequences have proceeded, we must ascertain from what source the increase of our currency has been derived. According to our returns nearest January 1, 1861, the bank circulation of the loyal States was \$140,000,000, and

nearest January 1, 1863, \$168,400,000, an increase of only about \$30,000,000, which amount is at the present time decreased, and does not equal the amount of government legal-tender notes, now withheld by the banks, as a basis for their own circulation.

35. Within the same time, the government has enlarged the volume of currency by adding over \$400,000,000, which shows conclusively that the "material augmentation of the currency," productive of these "evil consequences," has been derived from the government.

36. But, because of the "evil consequences" arising from a depreciated currency the Honorable Secretary seeks to throw upon the State banks the odium thereof, and says: "Were these bank-notes withdrawn from use, it is believed that much of the now very considerable difference between coin and United States notes would disappear." That is true, very true; but would not the same principle apply with equal force to the contraction in the issue of legal-tender, to the same amount? Certainly. Of this there can be no question. The reduction of the currency to the amount of \$200,000,000, whether by the withdrawal of bank notes or legal-tender, must increase the value of the remaining currency, and cause "much of the difference between coin and notes to disappear." Its natural effect would be to cause a decline in the prices of all values, including gold, because gold is a value; and the reason for the decline would be, because the amount of money being \$200,000,000—smaller than before, with the same values to circulate, those values must, in the very nature of things, be reduced in prices in order to be circulated by the remaining money; and this decline in prices would demonstrate the increased value of money, because a certain amount of money would command more of commodities or values than before.

This vital principle, namely, that by diminishing the quantity of currency we increase its value, and by increasing the quantity we decrease its value, appears to be acknowledged and approved by Secretary CHASE. Still, notwithstanding his assent to its positive truth, he persists in advocating the establishment of national bank circulation, thereby increasing the quantity of currency and decreasing its value, which, according to his own reasoning and belief, must be productive of evil consequences.

37. It is apparent that consistency, as well as the public welfare, requires the suppression of all bank circulation, both State and national. For, as Mr. CHASE says, "it is believed, were State bank circulation withdrawn, much of the difference between notes and coin would disappear." Now the same principle applies with equal force to national bank as to State bank circulation; consequently, if the suppression of State bank circulation would be productive of such happy effects, then certainly the public welfare demands the suppression of all other bank circulation, and the immediate discontinuance of all projects calculated to create it. One class of circulation should not be suppressed for the creation of another, as no advantage would be gained, and all good effects would be neutralized; but both classes should be suppressed, and our banks, both State and national, become simply banks of deposit, and allowed to circulate nothing but the legal-tender currency of the country.

38. If we ever return to the "normal condition of prices and business," it must be through the reduction of the circulating medium, brought into just relations to the circulating value of the metallic currency of the world. This reduction can be accomplished by two methods. One, the with-

drawal or suppression of a portion of it; the other, the introduction of it into the Southern States, where it is now shut out. The entrance of a portion of it there, to circulate their values, would evidently reduce the amount circulating in loyal States, and the same effect would be produced on prices in both cases. Hence, if we are successful in suppressing the rebellion, and open the country to the circulation of our currency in the transfer of values, then the currency existing here, in the loyal States, will be reduced by precisely the amount required to circulate values in the Southern States, and prices of gold and other values will decline, in consequence of the reduction of the currency, compared with values circulated, until those prices are brought to their proper level, as measured by the reduced volume of paper currency. But those prices will not be brought to their "normal condition" unless the whole volume of currency shall stand *reduced* to its just proportions relative to all values, or, to the same amount as it would be, were the currency of the country gold and silver. And unless it be so reduced by one of these two methods, its value must continue to be depreciated below that of our neighbors, or what is the same thing, redundant compared with the currency of other countries; which depreciation is measured to a great extent by the price of gold.

39. Speculations and loss of confidence in our finances do of course produce their effect upon the price of gold, causing more or less variation, sending it sometimes higher, then by reaction lower, than its relative paper value to all other commodities; but as a general rule it marks by its average price the depreciation of paper. If paper is not depreciated to the amount of the average premium on gold, why should gold move out of the country, at so high a price?

In the present currency our products bear an inflated paper or fictitious value; and after the premium on gold is subtracted, they are of no more real or intrinsic worth than gold. Consequently, legal-tender is depreciated to that extent. If our products were much cheaper than gold, after deducting the premium on gold from their currency prices, it is evident the exportation of gold would cease.

40. That the prevailing high prices of all commodities is wholly attributable to depreciation, no one pretends to assert. For, the comparative state of demand and supply is known to be one of the prominent operative causes in prices. This is seen especially in the two leading articles of cotton and wool. The short supply of cotton has greatly enhanced its price, and the great demand for wool, in consequence of a short supply of cotton and other causes, has greatly increased the price of wool. Nevertheless it is apparent that these articles, whatever may be their prices, are just so much higher in legal-tender notes, as those notes are lower than our old specie currency.

41. Supply and demand have their effects on prices the world over, and if we are engaged in a war, and are large consumers of certain articles, those articles in foreign countries, unless their importation or exportation is restricted, feel the effect of it, and are affected in price, there as here, from the same causes; but, over and above that cause and every other operating upon prices universally, there is one cause which creates a large difference in the prices of the same values, between those in our own and foreign countries. For instance, two hundred pounds of cotton are worth in Boston one hundred and fifty dollars. In Liverpool, the same value,

two hundred pounds of cotton, are worth one hundred dollars. Now, the same causes with one solitary exception, which have operated to carry cotton up in Boston, to one hundred and fifty dollars, have carried it up in Liverpool to one hundred dollars, and that, the circulation in Boston of a large issue of legal-tender notes; hence, we may say with confidence that the difference in price of fifty per cent., must be caused by a depreciation of our currency.

And that depreciation manifests itself throughout the whole range of money prices, at about the same ratio, whether high or low. According to the *Merchants' Magazine* for November, there are fifty-five articles upon the Prices Current, which show a rise since 1861 of eighty-one per cent; in the same time, the rise of the principal railroad stocks has been one hundred and thirty-nine per cent. These enhanced prices are partially owing to increased values, common throughout the commercial world, while the remainder is owing to the existence of a depreciated currency.

42. Some of the effects of enhanced prices are seen in the record of the Clearing-House in New York and Boston. The Clearing-House, it is understood, is where the total amount of payment to be made by each bank is set off against the total amount to be received by each from other banks, every day, and the balance only paid in money. These clearings, therefore, indicate the amount of money transfers of property made by bank deposits, from day to day, although they do not cover those made from account to account in the books of each bank.

In New York City, the clearings per day were, in 1857, \$26,968,371; in 1858, \$15,393,735; in 1859, \$20,867,333; in 1860, \$23,477,737; in November, 1861, \$19,590,177; in November, 1863, \$76,573,118. In Boston, November, 1861, \$3,715,969; in November, 1863, \$8,545,813.

Here, it appears, taking the highest average in the year 1857, when speculation was rampant, and the expansion of the currency had inflated prices, and brought upon the country a monetary crisis, that the circulation of values, or the transfer of property, now takes three times the amount in our inconvertible paper currency which it then took in a convertible currency.

To move commodities or values transferred by high paper prices, bank deposits also are largely increased, as will be seen below.

The deposits in New York City banks, in 1859, were \$76,665,092; in 1860, \$79,716,004; in 1861, \$83,252,466; in 1862, \$112,195,094; in 1863, \$138,195,914. Deposits in Boston banks, in 1861, \$24,760,563; in 1863, \$32,371,254.

It will be observed that the amount of clearings before the issue of legal-tender notes was not so great in proportion to the amount of deposits as it now is, by one hundred per cent; which indicates that a lack of confidence in the circulating medium as a value, or a more than ordinary desire to turn whatever money is possessed into productive employment has greatly increased the circulation of deposits.

43. Paper money freely issued has largely augmented the volume of circulating medium, and raised its level, here, there, and everywhere it circulates. The quantity having been increased, all commodities or values circulated by it bear their proportion as to price, by partaking of the "augmented mass;" then prices being enhanced, deposits and clearings must be increased, and the whole superstructure of trade, business, and values adjusted to the new level of currency.

44. The over-issue of paper money by the government has been a most expensive undertaking. Not that it costs anything in itself, for it is an easy and fascinating process, to pay debt, by creating debt. So easy, that it is said, a member of the Continental Congress once exclaimed in debate, "Do you think, gentlemen, that I will consent to load my constituents with taxes, when we can send to our printer and get a wagon-load of money." It is also reported of a patriotic old lady, that she considered it a shame "that Congress should let the soldiers suffer, when it has power to make just as much money as it chooses."

Yet, although so easy, it is a most expensive process; it costs the government vastly more than they save in interest; because, by being obliged to pay increased prices for all it consumes, its debt is increased with much greater rapidity than it otherwise would be. It virtually receives but seventy dollars in value for every one hundred dollars it agrees to pay. In other words, it agrees to pay in the currency of the world one hundred dollars for every seventy dollars it borrows; because in that currency it could buy, for less than seventy dollars, the very same value for which it pays one hundred dollars in paper, or legal-tender.

Thus the national debt is largely increased without any additional value being obtained, which increases the taxes and throws the burden upon the people.

The effect of the issue of paper money has been likened to insensible perspiration, which weakens the body, and wastes the constitution before the patient knows he is sick; and it is said, a man possessing a great bundle of it is apt to be cheated, in spite of his convictions, into an opinion that he is richer than he is, and led into extravagant expenditures by the delusion. There is a great deal of truth in those statements; and although our government may not feel its weakness, nor the people their burden, owing to its strong constitution, and the illusion of a paper currency, yet, unless there is a contraction, rather than an expansion of our currency, those results are inevitable.

The depreciated currency has not only increased the government debt and taxes upon the people, but it has been severely felt by the prudent, industrious, and economical portion of our people, especially by annuitants, and salaried men; and their income in consequence of it, has been virtually reduced one-third. While the better class of citizens have suffered, by the depreciated currency, all money debtors have been enabled to pay their creditors in a sum of money really less than the fair claims. There are thousands of our citizens, however, who are really sufferers by the depreciated currency, who are entirely ignorant of it; they look over their stock of goods, or other property, and cast up the amount, as estimated in paper prices, with evident satisfaction; and, in consideration of large profits, spend their earnings and live extravagantly; but, when that day comes, as come it must, and these enhanced paper prices vanish, as the bubble breaks, then they will have a glimpse of their real condition, and will conclude that all is not prosperous that appears prosperous.

45. It is often asserted that no more paper has been issued than the wants of commerce require, that it is *all* employed and there are calls for more. We have no doubt that at the present high prices of all values, the currency is all wanted; but it is also certain that if *more* were issued, *more* would be required, as prices would advance proportionally. "The wants of customers," says Lord OVERSTONE "never check issues; they are

absolutely illimitable in the nature of things; money is wanted by everybody to any amount."

It is impossible to satisfy the craving for money, so long as there is in it the slightest power to purchase values. When the Continental Congress "poured out their currency like water," says Mr. FELT, "they perceived with anguish that its nominal abundance diminished its real value, and left the vacuum of want unsupplied, whose sound continually came to their ears, like a warning curfew, and whose cry increasingly was, give, give."

No, the desire for more money is no proof of the necessity for it, for that desire would continue, until it took \$1,000 "to pay for a breakfast;" and would increase as the value of money decreased.

46. Any increase of the now greatly expanded volume of currency, whether by the issue of legal-tender or by an additional bank circulation, will only intensify the cry, which we now hear ascending from all quarters—from mechanics, soldiers, clerks, and artisans, for a further increase of wages and salaries, the tendency of which will be, in the words of Secretary CHASE, "an extravagant increase of disbursements and an aggravation of the evil."

47. Instead of increase, the welfare and best interests of government and people demand a decrease. A contraction of the currency would result in saving the people from the burden of a large increase of debt and taxes, and reduce it to the "normal condition of prices and business."

Mr. CHASE suggests it in one sentence, but, alas, in the next, proposes again to augment it by the establishment of a national bank currency.

48. To accomplish so desirable an object, bank circulation, both State and National, should be suppressed, and a reduction of the issue of legal-tender ensue, until the currency is brought to its normal condition, or at par with the precious metals. The currency of the country, so long as this war is in progress, should be confined exclusively to *legal-tender notes*; as the government is entitled and should possess whatever benefits may be derived from the supply of a circulating medium, but the volume of that currency should certainly be reduced to its proper level, which is at par with gold.

49. What the country is really suffering for, is a currency which possesses a fixedness of value; to attain that, it is essential that there should be a fixed, positive, and permanent amount of currency—an amount which cannot be increased or tampered with by further issues of tender, interest-bearing notes, or national bank circulation—an amount, whatever may be the sum total, which shall represent in itself a certain percentage of real value, thereby furnishing stability to prices. Then values, having assumed their relative proportions to the circulating medium, would no longer be affected by it, but would circulate at steady though high prices, or only as they were moved by causes operating universally.

50. Our government has assumed a fearful responsibility, in the increase of the circulating medium by the over-issue of paper; it is a power that has always been abused, whenever and wherever exercised, generally resulting in disaster. When once the power is assumed, it being so easy to print paper, and impossible to create value by enactment, over-issue is inevitable; money becomes depreciated, and values unsettled throughout the nation.

51. To-day our Honorable Secretary of the Treasury, Mr. CHASE, holds,

to a great extent, this power of issue—which he has received from the government—in his own hands. He has within his grasp the scale of value, the graduation of which he can vary at pleasure. It is a vast, responsible, and momentous power, of too great proportions, and weighty with too many precious interests, to be intrusted to the guardianship of any fallible man. Such is his power, that, by the retention and issue of currency, he can carry monetary prices up or down at will. He can impoverish or enrich, create or destroy, at pleasure.

It is fortunate for the country, however, that our present Secretary is a man of so much sagacity and possesses such a high and honorable character. For it is by his prudence, foresight, and good judgment that we have been preserved from plunging still deeper into egregious folly.

Whatever may be Mr. CHASE'S virtues, it is nevertheless one of the great evils of an inconvertible paper currency that it places in the hands of any one man such tremendous power; for we know not who may succeed him.

52. We are now apparently prosperous; our financial machinery is running smoothly; the paper mills are at work and are making certificates of debt, which the people take for their products; our currency is one of debt, and that we are passing from hand to hand for values at high debt prices; we are, in fact, submerged in debt; it is over, around, and about us, the debt of towns, cities, counties, and of the nation, but as it presses like the atmosphere with such equality upon our system we feel not its pressure.

53. Persons under water, having tons of it over their heads, feel not its weight; and it is only when they come out, and attempt to raise a portion of it, that they become aware of its ponderous character.

Thus it will be with our people when they attempt to extricate themselves from their present position; they will then begin to realize for the first time their burdened condition.

We are apparently prosperous, but when we return to specie payments, these imaginary paper values which everywhere prevail will be destroyed, and the people will discover that they were not really prosperous, but were much poorer than they had anticipated; and they will then be convinced that wealth consists in the abundance of commodities money will procure, rather than in the amount of money that commodities will command.

## OCEAN STEAM NAVIGATION.

## GREAT BRITAIN VS. THE UNITED STATES.

THE subject of ocean steam communication between the United States and the countries of the world is at present attracting great attention. A memorial of the New York Chamber of Commerce has recently been presented to Congress on this subject, representing and showing the importance of some legislation on its part in aid of steamship lines. Special legislation to promote any particular class or trade at the expense of any other, most certainly should not be thought of; but where the benefit is so evident, not to a class but to the country, it clearly demands the serious attention of all interested in the country's welfare. For instance, if it can be proved that the establishment of a line of steam vessels between Brazil and the United States will develop the resources and add to the wealth of the nation, and at the same time increase the revenue of the Government, clearly any reasonable compensation the Government might pay for the conveyance of the mails, would be a safe and wise investment. Some may think that the present is not the time to incur new obligations—that when our debt is increasing so fast our means should be husbanded. This is true as a general proposition, and yet is not this saving policy sometimes foolish—in saving the penny may we not sometimes loose the pound? Thus, in this case, we think we are loosing much by our inaction, and propose to prove it, by instituting a comparison between the commerce of the United States and Great Britain, and showing that the growth of the commerce of each country is the effect of ocean steam communication. Wherever we have established a line of steamers increased trade is at once the result, and the gradual but steady increase in the commerce of Great Britain over our own, even with nations which are our neighbors and natural allies, is tracable directly to the greater inducements she has held out for the establishment of steamship lines. Mr. STEVENS, in his report, well says that the power and wealth of nations is, in this century, subjected to a new measure, the measure of steam, and the commerce of nations has increased or diminished as they have availed themselves of or neglected this great agency of civilization.

To show the difference in the encouragement given by these two nations, and the effect it has had, we propose, first, briefly to examine the American and English legislation on the subject, and then to show what lines have been established, and finally to give the trade with Great Britain and the United States, of some of the American nations to which lines have been established; and in doing this we have availed ourselves of much of the material so well prepared by Mr. STEVENS, Secretary of the Chamber of Commerce in his very excellent report.

## THE AMERICAN SYSTEM OF STEAM NAVIGATION—CONGRESSIONAL LEGISLATION.

The American system of ocean steam navigation dates from the year 1846.

For some years prior to this period, efforts had been made to establish lines of steamers, with the aid of Congress.

In 1841, Mr. T. BUTLER KING, of Georgia, at the extra session, made a report from the Committee on Naval Affairs, urging the passage of a bill for the establishment of a home squadron, which was passed, and appended to it was a resolution directing the Secretary of the Navy to advertise for proposals for the establishment of lines of mail steamers similar to the British lines, to run to some European ports, and also for a line from some of the Northern to some of the Southern ports of the United States.

By the act of Congress passed 3d of March, 1845, the policy was inaugurated of contracting for the transportation of mails to foreign countries, under the direction of the Postmaster-General; all such contracts were required to be made with citizens of the United States, and the service to be performed by American vessels. In pursuance of this authority, the Postmaster-General advertised for proposals to carry the mails on various routes.

A contract was made with Mr. EDWARD MILLS, of New York, to run a line of steamers from New York to Bremen twice a month, touching at Cowes, with the privilege of going alternately to Havre, the compensation to be \$400,000 per annum, and if to Havre, \$350,000.

About the same period, Mr. E. K. COLLINS made his first proposition to run a line to Liverpool twice a month for eight months, and once for the other four, for \$385,000.

In May, 1846, the subject was again brought forward by Mr. KING, in a report from the Committee on Naval Affairs, and in June of the same year a contract was made for the conveyance of the mails from New York to Bremen in four first-class steamers.

In June, 1846, Mr. NILES, of Connecticut, introduced into the Senate the following resolution:

"The Postmaster-General is hereby authorized to apply twenty-five thousand dollars of the money appropriated for mail transportation for a line of mail steamers from the United States to Bremen, and a further sum of twenty-five thousand dollars for a line of mail steamers from the United States to Liverpool in England; but no further sums shall be diverted to any other objects than the transportation of the mail within the United States."

It was at this time that it was proposed in England to duplicate the Cunard line, and it was thought that the establishment of an American line would perhaps arrest the project, so little was the fixed policy of the British government understood at that period.

In March, 1847, an act was passed requiring the Secretary of the Navy to enter into three contracts:

*First.* For five ships to carry mails from New York to Liverpool.

*Second.* For conveyance of mails from New York to New Orleans, to touch at Charleston, Savannah and Havana, with a branch line from Havana to Chagres.

*Third.* To contract for the transmission of the mail from Panama to Oregon, touching at the intermediate points in California. On this line three large steamers were to be employed.

This was called at the time, the American System, and was the first practical and intelligent effort to aid American commerce to hold its own in the rapid race for the mastery of the seas, and the sharp struggle for the carrying trade of the world, which the United States had undertaken with Great Britain. The American System, therefore, dates from 1846.

But the enterprise of our people was not measured by this legislation. In the fall of 1846, the first of our ocean steamers—the *Southerner*—was launched. She was the pioneer in a series of successful and profitable lines, which, while the domestic relations of the country were peaceful, largely contributed to its wealth, comfort and prosperity; and when war rudely broke up the accustomed course of trade, at once enabled the Government to undertake and enforce a blockade of unparalleled extent. But for the fleet of ocean steamers which commerce placed at the disposal of the Government, the course, and, perhaps, the result of the struggle might have been changed. The Charleston line, which has included some of the best steamers ever built in any country, was quickly followed by one to Savannah. These coast lines were independent of Government aid, except so far as they receive regular postage from the Post-Office Department for conveying the mails.

On the 6th December, 1847, Hon. J. Y. MASON, Secretary of the Navy, stated in his report:

“By the same act (3d March, 1847.) contracts were authorized for the transportation of the mail in steamers between New York and Liverpool, between New York and New Orleans, and from Havana to Chagres.

“The contracts require the vessels to be ready for sea in October and November of the year 1848, and the right of pay will commence with the commencement of the performance of the mail service. The annual compensation under these agreements will be: To E. K. COLLINS, \$385,000; A. G. SLOO, \$290,000; ARNOLD HARRIS, \$199,000.

“I have cordially co-operated in the establishment of the several lines of steamers stipulated for by those contracts. Thirteen new vessels will be constructed in the most skillful manner, which may be used as war steamers, and will be available for national purposes in any emergency. The contracts stipulate that a mail agent, to be appointed by the Postmaster-General, shall be placed and maintained on board.”

On the 4th of May, 1848, the Committee on Naval Affairs, by Mr. KING, proposed the establishment of steam communication from one of our ports in California to Shanghai and Canton in China, by the employment of four Government war steamers.

On the 19th of July, 1848, Mr. T. BUTLER KING reported to Congress a joint resolution, proposing:

1st. “To direct the Secretary of the Navy to advertise for proposals for carrying the United States mail from either of the ports therein named, that shall be ascertained to be most eligible, to those in France, for a period of ten years, in five first-class steamers, capable, in all respects, of being readily converted into ships-of-war, and to be placed on the line during the first five years of the contract.

2d. “To establish a similar line, for similar purposes, from one of the ports named in the United States to Antwerp, in Belgium, to extend to Gluichstadt, at the mouth of the Elbe, during such part of the year as the navigation of the North Sea may be considered safe. The two lines to consist ultimately of ten ships of the largest class. These proposals to be returned to this House, at its next session, for its consideration.”

The last resolution proposes to employ temporarily the steamer *United States*.

The reason given by Mr. KING for these proposals was, that our intercourse with the Continent, so far as letters and passengers are concerned, was then conducted across the Island of Great Britain, the English Channel, and the North Sea. There had been established twelve lines of steamers between Gluichstadt, at the mouth of the Elbe, Bremen-haven, Amsterdam, Antwerp, Ostend, Calais, and Havre, on the Continent; and Southampton,

Dover, London, Hull, and Edinburgh, in the Island of Great Britain, through which lines our intercourse was maintained, and it was, therefore, important for us to avail of that communication to support our own tonnage.

Under this and similar legislation the several lines contemplated were wholly or partially undertaken, and so far put in progress, that in 1852 seven lines had been established, and were in successful operation.

This closes the account of American congressional legislation to protect the commerce of the United States.

The following table will show the foreign mail service of the United States in the fall of that year :

UNITED STATES MAIL SERVICE ABROAD, OCTOBER 1, 1852.						
No. of route.	Points.	Distance, miles.	No. of trips.	Contractors.	Am't of pay.	Contract.
1.	New York, by Southampton, England, to Bremen-haven, Germany .....	3,760	Once a month.	Ocean Steam Navigation Co.—C. H. Sand.....	\$200,000	With Postmaster-general, act of Congress, March 3, 1845.
2.	Charleston, S. C., by Savannah, Georgia, and Key West, Florida, to Havana, Cuba	689	Twice a month.	M. C. Mordecai...	50,000	With Postmaster-general, acts of Congress, March 3, 1847, July 10, 1848.
3.	New York to Aspinwall, New Granada, direct.....	2,000	Twice a month.	George Law, M. O. Roberts, and B. R. Mellvaine...	290,000	Under contract with Secretary of Navy, acts of Congress, March 3, 1847, March 3, 1851.
	New Orleans, Louisiana, to Aspinwall, New Grenada, direct	1,400				
	New York via Havana to New Orleans, Louisiana.....	2,000				
4.	Astoria, Oregon, with sundry stoppages...	4,200	Twice a month.	Pacific Mail S. S. Co.....	842,250	Contract with Secretary of Navy and Postmaster-general, acts of March 3, 1847, March 3, 1851.
4.	New York to Liverpool.....	3,109	26 per year.	E. K. Collins & Co.	858,000	Contract with Secretary of Navy, March 3, 1847, July 21, 1852.
6.	New York, by Cowes, to Havre, France..	3,270	Once a month.	Ocean Steam Nav. Co.—M. Livingston.....	150,000	Contract with Postmaster - General, March 3, 1847.
7.	Aspinwall to Panama,	60	Twice a month.	.....	50,436	Service of Panama R. R. under temporary arrangement, act of Congress, March 3, 1851, at 25c. per lb.
					\$2,446,686	

Of these lines, Nos. 3, 4, and 7 are now in operation—all the ocean lines being withdrawn. The Collins line went into operation in 1850 and was withdrawn in 1858. The Havre line was withdrawn in December, 1861, on the breaking out of the rebellion. The owners of the Bremen line discontinued it on the expiration of their contract in 1858, the compensation granted by the Government being too small. Mr. VANDERBILT undertook the service with three of his unemployed steamers, but it was finally abandoned. The subsidy granted the Charleston line was sufficient to maintain it in continued and prosperous operation, and it was thriving when the rebellion broke out. The following table shows the American steam lines January 1, 1864 :

## AMERICAN STEAM LINES, JANUARY, 1864.

Names of line.	Route.	Steamers employed.	Tonnage.	Total tonnage.	Remarks.
Pacific Mail Steamship Company.	Panama to San Francisco and Oregon.	Constitution.....	3,300	33,907	Side-wheel.
		Golden City.....	3,373		"
	New York to Aspinwall.	Sacramento.....	2,647		"
		Golden Age.....	2,282		"
		St. Louis.....	1,621		"
		Sonora.....	1,616		"
		Orizaba.....	1,451		"
		Uncle Sam.....	1,434		"
		California.....	1,057		"
		Mariposa.....	1,089		Propeller.
		Monterey.....	1,037		Side-wheel.
Four steamers building.	13,000	"			
Atlantic and Pacific S. S. Co.	New York to Aspinwall.	Ocean Queen.....	2,801	9,320	Side-wheel.
		North Star.....	1,867		"
		Northern Light.....	1,867		"
		Champion.....	1,490		"
		Ariel.....	1,295		"
M. O. Roberts' California S. S. Line.	New York to Aspinwall,	Illinois.....	2,168	9,817	Side-wheel.
		Moses Taylor.....	1,372		Pacific coast.
	Retribution.....	2,500	Not yet ready for Pacific coast.		
	Panama to San Francisco.	Empire City.....	1,751		4,037
America.....		2,031	Pacific coast.		
Havana and New Orleans Line.	New York to Havana & New Orleans.	Morning Star.....	2,022	4,037	Side-wheel.
		Evening Star.....	2,015		"
Spofford and Tileston Line.	New York to Havana & New Orleans.	Eagle.....	1,600	3,200	"
		Columbia.....	1,600		"
New York and Virginia.	New York to Havana and New Orleans.	Roanoke.....	1,071	2,117	Side-wheel.
		Creole.....	1,046		"
		Yazoo.....	....		Building--Prop'r.
Cromwell's Line, New Orleans S. S.	New York to New Orleans.	George Washington...	810	2,805	Propeller.
		Cromwell.....	815		"
		Locust Point.....	475		Extra boat.
		Parkersburg.....	710		"
New York and Portland.	New York to Portland.	Potomac.....	462	932	Propeller.
		Chesapeake.....	470		"
				51,356	

## THE BRITISH SYSTEM OF STEAM NAVIGATION—PARLIAMENTARY LEGISLATION.

Thus we have seen what the legislation of the United States has been, and what are the American steam lines at the present time. In turning, however, to the British system and examining its fruits, our own contracted, short-sighted policy is forcibly exhibited. Since the year 1839, when the English Government set itself to work to bind in its chains the commerce of the world, there has been no hesitation or drawback on the part of the authorities. Repeated investigations have been had; volumes of testimony have been published, and the system earnestly opposed by many, but in vain. The passages of the *Sirius* and *Great Western*, in 1838, from Liverpool to New York, plainly demonstrated the practicability of ocean steam navigation, and in the following year, 1839, a contract was made with Mr. CUNARD to convey the mails from Liverpool, *via* Halifax, to Boston, in five steamers of the first class, for the sum of £85,000, or \$425,000 per annum. It was stipulated that these vessels should be capable of conversion into ships of war, and of carrying ordnance of the heaviest kind.

This line of steamers, famous as the Cunard line, was immediately established, and the results of the experiments were so favorable that the Government was, in 1846, induced to enlarge the contract of 1839, by add-

ing four ships to run from Liverpool to New York, and to increase the compensation to £145,000, or \$725,000 per annum for the total service. These last vessels commenced their trips in 1848.

In 1845, the Government entered into a contract with the Peninsula and Oriental Steam Navigation Company for the employment of seven steamers, at £160,000, to run from Southampton, *via* Gibraltar and Malta, to Alexandria, in Egypt; thence to send the mails overland to Suez; again thence by steamer to Singapore and Hong Kong, touching at Aden, Bombay, and at Point de Galle, Ceylon, with a branch line from Point de Galle to Calcutta, touching at Madras.

In the year 1840 a contract was made by the Admiralty with the Royal Mail Steam Packet Company, at £240,000, or \$1,200,000 per annum, for fourteen steamers, to carry the mails from Southampton to the West Indies, the ports of Mexico on the Gulf, and to New Orleans, Mobile, Savannah, and Charleston; to make 24 voyages, or 48 trips a year, leaving Southampton semi-monthly.

In consequence of some disasters during the first years, the West India line was relieved from touching at the ports of the United States, but in 1847 required to resume its trips to New Orleans, and any others, as ordered.

This company received a contract in 1850, of £270,000 per annum, to carry the mails twice a month to the West Indies; and in 1851 a further contract of £25,000 to carry the mails once in each month to Brazil and the River Plate. The conditions of the contract required that the passages should be made in the following time: To St. Thomas, in 14 days 12 hours; Colon, 19 days 15 hours; Rio, 26 days 6 hours; from Rio, in 25 days 5 hours; to Buenos Ayres, in 35 days 12 hours; from Buenos Ayres, in 36 days 21 hours.

From St. Thomas ten different radiating lines to Mexico, Central America, the Spanish Main, and the various West India Islands, keep up a constant communication.

These three lines employed, in 1848, eighty-seven steamers, and for the home service twenty-eight smaller steamers—in all, one hundred and fifteen steamships.

In 1846 the Government made a contract with the Pacific Steam Navigation Company for a line from Valparaiso to Panama, touching at intermediate points, and making an overland connection with the West India line.

A series of contracts were also entered into connecting the important commercial towns with the Continent.

In 1852, the Peninsula and Oriental Company and the Royal West India Mail Company alone employed fifty-three steamers, of which thirty were wooden vessels and twenty-three iron; of these, sixteen run from Southampton to foreign ports, and twenty-three were permanently employed abroad.

In 1854, Mr. CUNARD received a contract to carry the mails from Halifax to Bermuda and St. Thomas, for £14,700 per annum.

In 1857, the African Steamship Company took a contract of £33,000 to take the mails once a month to the Cape of Good Hope; and in 1858, to the west coast of Africa once a month, touching at Madeira, Teneriffe, Sierra Leone, and other intermediate points.

These contracts were all made for an extended period, and in nearly

all, if not all, cases were renewed on the application of the companies some years before their expiration. In such renewals, the Government, while not withholding an additional subsidy whenever its need was demanded by the circumstances of the service, or the result to the contractors in the bargain made, always required some extension of the system, so as to allow of a more frequent, a more direct, or a more efficient service. While seeking always to make the system self-supporting, it has, nevertheless, unhesitatingly incurred new charges whenever it could thereby develop the commerce of its people, and open new markets to their industry.

The following table, taken from the Post Office Report of 1862, will show the important details of this comprehensive and extended system :

TABLE SHOWING THE FOREIGN STEAM COMMUNICATION OF GREAT BRITAIN, AND THE GOVERNMENT SUBSIDIES, FROM THE REPORT OF THE POSTMASTER-GENERAL, 1862.

No. of the lines.*	Destination.	No. of trips.	Companies.	Date of contract.	Subsidy per an.
12....	Southampton, Vigo, Oporto and Lisbon	Three times a month.	Peninsula and Oriental Steam Navigation Company,	Admiralty January 9, 1852.	£5,000
13....	Southampton to Gibraltar, Malta, and Alexandria.....	Four times a month.	Ditto.	Admiralty. January 1, 1853. July 7, 1854.	249,625
	Marseilles, Malta and Alexandria.....				
	Suez and Bombay... Suez and Calcutta... Bombay and China..	Twice a month.	Ditto.		
14....	Point de Galle and Sydney.....	Once a month.	Ditto.	Post-office. April 16, 1861.	134,673
15....	Liverpool, Halifax, and Boston.....	Weekly.	Sir S. Cunard.....	Admiralty. June 24, 1858.	176,340
	Liverpool and New York.....				
16....	Hull, Bermuda, and St. Thomas...	Once a month.	Ditto.	July 1, 1854.	14,700
17....	West Indies.....	Twice a month.	Royal Mail Steam Packet Co.....	July 5, 1850.	270,000
	Brazil and River Plate.....	Once a month.	Ditto.	January 1, 1851.	
18....	Pacific.....	Once a month.	Pacific Steam Navigation Co.....	April 1, 1862.	25,000
19....	West Coast of Africa	Once a month to touch at Madeira, Teneriffe, Sierra Leone, etc.	African Steamship Co.....	Sept. 24, 1858.	30,000
20....	Cape of Good Hope.	Once a month.	Union S. S. Co.....	Sept. 12, 1852.	33,060

In addition to this extended system of steam mail communication, an increased service is proposed on the China coast. Before the recent hostilities, a line was contemplated from China to Japan; another to connect Brazil with Australia across the South Pacific, and Australia with New Zealand, and again from Panama to British Columbia. Nor will this sleepless and energetic nation pause in its course until it has girdled the world with its constant steam communication; and, by the combined wisdom of its rulers and the energy of its people, rendered all nations and climes tributary to its power, and wealth, and comfort.

The cost to the British Government of its foreign and colonial packets may be seen from the following table, prepared by a special committee, in 1860, appointed by the House of Commons :

\* The preceding numbers are of domestic lines or lines to the continent.

## PAYMENTS OF THE BRITISH GOVERNMENT TO FOREIGN AND COLONIAL PACKETS.

Packets.	Contract payments.	Sea postage.	Profit.	Loss.	Cost per oz. of letter and lb. of printed matter.
A. Dover and Calais, and } Dover and Ostend... }	£15,500	£76,000	£60,500		
B. Peninsula.....	20,500	3,000	....	£175,000	9 8 $\frac{3}{4}$
C. North America.....	191,000	112,000	....	79,000	2 6
D. West Indian..... } Pacific..... } Brazilian..... }	293,500	78,000	....	215,500	4 8
E. West coast of Africa.....	30,000	4,000	....	26,000	6 1 35-16
F. The Cape of Good Hope..	32,400	7,500	....	24,900	2 4 $\frac{3}{4}$
G. Australia.....	97,000	29,000	....	68,000	2 3 $\frac{1}{2}$
H. East Indies.....	168,000	84,000	....	81,000	1 4 11-16
Total.....	£847,900	£393,500	£60,500	£514,400	

The following tables, taken from the work of Mr. RAINY on the *Ocean Post*, show that while the British Government was paying to four of her principal ocean lines an average of \$2 39 per mile, the American Government was paying to five of ours an average of \$1 80 $\frac{3}{4}$  only, or about two-thirds as much as the former. The tables are made up for 1857.

## COMPARATIVE SUBSIDIES TO AMERICAN AND BRITISH LINES IN 1857.

## AMERICAN.

Line.	Trips.	Distances.	Subsidy.	Gross postage.	Total miles.	Per mile.
Collins.....	29	3,100	\$385,000	\$415,867	124,000	\$3 10 $\frac{1}{2}$
Bremen.....	13	3,700	128,937	128,937	96,000	1 34
Havre.....	13	3,270	88,484	88,484	85,020	1 00 $\frac{1}{2}$
Aspinwall.....	24	3,200	290,000	189,610	153,600	1 88 $\frac{3}{4}$
Pacific.....	24	4,200	348,250	183,238	201,600	1 70
Havana.....	24	669	60,000	6,288	32,112	1 86 $\frac{1}{2}$
Vera Cruz.....	24	960	29,062	5,960	43,200	07
Total.....			\$1,329,733	\$1,085,740*	725,732*	\$1 80 $\frac{3}{4}$
Average.....						

## BRITISH.

Lines.	Trips.	Distances.	Subsidy.	Gross postage.	Total miles.	Per mile.
Cunard.....	52	3,100	£173,340	£143,667 10	304,000	\$2 38 $\frac{1}{2}$
Royal Mail.....	24	11,402	270,000	106,905 00	547,296	2 46
Peninsula & Oriental...	24	....	244,000	178,186 11	796,637	1 53 $\frac{1}{2}$
Australian.....	12	14,000	185,000	33,281 12	236,000	2 75
Bermuda & St. Thomas.	24	2,042	14,700	.....	98,000	0 75
Panama & Valparaiso..	24	2,718	25,000	5,715 00	130,434	0 96
West coast of Africa...	12	6,245	23,250	3,196 02	149,880	0 62 $\frac{1}{2}$
Channel Islands.....	156	132	....	French, Belgian and Dutch, 74,430 08	41,184	....
Holyhead & Kingston..	730	64	....	36,158 09	93,440	....
Liverpool & Isle of Man.	112	70	....	10,032 15	14,560	....
Shetland & Orkneys...	52	200	....	.....	20,800	....
Total.....			£1,062,797	£591,578 07	2,532,231	\$2 39
Total average, per mile, \$2 10 $\frac{1}{2}$ .						Average of four principal lines, \$2 39.

These subsidies have been gradually increasing from the year 1850, and additions made, as new services were required from the lines, growing out of the increased commerce which followed their establishment;

\* The slight errors in these footings occur in the original.

and in times of commercial distress, as well as in prosperity, the same sustaining and unflinching protection has always been afforded by the sagacious and far-seeing policy of the British Government.

RESULTS OF THE ESTABLISHMENT OF STEAMSHIP LINES.

We have thus compared the American and English system of steam navigation, and drawn attention to the extent of each, and the government encouragement received. While England, as we have seen, has been bending all her energies to multiply her steam lines; we have allowed ours one after another to be withdrawn, until now we have almost entirely yielded the field to our rival. The consequences are precisely what we might expect. England has been permitted to increase her trade, open up new markets for her manufactures, making herself the distributor of the wealth of almost all nations—while our own commerce has languished, being almost swallowed up by reason of the rapid increase of her commercial facilities. We shall not be able to more than glance at the trade of but two or three of our neighbors to illustrate what we have said.

BRAZIL.

Particular attention has of late been called to Brazil. The first line of mail steamers to Brazil commenced its trip from Southampton in January, 1851. This service was added to that of the Royal Mail Steam Packet Company in the preceding year. The steamers starting from Southampton touched until recently at Lisbon, Madeira, Teneriffe, St. Vincent; and in Brazil, at Pernambuco, Bahia, Rio de Janeiro; and to the southward at Monte Video and Buenos Ayres. The exports and imports of 1851 compared with 1860 were:

	British Products.		American Products.
Exports, 1851.....	£3,518,684	or \$17,593,420	\$3,128,956
Exports, 1860.....	4,446,776	22,233,880	5,945,235
Increase.....	£928,092	\$4,640,460	\$2,816,279

Showing a gain, in the ten years, by Great Britain, in that market for her products, of nearly the whole amount of the American exports. Yet a comparison of the imports from the same country, respectively with the United Kingdom and the United States, will show that we are the natural customers of Brazil, and that it only needs an exercise of the same energy as that displayed by Great Britain, and an increase of commercial facilities, for us to control the trade of this thriving and populous empire. The comparative imports of Brazil products were:

	Into the United Kingdom.		Into the United States.
Imports, 1851.....	£2,893,751	or \$14,468,755	\$11,525,304
Imports, 1860.....	2,269,180	11,345,900	21,214,803
Decrease.....	£624,571	\$3,122,855	Increase \$9,689,499

To what else can we ascribe the fact that, notwithstanding the largely increasing demand for Brazilian products in this country, and a falling off in the British demand, the British still maintain almost a monopoly of the Brazilian market for manufactured articles, unless it be to the superior advantages which a constant mail steam communication affords to the British merchant.

The American Consul at Rio de Janeiro, in his letter of July 1, 1862, enclosing to the Government a report on the commercial condition of Brazil, after alluding to the material injury which the trade of the United States has sustained with this country, owing to the rebel privateers, which have diverted the carrying trade from American to foreign bottoms, says: "So long as there is no direct steam communication between Brazil and the United States, just so long will our nation occupy the present humiliating position in regard to the control of its commerce;" and he adds, "that the trade with England and France has grown enormously, and almost beyond belief, since the governments of those countries established regular monthly steam communication with Brazil."

The Consul at Pernambuco, writing under date of 28th of October, 1862, quotes the following passage from a debate in the Brazil Chamber of Deputies. SENOR FRANCO DE ALMEIDA, said:

"That the honorable deputies may appreciate the immensely valuable interests which steam communication must create and increase, let it suffice to enumerate some of the principal products of which North America stands in need, and those which Brazil requires. We could furnish sugar, honey, drugs, fruits, coffee, cotton, tobacco, rice, hides, cocoa, sarsaparilla, precious woods, precious stones, dye stuffs, tapioca, cloves, isinglass, saffron, gum copal, vanilla, copaiba, crude metals, &c., &c. North America could not find a nearer market than Brazil, nor could she procure these productions with greater facility, or so cheaply. Rio de Janeiro would necessarily become a great American depot. On the other hand, we could supply ourselves with the productions of the United States with greater advantage and at a much cheaper rate. We could import wheat, flour, meats, butter, lard, horses, machinery, all articles of hardware, implements of trade and agriculture, furniture, woolen and cotton cloths, sailing vessels, steamers, and, furthermore, all the *imitation works of art*, which, in the United States, are extraordinarily cheap compared with Europe. To convince the minds of honorable deputies, I will remind them of a fact. The commerce of England with us from 1840 to 1850 was nearly always stationary, averaging £2,000,000 sterling, according to the Blue Book and Mr. OULLACK. During the same period, our commerce with the United States was greater; and why? Because there was no steam communication then between the empire and Great Britain. The American clippers had an advantage over English barks. But the honorable deputies will remark that, as soon as a line of English steamers was established, these wonderful results were produced. The importations from Brazil into England in 1853, three years after the inauguration of the line, increased one hundred and fifty per cent over that of 1848. In 1855 it had increased 300 per cent. England, which in 1852 imported 3,000,000 pounds of coffee, imported, in 1853, 52,000,000; in 1854, 59,000,000; in 1855, 112,000,000."

In the year ending June 30, 1861, the Consul at Pernambuco reports the number of steamers which entered that port, to have been two American, 2,431 tons; twenty-five French, 29,395 tons; four Portuguese, 8,074 tons, and twenty-two English, 37,603 tons. Total, 53 steamers, 77,503 tons. The same detailed statement is not given for other ports.

We have not the space to give the trade of the other South American countries at the present time, in detail. The following, however, presents the imports from and exports to the entire continent from and to Great Britain and the United States respectively for the years 1853 and 1860. As we have already stated the first line of steamers to Brazil commenced its trips from Southampton in January, 1851; but to the Central Republics, the West Coast and Northern South America steamship lines were established by Great Britain at earlier dates. The results may be seen from the following figures:

## TRADE OF SOUTH AMERICA, THE UNITED STATES AND GREAT BRITAIN.

## EXPORTS, 1853.

	Products of the United Kingdom.		Of the United States.
To Brazil.....	£3,186,407	or \$15,932,035	\$3,734,190
Central Republics,*.....	1,080,918	5,404,590	914,943
West Coast, †.....	2,994,246	14,971,230	3,609,599
Northern South America, ‡	658,733	3,293,665	1,721,424
Total .....	£7,920,304	\$39,601,520	\$9,980,156

## EXPORTS, 1860.

	Products of the United Kingdom.		Of the United States.
To Brazil.....	£4,446,776	or \$22,233,880	\$5,945,235
Central Republic.....	2,705,180	13,525,900	1,390,332
West Coast.....	3,969,276	19,846,380	5,377,351
Northern South America,	920,061	4,600,305	2,462,257
Total .....	£12,041,293	\$60,206,465	\$15,175,175
Increase.....	£4,120,989	\$20,604,945	\$5,195,019

## IMPORTS, 1853.

	Into the United Kingdom.		Into the United States.
From Brazil.....	£2,856,803	or \$14,284,015	\$14,817,961
Central Republics....	1,276,912	6,384,560	2,489,621
West Coast.....	2,303,599	11,517,995	2,941,221
Northern S. America.	1,159,271	5,796,355	2,826,711
Total.....	£7,596,585	\$37,982,925	\$23,075,514

## IMPORTS, 1860.

	Into the United Kingdom.		Into the United States.
From Brazil.....	£2,269,180	or \$11,345,900	\$21,214,803
Central Republics....	1,965,083	9,825,415	4,929,598
West Coast.....	6,029,429	30,147,145	6,224,932
Northern S. America.	1,710,502	8,552,510	3,623,386
Total.....	£11,974,194	\$59,870,970	\$35,992,719
Increase.....	£4,377,609	\$21,888,045	\$12,917,205

These comparisons show an increase in the imports by South America from the United States and Great Britain of \$25,799,964, and of exports of Brazilian produce to those countries of \$34,805,250, exclusive of the entrepot trade. The increase, including the importations from each nation of merchandise not of its own production, is \$61,377,825, a certainly very extraordinary increase for South America. To what can this be ascribed, except to the immense impetus given to her commerce by the establishment of regular steam communication? Of this increase Great Britain had \$42,-

\* Buenos Ayres and Uruguay.

† New Granada, Equador, Peru, Bolivia and Chili.

‡ Venezuela—The Guianas.

698,685, and the United States, \$18,679,140. It is interesting and instructive to observe how thoroughly the British merchant controls the markets of these countries, and how the exports of British products keep pace with the imports into Great Britain of foreign products, while from all of these countries the United States is largely increasing its imports and only very gradually its exports in return, being compelled to make their purchases on British credits; and to what is it owing but to the fact, that the control of the communications, involving, first, information, and a grasp of the exchange market, gives the advantage to the British seller.

The exchanges with the United States were, in 1860, \$52,734,819, and with Great Britain, \$121,895,495.

## CHINA.

Thus we might present column after column of figures all going to prove the same fact—that when Great Britain has established steamship lines and we have not, she has almost monopolized the trade. But we can give only one instance more.

Steam communication was opened with China in the year 1845, by the Peninsula and Oriental Steamship Company. Comparisons are presented from 1853 to 1860 of the trade of the United States and Great Britain. The exports of the two nations were:

	Products of the United Kingdom.		Of the United States.
1853.....	£1,749,597	or \$8,747,985	\$3,212,574
1860....	5,318,036	26,590,180	7,170,784
Increase.....	£3,568,439	\$17,842,195	\$3,958,210

The imports in the same periods:

	Into the United Kingdom.		Into the United States.
1853.....	£8,255,615	or \$41,278,075	\$10,573,710
1860.....	9,323,764	46,618,820	13,566,587
Increase.....	£1,068,149	\$5,340,745	\$2,992,877

Including the exports from each country, not of its own product, and which from the United States had increased from \$524,418, in 1853, to \$1,735,334, in 1860, and from Great Britain from £57,158 to £133,521, the total exchanges with China will be found to have increased with Great Britain to the amount of \$23,563,758, and to the United States, \$8,162,013.

Here, as in the preceding comparisons with other countries, the large increase in the exports of Great Britain is to be remarked. Everywhere her merchants seem to hold the markets in their control.

## WEST INDIES—CUBA.

There is, however, one bright spot to which we would call attention. Our enterprising merchants, although receiving little or no encouragement from Government, have given us constant regular steam communication since the year 1848, with the West India Islands. The Royal Mail Steam Packet Line also commenced its trips to these Islands in 1841. Hence the United States and Great Britain have been in competition for this trade, and with the following results:

## EXPORTS TO THE WEST INDIA ISLANDS.

	Products of the United Kingdom.	Products of the United States*
1853.....	\$16,007,815	\$14,035,171
1860.....	22,453,335	23,167,439
Increase.....	\$6,445,520	\$9,132,268

## IMPORTS FROM THE WEST INDIA ISLANDS.

	Into the United Kingdom.	Into the United States*
1853.....	\$32,486,185	\$25,069,477
1860.....	39,390,860	43,399,852
Increase.....	\$6,904,675	\$18,330,375

Thus it will be noticed that our trade with the West India Islands, with which we have had constant regular steam communication since the year 1848, has steadily increased, and is still increasing, in a rapid ratio.

This is especially true of Cuba, our exchanges with which island have increased from \$24,873,714 in 1853, to \$46,428,434, in 1861. If the Spanish Government should take off its almost prohibitory duty upon flour, a great stimulus would be given to this trade; and there is little doubt that with the establishment of branch lines from our ports to the other islands, our commerce would be increased in a nearly equal ratio.

What more is necessary to show the importance of ocean steam navigation! We have seen that wherever steam communication has been maintained by Great Britain, and not by us it has been followed by an immediate and rapid increase of her trade with that country, leaving in utter insignificance our own commerce. And, on the other hand, where we have established constant steam communication our trade has also been very largely increased. But this steam communication is only maintained by Great Britain at the cost of Government subsidies, and cannot be maintained without such subsidies. Should, then, Congress hesitate to lend to commerce the assistance necessary, thus aiding in developing the resources and adding to the wealth of the nation?

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## COMMERCIAL LAW. No. 11.

### PARTNERSHIP.

#### WHAT A PARTNERSHIP IS.

WHEN TWO OR MORE persons combine their property, labor, or skill, for the transaction of business for their common profit, they enter into partnership. Sometimes the word "firm" is used as synonymous with partnership; sometimes, however, it seems to mean only the copartnership-name.

A single joint transaction, out of which, considered by itself, neither profit nor loss arises, will not create a partnership. If a joint purchase be made, and each party then takes his distinct and several share, this is no partnership. But it seems that there will be a partnership if the joint transactions actually and materially enlarge the value of the property, although the respective shares are divided among the holders without a sale. But a joint contract to do a piece of work, if the price for it is to

be divided immediately among those entitled to it, will not make them partners.

Any persons competent to transact business on their own account may enter into partnership for that purpose; and no others.

#### HOW A PARTNERSHIP MAY BE FORMED.

No especial form or manner is necessary. It may be by oral agreement, or by a written agreement, which may have a seal or not. But the liability and authority of the partners begin with the *actual* formation of the partnership, and do not wait for the execution of any articles. In general, if there be an agreement to enter into business, or into some particular transaction, together, and share the profits and losses, this constitutes a partnership, which is just as extensive as the business proposed to be done, and not more so. The parties may agree to share the profits in what proportion they choose; but in the absence of any agreement, the law presumes equal shares.

They may agree as to any way of dividing the losses, or even that one or more partners alone shall sustain them all, without loss to the rest. And this agreement is valid as between themselves; though not to protect against third parties those partners who were to sustain no loss, unless the third parties knew of this agreement between the partners, and gave credit accordingly. The rule seems to be, that, if exemption from loss is claimed on account of any special limitation of the partners' authority to bind the firm, mere knowledge of such limitation will affect third parties. But an agreement exempting partners from loss generally, or from loss beyond the amount invested, will only operate between the partners, unless it can be shown that the third party not only knew the agreement, but contracted with the firm on the basis of this agreement. In general, each partner is absolutely responsible to every creditor of the copartnership, for the whole amount of the debt. And if thereby obliged to suffer loss, his only remedy is against the other partners.

Although partners may agree and provide as they will in their articles, a long neglect of these provisions will be treated by a court of equity, and perhaps of law, as a mutual waiver of them.

Persons may be liable as partners to third parties or strangers, who are not partners as between themselves. Whether they are partners as to each other would generally be determined by the intention of the parties, as drawn from their contract—whether oral or written—under the ordinary rules of evidence and construction. But whether one is liable as a partner to one who deals with the firm, must depend in part upon his intention, but more upon his acts; for if by them he justifies those who deal with the firm in thinking him a partner in that business, he must bear the responsibility; as if he declare that he has a joint interest in the property, or conducts the business of the firm as a partner, accepting bills, or suffers his name to be used upon cards, or in advertisements, or on signs, or in any similar manner. The declarations or acts of one cannot, however, make another liable as partner, without co-operation or consent, by word or act, on his part. The true rule, we think, is this: that one who thus holds himself out as a partner, when he really is not one, is responsible to a creditor who on these grounds believed him to be a partner; but not to one who knew nothing of the facts, or who, knowing them, knew also that this person was not a partner.

A *secret partner* is one who is actually a partner by participation of profit, but is not avowed or known to be such; and a *dormant partner* is one who takes no share in the conduct or control of the business of the firm. Both of these are liable to creditors, even if the creditors did not know them to be members of the firm, on the ground of their interest and participation in the profits, which constitute, with the property of the firm, the funds to which creditors may look for payment. A *nominal partner* is one who holds himself out to the world as such, but is not so in fact. He is liable to creditors of the firm, on the ground that he justifies them in trusting the firm on his credit, and, indeed, invites them to do so, by declaring himself to be a partner.

The principal test of membership in a merchantile firm is said to be the participation in the profits. Thus, if one lend money to be used in a business, for which he is to receive a share in the profits, this would make him a partner; and if he is to receive lawful interest, and, in addition thereto, a share of the profits, this would make him liable as a partner to a creditor, although the borrower might, in some cases, treat the transaction as a usurious loan, and on that ground defend himself if sued for the money.

Sometimes a clerk or salesman, or a person otherwise employed for the firm, receives a share of the profits, instead of wages. Formerly it was held, but, as we think, on insufficient authority, that if such person received any certain share, say "one tenth part of the net annual profits," this made him a partner; but if he received "a salary equal in amount to one tenth of the net profits," this did not make him a partner. We apprehend, however, that now the courts would look more at the actual intention of the parties, and their actual ownership of an interest in the funds of the partnership, and not be governed by the mere phraseology used. If in fact he works for wages, although these wages are measured by the profits, he is no partner, and therefore not liable for the debts, as every partner is.

Hence, factors and brokers for a commission on the profits, masters of vessels who engage for a share of the profits, or seamen employed in whale-ships, are none of them partners.

A partnership usually has but one business name; but there does not seem to be any legal objection to the use of two names, especially for distinct business transactions; as A. B. & Co. for general business, and the name of A. B. only for the purpose of making or indorsing negotiable paper.

#### HOW A PARTNERSHIP MAY BE DISSOLVED.

If the articles between the partners do not contain an agreement that the partnership shall continue for a specified time, it may be dissolved at pleasure by either partner. In this country, however, we have good authority, as well as good reason, for saying that no partner can exercise this power wantonly and injuriously to the other partners, without making himself responsible for the damages he thus causes. If there be a provision that the partnership shall continue a certain time, it should be regarded as binding; and this probably may be inferred from circumstances; but only from those of a very significant and decisive character. Thus, it would not be inferred from merely hiring a counting-room or a store for a certain time, and seldom from any single contract for a time certain;

but it might be inferred from a course of business and a number of contracts, all calculated to terminate at a particular time.

If either partner were to undertake to assign his interest, for the purpose of withdrawing from the firm, against the will of the partners, without good reason, and in fraud of his express agreement, a court of equity might interfere and prevent him. For the assignment of a partner's interest, or of his share of the profits, operates at once a dissolution of the partnership.

Such assignment may transfer to the assignee the whole interest of the assignor, but cannot give him a right to become a member of the firm. There seems to be an exception to the rule where the partnership is very numerous, and the manner of holding shares, by scrip or otherwise, indicates the original intention of making the shares transferable. Such a partnership is in effect a joint-stock company; which form of association is common in England, and there regulated by many statutes; but it is not usual here, because incorporation is better and easily obtained.

Death operates a dissolution; and the personal representatives of the deceased do not take his place, unless there be in the articles an express provision that they shall. And such provisions are construed as giving the heirs or personal representatives the right of electing whether to become partners or not. If either party is unable to do his duty to the partnership, as by reason of insanity, or a long imprisonment; or if he be guilty of material wrong-doing to the firm; a court of equity will decree a dissolution. And if the original agreement were tainted with fraud, the court will declare it void, from its beginning.

Whenever a court of equity decrees a dissolution of the partnership, it will also decree that an account be taken between the partners, if requested by either partner. And if necessary to do justice, it will decree a sale of the effects and a distribution of the proceeds, after a consideration of all the facts of the case and the whole condition of the firm. Such a decree will be made if a partner die or become bankrupt. If the whole interest of a copartner is levied upon and sold on execution, this makes a dissolution, and the purchaser becomes—like every other assignee of a partner—not a partner, but only a tenant in common (that is, a joint owner) with the other partners; but if the levy and sale are only of a part, which may be severed from the rest, this may not operate a dissolution except as to that part.

If one partner retires, this operates in law a dissolution, and the remaining partners constitute in law a new firm, although in fact the old firm frequently continues and goes on with its business, with or without new members, as if it were the same firm.

The partner retiring should withdraw his name from the firm, and give notice, by the usual public advertisement, of his retirement, and also, by personal notice, by letter or otherwise, to all who usually do business with the firm; and after such notice he is not responsible, even if his name be retained in the firm by the other partners, without his consent. Nor is he responsible to any one who has in any way actual knowledge of his retirement. A dormant or secret partner is not liable for a debt contracted after his retirement, although he give no notice; because his liability does not rest upon his giving his credit to the firm, but upon his being actually a partner.

## THE PROPERTY OF THE PARTNERSHIP.

A partnership may hold real estate, as well as personal estate. But the rules of law in respect to real estate, as in relation to title, conveyance, dower, inheritance, and the like, make some difference. As far, however, as it is compatible with these rules, it seems to be agreed that the real estate of the partnership shall be treated as if it were personal property, if it have been purchased with the partnership funds, and for partnership purposes.

There is some difficulty in explaining this matter to those who are not acquainted with the peculiar law of real estate. Thus, no sale of land is valid except by deed, recorded; and only one who is thus a grantee under seal by record has a *legal* title. But a court of equity acknowledges and protects an *equitable* title in those who really possess all the interest in the land; as partners do who have paid for it, though it stands in the name of one partner only. But a court of equity cannot disregard the laws of conveyance and record, and therefore says that this partner is the only *legal owner*, but that he owns the land as *trustee* for the firm. And then they compel him to sell it, or otherwise dispose of it, as the interests of the firm or of their creditors require.

So land thus purchased does not go to the heirs of the partner or partners in whose name it may stand, but is first subject to the debts of the firm, and then to the balance which may be due to either partner on winding up their affairs. But when these debts and claims are adjusted, and surplus of the real estate will then descend as real estate, and not as personal estate.

Improvements made with partnership funds on the real estate of a partner will be regarded as partnership property.

The widow has her dower only after the above-mentioned debts and claims are adjusted. And while the legal title is protected, as it must be for the purpose of conveyance and other similar purposes, the person holding this legal title will be held a trustee for the partnership, if the partnership be entitled to the beneficiary interest. But a purchaser of partnership real property, without notice or knowledge, from a partner holding the same by a legal title, is protected against the other partners. If, however, the purchaser has such knowledge, the conveyance may be avoided as fraudulent, or he may be held as trustee, the land being in his hands chargeable with the debts and claims of the partnership.

## THE AUTHORITY OF EACH PARTNER, AND THE JOINT LIABILITY OF THE PARTNERSHIP.

This authority is very great, because the law-merchant makes each partner an agent of the whole partnership, with full power to bind all its members and all its property, in transactions which fall within the usual business of the firm; as loans, borrowing, sales, even of the whole stock, pledges, mortgages, or assignments; and this last, we think, extends even to an honest and prudent assignment of the whole stock and personal property to trustees to pay partnership debts. It extends to the making or indorsing negotiable paper; and to transactions out of the usual business of the firm, if they arose from and were fairly connected with that business. Nor is any party dealing with a partner affected by his want of good faith towards the partnership, unless he colluded with the partner,

and participated in his want of good faith, by fraud or gross negligence. Thus, a holder of a note or bill signed or indorsed by a partner without authority, has no claim against the partnership, if he knew or should have known the want of authority. A partner cannot, in general, bind the firm by a guaranty, a letter of credit, or a submission to arbitration, without express, or a distinctly implied authority, because these things do not belong generally and properly to commercial business. But anything so done by a partner may be adopted and ratified by the partnership, and then it has the same force as if originally authorized. And this ratification may be formal and express, or consist only of acts which distinctly imply it; such as assenting to and acting with reference to it; and especially receiving and holding the beneficial results of it; as, for example, taking and holding money paid for it.

By the earlier and more stringent rules of law, a partner could not bind his copartners by an instrument under seal, unless he was himself authorized under seal; and their subsequent acknowledgment of his authority did not cure the defect. It seems now, however, to be the law of this country, that a partner may bind his firm by an instrument under seal, if it be in the name and for the use of the firm, and in the transaction of their usual business, provided the other copartners assent thereto before execution, or adopt and ratify the same afterwards; and they may assent or ratify by parole as well as by seal; or provided he could have made the same conveyance, or done the same act effectually, without a deed. And a deed executed by one partner in the presence and with the assent of the other partners, will bind them.

A partnership has no seal at law, and can have none; only a person, or corporation, which is a person at law, can have a seal. Instruments are sometimes executed, "A. B. & Co.," and a seal is affixed to the name. This is, strictly speaking, no seal at all; and if the instrument needs a seal to make it valid, as if it were a deed of land, it would, at law, be wholly void. But the courts in some of our States are somewhat lax on this subject, and might construe it as the seal of each one of the partners, to give the instrument validity. We are not sure, however, that this would be done anywhere.

Whether a majority of the members may conclusively bind the minority, may not be settled; but, upon better authority and the better reason, we should say not, unless in reference to the internal concerns of the firm; as, for example, the salary or appointment of a clerk, the hiring or fitting up of a counting-room, the manner of keeping accounts, and the like. It seems to be settled that one member may, so far as he is concerned, arrest a negotiation which was only begun, and prevent a bargain which would be binding on him, by giving notice to the third party of his dissent and refusal in season to enable him to decline the bargain without detriment.

Partners must act *as such*, to bind each other. Thus, if a partner makes a note and signs it with his own name and his partner's name, as a joint and several note, it does not bind his partner, for he had no authority to make such a note.

If the name of one partner be also the name of the firm—for John Smith and Henry Robinson may do business as partners under the name of "John Smith"—this name is not necessarily the name of the firm when used in a note or contract; and if the partner whose name is used carries

on mercantile business for himself, it will not be supposed to be used as the name of the firm, without sufficient proof.

Persons may give a joint order for goods without becoming jointly liable, if it appear otherwise that credit was given to them severally. Nor will one have either the authority or the obligation of a partner cast upon him by an agreement of the firm to be governed by his advice. Nor shall one be charged as partner with others, unless he has incurred the liability by his own voluntary act.

The reception of a new member constitutes, in law, a new firm; but the new firm may recognize the old debts, as by express agreement, or paying interest, or other evidence of adoption, and then the new firm is jointly liable for the old debt. But there must be some fact from which the assent of the new member to this adoption of the old debt may be inferred for his liability is not to be presumed.

A notice in legal proceedings, abandonment to insurers by one who was insured for himself and others, a notice to quit of one of joint lessors or lessees who are partners in trade, notice to one partner of the dishonor of a note or bill bearing the name of the firm, a release to one partner, or by one partner—will bind all the partners, and render them jointly liable. But a service of legal process should be made upon each partner personally.

If money be lent to a partner, for partnership purposes, it creates a partnership debt; but not if lent expressly on the individual credit of the person borrowing; and not if the borrowing partner receives it to enable him to pay his contribution to the capital of the firm. Though the money be not used for the firm, if it was borrowed by one partner on the credit of the firm, in a manner and under circumstances justifying the lender in trusting to that credit, it creates a partnership debt. And if a partner uses funds in his hands as trustee, for partnership purposes, the firm are certainly jointly bound, if it was done with their knowledge. Whether they will be bound, if it was done without their knowledge, is perhaps doubtful. Generally, where the partners are distinctly and directly benefitted by a transaction, they will be deemed to have authorized it. Thus, if one partner purchases goods, and immediately they are used as the property of the firm, there would be a strong presumption that they were bought by him as a partner and for the firm.

If in any case the facts show that a person, knowing the existence of the firm, gave credit to a single partner, then he can look only to that partner, and not to the firm, although the money was applied to, and used for, partnership purposes. But if the partner hold himself out as borrowing for the firm, and the lender without any want of due care gave credit to the firm, and the transaction was a fair business transaction on the part of the lender, the firm will be liable, although the money is fraudulently appropriated by the partner to his own use.

In the absence of evidence showing to whom the credit was given, the fact that money lent to one partner was applied to the use of the firm, will make the firm liable for the payment; but not if the partner employed it as his contribution to increase the capital of the firm.

If the purchaser of goods or the borrower of money have a dormant and secret partner, and the goods were bought or the money borrowed for partnership purposes, the seller or lender may look to both partners for payment. But it follows from what has been already said, that if the

seller or lender knows all the partners, and gives credit to one only, he cannot look to the rest, although all the partnership takes and uses the goods or money.

The firm is liable only to one who deals with a partner in good faith. Thus, if one receives negotiable paper bearing the name of a firm, knowing that it is not in the business of the firm, and is given for no consideration received by the firm, he cannot hold the firm. And if a creditor of one partner receive for his separate debt a partnership security, this we should hold to be a fraud, unless the creditor could show that the partner had, or was supposed by him to have, the authority of the rest.

If he supposed the partner had this authority, he cannot hold the partnership if the partner had not the authority, unless the partnership had caused him to believe it. And if the partnership security be transferred for two considerations, one of which is private and fraudulent, and the other is joint and honest, it seems to be held that the partnership is bound for so much of it as is not tainted with fraud, and only for that.

The partnership may be liable for injury caused by the criminal or wrongful acts of a partner, if these were done in the transaction of partnership business, and if it was the partnership which gave to the wrongdoer the means and opportunity of doing the wrong. But an illegal contract will not bind the copartners, for the parties entering into it must be presumed to know its illegality; and the law enforces no bargain that is contrary to law.

Whether the acknowledgment of one who had been a partner, after the dissolution of the partnership, can take the debt out of the statute of limitations, so as to restore the liability of all the partners, has been much agitated. We consider, however, that it is now quite well settled in this country that it can have no such effect, on the ground that he has no longer the right or power to make a new promise for his former partners; and it is only as a new promise that an acknowledgment is a bar to the statute of limitations.

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## SILVER CURRENCY OF INDIA.

T. M. J.

OUR readers are well aware of the tendency of the natives of India and China to hoard all the silver they can obtain. The increasing annual absorption of silver, resulting as it does from the constantly increasing prosperity of those countries, has not failed to attract serious attention. The importations of this precious metal into Bombay alone, for the three previous years, reckoning from April 30th to April 30th ensuing, have been as follows:

1860-61.....	rupees,	38,859,849
1861-62.....		66,471,563
1862-63.....		99,592,005
1st of May to 15th November.....		36,488,216

Hereafter the yearly payments to India must be largely increased with the increasing cotton trade. But whatever may be the increase, as fast as the rupees are coined, they are paid to the natives who carry them into the interior, where they are either secreted or converted into bangles. Thus it

appears that the mint is pitted against the miser's chest and the smelting pot, and the former seems to be completely outstripped. This annual withdrawal of such large quantities of silver from circulation, must, if continued indefinitely, seriously affect the money markets of the world, and the price of that metal be greatly increased. This would already have happened had it not been for the increased amount of silver exported from South America and Mexico.

The question of the present exact depreciation in the value of gold as compared with silver is one as yet far from settled. The price of silver is, however, pretty accurately determined by the rate at which it sells in London, the market for the world's supply. The ounce of gold in London, when the California mines were discovered, in 1848, was 77s. 6d., and the ounce of standard silver 59½d., or 15⅝ for 1. In 1862 the price of silver was 62½d., or a little more than 5 per cent. rise. This rise was created mainly by the large demand for silver for Asia, caused by the development of the industry of that region, as we have already stated, and by the extension of railroads and other works which drew capital from England. The demand was supplied chiefly from the French currency which had been mostly silver, while gold uniformly commanded a premium up to the time of the discovery of 1848. The influx of gold at that time soon destroyed the premium, and the demand for silver caused a slight premium for that article. The silver of France was thus gradually exchanged for gold, and India absorbed the silver in exchange for silks and other commodities. Now, that cotton at high prices is added to other articles for which silver must be sent to India, the question of its appreciation becomes a more serious one. At the same time, however, the Mexican and Western States' mines are throwing out largely increasing quantities. The exports from Mexico and South America have been, since 1857, as follows :

	Ounces.	London prices.
1858.....	9,017,458	61⅜
1859.....	11,909,246	62 1-16
1860.....	16,624,696	61 11-16
1861.....	19,954,001	60 13-16
1862.....	20,838,588	61 1-10
1863.....	—————	61¼

This largely increased production of silver is, to some extent, due to the cheapened cost of its production, caused by the quicksilver discoveries in California. The quicksilver is about ten cents of the cost of producing silver. Prior to 1850, the price of mercury had risen so high as to stop many of the Mexican mines. The effect of the California mines has been to reduce the cost of the article from 120 cents per pound in 1850 to 48 cents per pound in 1862. It has resulted that the production has greatly increased, and this has been followed by the increasing production of the new mines of the Western States.

Thus, up to this time, the increased demand has been supplied without serious difficulty. Yet, as the future will absorb even much larger amounts, if India will take nothing else for her cotton, some relief must be sought or the disturbance of the world's currency must follow.

How to cause the metal to return, or at any rate to decrease the amount to be secreted in the future, is an interesting problem. The mercantile community, not only of India, but of the world, cannot permit this absorp-

tion to continue, as it is apparent that it must lead to an exhaustion, or at least reticence of the supply; there appearing to be no limit to the capability, which the Indian Empire possesses, of affording storage for this precious metal. It may, indeed, happen, that the increased value will attract the coin already hoarded in the interior, but this would be at best but a relief to the Indian mercantile community, and only a temporary relief at that, liable to be followed by other seasons of scarcity.

The introduction of gold as the standard of the Indian currency is the plan proposed, since the immense supply which the mines produce renders the world better able to bear an annual loss of gold than of silver. This question is now being seriously discussed in India, and we believe at no distant day the plan will be adopted. Indeed, when we consider that, on account of the exclusion of that all-pervading metal from the currency of India, the gold of Australia and California has been carried to England and from England taken to the Continent, where it is exchanged for silver, and that silver brought back to England, and from there sent to India, when, if the standard of the currency was gold, that metal might be transported directly to the East, we can hardly believe that a system which excludes it from the currency will be continued. So natural is it that gold should be legal tender in India that, notwithstanding the fact that silver is the only currency, the receipts of gold at the port of Bombay have been as follows:

1860-1.....Rs.	25,033,294	1862-3.....Rs.	40,225,794
1861-2.....	28,539,425	May 1, to Nov. 15.	24,517,280

From the fact that the supply of gold is increasing much more rapidly than the supply of silver, an objection arises in the Indian mind to its adoption as currency. It is said that large governmental liabilities have been contracted, payable in silver, and the country cannot, without breach of faith, pay their debts in a more abundant and, consequently, cheaper metal. This objection doubtless has weight, but it is an objection easily answered. The Government could either pay in silver its debts already contracted, making all its subsequent liabilities payable in gold; or it could, without any breach of faith, give gold to its present creditors, making up to them the amount they would otherwise have lost, on account of the depreciation of that metal. Of course, no great reform could be effected without some objections; but, in the present case, the advantages to the commercial world are so great that it is hard to see why the measure has not long since been adopted. The one fact that it would tend to check the absorption, and consequent enhancement in the value of silver, will, we think, ultimately lead to its adoption. At present, every piece which a native becomes possessed of is secreted, and retired from circulation. The gold coins, however, being of greater value, would not so easily fall into his hands, and concealment of the silver token coins, which are of less value than the amount they represent, would not so rapidly decrease the circulating amount of that metal; and if the decrease is thus checked the rise in price must be checked also. With a gold currency, moreover, the natives might be willing to exchange some of the hoarded silver for gold, and some of that metal already withdrawn might be unearthed.

The advantages to India itself, however, can hardly be exaggerated. It would insure a rapid supply of the circulating medium, to meet all demands in time of pressure. The mint is unable to coin the silver into rupees as

fast as they are required ; but with a gold currency the power of the mint would be increased ten-fold, and the arrival of one steamer would be able to supply the market, and change scarcity into abundance. Then, again, it would promote intercourse with the neighboring nations. It does seem truly as if something were wrong, when a country, with abundance of gold at hand, is forced to traverse half the earth in quest of silver to deal with a market at its very door.

The Indian mercantile community have long been anxious for the change. The reform may be said to be merely a question of time ; but, as with all other reforms, so here—the governing and power-holding body seems to be the very last that is able to discern its propriety.

## COMMERCIAL CHRONICLE AND REVIEW.

GENERAL STATE OF BUSINESS—CHANGE IN THE VALUE OF MONEY—CAUSES AT WORK—UNITED STATES LOAN—BANKS—RETURN OF MONEY—LEGAL TENDERS PAID OUT—USED AS CURRENCY—BANK DEPOSITS—EFFECT OF LEGAL TENDERS—FLUCTUATIONS—PRICE OF STOCKS—FIVE PER CENT STOCK—EQUIVALENT VALUES—UNITED STATES DEBT—INCREASE OF—TELEGRAPHS—STOCK MARKET—RISE IN PRICES—IMPORTS AND EXPORTS—PRODUCE TRADE—DECLINE IN BILLS—PRIORS—SPECIE MOVEMENT—GOLD BILL—ITS EFFECTS.

THE general business of the past month has been unusually quiet, since the spring business has been backward, with a downward tendency in the export markets. The financial aspect has, however, undergone a great change ; since money, from being very hard to borrow at seven and eight per cent, has become profusely abundant at five per cent. The leading causes of this great change have been the operations of the Treasury department. During the months of November and December, a regular and persistent demand for the Government stocks caused a drain into the Treasury of an average of over two millions per day. That is, from October 1st, to December 1st, about \$221,500,000 of fifty-two six per cent stock was subscribed for, and the price of capital naturally rose under such an absorption. In the same period, about \$100,000,000 were withdrawn from investments in the five per cent certificates of deposits and in the one-year six per cent certificates. Nevertheless, this operation was accompanied by a great demand for money at the West to move the crops, and also a considerable demand for the use of the army and the Western expenses of the Government. All these circumstances naturally combined with the delay of the Government to pay the banks the \$50,000,000 it had borrowed of them, to make a very dear rate of money. With the beginning of January, however, the Government loan was all closed out, and that outlet for money was stopped. At the same time, the Treasury paid the banks their \$50,000,000 loan in five per cent legal tender notes. The return of money from the West then began to set the current in a contrary direction, aided by the funds which had been paid out to the army and which, percolating through the channels of trade, began to reappear at the financial centres. The five per cent legal tenders, which it was supposed would be taken up for investment, proved only to be serviceable as a currency ; since, when money was active at seven and eight per cent, no one would afford to let his money lie in a five per cent paper. The notes were therefore freely poured out over the counter and into the Treasury, no account being

taken of the interest. The Treasury, at the same time, receiving no longer any income from the sale of stocks, began to pay out freely one-year five per cent legal tenders, without coupons attached. These notes were, on being paid out, stamped with the date of issue, so that the whole draw interest up to the 1st of June. These were paid in and out of the Treasury without regard to interest. It resulted, from all these circumstances, that money rapidly became easy; and we call attention to the bank statements on another page, where the swelling deposits and loans indicate the progress of the money accumulation. The rates of money fell to five per cent. Under these circumstances, a change took place in the use of the five per cent legal tenders. They were, to some extent, taken up for investment, but the objection to them is, that unless the holder keeps them until the maturity of the coupons, June 1st, he will lose the interest. Hence, the notes are not available like other paper, at will. The banks, and others who held them and anticipated being called upon to use them, therefore deposited them with the Treasury in exchange for five per cent certificates of deposits, because these will bear the same interest and will be available at thirty days' notice. The banks deposited about \$7,000,000 in this manner, to use the certificates in the Clearing-house. The volume of the five per cent legal tenders is rapidly increasing under the payments by the Government, and it is manifest by the 1st of June some \$200,000,000 will be outstanding, of which \$50,000,000 will have full coupons from December 1st, and the balance fractional coupons, of all dates, from the close of January up to the 1st of June. As the time for payment approaches, all these will be of increasing value, but on the 1st of June the whole volume will be converted into money; because as soon as the coupon is paid they are again but a legal tender currency which will be gradually taken up for investment after three months, when the next coupon payment draws near. If the whole amount of that currency authorized is put out, it will, every six months, cause a flood of 400,000,000 money suddenly to seek investment, and must produce extraordinary results. This might, to some extent, be guarded against by dividing the series and making the interest payable at different times.

The growing abundance of money has caused stocks generally to rise. The prices of Government's have been as follows:

## PRICES UNITED STATES PAPER.

		—6's, 1881.—		5's, 1874.	7 3-10,	1 year certif.		Gold.	
		Reg.	Coup.		3 years.	Old.	New.		
January	2.....	104 $\frac{1}{2}$	105 $\frac{1}{2}$	96	106 $\frac{1}{2}$	101 $\frac{1}{2}$	97 $\frac{1}{2}$	151 $\frac{1}{2}$	a 151 $\frac{1}{2}$
"	9.....	104 $\frac{1}{2}$	105 $\frac{1}{2}$	96	166 $\frac{1}{2}$	102	97 $\frac{3}{8}$	152	a 152 $\frac{1}{2}$
"	16.....	104	105 $\frac{1}{2}$	96	106 $\frac{1}{2}$	102 $\frac{1}{2}$	97 $\frac{3}{8}$	155	a 155 $\frac{1}{2}$
"	23.....	106	107	97	107	103	97	156	a 158
"	30.....	106 $\frac{1}{2}$	106	100	107 $\frac{1}{2}$	102 $\frac{1}{2}$	97 $\frac{1}{2}$	156 $\frac{1}{2}$	a 156 $\frac{3}{8}$
February	6.....	107 $\frac{1}{2}$	107 $\frac{1}{2}$	100	108	102 $\frac{1}{2}$	98 $\frac{3}{8}$	159 $\frac{3}{8}$	a 159 $\frac{3}{8}$
"	13.....	109 $\frac{1}{2}$	109 $\frac{1}{2}$	100	109 $\frac{1}{2}$	103	98 $\frac{3}{8}$	159 $\frac{1}{2}$	a 159 $\frac{1}{2}$
"	20.....	111 $\frac{1}{2}$	110	100	111	103	99 $\frac{1}{2}$	159 $\frac{3}{8}$	a 161

The gradual rise of the 6 per cent stocks, it is supposed, will provide the way for the negotiation of the \$900,000,000 of 10-40 stocks at 5 per cent interest. These stocks are the only ones that by the terms of the law creating them are made payable in coin. All others are payable in greenbacks or national bank notes. Should the debt, however, reach such a magnitude as to make it necessary that it should remain as a permanent debt, all the stocks would be on the

same footing, but their value would depend upon the interest each bears. The equivalent for a 5 per cent stock at par in a 6 per cent stock is 120. The only difference in that case, then, between the 5-20 and the 10-40 would be, that the interest of the latter may be reduced after ten years and the former after five years. That is, in case the war should cease and money become so abundant in 1867 that the Government could borrow at 5 per cent, then it would reduce the interest of the 5-20s to that rate. The amount of the Federal debt, February 2, was as follows :

5 per cent deposit loan.....	\$31,842,143
7.30s, 3 years.....	139,536,450
6s, twenty years.....	50,000,000
6s, old debt.....	67,221,591
6s, one year.....	1,016,000
6s, five-twenties.....	503,005,173
6s, certificates.....	187,980,950
5s, legal tenders.....	52,074,445
6s, two years.....	82,600
United States notes.....	450,785,004
United States notes, factional.....	18,246,290
<b>Total, February 2, 1864.....</b>	<b>\$1,451,850,654</b>
“ September 30, 1863.....	1,222,114,559
“ June 30, 1863.....	1,098,793,181

The increase of debt from October 1, to February 1, was \$229,000,000; but the increase in 5-20 stock outstanding was \$222,000,000, showing that nearly the whole was in the long loans of the Government; and this process of absorbing capital was attended by a considerable rise in the price of money. The chief employment for money has been in the stock market, where a continued and large rise of prices has taken place. The influence of the telegraph upon the speculative movement in the cities is very great, and large amounts of money are sent into the street for employment. The value of the stocks habitually upon the New York market has risen over \$200,000,000. Sixteen leading railroads have a capital of \$126,000,000, of which in 1862 the market price was \$70,000,000; it is now \$150,000,000. A large portion of that advance of \$80,000,000 has been realized by old holders of stocks, and consequently large means are in their power.

While money has been accumulataing and falling in value, general business has been by no means active. The imports and exports of the month of January were as follows :

## NEW YORK TRADE, JANUARY, 1864.

IMPORTS.		EXPORTS.	
Consumption.....	\$12,422,618	Domestic.....	\$11,443,953
Warehouse.....	5,571,936	Foreign, free.....	42,232
Free.....	841,050	Foreign, dutiable.....	664,485
Specie.....	141,790	Specie.....	5,459,079
<b>Total.....</b>	<b>\$18,977,394</b>	<b>Total.....</b>	<b>\$17,609,749</b>
1863.....	15,739,576	1863.....	19,695,358
1862.....	12,620,329	1862.....	14,888,437

The exports, exclusive of specie, this year were \$12,150,670, of which the cash value was \$7,740,000. The amount of goods withdrawn from warehouse was \$4,950,418, which made the amount of goods to be accounted for \$18,355,876

showing the apparently large adverse balance of \$10,600,000, which was mostly met by an export of \$5,459,079 specie, and remittances for the remainder await the further movement of the spring trade. The customs of the port give, for seven months that have elapsed of the fiscal year, \$41,222,512, against \$31,318,635 last year—an increase of 33½ per cent.

The imports for the first three weeks of February were nearly \$12,000,000, against a specie value of exports of about \$7,000,000. The goods have not sold freely, since the spring has been backward, and, as a consequence, the demand for bills has been very limited, causing a heavy gold market and declining rates of bills, which have depressed the produce business and caused a great decline in the quality of grain and provisions exported. Since September 1 there has been nearly \$12,000,000 less bills drawn against grain than for the corresponding season last year. The agitation of a bill before Congress to stop time dealing in gold altogether and to enable the Secretary to sell the gold accumulated in the Treasury had the effect of checking transactions, since many supposed that a sale of gold to the extent of twelve or fifteen millions would produce lower prices and, consequently, a better opportunity to remit. The prices of bills were as follows:

## RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2,	166 a 166½	3.38½ a 3.34½	62½ a 63	62½ a 63½	55½ a 56	110½ a 111
" 9,	166½ a 167½	3.38½ a 3.40	62½ a 63	62½ a 63½	55½ a 56½	110½ a 111
" 16,	169½ a 170½	3.30 a 3.32½	64 a 64½	64½ a 64½	56½ a 57½	112½ a 113½
" 23,	170 a 171	3.31 a 3.33	64½ a 64½	64½ a 65	56½ a 57	112½ a 113½
" 30,	171 a 172	3.32½ a 3.28½	64½ a 64½	64½ a 65	57½ a 57½	113½ a 114
Feb. 6,	174 a 175	3.26½ a 3.23½	65½ a 66½	65½ a 66	58 a 58½	115 a 116
" 13,	173 a 174½	3.27½ a 3.23½	65 a 65½	65½ a 65½	58½ a 58½	115½ a 116½
" 20,	172½ a 174	3.27½ a 3.23½	65½ a 65½	65½ a 65½	58½ a 58½	115½ a 116

The leading houses had little disposition to draw direct unless covered at once by commercial bills or gold. The importers were disposed to buy for remittance only when sales were made, and these were made very slowly. There was some business done in options by those who looked for a rise. The gold movement was as follows:

## SPECIE AND PRICE OF GOLD.

	1863.		1864.			
	Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January 2.	.....	681,448	254,239	590,262	25,161,935	51½ a 52
" 9.	1,277,788	726,746	.....	1,216,204	25,122,002	51½ a 52
" 16.	.....	1,380,247	279,801	1,985,057	24,884,264	52½ a 56½
" 23.	678,841	780,817	365,608	1,000,000	.....	56 a 58
" 30.	.....	1,331,027	324,864	668,747	24,203,632	56½ a ...
February 6.	301,860	1,277,000	.....	662,616	24,070,191	59½ a ...
" 13.	359,987	1,152,846	363,198	1,219,808	23,521,453	59½ a ...
" 20.	.....	520,017	.....	325,632	22,523,918	61 a ...
Total ...	2,618,467	7,850,148	.....	7,668,356	.....	.....

The amount of gold in bank continued steadily to decrease, under the exports and the absorption into the Treasury for duties. The amount then held in all the depositories was placed at \$24,000,000, with the probability of some \$30,000,000 being added up to July 1, from customs, which would give a supply of \$54,000,000. The law of February 25, 1862, authorizing the creation of \$500,000,000 of 5-20s six per cent stock, just sold by the Government, contains

the following: Section 5 provides that duties shall be paid in coin, and the coin so paid shall be set apart as a SPECIAL FUND, and shall be applied as follows:

*First*, To the payment of the interest on the bonds and notes of the United States.

*Second*, To the purchase or payment of one per centum of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1862, which is to be set apart as a sinking fund, and the interest of which shall in like manner be applied to the purchase of or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

Under this clause, the debt being, as above, in round numbers \$1,500,000,000, \$150,000,000 is applied to the purchase of stock for the sinking fund, an operation apparently desirable if the amount in the Treasury should suffice for the interest. The interest payments are nearly as follows:

February 19, interest on 7.30 bonds.....	\$1,825,000
March 1, " ".....	1,825,000
March 1, " one-year certificates.....	5,000,000
May 1, " " 5-20 certificates.....	15,090,000
July 1, " long stocks.....	4,500,000
Total interest.....	\$28,240,000
Supply as above.....	54,000,000

This would apparently leave \$26,000,000 of gold that might be disbursed for the sinking fund. A bill was introduced in the House to permit the Secretary to sell this gold and apply the money to general purposes, thus repealing this sinking fund. The plan was not regarded with favor, but the agitation of it caused a dullness in the market, which was aided by the rumors of great success at the South by which much cotton would be captured.

## JOURNAL OF BANKING, CURRENCY, AND FINANCE.

NATIONAL BANKS VS. STATE BANKS—CITY BANK RETURNS—NEW YORK, PHILADELPHIA, AND BOSTON—RETURNS OF THE BANKS OF NEW YORK STATE—RETURNS OF THE SAVINGS BANKS OF NEW YORK—EUROPEAN FINANCES.

**NATIONAL BANKS VS. STATE BANKS.**—The contest between State and National banks continues to increase in interest, the State institutions fighting for life, the national for supremacy. During the past month the old banks have been endeavoring to fix upon some line of action which shall relieve them, or, we might say, place them on an equality with the new institutions so far as privileges and exemptions are concerned. Application has been made to the State Legislature, seeking the removal in part of their present taxes. This, however, was refused; and yet we cannot see on what ground, since if they are driven into the national system they will owe no allegiance to State authority, and the city and State will thus lose millions of dollars of taxes. The old banks now propose a visit to Washington.

What benefit the national finances are to receive by this war on the old banks we cannot understand. Let a good national system, properly restricted and guarded, be tried, if desired by any number; but why destroy our present organizations? Why not give equal privileges to both, and let them stand on

their own merits? If one class is to be freed from taxation, why not the other? Certainly, we think that institutions which have served the country as faithfully as they have during this war, loaning to Government at an hour when all others hesitated, deserve some consideration.

The formation of the new national banks is very rapid, the plates for their notes are being prepared, and they go into operation as fast as they can file their papers and procure their notes. There are now nearly two hundred and fifty in the various States, of an average capital of less than \$100,000 each.

The new and old bank circulations for the present do not come much in conflict, for the reason that the new national bank currency does not yet exist, and will not probably, in any appreciable quantities, for a year to come. The amount of notes as yet paid out is not more than \$2,000,000 to all the banks in all the States. The principal business of the institutions seems at present to be to receive the public money on deposit without giving security, and lending it back to the Treasury on five per cent certificates of deposit. The operation is profitable to the banks, but where the Department finds its account in the transaction it would be difficult to discover. Individuals as yet do not deposit in the new banks, for the reason that unless they deal exclusively with them, they, by so doing, would put their funds out of the circle of business. The old banks will not receive checks on national banks; hence, deposits in a new bank must be drawn out and exchanged for other money before they are applicable to payments in the old banks. This is the general rule with the old banks for the present, with some exceptions.

The idea that this circulation of these new banks is a "uniform" currency certainly cannot be seriously suggested. In previous numbers we have shown its fallacy, and we only refer to it again because we find it so repeatedly stated. A paper currency cannot be entirely uniform, because it is not itself capital—it only represents capital, and that only capital moving to market, if it is a sound paper currency. If it is not a sound paper currency it is simply a cheat, and has no approach to uniformity. A sound paper currency is one uttered for the movement of goods or produce to market, and returns upon the issuer with the sale of those goods. Thus the sixty-day note of a dealer is given a bank, which issues its notes. These are paid out, perhaps, in the purchase of wool, which wool being forwarded to market and sold cancels the note and returns the bank bills to the issuer. The bank notes are continually running back for payment, as fast as they are put out. No bank can put out more in its locality than will represent the exact amount of local productions of wealth, which productions accompany the notes to market and accomplish their payment regularly, within a few weeks at most. If more notes are put out than are thus demanded by created wealth, they must be paid in specie on demand. These circumstances constitute "uniformity;" and the New England currency, although mostly unsecured, is the most uniform in the world, because, under the system of close redemption, it uniformly retains its perfect relation to the productions of the section, rising and falling in volume with the quantity, greater or less, at each period of the year. If any of these notes get out of the circle of redemption by being sent west, they bear a discount, greater or less, in proportion to the cost of sending them home.

In the case of these new banks, their notes are issued without regard to re-

demption, convertibility, or the demands of trade. For instance, they are not redeemed anywhere except at the point of issue. A national bank in Oregon may pay out its notes, and may circulate them here; but these notes can only be redeemed by sending them to Oregon, and, therefore, to know their real value here, we must deduct the cost of sending them to the point of issue. Hence, notes issued in Oregon, Kentucky, Illinois, Ohio, etc., will in New York, for instance, be at all shades of discount, according to the expense of returning each of them for redemption. An Oregon bank-note will evidently, therefore, be worth less than one uttered by a bank in Illinois, etc. To say, therefore, that these notes constitute a uniform currency, because they are all issued on the deposit of Government bonds, and are numbered and have pictures alike on them, is as reasonable as to suppose that all dealers would be alike solvent and trustworthy, because they started with equal capital, and kept their signs all of one color and their coats all of the same cut. If the Department would require the notes to be redeemed in some of the principal cities, one great defect of the system would be remedied. We trust that Congress will see to it that the law is amended in this respect, at least.

**CITY BANK RETURNS.**—The bank returns of this city present important changes. The most of the specie now held by them—that is, about \$20,000,000—belongs to them, and will not be sold in any event. The remainder—about \$2,500,000—belongs to special depositors, and this has regularly diminished from \$18,500,000 in October last, while the amount with the United States Treasurer has increased until now it has reached about \$20,675,021. The circulation is nearly a fixed quantity, and plays no important part in the routine of business, since the banks act almost entirely with Government currency, both that which bears interest and that which does not. It is the Government issues that are chiefly instrumental in working the changes that appear in the bank returns from month to month. Thus the swell of the autumn business in October carried the deposits of the banks to a high figure, and they employed them in the loan of \$35,000,000 at 6 per cent to the Treasury, carrying the loans to their highest point in October. In January the Government paid off the loan in 5 per cent legal tender notes. The large subscriptions to the five-twenties had absorbed a great deal of money, and had caused a rise of interest to 7 a 8 per cent.

The five per cent legal tenders at such a rate of interest were not available as an investment, and were used as a currency. Hence they did not appear in the bank "loans," that term embracing everything that draws interest. The loans therefore fell to a very low figure at the close of January. A new state of affairs then presented itself: the subscriptions to the five-twenties being closed at a time when the money that had been going West during November and December to move crops and to pay troops was on its return, this money met the new currency paid out by the Government at the rate of \$2,000,000 per day, and there could not but be a plethora of money. Accordingly in four weeks the deposits have risen \$18,000,000, and in the last two weeks the loans have risen \$5,000,000, and interest has fallen to 5 per cent.

The Boston and Philadelphia banks will be found to have been similarly affected by like causes. We give below the returns to the latest dates:

## NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1864, \$—; Jan., 1863, \$69,494,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 2,...	\$174,714,465	\$25,161,935	\$6,103,331	\$140,250,856	\$300,753,147
" 9,...	173,009,701	25,122,002	6,032,546	134,861,977	387,546,217
" 16,...	165,991,170	23,884,264	6,008,182	130,811,046	416,962,806
" 23,...	162,925,880	24,077,513	5,049,807	130,136,203	460,811,543
" 30,...	162,296,896	24,203,632	5,913,558	130,665,415	427,306,608
February 6,...	163,076,846	24,070,791	5,974,762	133,849,042	425,430,985
" 13,...	165,090,329	23,521,453	5,916,707	140,464,616	467,751,745
" 20,...	168,302,935	22,523,918	5,908,394	148,014,106	514,887,411

## BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$38,231,700; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,...	\$76,805,343	\$7,503,889	\$9,625,043	\$32,525,679	\$12,831,000	\$12,351,500
" 11,...	77,747,734	7,531,195	10,185,615	31,524,185	12,703,600	11,019,000
" 18,...	75,877,427	7,464,511	9,963,389	31,151,240	12,041,000	11,769,000
" 25,...	74,146,000	7,440,000	9,729,000	30,893,000	11,106,700	12,227,000
Feb 1,...	73,959,175	7,385,413	9,660,163	30,655,782	10,825,000	11,854,500
" 8,...	71,765,122	7,265,104	9,579,020	30,030,292	11,315,000	12,272,000
" 15,...	71,088,849	7,224,924	9,741,471	30,412,647	11,615,000	13,448,000
" 22,...	71,074,000	7,215,500	9,411,000	31,831,000	11,329,600	14,925,400

## PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,130.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,...	\$35,698,808	\$4,153,585	\$2,055,811	\$29,878,920	\$4,316,763	\$2,963,563
" 11,...	35,458,967	4,158,235	2,050,891	30,484,227	4,001,473	2,814,183
" 18,...	34,896,842	4,158,125	2,044,427	31,194,851	4,330,120	3,063,148
" 25,...	34,849,959	4,103,065	2,047,846	32,354,253	3,500,693	2,905,921
Feb. 1,...	34,345,126	4,108,109	2,056,532	32,027,147	3,453,431	3,271,306
" 8,...	34,146,677	4,162,671	2,066,069	31,033,030	4,080,059	2,461,873
" 15,...	34,590,880	4,102,748	2,069,061	29,911,704	4,322,609	2,080,750
" 22,...	35,059,676	4,102,588	2,119,488	30,783,741	4,463,751	2,099,778

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned :

Jan. 4,.....	\$6,080,211	Feb. 1,.....	\$10,040,972
" 11,.....	6,325,828	" 8,.....	9,869,478
" 18,.....	9,486,078	" 15,.....	9,446,705
" 25,.....	9,776,424	" 22,.....	9,940,174

RETURNS OF THE BANKS OF NEW YORK STATE—The following shows the aggregate of the resources and liabilities of the banks of the State of New York, as exhibited by their reports to the Superintendent of their condition on the mornings of December 26, and September 26, 1863 :

## LIABILITIES.

	Dec. 26, 1863.	Sept. 26, 1863.
Capital.....	\$109,535,785	\$109,258,147
Circulation.....	36,934,255	33,423,230
Profits.....	21,269,188	17,119,176
Due banks.....	43,124,671	48,605,902
Due individuals and corporations other than banks and depositors.....	3,307,015	2,745,869

Due Treasurer of the State of New York	5,238,155	4,389,248
Due depositors on demand.....	222,645,314	233,611,282
Amount due not included in either of the above heads.....	3,433,424	25,971,848
Add for cents.....	510	525
<b>Total.....</b>	<b>\$445,638,312</b>	<b>\$475,125,227</b>

## RESOURCES.

Loans and discounts.....	\$193,781,315	\$203,462,460
Overdrafts.....	\$592 and 642,708	568,495
Due from banks.....	21,713,285	21,949,185
Due from directors.....	\$7,053,713	\$6,572,010
Due from brokers.....	10,976,763	14,722,547
Real estate.....	6,500 and 8,627,977	8,865,541
Specie.....	26,685,669	31,071,759
Cash items.....	59,645,949	53,253,433
Stocks, promissory and U. S. 7.30 notes and indebtedness certificates.....	\$705,700 and 102,346,931	120,856,200
Bonds and mortgages.....	82,000 and 5,473,517	5,579,543
Bills of solvent banks and U. S. demand notes.....	25,239,319	28,746,183
Bills of suspended banks....	\$65 and 302	\$78 and 229
Loss and expense account.....	1,480,437	771,248
Add for cents.....	903	948
<b>Total.....</b>	<b>\$445,638,312</b>	<b>\$475,125,227</b>

To show the changes in the returns during the war, we give the movements since September, 1861, in the four principal items of the quarterly report:

	Circulation.	Deposits.	Specie.	Discounts.
September, 1861....	\$28,015,748	\$111,895,016	\$38,089,727	\$176,055,848
March, 1862.....	28,330,973	121,988,259	34,301,092	162,017,987
June, 1862.....	33,727,382	150,438,244	32,882,693	184,501,261
September, 1862....	37,557,373	186,390,795	39,283,981	165,584,063
December, 1862....	39,182,819	191,537,897	37,803,047	178,922,536
March, 1863.....	35,506,606	221,544,347	36,802,433	183,864,089
June, 1863.....	32,261,462	218,717,725	40,250,309	183,617,438
September, 1863....	33,423,230	233,611,282	31,071,759	203,462,460
December, 1863....	36,934,255	222,645,314	26,685,669	193,781,315

RETURNS OF THE SAVINGS BANKS OF NEW YORK STATE.—The Superintendent of the Bank Department has transmitted abstracts of the annual report of the savings banks of this State, showing the condition of these institutions in January, 1864:

The whole sum represented in savings banks at the time stated was \$98,881-171; of this amount \$93,786,384 is directly due to depositors, and the balance consists of real estate, furniture and accumulated profits, amounting to \$5,094,787.

The following comparative statements of the operations of the banks for the year ending 31st December, 1862 and 1863, will serve to mark the rapidity with which this trust is increasing in volume and value:

	1862.	1863.	Increase.
No. of institutions in operation.....	71	71	
No. of open accounts.....	347,184	400,194	53,010
Amounts due depositors.....	\$76,538,183	\$96,786,384	\$17,248,201
“ deposited.....	39,096,308	54,257,096	15,160,788
“ withdrawn.....	28,897,495	40,257,953	11,360,458
“ of interest received.....	24,167,005	5,074,759	907,751
“ of interest, credit, deposit	3,079,302	3,760,524	681,222

The following summary shows the aggregate of the resources and liabilities of the Savings Banks of the State, as exhibited by their reports, January 1, 1864 :

RESOURCES.		
Bonds and mortgages.....		\$23,922,202
Estimated value of mortgaged premises.....	\$56,402,975	
Stock investments.....		59,287,019
Par value of stocks.....	\$59,348,844	
Estimated value of same.....	59,993,360	
Stocks on which money has been loaned par value....	3,988,747	
Amount loaned thereon.....		3,409,219
"    "    on personal securities.....		372,926
Amount invested in real estate.....		1,237,532
Cash on deposit in banks.....		8,080,862
"    hand.....		1,644,955
Amounts not loaned or deposited.....		692,522
Miscellaneous.....		233,934
<b>Total.....</b>		<b>\$98,881,171</b>
LIABILITIES.		
Amount due Depositors.....		\$93,786,384
Miscellaneous.....		9,204
Excess of Assets over Liabilities.....		5,085,583
<b>Total.....</b>		<b>\$98,881,171</b>
Total amount deposited during the calendar year of 1863.....		\$54,257,096
"    "    withdrawn.....		40,257,953
"    "    received for interest.....		5,074,759
"    "    of interest placed to credit of deposits.....		3,760,524
Number of open accounts, 400,294.		
Average to each depositor, \$23,435.		

Of the Stock investments reported, \$31,635,752 is in United States Securities. Bonds and Mortgages have diminished \$1,589,110. Loans on personal securities have increased from \$174,717 in 1862 to \$372,926 in 1863.

EUROPEAN FINANCES.—The Bank of England has again reduced its rate of interest to seven per cent, having raised it to eight per cent January 20th. The indications are, however, that it will return to the old figures very soon, and most likely go higher; for the same causes which have been in active operation ever since the breaking out of the war can but increase in energy while the war lasts. The foundation of the difficulty is, as we have many times stated before, the sudden withdrawal of American cotton from the markets of the world, and the necessity of supplying the demand from countries which will only take specie in payment. The following figures show the amount of cotton the United States has furnished the last three years, compared with the previous three years :

1858.....lbs.	1,118,624,612	1861.....lbs.	307,516,099
1859.....	1,386,468,556	1862.....	5,061,564
1860.....	1,767,686,338	1863.....	3,180,111
<b>Total.....</b>	<b>4,272,778,906</b>	<b>Total.....</b>	<b>315,760,774</b>
Decrease.....			3,957,018,132

The value of the total supply, the past three years, from the East Indies, Brazil, and Egypt is as follows :

	E. Indies.	Brazil.	Egypt.	Other countries.	Total.	Price.
1861..	£9,459,556	£690,100	£1,546,897	£386,445	£12,082,998	8c.
1862..	22,042,437	1,676,741	3,723,440	2,429,150	29,871,768	33c.
1863..	27,180,111	1,911,005	7,601,211	8,510,121	45,202,448	41c.

The amount of money sent to new places has been, in three years, \$435,000,000, and the price of cotton is now five times as much as before. The exports of specie from Great Britain and France have been as follows :

	Great Britain.	France.
1861.....	£20,811,648	f450,557,940
1862.....	29,326,191	392,551,040
1863.....	25,256,727	553,084,555

With these rising values and prices the drain of specie has been continuous, and is not likely to cease ; on the other hand, it seems likely to increase, because the supply of cotton from those sources swells in magnitude, demanding monthly remittances, and it has, as seen in the rates of discount, already reached a serious extent, even in a year of good harvests ; should the harvests of the present year turn out poorly, a drain for food would be superadded. The only check to the movement must come from a restoration of the cotton trade to its normal state, a thing not likely to happen at present.

These European financial difficulties have now far less interest to the United States than would have been the case under ordinary circumstances, since we now owe those nations nothing. If they want gold to buy cotton, they must buy the gold first. It cannot be obtained here by calling in outstanding credits, because those credits have nearly ceased to exist. A higher price for gold will undoubtedly cause it to be more freely exported, because more goods must be given for it ; but gold is an article that we have to sell. The Government has thought fit to dispense with its use as a currency, and there remains only to get the most for it. Its departure would not cause the Government paper to depreciate if the quantity of paper did not exceed the wants of business.

The following comparative table of the Bank of England returns will be found of interest, affording, as it does, a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with returns of February 3d, 1864 :

At corresponding dates with the week ending February 3, 1864.	1862.	1863.	1864.
Circulation, including bank post bills..	£21,427,554	£20,709,154	£21,162,626
Public deposits.....	5,788,441	5,351,617	6,748,867
Other deposits.....	14,179,917	13,352,278	13,372,981
Government securities.....	11,301,802	10,602,879	11,124,584
Other securities.....	17,435,550	19,297,354	20,214,750
Reserve of notes and coin.....	9,872,248	8,271,591	7,397,593
Coin and bullion.....	15,956,903	13,692,136	13,308,243
Bank rate of discount.....	2½ p. c.	5 p. c.	8 p. c.
Average price of wheat.....	60s 2d	47s 11d	40s 8d

We subjoin our usual table, with the returns brought down to Feb. 3, 1864 :

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 2,...	21,685,732	7,234,894	12,924,545	31,980,889	13,048,475	8 per ct.
" 9,...	20,801,207	8,629,856	12,981,276	32,622,659	13,008,617	8 "
" 16,...	20,382,764	9,103,738	13,265,068	32,303,049	13,675,474	7 "
" 23,...	20,273,799	10,266,546	12,711,637	32,270,286	14,217,067	7 "
" 30,...	20,686,538	10,841,991	13,021,212	33,438,154	14,362,605	7 "
Jan. 6, '64	21,322,304	10,001,982	13,052,604	33,486,952	14,196,754	7 "
" 13,...	21,396,420	5,264,097	15,411,794	31,726,575	11,708,597	7 "
" 20,...	21,445,793	5,689,074	13,879,877	31,445,860	12,974,109	8 "
" 27,...	20,875,825	6,337,246	13,406,627	31,017,449	13,022,220	8 "
Feb. 3,...	21,162,626	6,748,867	13,372,981	31,436,334	13,303,243	8 "

## STATISTICS OF TRADE AND COMMERCE.

## STATISTICS OF THE WHALE FISHERY FOR 1863.

The *Whalemens' Shipping List*, of New Bedford, gives us an interesting review of the whale fishery for 1863.

It will be seen that the past year, like its several predecessors, has witnessed a large decrease in the number of vessels engaged in the business, and the fleet is now reduced to a number which, although taking into consideration the high price of everything needed in fitting ships—if present prices of the staple continue can be made a profitable business.

The success of the Arctic fleet the last season was very good. The number of American ships in the Arctic in 1863, was twenty-six, of which twenty-one arrived at the Sandwich Islands, and five at San Francisco,\* with an aggregate catch of 28,700 barrels of whale oil, and 432,000 pounds of bone—an average of 1,104 barrels of oil, and 16,616 pounds bone to each ship. The favorable news had the effect of infusing new life into our ship owners, and was the immediate cause of the fitting of eighteen ships which sailed from this port in the months of November and December last, which otherwise would have remained at our wharves idle all the winter.

The Ochotsk fleet, which includes seventeen American vessels, have done poorly. Fourteen have arrived at the Sandwich Islands, and two at San Francisco, with an aggregate of 7,310 barrels of whale oil, and 89,500 pounds bone—an average catch of 457 barrels of whale oil, and 5,593 pounds bone. The slim catch in the Ochotsk may be accounted for in the following which we copy from the Honolulu *Commercial Advertiser*:

“We learn that whales have been abundant as usual on the ground, but the weather has been rough and foggy. In addition to this, it is reported that extensive fires have been raging all the summer on the shores of the Ochotsk, which have created dense banks of smoke over the land and sea. Some of the forests that line the shores and cover the Islands, have been entirely swept away. Whether these fires have been set purposely by the Russians or not, is not known. But the effect has been to put a check to whaling in the bays and near the shores, which are the favorite haunts of the whales.”

The total catch of the two Northern fleets of American vessels gives an average season's catch of 857 barrels of whale oil, and 12,416 pounds bone each.

The new field for Arctic whaling—Hudson's Bay—promises well. There arrived at this port from that Bay last fall, the *Black Eagle*, *Antelope* and *Ansel Gibbs*; and at New London, the *Monticello* and *Pioneer*, each having been absent two seasons (spending one winter there,) bringing an aggregate of 5,878 barrels of Polar oil, and 98,550 pounds of whalebone—an average of 1,175 barrels of

\* One, the *Jireh Perry*, of New Bedford, not heard from.

oil, and 19,710 pounds of bone to each vessel, by actual turn out. The William Thompson also arrived at this port, from Hudson's Bay, but as she sailed last year, and encountered so much ice in getting through the Straits, there was no time left for whaling. She did not winter, but put away in a very short time for home, to avoid being frozen in. She took 93 barrels of oil, and 1,200 pounds bone.

Ships must go prepared to winter, in order to have the whole of the following season. There were two arrivals from Cumberland Inlet, the Orray Taft, at this port, with 663 barrels of whale oil, and 10,150 pounds bone, and the Georgiana, at New London, with 319 barrels of oil, and 4,700 pounds bone. There were two losses in Hudson's Bay in 1863--the Pavillion, of Fairhaven, and the George Henry, of New London--both by being jammed in the ice. The following vessels are to be fitted from this port, for Hudson's Bay, the coming spring, viz.: Antelope, Ansel Gibbs, Black Eagle, Milwood, Morning Star, and Orray Taft; and probably several from New London.

The prospect now is that many of the ships in port, and of those to arrive, will be fitted in the course of the year for the various sperm and right whaling localities.

The sperm whale fishery, which in former years was prosecuted with success on the Pacific coast, seems to have been exhausted of late on those grounds; and ships, with few exceptions, have done little or nothing within the past few years. Short voyages in the Atlantic have been more successful of late, and we doubt if a ship fitted for three years could do better than to cruise in this ocean, visiting the different grounds, according to the seasons.

Whatever may be the fate of whaleships in 1864, owners have been agreeably disappointed in the extent of depredations committed by the rebel pirates on their vessels in 1863. It was greatly feared by many, in the earlier part of the year, that these pests of the ocean would be in a position to capture and destroy all, or nearly all of the homeward bound whalers coming around Cape Horn. But not a single instance of the capture of a homeward bound whaler occurred during the year.

The imports of sperm oil in 1863, exceeds that of 1862, 9,414 barrels, while that of whale falls short 37,504 barrels, and of whalebone, 274,750 pounds.

The exports of 1863 fall short of 1862, in sperm oil, 9,610 barrels; whale oil, 57,286 barrels; whalebone, 725,587 pounds.

The whole number of vessels employed in the business on the 1st of January, 1864, is 304, and of tonnage 88,785, showing a decrease of 49 vessels and 14,361 tons since January 1, 1863.

The average price of sperm oil for 1862, is 161 cents per gallon; whale oil, 95½ cents per gallon; whalebone--Northern, 172 cents, and Southern 144½ cents per pound, against 141½ cents for sperm, 59½ cents for whale oil, 88 cents for Northern, and 76 cents for Southern bone, in 1862.

The stock of sperm oil on hand January 1, 1864, exceeds that of 1863, 15,162 barrels; while that of whale is less by 13,675 barrels. Whalebone is in excess over 1863, of 57,480 pounds.

We now refer our readers to the following table of statistics, which has been prepared with great care, and will be found correct.

## IMPORTS FROM 1855 TO 1864.

Imports of 1863.....	65,055	62,974	488,750
“ of 1862.....	55,641	100,478	763,500
“ of 1861.....	68,932	133,717	1,038,450
“ of 1860.....	73,708	140,005	1,337,650
“ of 1859.....	91,408	190,411	1,923,850
“ of 1858.....	81,941	182,222	1,540,500
“ of 1857.....	78,440	230,941	2,058,900
“ of 1856.....	80,941	197,890	3,592,700
“ of 1855.....	72,649	184,015	2,707,500

## EXPORTS

Of sperm oil, whale oil and whalebone from the United States: ]

1863.....	18,366	11,297	279,394
1862.....	27,976	68,583	1,004,981
1861.....	37,547	49,969	1,145,013
1860.....	32,792	13,007	911,226
1859.....	52,207	8,179	1,707,929

## IMPORTATIONS

Of Sperm Oil, Whale Oil, and Whalebone into the United States in 1863.

	Sperm, bbls.	Whale, bbls.	Bone, lbs.
New Bedford.....	42,498	43,191	307,950
Fairhaven.....	3,856	1,137	7,800
Westport.....	3,874	195	....
Mattapoisett.....	1,573	7	....
Sippican.....	308	26	....
District of New Bedford.....	51,569	44,556	315,750
New London.....	23	2,148	35,550
Nantucket.....	3,823	557	4,950
Edgartown.....	1,170	100	900
Provincetown.....	1,390	1,730	....
Boston.....	4,916	5,637	88,900
Beverly.....	210	....	....
Salem.....	200	40	....
Sag Harbor.....	885	885	5,100
New York.....	969	7,351	37,600
Total.....	65,055	62,974	488,750

## IMPORTS FOR 1863.

Total.....	Sperm, bbls.	Whale, bbls.	Bone, lbs.
	65,055	62,974	488,750

## STATEMENT

Stock of Oils and Whalebone in the United States, January 1st, 1864.

	Sperm, bbls.	Whale, bbls.	Bone, lbs.
New Bedford.....	24,880	8,314	26,200
Fairhaven.....	1,800	....	....
Westport.....	2,700	....	....
Edgartown.....	800	....	....
Nantucket.....	760	....	....
Boston.....	315	410	....
Salem.....	220	....	....
New London.....	26	15	....
New York.....	....	605	122,780
Total.....	31,200	9,344	148,980

Stock of oil and bone on hand on the first of January, in the last seven years:

	Sperm, bbls.	Whale, bbls.	Bone, lbs.
1864.....	31,200	9,344	148,980
1863.....	16,038	23,019	91,500
1862.....	16,132	38,378	295,600
1861.....	15,838	80,469	418,700
1860.....	13,429	96,480	380,600
1859.....	17,176	82,376	400,000
1858.....	39,307	91,193	235,500

## AVERAGE PRICES OF OIL AND BONE.

	Sperm.	Whale.	Bone.
Average for 1863.....	\$1 61	95½	\$1 53
" " 1862.....	1 42½	59½	82
" " 1861.....	1 31½	44½	66
" " 1860.....	1 41½	49½	80½
" " 1859.....	1 36½	48½	.....
" " 1858.....	1 21	54	92½
" " 1857.....	1 28½	73½	96½
" " 1856.....	1 62	79½	58
" " 1855.....	1 77½	71½	450

## NORTH PACIFIC FISHERY.

Table showing the number of ships engaged in the North Pacific Fishery, for the last five years, and the average quantity of oil taken:

1859.....	176 ships averaged 535 barrels—94,160 barrels.
1860.....	121 ships averaged 518 barrels—63,678 barrels.
1861.....	76 ships averaged 724 barrels—55,024 barrels.
1862.....	32 ships averaged 610 barrels—19,525 barrels.
1863.....	42 ships averaged 857 barrels—38,010 barrels.

## RECAPITULATIVE TABLE.

## VESSELS EMPLOYED IN THE WHALE FISHERY, JANUARY 1, 1864.

	Ships & Barks.	Brigs.	Schs.	Tonnage.
New Bedford.....	195	1	1	64,815
Fairhaven.....	7	..	2	2,389
Westport.....	11	..	..	2,715
Dartmouth.....	4	..	..	1,141
Mattapoissett.....	3	..	..	638
Sippican.....	..	..	3	301
District of New Bedford.....	220	1	6	71,999
Falmouth.....	1	..	..	357
Homes Hole.....	1	..	..	255
Edgartown.....	6	..	1	2,388
Nantucket.....	9	..	1	3,173
Provincetown.....	2	..	28	2,969
Boston.....	1	..	2	535
Beverly.....	..	1	1	238
Salem.....	..	1	..	159
Warren.....	2	..	..	618
New London.....	10	2	7	4,571
Sag Harbor.....	6	..	..	1,528
Total January 1, 1864.....	258	5	41	88,785

Showing diminution of 43 ships and barks, 5 brigs, and 1 schooner, and of tonnage 14,361.

## COAL TRADE FOR 1863.

The *Miners' Journal* gives the annual returns of the coal trade. They are all official except from one point, and show an increase in the production for the year unexampled in the history of the trade.

After separating the coal which passed over the different railroads, we find that the whole production of coal was as follows :

Years.	Anthracite.	Semi and Bitu.	Total.
In 1863.....	9,420,135	1,166,985	11,587,120
1862.....	7,640,905	1,359,716	9,000,621
Increase.....	1,779,230	807,269	2,586,499

At the commencement of the business for the year no one anticipated such an increase, particularly when prices ruled so high, but it is only another evidence of the extent to which the manufacturing industry of the country is pushed to supply the wants of the Government and the people.

The following table exhibits the progress of the trade from the commencement in 1820 to 1864, a period of forty-four years :

From	Anthracite.	Semi-Anth & Bit.	Total.
1820 to 1830.....	359,190	273,568	632,758
1830 to 1840.....	5,261,197	954,166	6,215,363
1840 to 1850.....	119,373,249	1,744,460	121,117,709
1850 to 1860.....	57,190,990	9,467,568	66,658,558
1860 to 1864.....	32,604,729	6,371,510	38,976,239
Total.....	114,789,535	18,811,172	133,600,707

The following table exhibits the aggregate and annual increase of Anthracite Coal sent to market from the different regions in Pennsylvania from the commencement of the trade in 1820 to 1863, inclusive :

	Aggregate.	Annual Increase.		Aggregate.	Annual Increase.
1820.....	365	...	1843.....	1,262,598	155,180
1821.....	1,073	708	1844.....	1,660,850	367,252
1822.....	3,720	2,647	1845.....	2,013,010	382,163
1823.....	3,951	3,231	1846.....	2,344,005	330,992
1824.....	11,108	4,157	1847.....	2,882,309	538,304
1825.....	34,893	23,785	1848.....	3,089,238	206,929
1826.....	48,047	13,154	1849.....	3,217,651	128,403
1827.....	63,434	15,387		19,373,429	
1828.....	77,516	14,082	1850.....	3,321,136	103,495
1829.....	112,083	34,567	1851.....	4,329,530	1,008,394
	359,190	.....	1852.....	4,899,975	570,445
1830.....	174,734	62,651	1853.....	5,097,144	197,169
1831.....	176,820	2,086	1854.....	5,831,834	734,790
1832.....	363,871	137,051	1855.....	6,486,097	654,263
1833.....	487,748	123,877	1856.....	6,751,541	256,445
1834.....	376,636	111,112	1857.....	6,431,378	320,164
1835.....	560,758	184,122	1858.....	6,524,838	93,460
1836.....	684,117	123,359	1859.....	7,517,516	1,091,678
1837.....	879,444	195,327		57,190,990	
1838.....	738,697	140,747	1860.....	8,059,017	511,501
1839.....	818,402	79,805	1861.....	7,484,672	574,345
	5,261,197		1862.....	7,640,905	158,233
1840.....	864	45,982	1863.....	9,420,135	1,779,230
1841.....	959,973	95,589		114,789,535	
1842.....	1,107,418	148,445			

As regards the future state of the trade, we have only room to remark that there will be abundant colliery capacity to supply all the coal the market will require, even if the increase should run up to a million of tons the present year; but we doubt whether there will be facilities to transport such an increase to market. The price this year will depend upon the ability of the miners, &c., to maintain the present rates of wages, and the charge adopted by the different carrying companies. So far there has been no reduction in wages in the coal regions, and the future rates will depend altogether on the supply and demand when the spring trade opens.

#### COMMERCE OF THE LAKES.

The following is a statement of the arrivals and clearance of American and foreign vessels to and from Canadian ports; also the arrivals and clearances of American vessels to and from American ports, the tonnage of the same, and number of men composing the crews arriving and departing:

##### SUMMARY FOR THE YEAR 1863.

	No.	Tonnage.	Crew.
American vessels entered.....	1,584	1,881,096	14,954
Foreign vessels entered.....	696	63,243	3,616
Coasting vessels entered.....	5,370	1,928,747	60,188
<b>Total entered for the year.....</b>	<b>7,647</b>	<b>8,378,086</b>	<b>78,758</b>
	No.	Tonnage.	Crew.
American vessels cleared.....	1,680	1,853,751	14,887
Foreign vessels cleared.....	690	67,988	3,647
Coasting vessels cleared.....	5,409	1,958,183	60,128
<b>Total cleared for the year.....</b>	<b>7,729</b>	<b>8,879,817</b>	<b>78,657</b>
<b>Grand Total for 1863.....</b>	<b>15,876</b>	<b>6,757,903</b>	<b>157,415</b>
“ “ 1862.....	16,390	6,689,191	166,133
“ “ 1861.....	18,866	5,963,896	144,173
“ “ 1860.....	11,527	4,710,175	120,497
“ “ 1859.....	10,521	5,592,626	118,109
“ “ 1858.....	8,218	3,320,246	86,887
“ “ 1857.....	7,581	3,226,807	132,183
“ “ 1856.....	8,128	3,018,589	112,054
“ “ 1855.....	9,211	3,360,281	111,575
“ “ 1854.....	8,911	3,990,284	120,838
“ “ 1853.....	8,298	3,252,978	123,112
“ “ 1852.....	9,441	3,092,247	127,491

#### COMMERCE OF THE UNITED STATES.

The following figures (furnished through the courtesy of the Treasury Department.) give the official statement of the commerce of the United States for the last fiscal year:

##### IMPORTS AT THE PORTS OF THE UNITED STATES FOR THE YEAR ENDING JUNE 30, 1863.

Dutiable merchandise.....	\$208,093,944
Free merchandise.....	35,166,359
Specie and bullion.....	9,675,569
<b>Total imports for the year.....</b>	<b>\$252,935,872</b>

## EXPORTS FROM THE UNITED STATES TO FOREIGN PORTS FOR THE YEAR ENDING JUNE 30, '68.

Domestic produce other than specie.....		\$249,891,486
Foreign dutiable merchandise.....	\$12,581,031	
Foreign free merchandise.....	5,215,169	
		\$17,796,200
Domestic specie and bullion.....	\$55,993,562	
Foreign specie and bullion.....	8,193,049	
		\$64,156,611
Total exports for the year.....		\$381,844,247

## IMPORTS INTO THE UNITED STATES FROM FOREIGN PORTS FOR THE YEAR ENDING JUNE 30.

	Dutiable.	Free goods.	Specie and bullion.	Total imports.
1845.....	\$96,106,724	\$18,077,598	\$4,070,243	\$117,254,564
1846.....	95,924,058	20,990,007	3,777,732	121,691,797
1847.....	104,773,002	17,651,347	24,121,289	146,545,638
1848.....	132,282,325	16,356,379	6,360,224	154,998,928
1849.....	125,479,774	15,726,425	6,651,240	147,857,439
1850.....	155,427,936	18,081,590	4,628,792	178,138,318
1851.....	191,118,345	19,652,995	5,453,592	216,224,932
1852.....	183,252,503	24,187,890	5,505,044	212,945,442
1853.....	236,595,113	27,182,152	4,201,382	267,978,647
1854.....	371,276,560	26,327,637	6,958,184	304,562,381
1855.....	221,378,184	36,430,524	3,659,812	261,468,520
1856.....	257,684,236	52,748,074	4,207,632	314,639,942
1857.....	294,160,835	54,267,507	12,461,799	360,890,141
1858.....	202,293,875	61,044,779	19,274,496	282,613,150
1859.....	259,047,014	72,286,327	7,434,789	338,768,130
1860.....	279,874,640	73,741,479	8,550,135	362,166,254
1861.....	234,605,573	75,204,969	46,339,611	356,150,153
1862.....	136,683,123	52,721,648	16,415,052	205,819,828
1863.....	203,093,944	35,166,359	9,675,569	252,935,872

## EXPORTS FROM THE UNITED STATES TO FOREIGN PORTS FOR THE YEAR ENDING JUNE 30.

	Domestic produce.	Foreign produce.	Specie and bullion.	Total exports.
1845.....	\$98,455,320	\$7,584,781	\$8,606,495	\$114,646,606
1846.....	101,718,042	7,865,206	3,905,268	113,488,516
1847.....	150,594,344	6,166,754	1,907,024	158,668,122
1848.....	130,203,709	7,986,806	15,841,616	154,032,131
1849.....	131,710,181	8,641,091	5,404,648	145,755,920
1850.....	134,900,233	9,475,493	7,522,994	151,898,720
1851.....	173,620,138	10,195,121	29,472,752	213,288,011
1852.....	154,931,147	12,037,043	42,674,135	209,642,325
1853.....	189,869,162	12,096,213	29,486,865	231,452,240
1854.....	205,159,504	21,661,137	41,422,423	278,243,064
1855.....	192,751,135	26,158,368	56,247,343	275,156,846
1856.....	266,438,051	14,781,372	45,745,485	326,964,909
1857.....	278,906,713	14,917,047	69,136,902	362,960,662
1858.....	251,351,033	20,660,241	52,633,147	324,644,421
1859.....	278,392,080	14,509,971	63,887,411	356,789,462
1860.....	317,242,423	17,333,634	66,546,239	400,122,296
1861.....	359,920,311	15,054,217	29,791,080	404,765,608
1862.....	181,375,983	11,097,336	36,886,956	229,360,275
1863.....	249,891,436	17,796,200	64,156,611	331,844,247

The imports are valued at their foreign cost in specie; the exports (specie excepted) at their value here in the paper currency.

## THE CLOTHING TRADE.

We see in *Harpers' Weekly*, for February 27th, a plate furnished by Messrs. KIRTLAND, BRONSON & Co., manufacturers and jobbers of clothing, Nos. 45 and 47 Chambers street, New York. Following the plate is an article on the wholesale clothing trade, which we give, as it shows the extent to which this branch of business has been carried.

"The wholesale clothing trade in this country has become of such vast importance, as well in its magnitude as in the reduction of prices which it has occasioned in what may be justly regarded as one of the first necessities of man, that it deserves a place in our columns, and our patrons will doubtless be pleased to see other representations from the great warehouse of Messrs. KIRTLAND, BRONSON & Co.

"This branch of industry is of domestic origin, and was almost unknown forty years ago; the nearest approach to it in that day being the manufacture of clothing by a few individuals in this city who had branches for the sale of their goods at retail in some of the Southern cities. The demand from Southern merchants, however, which arose for clothing ready made soon developed the wholesale clothing business, and prior to 1837 there were half a dozen or more houses in this city engaged exclusively in the trade, and some of them very largely. The business was almost wholly confined to the South, and the class of goods made up at that period mainly of the lower and inferior grades. The revulsion of 1837 prostrated this as well as other branches of business, and extinguished the firms then engaged in it. With the subsequent revival of trade new houses entered into the business, other cities became identified with it, the western country opened up new markets for its sale, and the business rapidly increased, until, in 1860, it had attained its zenith. Then came the war, and with it the loss of the Southern indebtedness, in consequence of which it again suffered a temporary reverse. But clothing is an indispensable commodity, and hence we find the business quickly revived under the management of larger, wealthier, and more experienced firms.

"New York has always been the chief depot of supply, and will always control the largest share of the business. New York clothing is famed far and wide for its excellence—the characteristics which distinguish it above the make of other cities being novelty in the designs, durability and taste in the material and trimmings, and superiority in the workmanship. In former times, manufacturers hesitated at making up anything above the medium grade of goods. But now, in addition to manufacturing heavy lines of the medium and lower grades, a first-class house like the one above-named is obliged to keep a full assortment of fine goods, equal in every respect to the very best custom-made work.

"There are now engaged in the wholesale trade, in this city alone, over one hundred firms, with a capital invested of at least ten millions of dollars. The number of operatives in New York and vicinity who gain their living from the clothing trade is about 90,000, one half of whom may be employed on Government work and in the retail trade, and the other half by the wholesale trade, which contributes toward their support not far from ten millions of dollars a year wages. The amount of internal revenue which the Government derives from it is probably more than a million of dollars a year."

## RESTRICTIONS ON COMMERCE IN THE CONFEDERATE STATES.

THE *Richmond Enquirer* of February 9th, says that JEFFERSON DAVIS has approved the following bills of the Rebel Congress, passed in secret session:

*A Bill to Impose Restrictions upon Foreign Commerce.*—This bill prohibits the exportation of cotton, tobacco, naval and military stores, molasses, sugar or rice, under the penalty of forfeiture of any vessel or vehicle or any slaves or

animals engaged in the transportation thereof. Permits to export may be granted under rules which may be prescribed by the President.

The bill also prohibits the sending of any of the above named articles to any point in the confederacy in possession of the enemy.

A violation of this law comes within the category of high misdemeanor, and is punishable by fine and imprisonment, at the discretion of the Confederate States courts.

*A Bill to Prohibit the Importation of Luxuries into the Confederate States.*—This bill prohibits the importation of luxuries, of which a long list is enumerated, after the first day of March next. A provision in the bill empowers the Secretary of the Treasury to fix the maximum of foreign prices at which or within which all goods made wholly or partly of cotton, flax, wool or silk may be imported. This is designed to insure the importation of articles of prime necessity and common use.

We mention in this connection that the Senate has passed a bill to establish a bureau of foreign supplies. The injunction of secrecy has been removed from the bill so far as the Senate is concerned; but it is being considered in secret session by the House of Representatives.

## STATISTICS OF POPULATION.

### FACTS FROM THE CENSUS OF 1860.

The *Journal of Commerce* furnishes some valuable facts from the forthcoming volume of the Census Report. The introduction to the volume contains the summing up of statistical results, for which the country is indebted to the steadfast labors of Mr. KENNEDY, the Superintendent of the Census Bureau. These results bring before the people of the country a great many remarkable facts, some of which we notice.

The proportion of the numbers of the two sexes is different in this country from Europe. In Great Britain and Ireland there are 877,000 more females than males, in a population of 29,000,000, while in the United States, in a population of 31,000,000, there is an excess of 730,000 males over females. But this excess is not uniform in all parts of the country. Thus Massachusetts has 37,600 more females than males, while Illinois has 92,000 more males than females. California has 67,000 more males than females; Michigan has 40,000, Texas 36,000, Wisconsin 43,000; while in Colorado the proportion of men to women is twenty to one. This is, doubtless, the result of emigration. In Utah, notwithstanding polygamy, the numbers are about equal; in New York the females are a little more numerous; in Pennsylvania the males are a few more than the females.

On the subject of immigration the statistics are valuable and suggestive. The following is nearly the exact immigration for the three census periods:

In the ten years previous to June 1, 1840.....	552,000
“ “ “ 1850.....	1,558,300
“ “ “ 1860.....	2,707,624

The largest number of emigrants arriving are between twenty and twenty-five years of age. Over twenty per cent of the whole immigration is of persons of

this age. Fourteen per cent are between fifteen and twenty, sixteen per cent between twenty-five and thirty; seven per cent. are children under five. A most interesting table has been compiled by Mr. KENNEDY, showing the occupation of the immigrants for each ten years from 1820 to 1860. We take the total, covering the whole period:

OCCUPATION OF PASSENGERS ARRIVING IN THE UNITED STATES FROM FOREIGN COUNTRIES DURING THE FORTY-ONE YEARS ENDING WITH 1860.

Occupation.	1820 to 1860.	Occupation.	1820 to 1860.
Merchants .....	231,852	Artists .....	2,490
Farmers .....	764,837	Teachers .....	1,528
Mechanics .....	407,524	Musicians .....	729
Mariners .....	29,484	Printers .....	705
Miners .....	39,967	Painters .....	647
Laborers .....	872,317	Masons .....	2,310
Shoemakers .....	3,474	Hatters .....	256
Tailors .....	3,634	Manufacturers .....	3,120
Seamstresses and milliners .....	5,246	Millers .....	631
Actors .....	588	Butchers .....	945
Weavers and spinners .....	11,557	Bakers .....	1,272
Clergymen .....	4,326	Servants .....	49,494
Clerks .....	3,882	Other occupations .....	26,206
Lawyers .....	2,676	Not stated .....	2,978,599
Physicians .....	7,109		
Engineers .....	2,016	Total .....	5,459,421

The preponderance of "laborers" is very great. Farmers are next in number; then mechanics, merchants, &c. The table of nativity of population presents a subject of peculiar interest. Here is the grand total:

	Census of 1860.	Census of 1850.
Born in the United States .....	23,301,403	17,737,568
Born in foreign countries .....	4,136,175	2,210,839
Birth place not stated .....	51,883	39,154
Total free population .....	27,489,461	19,987,571

The different races and nations in the United States are represented as follows:

	Census of 1860.	Census of 1850.	Proportions in 1860
Ireland .....	1,611,304	961,719	38.94
Germany .....	1,301,136	573,225	31.45
England .....	431,692	278,675	10.44
British America .....	249,970	147,700	6.05
France .....	109,870	54,069	2.66
Scotland .....	168,518	70,550	2.63
Switzerland .....	53,327	13,358	1.29
Wales .....	45,763	29,868	1.11
Norway .....	43,995	12,678	1.07
China .....	35,565	758	0.86
Holland .....	28,281	9,848	0.68
Mexico .....	27,466	13,317	0.66
Sweden .....	18,625	3,559	0.45
Italy .....	10,518	3,645	0.26
Other countries .....	60,145	37,870	1.45
Total foreign born .....	4,136,175	2,210,839	100.00

Many readers will be surprised at the closeness with which the German numbers rival the Irish. The distribution of the foreign element is worthy of careful notice. By the following table it seems that North Carolina exceeds all

other States as a native-born American population. Arkansas is next. California has the largest proportion of foreign-born population, owing, doubtless, to the fact of its late acquisition, with a large Mexican population then in it. Wisconsin is next in order. Minnesota next.

## PERCENTAGES OF THE NATIVE AND FOREIGN POPULATION IN 1860.

States and Territories.	Total natives.	Total Fn. English.	Irish.	German.	
Alabama . . . . .	98,72	1,28	0,12	0,59	0,27
Arkansas . . . . .	99,14	0,86	0,09	0,30	0,26
California . . . . .	52,02	47,98	4,00	10,85	7,10
Connecticut . . . . .	82,46	17,54	1,93	12,05	1,85
Delaware . . . . .	91,82	8,18	1,41	5,41	1,13
Florida . . . . .	97,64	2,36	0,23	0,60	0,34
Georgia . . . . .	98,90	1,10	0,11	0,62	0,23
Illinois . . . . .	81,03	18,97	2,44	5,12	7,65
Indiana . . . . .	91,25	8,75	0,69	1,81	14,94
Iowa . . . . .	84,29	15,71	1,71	4,16	5,71
Kansas . . . . .	88,16	11,84	1,31	3,63	4,03
Kentucky . . . . .	94,83	5,17	0,39	1,93	2,36
Louisiana . . . . .	88,56	11,44	0,56	3,98	3,48
Maine . . . . .	94,04	5,96	0,43	2,44	0,06
Maryland . . . . .	88,72	11,28	0,62	3,62	6,39
Massachusetts . . . . .	78,87	21,13	1,94	15,07	0,81
Michigan . . . . .	80,09	19,91	3,44	4,01	5,18
Minnesota . . . . .	66,22	33,78	1,99	7,37	10,59
Mississippi . . . . .	98,92	1,08	0,11	0,49	0,25
Missouri . . . . .	86,41	13,59	0,85	3,68	7,50
New Hampshire . . . . .	93,58	6,42	0,70	3,91	0,13
New Jersey . . . . .	81,73	18,27	2,36	9,23	5,03
New York . . . . .	74,27	25,73	2,73	12,84	6,61
North Carolina . . . . .	99,67	0,33	0,07	0,09	0,08
Ohio . . . . .	85,97	14,03	1,40	3,28	7,19
Oregon . . . . .	90,24	9,76	1,32	2,41	2,06
Pennsylvania . . . . .	85,19	14,81	1,60	6,95	4,74
Rhode Island . . . . .	78,58	21,42	3,64	14,48	0,47
South Carolina . . . . .	93,58	1,42	0,11	0,70	0,38
Tennessee . . . . .	98,09	1,91	0,18	1,12	0,35
Texas . . . . .	92,81	7,19	0,28	0,58	3,40
Vermont . . . . .	89,61	10,39	0,52	4,28	0,07
Virginia . . . . .	97,81	2,19	0,26	1,03	0,66
Wisconsin . . . . .	64,31	35,69	3,94	6,44	15,97
District Columbia . . . . .	83,37	16,63	1,87	9,66	4,33
Territories . . . . .	83,89	16,11	4,45	2,31	1,86
Total in the United States . . . . .	86,85	13,15	1,37	5,12	4,14

The following is Mr. KENNEDY'S condensation of certain facts derived from the census table:

I. The largest number of foreigners reside in the following States in their order, to wit: New York, Pennsylvania, Ohio, Illinois, Wisconsin, Massachusetts. It will be observed that the total population also follows the same order, as regards the first four States, indicating a similarity of composition of native and foreign.

II. Foreigners reside in the least numbers in North Carolina, Florida, Arkansas, Oregon, Mississippi, Delaware.

III. *The greatest foreign increase*, from 1850 to 1860, has been in New York, Illinois, Wisconsin, Pennsylvania, California, Ohio.

IV. *The least foreign increase*, from 1850 to 1860, has been in Vermont, Florida, North Carolina, South Carolina, Arkansas.

V. The greatest number of English reside in the States of New York, Pennsylvania, Illinois, Ohio, Wisconsin, Michigan.

VI. The least number of English reside in Florida, Arkansas, Oregon, North Carolina, South Carolina, Mississippi.

VII. The greatest number of Irish reside in New York, Pennsylvania, Massachusetts, Illinois, Ohio, New Jersey.

VIII. The smallest number of Irish reside in Florida, North Carolina, Oregon, Arkansas, Texas, Kansas.

IX. The greatest number of Germans reside in New York, Ohio, Pennsylvania, Illinois, Wisconsin, Missouri.

X. The least number of Germans reside in Vermont, Maine, New Hampshire, Florida, North Carolina, Rhode Island.

XI. It will further be found that 3,582,999—that is, 86.60 per cent of the whole number of foreign-born—were inhabitants of the free States, and 553,176, or only 13.40 per cent, of the slaveholding States. In 1850 the corresponding percentages were 88.94 and 11.06, respectively, or as 8 to 1. In other words, for each white immigrant located in the slaveholding States, eight have settled in the free States.

XII. The decennial increase of the foreign population from 1850 to 1860 has been 87.1 per cent, being nearly a doubling of numbers; in some States more, and in others less. In round numbers, the State of New York has a million of foreign residents, which is a fourth part of all in the United States, and also a fourth of the total population of the State; but, on an average of all the States, the number of foreigners is about one eighth part of the whole population.

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## COMMERCIAL REGULATIONS.

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### DECISIONS OF TREASURY DEPARTMENT.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production entered at the port of New York, &c.:

#### EMPTY GRAIN BAGS.

*Treasury Department, November 28, 1863.*

SIR: Messrs. KNOX & Co. have appealed from your decision assessing duty at the rate of 35 per cent ad valorem on certain "Empty Grain Bags," and claim "that bags exported from, and being the manufacture of this country, filled with grain, and brought back here again empty, properly certified to by the American Consul's certificate, and consignee's oath, are entitled to free entry."

This Department, under date of December 11, 1858, affirmed the decision of October 21st preceding, viz.:

"Bags of American manufacture exported from the United States filled with grain, and afterwards imported empty, or exported empty and after-

wards imported full of grain, will, as heretofore, be admitted to entry free of duty, upon the production of the proof of such origin required by the law and the 'Regulations of the Department.'

This decision still remains in force. The decision of September 16th, 1863, in relation to empty carboys, does not impair it.

Your decision is hereby overruled.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To HENRY W. HOFFMAN, *Collector, Baltimore, Md.*

#### REGULUS OF COPPER.

*Treasury Department, November 28, 1863.*

SIR: WM. A. CROCKER, Esq, has appealed from your decision assessing duty as "Pig Copper," at the rate of two cents per pound, on certain "Regulus of Copper" imported by him from Canada, and claims that, under the Reciprocity Treaty, said article is entitled to entry free of duty, as Copper Ore.

"Regulus of Copper" has heretofore been classified and returned by the Collectors of New York and Boston as "Copper Ore." It is the purer and finer portion of metallic ores (whence its name), and brought to the last stage for reduction to the metallic state.

"Copper Ore" is provided for under the *general term*, and, as all manufactures of or conditions of copper are otherwise provided for only in the *metallic state*, it would be unwise to classify "Regulus of Copper" other than as "Copper Ore;" besides, it may be added that "Regulus of Copper" is not malleable.

Under the Reciprocity Treaty, ores of metals of all kinds are entitled to free entry, and consequently the imposition of duty by you on the article in question was erroneous, and your decision is hereby overruled.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To WM. CLAPP, *Collector, Burlington, Vt.*

#### JUTE TWINE.

*Treasury Department, November 28, 1863.*

SIR: MESSRS. SHAW & COFFIN have appealed from your decision assessing duty at the rate of 35 per cent ad valorem on certain merchandise imported by them, per "Kangaroo," as "Jute Twine," and claim that the article in question is liable to only 20 per cent ad valorem as "Jute Yarn."

The question here presented is simply of fact, viz.: Is the article "Jute Twine" or "Jute Yarn?"

The experts of the customs declare it to be the former, and say further: *Yarn* is a single thread, more or less twisted, and used for warp or weft in manufacture, when, by the packing of the loom, it is held together without much twisting, and answers, too, a better purpose than twine.

*Twine* is a double and retwisted thread. Sometimes the manufacturer will designate a poor and slightly twisted twine as yarn, because not fit for the purposes for which twine is used, and only fit for the purposes for which yarn is used; this, however, does not make it "Yarn."

In the case before us, the article has all the characteristics of twine, and is not intended for the ordinary uses of yarn.

In these views of the appraisers I concur, and hereby affirm your decision assessing duty at the rate of 35 per cent ad valorem upon the article in question as "Jute Twine."

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

MANUFACTURES OF JET.

*Treasury Department, December 3, 1863.*

SIR: MESSRS. FREEMAN & RYER have appealed from your decision assessing duty at the rate of 35 per cent, as "Manufactures of Jet," on certain Bracelets of Jet, gold mounted, imported by them per "City of Washington," and claim to enter them at 25 per cent as "Jewelry."

Section 22 of the Act of March 2, 1861, imposes a duty of 30 per cent, to which is added, by section 13 of the Act of July 14, 1862, 5 per cent, making the present rate of duty 35 per cent on "Jet and Manufactures of Jet, and imitations thereof."

It is contended by the appellants that the bracelets in questions are, by reason of their being ornamented with gold, taken out of this classification for "Manufactures of Jet," and should be considered as "Jewelry."

In my opinion, the ornamentation is not sufficiently material to change the character of the article under consideration; it is clearly a "Manufacture of Jet," and is commercially recognized as such. In this opinion the experts of the customs agree.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

SHINGLES—FROM CANADA.

*Treasury Department, December 22, 1863.*

SIR: R. T. WHITE has appealed from your decision assessing duty at the rate of 35 per cent ad valorem, as a Manufacture of Wood, on certain Shingles imported by him from Canada, and claims that the articles in question "were manufactured entirely with saws, and are therefore not liable to duties under the Reciprocity Treaty."

It appears, by your report, that "the shingles are sawed on the flat sides, and the edges dressed with knives, notched in such manner as to give the shingles somewhat the appearance of having been sawed." It also appears that the appellant admits this fact, but alleges "that nicking the knives or planes makes them the same as a saw."

This department, under date of June 19, 1862, decided that "the Reciprocity Treaty allows free entry of shingles, 'rough-hewn or sawed only.' An inspection of the sample transmitted shows the article in question to be manufactured in part by planing, shaving, or process of manufacture other than rough hewing or sawing, and not embraced in the terms of said treaty, and consequently liable to duty under existing tariffs."

I can perceive no reason for departing from the principle enunciated

in the above decision, and your decision, assessing duty at the rate of 35 per cent ad valorem on the article imported by R. T. WHITE is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To C. METZ, Esq., *Collector, Buffalo, N. Y.*

BLACK HANDLES (MANUFACTURES OF WOOD).

*Treasury Department, December 1, 1863.*

SIR: Mr. M. L. LEMAN has appealed from your decision assessing duty at the rate of 10 cents per dozen, as "Pen Holders complete," on certain articles styled by him "Black Handles only," and claims to enter them as Manufactures of Wood, and liable only to duty at the rate of 35 per cent ad valorem, because "said sticks only become pen holders *complete* by having metal or other tips attached to them, and that they are used and sold by the trade for manifold letter-writer handles, camel's hair brush handles, gold pen handles, mucilage brush handles, and for other purposes."

It is further alleged by the appellant that the article in question "can in no sense be termed a pen holder; that it will *not* hold a pen—that the term pen holder cannot be justly applied to the stick inserted in a barrel pen, which stick does not hold the pen, but is *held by it.*"

Section 8 of the tariff act of July 14, 1862, imposes a duty of 10 cents per dozen on "Pen Holders *complete.*"

Section 13 of the same act imposes 35 per cent ad valorem duty on "Manufactures of Wood, or of which wood is the chief component part, not otherwise provided for."

I am disposed to interpret the term "Pen Holder *complete*" as meaning something more than a simple stick or handle.

The use of the word "complete" would presuppose that some pen holders were *incomplete*, and it is not clear to me that anything could be less *complete* than the article in question, a sample of which is now before me. It can be used in its present condition only for "barrel pens," and, when so used, the property of connection lies *not in the handle*, but in the pen—in fact, it does not hold the pen.

I am of the opinion that any article to be classified as a "Pen Holder *complete,*" must possess, *per se*, connecting and retaining properties, and not derive from the pen proper any assistance in maintaining the conjunction.

Under this view of the question, I am of the opinion that the article imported by Mr. M. L. LEMAN should be admitted to entry at the rate of 35 per cent, as a manufacture of wood not otherwise provided for, and you are hereby instructed so to admit it.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

CAST STEEL TIRES.

*Treasury Department, December 23, 1863.*

SIR: MESSRS. PAGE, RICHARDSON & Co. have appealed from your decision assessing duty at the rate of 35 per cent ad valorem on certain

"Patent Cast Steel Tires, in the rolled state," styled by the importers "Cast Steel Locomotive Tires, in the rough," imported in the "Martha" from Liverpool, and claim that they should pay a duty of 25 per cent ad valorem only, as "steel in any form not otherwise provided for."

The article in question having assumed a shape or proportion indicative of its purpose, and from which it would not be practicable, in the ordinary course of manufacture, to divert it, cannot be said to be "steel in any other form" (other than ingots, bars, sheets, or wires), but must be classified as a partial manufacture, and subjected to duty at the rate of 35 per cent ad valorem, under the 7th section of the act of March 2, 1861, and the 3d section of the act of July 14, 1862—the former imposing a duty of 30 per cent, and the latter 5 per cent in addition thereto, on manufactures partially or wholly of steel.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

J. Z. GOODRICH, Esq., *Collector, Boston, Mass.*

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ADDITIONAL REGULATIONS CONCERNING COMMERCIAL INTERCOURSE WITH AND IN STATES DECLARED IN INSURRECTION.

EXECUTIVE ORDER.

EXECUTIVE MANSION, WASHINGTON, }  
January 26th, 1864. }

I, ABRAHAM LINCOLN, President of the United States, having seen and considered the additional regulations of trade prescribed by the Secretary of the Treasury, and numbered LI, LII, LIII, LIV, LV, and LVI, do hereby approve the same; and I further declare and order that all property brought in for sale in good faith, and actually sold in pursuance of said regulations LI, LII, LIII, LIV, LV, and LVI, after the same shall have taken effect and come in force, as provided in regulation LVI, shall be exempt from confiscation or forfeiture to the United States.

ABRAHAM LINCOLN.

ADDITIONAL REGULATIONS OF TRADE.

TREASURY DEPARTMENT, *January 23, 1864.*

LI.—The Commanding General having expressed the opinion, in reply to a letter addressed to him by the Secretary of the Treasury on the sixteenth instant, that restrictions to trade in the States of Missouri and Kentucky may now be safely removed, and the Secretary of War, in his letter of this day, January 23, 1864, having approved that opinion, the Twenty-sixth Regulation of Trade established, with other Regulations, on the 11th of September, 1863, is so far modified that all restrictions on trade in the States of Missouri and Kentucky are annulled and abrogated; and all products and goods may be freely taken into and transported within the said States as in time of peace. Provided, however, that no products or goods shall be taken from said States, or either of them, into any State declared to be in insurrection, or to any port in said State heretofore blockaded which has been or may be opened, except in compliance with the regulations of September 11, 1863.

Restrictions upon trade in, to, or from other States, and also upon the trade with States in insurrection and parts of said States, especially on the Mississippi and other navigable rivers, will be removed whenever, in the opinion of the President, such removal shall be found compatible with the military measures necessary for the suppression of the rebellion.

S. P. CHASE, *Secretary of the Treasury.*

ADDITIONAL REGULATIONS OF TRADE.

*To take effect when promulgated under authority of the President by Generals commanding departments.*

TREASURY DEPARTMENT, *January 26, 1864.*

LII.—All persons being or residing in any of the States declared to be in insurrection, whether within or beyond the lines of national military occupation, may freely bring any goods or products from within the State in which he may reside to any place within such lines where there is a Supervising Special Agent or Assistant Special Agent of the Treasury Department, for sale or other disposition; and so much of any regulation heretofore established as requires the obtaining of any previous authority or permit for bringing goods and products to the place of sale, is hereby rescinded.

LIII.—In all cases where the owner of the goods and products so brought in for sale shall reside within the lines of national military occupation, and shall take the oath prescribed by the proclamation of the President, Dated December 8, 1863, and is not excepted from the amnesty granted by the said proclamation, or proved by affidavits to the satisfaction of the Supervising Special Agent to be disloyal and hostile to the United States, such owner or his agent may receive the price of his goods and products without deduction, except for dues and fees to the Government under the regulations of September 11, 1863, or he may convey such goods and products, having paid said dues and fees, under proper permit, to such other place as he may choose for sale or other disposition; but whenever the owner of said goods and products shall not reside within the lines of national military occupation, such goods and products shall be sold by the Supervising Special Agent or Assistant Special Agent; and all such sales of such goods and products shall take place on Monday of each week, at the place of receipt, and shall include all complete lots on hand at the time of sale. And the Supervising Special Agent or the Assistant Special Agent, as the case may be, shall pay to said owner or his agent, if said owner shall have taken said oath, and is not excepted from said amnesty, nor proved to be disloyal and hostile, twenty-five per cent of the gross proceeds of said sales, and shall pay the remainder of such proceeds, after deducting necessary and proper expenses of sale and one per cent as his additional compensation, into the Treasury of the United States, and shall give to the owner of each lot sold, or his agent, a receipt or certificate describing the property. But the aggregate compensation of no Supervising Special Agent or Assistant Special Agent shall exceed the sum of five thousand dollars per annum, or at that rate for a less period; and each Supervising Special Agent or Assistant Special Agent charged with the receipt and payment of any money, under any regulation of the Treasury Department, shall give bond to the satisfaction of the Secretary of the Treasury in the sum of fifty

thousand dollars for the faithful performance of his duties as such Supervising Special Agent or Assistant Special Agent, and for the punctual payment into the Treasury of the United States, of all sums by him received and required by law or regulations to be so paid.

LIV.—All sales, whether private or public, shall be for notes of the United States or Treasury notes, exclusively, and all proceeds of goods and products paid into the Treasury under the foregoing regulation shall be restored without interest to the owner of the goods and products sold, in case he shall establish, on the return of peace and the full practical restoration of the authority of the Union, his titles to said goods and products, and since the sale thereof he has conducted himself in all respects as a good and loyal citizen of the United States, and has done nothing inconsistent with the terms of the oath prescribed by the President's proclamation of amnesty.

LV.—Nothing in either of the foregoing Additional Regulations shall authorize the conveyance of supplies beyond the lines of national military occupation, or, except under the Regulations of September 11, 1863, within said lines.

LVI.—The foregoing Regulations, numbered LII, LIII, LIV, LV, shall take effect and be in force within the lines of the several military departments in the insurrectionary States, whenever the Generals commanding said departments shall, respectively, under authority from the President, and by proper orders promulgate the same.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

LETTER FROM THE SECRETARY OF THE TREASURY TO A SPECIAL AGENT.

TREASURY DEPARTMENT, *February 2, 1864.*

SIR: All restrictions on trade are in aid of military operations. When the military authorities say they are necessary, it is not for me to question the soundness of their judgment. It is my duty to learn what their judgment is, and to act in accordance with it. The freer the trade, the more agreeable is it to me. Restriction is and always has been a very unpleasant duty. I inclose copies of the new Regulations; you will govern yourself by them.

You will observe that the Regulations in respect to trade with insurrectionary districts yet remain in force, and also the old restrictions as to bringing out the products of the country. The latter will be abolished whenever the commanding Generals shall promulgate the new Regulations.

Very respectfully yours,

S. P. CHASE, *Secretary of the Treasury.*

To THOS. HEATON, Esq., Special Agent, Cincinnati, Ohio.

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