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THE FRANCO-ITALIAN CONVENTION.

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THE uncertainty, which has of late years hung over the fate of the Italian peninsula, seems now about to disappear; and that nation, uniting most of its scattered fragments under the rule of one sovereign, takes its stand among the great powers of the world. To be sure every thing is not as we would have wished. Regrets may indeed arise when we consider that the Austrians yet hold Venetia, and that, under the provisions of the Franco-Italian Convention, the Pope is still to reign at Rome. Yet to the commercial world the now independent existence of Italy is a fact of great importance, and we will rejoice in what has been done, hoping that the future will accomplish the rest.

The treaty agreed upon between France and Italy, concerning the settlement of the Papal States, and the withdrawal of the French from Rome, has not yet been published; but enough has been made known through the semi-official organs to satisfy our curiosity on many important points. It seems that the Emperor NAPOLEON has consented to yield to the wish of the Italians, and to the pressure brought to bear on him in their favor, so far as to consent to a removal of the Roman-French army. He seems now to acknowledge the strength of the new nation, and the increasing development of its popular support, and to acquiesce, therefore, in the withdrawal of his soldiers, provided Italy will at the same time agree to respect the independent temporal power of the Pope. He does not, it is true,—perhaps, as a Catholic sovereign, he cannot—consent openly to abandon the Holy Father and leave his temporal dominions to be swallowed up by the augmented power of the Italian king; but he can and has refused any longer to uphold “the obstinate aggressiveness of the Papal policy.” In his letter to M. THOUVENAL in May, 1862, he expressed his conviction that the Pope’s temporal jurisdiction should be maintained, and that Italy would certainly act wisely, were she to acknowledge it as a political ne-

cessity. By such a course Italy would free herself from the imputation of maintaining an anti-Catholic resistance to the holy see, "and the Pope," said he, "brought to a reasonable view of the state of affairs, would understand the necessity of accepting everything which can bind him to Italy." At the time this letter was written there seemed to be no probability that either party would come to terms. The Pope would not treat with Italy, and Italy would not respect a sovereign, who refused to acknowledge her political existence. But now the state of affairs has somewhat changed. The Italian Government, looking soberly, and we think wisely, at the real state of the case, appears to have determined to accept matters as they are, and take what it can get. By the articles of the treaty the French Emperor, as we have said, engages to withdraw his troops from Rome. He does not, however, agree to do this at once, but by degrees, in order that the Pope may fill up his ranks from foreigners of any nation, which Italy is to allow him to do. He is, however, to evacuate entirely within two years. Italy, on the other hand, is to acknowledge the temporal power of the Pope and to respect his frontier, and, as a pledge of sincerity, she is to give up all idea of Rome, and to fix her capital elsewhere.

The advantages to be derived by Italy, if she accepts these terms, are great indeed, and hardly to be over estimated. No country so much as she needs a long period of peace, in which to secure herself from domestic disturbance, to develop her strength, cement her union, and to restore her finances to a healthy condition. To form a union of different States, which have been independent for centuries, and not always friendly, is not to be accomplished in a day. It requires time to consolidate the various discordant interests, and to overthrow long standing and deep seated prejudices. This certainly has not yet been more than partially accomplished. It will require years of constant intercourse among the people to knit together firmly and securely the broken fragments of dis-severed Italy. In any great political change, which a nation may undergo, those are always found who cling with the strongest tenacity to the manners and customs of the past, and it requires much more than mere outward demonstrations of popular enthusiasm to wear off the obtruding corners of party opposition. When the noisy hurrah of popular feeling gives way to the sober earnestness, which is to carry out the dictates of patriotism, then the voice of the adherent to the old ideas will be heard, and it becomes the province of the statesman to calm rather than subdue such opposition, and to gain over to his own side the men who were powerful under the old régime. A fatal mistake is too often made in this particular, and this is, we fear, the mistake of Italy. The Piedmontese are a narrow and stiff-necked people. They love to rule, but do not always rule the best. Instead of casting out merely the upholders of an Austrian tyranny, and allowing each State to be governed, (as far as possible,) by its own people, they have superseded those already in power, and have sought out local eminences, to be enjoyed by the stranger rather than the native. Thus the men, who were prominent in Naples, Florence, and Milan, suddenly become of no importance in Italy, and as they were the representatives of a powerful party, the opposition has become extreme. Probably the Italian Government, necessarily turning most of its attention to foreign diplomacy and a centralization of its newly acquired powers,

has been unable to give much attention to the minor concerns of local interest. In order to accomplish this a long period of perfect peace is necessary; a period when the popular mind can look forward to a settled future, and when the Government, withdrawing its attention from foreign war, can apply itself to the task of removing the irritation at home.

But Italy, moreover, needs time to develop her resources, to reduce her expenditure, and to place her finances on a firmer and surer basis. The miserable petty governments, which formerly held the country, were ill calculated to render her industry and commerce as productive as they might have been. Ruling with the iron rod of tyranny, they destroyed the productiveness of almost every pursuit. The native energy and industry of man, if left to itself, even unaided by governmental support, but, at the same time, untrammelled by governmental opposition, will develop the hidden resources of a country, increase the revenue, and so maintain the credit. A man will continue that occupation, which he finds to be to his pecuniary advantage; but when, from overtaxation, governmental oppression, or any other cause, it ceases to be productive, he will cease to work, and from that moment he becomes a burden, a source of weakness to the country—he ceases to work but continues to consume.

Unfortunately the petty princes, who formerly ruled in Italy, pursued the short sighted policy of weak tyrants. Hated by the people, and maintained in power by the bayonets of a foreign potentate, they had but few interests in common with the country they ruled over. Whether the wealth of the community increased or not was a matter which seemed to them of minor concern. As long as they were comfortable, and had foreign soldiers enough to keep down the people, their ambition was satisfied. Of course if they had been wise enough to have studied their subjects interests they would have found them to have been identical with their own. Had they endeavored to build up an extensive and flourishing trade, and protected agricultural pursuits, they would have obtained the good will of their people and the respect of the world, and never have suffered the disgrace of such a rapid and ignominious flight. Still their acts are of the past, but the consequences of those acts must long be felt by the country.

Every one who has traveled in the peninsular has seen in part the results of this past policy, in the almost endless multitudes of beggars one continually meets there. The stranger is constantly beset by hideous specimens of deformity asking charity, or by some one whose appearance would indicate, that he should be far above it. Indeed, begging has become quite a respectable profession in Italy, and a deformed leg, a broken bone, or a putrifying sore, from which any sensitive man would turn away in disgust, is regarded as the very height of good fortune, and is used as so much stock in trade. It has been said, that some of the brilliant lights, who have adorned this very creditable calling, have actually suffered their flesh to be lacerated, in order that the artificial wound might be used to extort money from unwary travelers.

Such are the consequences of a policy, that does not allow labor to be productive. Then, too, that immense system of superstition by which the people have been oppressed, is one of enormous expense, and remarkably well calculated to eat out the very vitals of the country. It has been said, that in Italy every tenth man is a priest; we think we would

not be far out of the way were we to add that every tenth man is a soldier. Such an enormous proportion of non-producers must of necessity soon reduce a nation to beggary. One-fifth of the population cannot be maintained in almost entire idleness, without the result being felt by the community at large.

Thus we see how the Italian people have been oppressed and impoverished, by the bad government of foreign princes. Now, however, a different lot awaits them, if they will only continue with patience what they have begun. VICTOR EMANUEL cannot change all this at once, but we hope much from him. To be sure the government of the Italian king is not one, which, in our acceptation of the term, could be called liberal. The freedom, which the Sardinians and Piedmontese have enjoyed, is not a freedom which we would be likely to relish. They are free for Italians, not for us. Their liberty, then, is a relative not an absolute term,—and it is in this restricted and limited sense that it is used. But to learn what will be the effect on Italy of his government, we must look at its results in the past. Sardinia and Piedmont have always presented, even to the hasty glance of the traveler, unmistakable evidences of a well-regulated and liberal-minded government. Turin is, without exception, the most beautiful and flourishing city in Italy. The modern and comfortable appearance of its houses, the beauty and regularity of its well-paved streets, and the evident activity and energy of its inhabitants plainly show, that its government has been one, which studies to promote the interests and so to develop the industry of its people. In Genoa, moreover, the same thing is strongly manifested. Alexandria and Asti, also, are important and prosperous places, and the whole country seems vitalized with the healthy atmosphere of an active diligence, perhaps not so extensive in its influence as we might wish, nor so well fostered by the government as it might be, but still in striking contrast with the squalid penury of Naples and Rome. And why cannot we expect these same evidences of prosperity and power to manifest themselves in every quarter of the peninsular, over which the same rule shall extend its happy sway? When the blasting influences of the dark cloud, which has hung for so long over that beautiful country, are taken away, why cannot the industry of its people, no longer trammelled by a pernicious legislation, build up and maintain a flourishing trade, which will establish the nation in its proper place, and prove the best bulwark of its increasing liberties? And not only is this part of the kingdom more liberal in its legislative action, but here also, and here only, is any religious liberty enjoyed. In the city of Turin the traveler is shown a fine stone church of modern architecture, with a tapering spire pointing heavenwards, in which the few of the reformed faith are permitted to meet together, and worship according to the dictates of their own consciences. In this quarter, also, that progressive spirit was manifested, which impelled the priests themselves to petition for such reformation, as would have purified, in a very great degree, the entire character of their church. These, it is true, are but signs on the surface. Still they are there, and have a real significance. They are oases in a desert which refresh the heart and encourage us to hope.

But it is absolutely essential, that Italy should enjoy a period of rest. Her annual deficit is not far from \$50,000,000; and it is only with peace, that this deficit can be changed into a surplus, and the evils of oppres-



sive taxation be mitigated. Let the government once be able to reduce its army, and with that its annual expenses, devoting its energies to encouraging industry, capital will immediately flow in, labor become remunerative, making that sunny land rejoice again in prosperity and abundance.

But what is the feeling in Italy with regard to the Convention? One would naturally expect that the provisions of the treaty, which do not guarantee to Italy an absolute and entire unity, would instantly be spurned as treason by "the party of action," and be maintained, (if maintained at all,) only by the conservatives. But, strange to say, just the contrary is the fact. The requirements of the Convention are upheld by the radicals, while the moderates appear to be the first to denounce them. "The wise and noble constraint," which the former have placed upon themselves, is certainly deserving of the highest praise, and appears in striking contrast with the selfish sectionalism of the old Piedmontese party. How GARIBALDI will act is as yet uncertain, while MAZZINI, it is true, has come out against the treaty, and denounced it as an acknowledgment of the superiority of France, and a base surrender of the inalienable rights of the nation. But MAZZINI is an enthusiast, seldom doing anything sensible. Nor yet has he been able to carry but a small number of what is called his party along with him. Even in Naples, the most discontented and radical portion of Italy, the greatest acts of patriotic self-denial have manifested themselves.

The Baron NICOTERA, who stands at the very head of all Italian radicalism, has set a most glorious example of disinterested patriotism. Not only did he come out in favor of the Convention, as the surest way of advancing Italian unity, but also, by embracing a favorable opportunity to utter a few sensible words at a critical moment, he was enabled to turn the course of Neapolitan feeling and to render the provisions of the Convention acceptable to a large class of the people. The words spoken by this patriotic man, not only a Neapolitan and a Garibaldian, but even a supporter of the Aspromonte blunder, are full of interest, as showing the moderate views held even by the radical party. Efforts were not wanting on the part of the malecontents to stir up in Naples a feeling adverse to the Convention, and it required just such a man to utter just such words as those made use of by the Baron NICOTERA. "You see here," said he, "men united, who yesterday would not salute one another, and to-day they have give each other the hand in the holy name of Italy, because a subject of the highest interest to Italy is under discussion. Naples by its plebiscite made Italy, and by its meeting this day gives an example of concord and union to all Italy. To the moderates I will say, we were not intractable; and to those of the party of action, this is good sense and it must continue. To the Bourbonists and the enemies of Italy, I will say: look at our union and abandon your hopes. I will repeat the words of an illustrious general: 'When Vesuvius thunders Portici is in danger.' Citizens let us be united and temperate; leaving this place let us not make any demonstrations, nor utter any cries in the streets; let us disperse with dignity, and while discussing the programme let us confine ourselves to the question." The high position occupied by NICOTERA, and the absolute impossibility of supposing him wanting in patriotism and indifferent to Italian unity, gave great influence to what he said, and served to turn

the tide of feeling in Naples in favor of the Convention, even though compelled to surrender her claim to be selected as the national capital. Naples, as admitted by most of the Italians, has a right to such a distinction, superior to any other city, with the single exception of Rome; yet is she willing for the sake of Italy to give up that right to Florence. Such an example of moderation is seldom witnessed, and those who practice it are worthy of the highest praise.

But while this unselfish spirit was manifesting itself in the South, what was the impression produced at the North? Some time ago the *Gazette* of Turin published an article in favor of the treaty, at the same time condoling with the Turinese on account of the consequent loss to their city of prestige and power. On the 21st September a procession of the people was formed, intended as a demonstration in opposition to the removal of the government. It proceeded to the office of the *Gazette*, which it mobbed, breaking the windows and committing other similar acts of violence. Some of the rioters were arrested by the police and put in confinement, and their flag was taken from them. This act of violence on the part of the people, displaying, as it did, their aversion to the Convention, was disgraceful enough, but it sank into comparative insignificance when compared with the acts of the municipality. The municipal council immediately ordered the release of the persons arrested, and the restoration of their flag. This was nothing more than a direct endorsement of their views, and a display, on the part of the authorities, of a feeling opposed to the treaty and in sympathy with the mob. As a natural consequence the liberated rioters became more noisy than ever, raved about the streets, got into a fight with the soldiers, and many lives were lost. It was of course well known, that the demonstration was started by the respectable class of bankers, lawyers, etc., and descended from them to the lower classes, who did the dirty work in the streets. On the 23d September, only two days after the riot, the municipal council of Turin showed still further their sympathy with it, by a formal protest in opposition to the French Convention. We do not object that the conservatives should be opposed to the Convention, if they consider it in opposition to the highest good of the nation; but *we do object* that they should be opposed to it on account of the interests of Piedmont.

But the old Piedmontese party have shown their aversion to the treaty if possible more plainly than the municipality of Turin. RATAZZI and the men, who hold the power in that party, have zealously made use of that power against the Convention. They have exerted all their influence among the people, not to persuade them that the requirements of the treaty are detrimental to Italy, but to stir up a petty jealousy on account of the loss of the capital. The Marquis RICCI, one of the ministers under FARINI's administration, published, in the *Gazette del Popolo*, a very able but mischievous letter. He attempted to show, that if the Convention proved successful, and the capital were moved to Florence, the incorporation of Piedmont into France was merely a question of time. "Let us fancy," said he, "a gentle and peaceful government established in Florence. From Sparta we are gone to Athens. But Piedmont suffers in honor, interests, and secular traditions. Piedmont will become Poland, Hungary, Ireland. After a time more or less long, it will be evident to men of tranquil politics, that since it is impossible to pacify Pied-

mont for damages sustained, the best thing is to rid oneself of such a turbulent people, by handing them over to France. In short, the Savoy business and its 'mutual repulsion' will be repeated, with the difference that obtains between old reminiscences of supremacy and the passions that are fresh, vigorous, and exasperated by hatreds truly Italian." Such is the language of men who call themselves conservatives. It is the language of the men, who in reality regard the interests of their section or province as superior to their country's greatest good. While among the Neapolitan radicals we hear of nothing but an earnest desire for the good of Italy, the great question at the north seems to be: What will be most conducive to the interests of Piedmont? On the one side is the comprehensive consideration of country; on the other the petty jealousy which arises from sectional ambition. It is the same spirit which manifests itself in the crisis of every nation. It is the same thing whether it appears in the narrow sectionalism of Piedmont, or in the pernicious states rights doctrine, which led to the rebellion of the South. The principle is to talk loudly of country as long as the power is retained; but to turn when the good of the nation demands, that the power, so long held, be withdrawn.

But while we give all honor to the "party of action," in that for their country's sake they are willing to waive or defer their long cherished hope of making Rome the capital of a united Italy, still we cannot but sympathize with the desire. To be sure there are reasons why Rome should not now be selected. If it were, how could the Papal question be settled? The Holy Father could not possibly reside elsewhere; nor could a spiritual and a temporal jurisdiction be maintained in peace within the same walls. Yet, although the giving up of Rome is a present necessity, we trust it will not always be so, for Italy ought not to be permanently ruled from any other than the Eternal City. Florence, indeed, possesses very many of the requisite qualifications. Its situation is central, its climate salubrious, and its very name is surrounded by a halo of associations upon which the mind loves to dwell. Yet the associations of Florence are different from those of Rome. Firenze la Bella presents to every mind a picture of peaceful, quiet beauty; while the very name of Rome is forever associated with all the stern realities of a great and powerful government. On the gently-sloping banks of the rippling Arno is the proper place for the poet to muse on days gone by, and to clothe with all the beauties of immortal verse the hallowed memories of the past; while the bosterous, tumbling waves of Father Tiber, as he rushes by the capital, and under the massive arches of the Ponte St. Angelo, brings before us the stern eloquence of CICERO, and tells of noble deeds of patriotic valor. In Florence we expect to hear the gentle clicking of the sculptor's chisel, and to see its every wall adorned with beautiful works of art. Rome presents at once to the mind the harsh tramping sound of armed men, and there we would expect to see all the brilliant paraphernalia of war, and to find the center of a powerful nation. It is hard to think of Italy and not to think of Rome. Yet if it must be so let us be content to wait and hope that some future disturbance in European politics will bring about a time, when the Austrians will be driven from Venetia and the government will be placed upon the capitol, and the king of an *entirely* united Italy will hold his court in the seven hilled city, and bring back into modern times some of the hallowed memories of Imperial Rome.

## INDUSTRY AND REVENUE OF SWITZERLAND.\*

IN 1850 a fiscal reform was effected in Switzerland: Previously to that date each of the cantons levied its own customs duties within its own circle of territory. In 1850 the Confederation centralised the entire collection of those duties in its own hands; but by article 29 of the constitution it was at the same time stipulated, that the free purchase and free sale of cattle and of ordinary wares and merchandise, their free entry, their free exit, and their free passage from canton to canton, should be guaranteed through the length and breadth of the Confederation. But from this freedom the following articles were excepted: The purchase and sale of salt and of gunpowder; the duties granted or conceded by the Diet, and which the Confederation did not suppress; and the duties on the consumption of wines and spiritous liquors, levied locally in each canton in the nature of excise. But by article 32 this power of excising liquors is subject to certain restrictions. The levy of these local duties is not allowed to be interfered with so as to burden transit, by any tax; if the articles are re-exported from any canton the duties paid on their entry into that canton are remitted, nor can any other charge be substituted in lieu of them. Products of Swiss origin are less heavily taxed than foreign products. The existing duties on the consumption of wines or spirituous liquors of Swiss origin cannot be increased by the cantons in which they are imposed, nor can they be levied at all where they were not levied previously to 1850. Such are the principal points of the federal constitution bearing upon the cantonal rights to levy excise duties, and such duties are levied, but with few exceptions, solely upon liquids.

Local fiscality varies in its amount and in its objects in different cantons, and it would be uninteresting to occupy space with such minute details, but we shall give a general result. "Eighteen cantons, numbering a population of 1,775,335 souls, raise excise duties amounting to 2,502,387 francs 57 centimes; among these eighteen cantons eight raise in addition, by the sale of excise licenses, 167,775 francs; four cantons, numbering a population of 574,725 souls, raise by the sale of excise licenses (no excise dues being levied) the sum of 326,644 francs; and finally, one canton and two half cantons, with a population of 148,468 souls, enjoy the privilege of not knowing what an excise officer or an excise license is like." In some of the cantons these excise duties form a very important part of cantonal revenue. Wine and brandy are chiefly imported from France, the former article to the annual value of 20,000,000 francs—a very large sum for so small a country as Switzerland—but numerous tourists in the summer months contribute greatly to the consumption.

The Swiss are well known as a laborious and frugal people, and among their industries the manufacture of cotton has made very respectable progress; but there are some circumstances in which it differs from our own, and these are of sufficient interest to deserve some notice. The Swiss

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\* See JENNY on Switzerland.

spinner has no facilities for obtaining his raw material at short notice, and therefore always holds a considerable stock in his stores, generally sufficient for a year's consumption. Before our civil war he bought large quantities directly at New Orleans or other Southern ports, acting as his own broker, and thus obtained his supply at a figure lower than the ordinary market rate, which compensated him for loss of interest and rent of warehousing. Another difference between the Swiss and the American manufacturer is the relation in which the employers and the employed stand to each other. The Swiss laborer is never regarded as a "hand," and he himself never forgets that he is a man, on whom the principle of honor has a very strong hold. "In Switzerland the operative who leaves a good master for better wages would be despised by his fellow-workmen;" on the other hand, the master who aimed at underselling by cutting down wages, would be scouted. Thus the millowner and the operative are influenced by a mutuality of considerate feeling, and selfishness does not rule in the trade. Since our war there has been a decrease of work of 40 per cent, but it appears that only one mill has been stopped, and even in that case the men are paid their wages, and thus receive a retaining fee which binds them morally to their employers, for whom they will work again when business is resumed. In Switzerland the operative spinners and weavers have an advantage many others do not possess; they have small patches of land to cultivate, and never being detached wholly from agricultural pursuits, they are not mere "specialties" as in England, unfit for every occupation but the one to which they have been trained. The consequence has been that in the recent dearth of cotton there has been no distress in Switzerland. The canton of Glarus is eminent in this manufacture.

"It has at present 206,000 spindles, 2,500 power-looms, several bleaching works and dye establishments, besides 4,000 printing presses of various kinds. In these establishments from 9,000 to 10,000 workmen are employed, and the floating and fixed capital may amount to 40,000,000 or 50,000,000 francs."

Since Switzerland has to compete with the world, and is relatively a poor country, how does it sustain itself in the unequal struggle? It works with old machinery, not being rich enough to buy the new inventions when these are first introduced. The following comparison has been made: A mill for spinning, in full working order, costs in England 25 francs, in Switzerland 50 francs per spindle; one for weaving, in the former country, from 400 to 500 francs, and in the latter from 900 to 1,200 francs per loom. This difference in fixed capital is enormous, nor is that the only disadvantage. In England, on account of the superior machinery, four or five persons can manage 1,000 spindles; in Switzerland, nine or ten are required. In England machine making is a separate trade, largely carried on in every manufacturing town of importance; this is not the case in Switzerland, where the smallest cotton-mill must possess its own mechanical contrivances as an adjunct to itself. England works with steam power, Switzerland with water power; but the first cost of steam power does not equal one-third of the cost of water power. How then does Switzerland stand her ground against such formidable competition? Because her operatives work longer hours, and receive lower wages; and because the habits of her manufacturers are more simple and economical,



and their personal expenditure is less. It is said that they display more tact in their mercantile operations.

The history of the silk industry of Bâle is very interesting. Its rise and progress have been carefully studied by Professor KINKELIN of the University of Bâle, and we take him as our guide in many curious details. In former times "silk ribbons were woven by the gold and silver lace-makers on small one-shuttle weaving looms, and the shuttles were thrown by hand." Silk ribbons were then in scanty use. The lace-makers had a particular guild of their own, in common with other artisans. No one could be a master unless he had been an apprentice for several years, and had been employed abroad as a working journeyman for three years. In the second half of the seventeenth century a great revolution took place in the trade by an invention, which set the shuttle in motion by mechanical means, and which gradually displaced the hand looms. The lace-makers resisted the owners of the ribbon mills, and, to show the character of the age, in several places those mills were burnt by the hangman as works of the devil. But they could not be suppressed either by violence or by superstition, and the lace-makers who, in 1670, worked 359 shuttles in Bâle, foresaw the ruin of their trade. The ribbon mills were legalised in 1691 on payment of a tax of one fourth per cent on the money value of the material worked up in a mill during the year. After many contentions between the lace-makers and the ribbon mills, which were appeased by the intervention of the government, the ribbon manufacture became firmly established; but it received a check from an edict of the Germanic Empire prohibiting the fabrics of Bâle, which, however, was removed by the Diet of Augsburg in 1725. It also suffered from the thefts of the workmen, who stole the silk, but that was suppressed by severe punitive laws. This was an era of government regulations, when authority interfered in every trade, as though men of business were incapable of conducting their own affairs. The following rules were enacted: "It was ordered that all manufacturers should inscribe themselves on the books of the committee (of supervision,) and that the non-inscribed should be forbidden to manufacture; that the manufacturers should pay the wages of their operatives as fixed by the government; that no operatives were to be allowed to work cheaper for a native or foreign manufacturer; that no operative could work at another manufacturer's unless he produced a regular permit or discharge from his former employer." The law also fixed the number of ells each sort of ribbon should contain per piece. No looms could be made except for the citizens of Bâle; their sale to others was strictly prohibited. Foreign workmen could not be employed, and operatives emigrating clandestinely forfeited their civil rights and property. Whoever attempted to inveigle operatives out of the country was fined 50 thalers. The lace-makers at last became paupers, and in 1788 an ordinance was passed for their relief, which imposed a tax on ribbons, that article having caused their ruin. It was never evaded, for at the French Revolution the books of all the manufacturers were scrutinised and stood the test honorably.

These old regulations ceased in 1798, when the revolution subverted all that was ancient; but now that Europe is gradually relaxing all old restrictions this sketch of former systems (for they were not confined to Switzerland) may not prove altogether uninteresting to our readers. At present gov-

ernment claims no right of interference with the private affairs of the citizens. Protection, as enforced at Bâle, had at least this good effect—it secured the reputation of the local manufactures; no short lengths, no false or rapidly perishable dyes—in fact, none of the vile frauds now so common in England, and which have compelled parliamentary interference, were then possible. If free trade was then denounced so was free booty. Workmen were not at that time the serfs of the factory. They had their own looms, and worked at home, and had their small piece of land, which their family cultivated, which fostered and perpetuated an independent spirit among the people. This state of things still continues to a large extent. “Of the 7,250 ribbon looms 5,000 are in the private dwellings of the operatives in the country or the town, and 2,000 only in manufactories, independently of the 250 looms upon which the ribbon patterns are woven under the eyes of the manufacturers.” The silk industry must be carried on in a light, airy, and dry situation, free from vapors injurious to the lungs, which deprive cotton operatives of strength, health, and even life. At Bâle 6,000 looms are still worked by hand, about 500 by water power, and 750 by steam. The looms belong to manufacturers, and each operative pays two per cent of his wages for the use of his loom. Sufficient confidence is reposed in his honesty and faith not to exact from him a deposit for the value of the machine. The wages of silk reelers are from  $1\frac{1}{2}$  to 2 francs a day; of warpers, from  $2\frac{1}{2}$  to 3 francs; of lace-makers and weavers, from 4 to 5 francs. Among themselves the workmen contribute monthly to a sick fund, on which they draw when ill at home; or if they enter the hospital the charges are paid out of it.

The Bâle ribbon manufacture is famed for excellence. Dyeing has made considerable progress. The dyers are responsible to the manufacturers for spoiled or damaged goods. There are eight of those establishments at Bâle, the largest employing 300 persons. In 1846 the total value of ribbon manufactured at Bâle was 20,000,000 francs annually, nearly half of all produced in Switzerland, which was 46,000,000 francs. At present the total production is put down at 35,000,000 francs. Bâle now competes successfully, even in Paris, against its French rivals, though at a disadvantage of from 5 to 7 per cent of import duty. The Balois keep their own designers in Paris. The French formerly had an advantage in the excellence of their silk, but now they are rivalled by Bâle. The prosperity of Bâle is mainly attributed to the honesty of her manufacturers and operatives, all their articles being what they profess to be, in quality and length of the piece, and to the superior education of the workmen, who are admirably schooled. If they are not so quick as the French they are more solid, and their employers are cleverer merchants than the French. At Bâle there is a Society of Public Industry, which maintains three industrial schools, where the arts of manufacture, drawing, and modelling are taught; and also one designated the “French Repetition School,” so designated because the pupils, who have been already taught the French language in early youth, there repeat what they have acquired, so that they may not forget. The manufacturing school is free to students. At the drawing and modelling the charge is about one franc per month. Then there is M. RICHTER-LINDER’s school for girls. He only receives those who have been badly trained, or have received no training at all, and out of several hundreds—all of whom must have remained with him

four years before they are discharged—a bad report has not been heard in a single case. M. RICHTER has two establishments—one at Bâle, with 200 Protestant girls, the other in the canton of Lucerne for Roman Catholics. They are taught the domestic economies of the household, to cook, to mend, to clean, and to preserve from injury. They are also instructed in the art of twisting, cleaning, and assorting silk. Religious instruction is imparted. When they leave they receive 300 francs, less the expenses of clothing.

Under the governments of the cantons of Bâle and Zurich, by which it is licensed, is the silk dryers' establishment. It belongs to a company of shareholders, having a capital of 27,500 francs. They weigh the bales of silk when moist and when dry, and determine the legal trade weight. Then there is "The Young Merchants' Union," formed for scientific instruction, taught by professors, who deliver lectures on political economy. Finally, the Bâle silk trade (the vital occupation of the town) gives subsistence to one-fourth of the inhabitants, or 10,000 persons, and indirectly to 30,000 people, if we include the workpeople constantly coming and going from and to the adjacent parts of Switzerland, France, and Belgium, as well as those in the cantons of the Bâle country.

We now pass to the agriculture of Switzerland. The Swiss acre (40,000 square feet) of good arable land in the canton of Berne varies in price from 1,800 to 2,000 francs. On the shores of Lake Lemman, between Lausanne and Geneva, it has been sold for about 10,000 francs; and in the vine-growing district of Lavaux, between Lausanne and Villeneuve, for as much as 20,000 to 25,000 francs, and even beyond those figures. "The arable land in the neighborhood of Berne lets, on a twelve years' lease, at from 70 to 95 francs an acre. Deducting cantonal and communal taxes, an estate there bears interest of about  $3\frac{1}{2}$  per cent, rather less than more. The daily wages of a laboring man is 1 franc to 70 centimes, of a woman 1 franc. The average produce per acre for spelt, the kind of wheat generally grown here, is about 7.740 imperial quarters; for hay and the aftergrowth, from 2 to  $2\frac{1}{2}$  tons of English measure." A good Swiss cow yields about a gallon and a half daily. Meadows artificially irrigated remain so from three to six years, when they are ploughed and converted into arable. There has been a diminution in the price of cereals in Geneva of one-third, and in Zurich of one-fourth, since the introduction of railways; but none in those cantons which export corn. As Switzerland imports one-third of her consumption, it represents, compared with former prices, a yearly saving of from 9,000,000 to 10,000,000 francs. The import of coal, since the establishment of railways, has risen from 28,000 quintals, the average between 1852 and 1856, to three millions and a half of quintals in 1862.

The revenue of the Swiss Confederation in 1862 was 19,911,656 francs 98 centimes; the expenditure, 19,286,039 francs 83 centimes; surplus, 625,617 francs 15 centimes, but the financial future threatens deficits. Owing to recent treaties of commerce the receipts of customs, the mainstay of the Confederate treasury, have largely diminished, and an increased outlay, to a considerable extent, is imperatively required to correct the waters of the Rhone and the Jura. For those rivers, for the Alpine roads, and for supplying the troops with a new infantry musket, it is calculated that 14,400,000 francs will be required, to be distributed over ten years;

and as this expenditure could not be sustained by the ordinary receipts, Swiss financiers are fearful that they will be driven to a loan. In common with all other European States, the Confederation is heavily burdened by military estimates, and it seems extraordinary, that in so small a population 187,292 men of all arms should be maintained.

The foreign trade of Switzerland does credit to the enterprise of her merchants, and the goodness of her exportable commodities. She sends iron material in large quantities to Germany, and silks to Russia, also cheese. The English treaty of reciprocity has enabled the Swiss to place some of their goods on the same footing as the French. A considerable quantity of their merchandise, destined for China, East and West Indies, Australia, and South America, is sent to England to be transhipped to the United States. Bâle, Geneva, and Zurich, remit annually to the amount of 40,000,000 francs. Switzerland has formed a treaty with Japan. Our civil war has caused a reduction in the cotton fabrics of Zurich to the extent of only one-sixth; but though the manufacture has declined to this extent, M. FIEZ, the head of the Exportation Society of that canton, does not think that any profit has been realised, owing of course to the enhanced price of the raw material. This is a common calamity in which all Europe notoriously shares.

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## NATIONAL SAVINGS AND NATIONAL TAXATION.

### NUMBER I.

WE have attempted in several articles of late to convey to our readers some idea of the amount of our national savings, for the purpose of reaching correct conclusions as to the tax-paying abilities of the country. In doing so, we of course pretended to no refined accuracy, for, in examining such a question, all that can be done is to arrive at certain probabilities by the aids of materials, all of them imperfect and many of them deceptive. Still the inquiry is one of increasing importance, and we propose to pursue the subject further, hoping in the end to have furnished our readers with materials for approximating to a correct conclusion respecting the matters discussed.

Only two questions are of much importance to the American people at the present time, to wit: first, What is the minimum expense of an efficient war, and how can that desired end in the management of it be reached? and, second, In what way can the country's annual earnings be best obtained for and applied to the payment of the necessary taxes? The great fact that this war is to be continued, be it long or short, until these States are united again, has been settled by the late election, and it only remains to consider how it can be done with the least detriment to the country and to us as individuals. The latter inquiry is the one we have to deal with; and, as a first step, it is necessary to examine into the amount of our resources, or, in other words, our annual savings.

That we may have a clear appreciation of the matter, it is well to state here what is to be understood by the word "savings." It is used to designate the net surplus which remains for employment and investment

after all expenses of living and of carrying on the public and private transactions of the country have been met, and after all expenditure necessary to replace wear and tear has been provided. For example, a family living upon weekly wages, lives as frugally as possible, and after food, rent, clothing, and medical bills, etc., have been paid, there remains a little sum which is put in the savings bank—that sum is annual savings. Sometimes, out of that savings, new furniture may be bought: that becomes personal property, which is assessed and taxed by law, and is part of the savings. When the operations are larger the savings assume many shapes, and the following describes pretty nearly the ways in which they are employed:—

1. Purchases and improvement of land, drainage, machines, buildings, etc., necessary to production.
2. Construction, improvement and repairs of dwellings.
3. Construction, improvement, and repairs of factories, workshops, tools, motive power, etc.
4. Creation of public works, railroads, docks, bridges, telegraphs, roads, churches, hospitals, colleges, asylums, and water-works.
5. Trading capital, stocks of goods, ships, etc.
6. Investments in public stocks, insurance, gas, etc.

All these are objects which demand a share of the surplus earnings. In some cases speculation has been known to run high, as in land thirty years since, more than all the surplus earnings being paid or promised for lots at high prices, and a frightful revulsion followed. In New England the railway mania, at one time, absorbed more than all the savings, and disaster resulted. At any time when the investments exceed the earnings, disaster arises. On the other hand, capital becomes abundant if good crops or other circumstances cause the earnings to range ahead of the investments.

Now, it is very evident that nearly all the savings of a year are invested by the close of the year.

Whatever shape the investments may take, whether buying land or building houses, or creating banks or railroads, or increasing the stock of goods, or any other species of property, the property exists either in the shape of real or personal estate, and continues so to exist year after year. Hence, if we take account of stock at any time, we find a certain result, which represents all the accumulation of the annual savings, and all that has been brought into the country since its first settlement. Now, if we compare two such statements taken several years apart, the difference will be the amount saved during those years if the valuation is made on the same principle.\* Turning, then, to the census in illustration, we find that the assessed valuation was as follows, for 1850 and 1860:—

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\* The estimate of the yearly savings of the Northern States from 1850 to 1860 was given, in the October number, at \$60,000,000. This result was reached by taking the census estimate of the personal property of those States in 1860, and considering that it had all been saved during the last sixty years, forty millions a year from 1800 to 1850, and sixty millions a year from 1850 to 1860, the last ten years. Real estate was left out of the question for reasons then stated. Of course, we did not claim that the result was an accurate one. Our purpose was to show the foolishness



	REAL.	PERSONAL.	TOTAL.
1850.....	\$3,980,121,340	\$2,029,050,213	\$6,009,171,557
1860.....	6,973,106,049	5,111,553,956	12,084,660,005
Increase.....	\$2,992,984,709	\$3,082,503,743	\$6,075,488,452

According to these figures the value of the property increased in 10 years as much as it did in the previous 200 years, and the rate of increase for the whole Union was \$607,000,000 per annum, including real estate; while, if we assume that the \$6,009,171,553, assessed in 1850, had accumulated only since 1800 or in 50 years, the average increase per annum would be only \$120,000,000. This valuation, however, includes real estate, which is to a great extent nominal. A large portion of the farms and was obtained by squatting and military bounties: a much larger proportion was purchased at \$1.25 per acre. Its valuation has gone on to increase in proportion as settlements have become more dense, without there ever having been capital earned and applied to it. The assessed value of the lands represents a supposed capital; the real value is what it annually produces. If it is assessed at its actual cost, \$1.25 per acre, or at its assumed value, \$100. per acre, the real value, which is the profit the farmer gets from it after supporting his family, is not affected by the valuation; any amount of taxation which would affect the annual profits would proportionately diminish the value of the land, and finally stop the working of it. Hence, the value of real estate is only an approximate capitalisation of the annual profits. This does not apply to buildings, fences, drainage, and fixed improvements, which, like personal property, are actually a portion of what has been produced by industry and saved by investment in those items. The real estate in cities, where prices have advanced, year by year, under actual purchases at higher prices, and where buildings are being constantly erected in place of others taken down, more nearly represent an earned value and therefore forms a more accurate estimate of the amount of savings invested in real estate. Personal property is nearly all an accumulation of annual savings. Ships are built from the profits of commerce, and factories from the manufactures, and houses, although real estate, are built from the profits of all business, and these multiply at the rate of one for every family of five. For example, the census of the State of New York gives the number of buildings as follows:—

	NO.	VALUE.
Stone dwellings.....	7,536	49,184,819
Brick ".....	57,450	312,151,135
Framed ".....	397,633	297,453,492
Log ".....	33,092	1,330,168
Other ".....	22,240	4,739,398
Total.....	518,956	\$664,859,012

of the popular fallacy that our resources are inexhaustible, believing such an idea will ruin us if longer indulged in and acted upon. In this and the articles we hope to give in subsequent numbers our estimates are for the whole country. They will show larger figures, but there is the same irresistible conclusion from those figures, and that is—that the most rigid economy is necessary to bring us safely through this struggle.

The number of families in the States was 693,242. The dwellings multiply in about the proportion of the families, and this demand for shelter forms a very heavy tax upon the annual savings apart from re-construction and repairs.

In considering the amount of personal property as an evidence of annual savings, many allowances must be made. For instance, the existing number of ships may be valued at \$200,000,000, but probably within the last ten years half as much has been constructed, and lost or destroyed. The same remark, in a greater or less degree, applies to houses and factories. On the other hand, a good deal of property is duplicated. Thus, in New York State, there has accumulated in the savings banks a \$100,000,000, due depositors. A part of this has been loaned on mortgages; another portion has been expended in building or other improvements; also \$60,000,000 has been loaned on stocks, and has been spent by the borrowers. The same sum, therefore, exists as stocks, &c., and as debt to depositors. All corporate companies reduplicate debts in this manner, which shows as personal property twice over. There are many other considerations which prevent any accurate approximation to the real annual savings, by means of valuations of property. The property itself is no indication of the amount of taxes that can be paid annually. Thus the area of the Western States, admitted since the original Union, is 781,000,000 acres, with a valuation of \$3,300,000,000; if that land ceases to yield an annual profit to the tillers, its value ceases, and will go back to the value it possessed when the Indians alone held it.

The question then returns—What is the income? Let us illustrate it by taking the results of English taxation. There the tax is laid upon the gross income of all persons. It was formerly limited to those over £150 per annum; it now embraces all over £100. The rate is 9*d.* in the pound, or 3 $\frac{3}{4}$  per cent. This is applied to gross income and not to savings only. The following table shows the amount of tax thus collected, and consequently the annual income under each head:—

	AMOUNT OF INCOME.	
	In £.	In \$.
Lands, manors, etc.....	55,005,120	275,025,600
House property.....	57,761,745	288,808,725
Mines and iron works.....	5,515,699	27,578,495
Railway, canal, gas, etc.....	19,908,473	99,542,365
Farms.....	16,554,930	82,772,650
Trades, professions, etc.....	87,555,625	437,777,125
Dividends, funds.....	29,083,200	125,416,000
Public companies.....	6,134,256	30,671,280
Salaries, etc.....	20,071,240	100,356,200
Quarries, fines, pensions, etc.....	714,649	3,573,245
	<hr/>	<hr/>
	298,304,937	1,471,521,685
Tax.....	11,048,143	55,240,740

Under the head of "lands, manors, etc.," figure the sum derived by owners of land from rent; under the head "farms" is the income derived from the land of the occupiers who pay rent. The total is the amount of gross income of the whole nation.

The tax of 3 $\frac{3}{4}$  per cent. gives \$55,240,740. This, it will be remembered, is not all the tax paid from the income. The whole amount was

\$350,000,000. Now, the mode adopted to approximate the annual savings out of this gross income of \$1,445,521,685 is to take the amount of tax paid in several years and find the average income of capital that pays duty. Thus the annual increase of incomes for five years was found to be 5.7, which, computed at 20 years' purchase, gives a result of £114,000,000 sterling, per annum, savings. That is, this amount saved and invested, gives an annual income increased at the rate of 5.7 per annum. The annual savings of the British nation, with a population of 28,000,000, is then \$570,000,000 per annum. It must be borne in mind that money is not earned alone in the British islands, but embraces the profits of British capital operations upon the industry of 200,000,000 British subjects in all parts of the world.

The population of the British possessions was at the last dates, 1861, as follows:—

British India.....	173,738,866
Australia and other colonies.....	9,484,595
Total.....	183,223,461
United Kingdom.....	28,915,109

The one hundred and eighty-three millions of souls in all parts of the world are producing wealth mostly by the stimulus of British capital, and that wealth finds its way to the imperial islands in increasing quantities year by year. From all quarters raw material produced through the agency of British capital is sent home, and there, together with the food and the industry of the manufacturers, is wrought up by the agency of steam-driven machines into goods, with a portion of which, for the most part, the millions of distant producers are paid for their labor. The streams of wealth from every quarter of the globe set with swelling volume toward the imperial islands. The capital which there accumulates is re-employed in extending the productive powers of fertile regions which pour forth material wealth in greater affluence. The amount of British capital employed in different parts of the world probably sends home a larger amount of annual interest than that paid upon her whole public debt. The foreign trade of 1863 showed results as follows:—

	1862.	1863.
Imports.....	\$923,937,535	\$1,019,131,615
Exports.....	619,961,320	732,448,840
Excess imports.....	\$313,976,205	\$286,682,775

Thus there returns to England an amount of wealth annually very much in excess of what she pays out. The figures do not include specie, which was as follows, in addition to the above:—

	1862.	1863.
Imports.....	\$158,282,340	\$150,153,970
Exports.....	146,630,955	131,220,200
Excess imports.....	\$11,652,435	\$18,933,770

The imports of specie are drawn from Australia, \$30,000,000; Mexico, \$50,000,000; United States, \$40,000,000. The flow thither of these metals shows the current of exchange always in favor of England from

those countries where her capital operates. The 173,000,000 Indian subjects are year by year more industrious and more profitable to England. Mr. LAING, late Finance Minister to India, in a recent address, says:—

“I have seen myself savages of the wild aboriginal tribes of India working steadily under English inspectors on the railways, their women carrying the earth in baskets on their heads, with their noses, arms, and ankles covered with *silver rings*, in which they had invested wages which, to their previous experience, seemed like fabulous wealth.”

The capital sent out from England to build those railways, precisely as it was sent to construct some of our Western works, returns to it with a high interest. The passion the Indians have for silver is the cause of that continued drain of the metal from Europe, where the vacuum it leaves is filled with the gold of California and Australia. The wealth drawn from Asia is immense; not only the immediate subjects of the Crown, but the 300,000,000 of Chinese, under the same influence, contribute their quota to the swelling profits of England. They are weaned from the apathetic indolence of the orientals, and broken into steady labor by tasting of its advantages. Doubtless the small reward, which seems large to them, produces important results to the capitalists of the distant islands. Mauritius has been filled with Coolies, imported from China, and gives England an annual value of \$10,000,000, getting \$2,500,000 in return. Among 500,000,000 of the human race, English agencies and influence are hourly adding to the number of producers of materials, who work the current of profits that annually finds its way to Britain.

The growing commerce of Great Britain employs an immense shipping. The trade with her own colonies gives England the following average results:—

Import from colonies.....	\$350,000,000
Export to colonies.....	250,000,000
Excess imports.....	\$100,000,000

These large profits rolling into the British islands indicate the success with which the labor and resources of 28,000,000 of people are applied to the development of the hitherto dormant wealth of populous, distant countries, and consequently how firm is the basis on which the English debt rests.

All these conditions of foreign commerce and colonial aids help to swell that annual income of the British people which, as we see, results in an annual saving of \$570,000,000. It is true that the incomes below £100, are estimated to be equal to half the taxable incomes, but those small incomes seldom yield any savings, and they would not much alter the account.

In the United States production has been very large and income considerable, but expenditure has been more profuse. The ultimate savings in proportion to income are not so large as elsewhere. The amount of savings it will be easier to estimate after the new income tax shall have shown its results, for then it can be done in a manner similar to the above, showing the savings of the United Kingdom. If, however, we return to those figures already given of the personal valuation, we will find that for

the whole country, according to these figures, there was an average of \$308,000,000 accumulated per annum during ten years of the most prosperous season, arising from the influence of gold discoveries upon prices of all kinds. In that period nearly \$300,000,000 of capital was imported from abroad for railroad construction. 2,800,000 immigrants arrived, with more or less property, and located soil; and the one thousand millions or one hundred millions per annum was invested in railroad construction. We shall continue the examination of the subject further in our next number.

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## COMMERCIAL LAW.—NO. 16.

### INTEREST AND USURY.

#### WHAT INTEREST IS, AND WHEN IT IS DUE.

INTEREST means a payment of money for the use of money. In most civilized countries the law regulates this; that is, it declares how much money may be paid or received for the use of money; and this is called legal interest; and if more is paid or agreed to be paid than is thus allowed, it is called usurious interest. By interest is commonly meant legal interest; and by usury, usurious interest.

Interest may be due, and may be demanded by a creditor, on either of two grounds. One, a bargain to that effect; the other, by way of damages for withholding money that is due. Indeed, it may be considered as now the settled rule, that wherever money is withheld which is certainly due, the debtor is to be regarded as having promised legal interest for the delay. And upon this implication, as on most others, the usage of trade, and the customary course of dealings between the parties, would have great influence.

Thus, in New York, A sued B for the transportation of a quantity of flour from Rochester to New York, and claimed interest upon the same. He offered to prove that it was the uniform custom of all those engaged in the same business to charge interest upon their accounts; and that the defendant knew this. This evidence having been rejected in the court below, it was held by the Supreme Court, on appeal, that, such usage being proved, the plaintiff was entitled to interest, and that the evidence should have been received. And in another case in that State, where it was known to one party that it was the uniform custom of the other to charge interest upon articles sold or manufactured by him after a certain time, the latter was allowed to charge interest accordingly.

In general, we may say that interest is allowed by law as follows: On a debt due by judgment of court, it is allowed from the rendition of judgment; and on an account that has been liquidated, or settled, from the day of the liquidation; for goods sold, from the time of the sale, if there be no credit, and if there be, then from the day when the credit expires; for rent, from the time that it is due, and this even if the rent is payable



otherwise than in money, but is not so paid; for money paid for another or lent to another, from the payment or loan.

In New York it was held, in an action on a contract to recover damages for the non-delivery of merchandise, that the plaintiff was entitled to recover the difference between the contract price and the market value of the article at the time and place specified for its delivery, with interest thereon; and that it was not within the discretion of the jury to allow interest or not; the plaintiff being legally entitled to interest.

Interest is not generally recoverable upon claims for unliquidated damages, nor in actions founded on tort. By *unliquidated damages* is meant damages not agreed on, and of an uncertain amount, and which the jury must determine. By *torts* is meant wrongs, or injuries inflicted. But although interest cannot be given under that name, in actions of this sort, juries are sometimes at liberty to consider it in estimating the damages.

It sometimes happens that money is due, but not now payable; and then the interest does not begin until the money is payable. As if a note be on demand, the money is always due, but it is not payable until demand; and therefore is not on interest until demand. But a note payable at a certain time, or after a certain period, carries interest from that time, whether it be demanded or not.

#### MONEY.

The laws which regulate interest and prohibit usury are very various, and are not perhaps precisely the same in any two of our States. Formerly, usury was looked upon as so great an offence, that the whole debt was forfeited thereby. The law now, however, is—generally, at least—much more lenient. The theory that money is like any merchandise, worth what it will bring and no more, and that its value should be left to fix itself in a free market, is certainly gaining ground. In many States there are frequent efforts so to change the statutes of usury that parties may make any bargain for the use of money which suits them; but when they make no bargain, the law shall say what is legal interest. And, generally, the forfeiture is now much less than the whole debt.

In Maine, the excess above the legal rate of interest, six per cent, is not recoverable, and, if paid, may be recovered back at any time within a year. In New Hampshire, the legal rate of interest being six per cent, the party taking the usury is subjected to a penalty of three times the amount of the usury taken, to be deducted from the debt. In Vermont, lawful interest only (six per cent) is recoverable, and a party paying more than legal interest may recover it back. Seven per cent, however, may be charged upon railway bonds. In Massachusetts, a party receiving more than legal interest, six per cent, forfeits three times the amount of the unlawful interest taken. And where a party has paid more than legal interest, he may recover of the person receiving it three times the amount of the unlawful interest paid. In Rhode Island, upon an usurious contract, legal interest only is recoverable; and where more than legal interest (six per cent) has been paid, it may be recovered back. In Connecticut, upon usurious contracts, the legal rate of interest being six per cent, the whole interest is forfeited. In New York, all usurious contracts are void, and where more than the legal rate of interest, seven per cent, has been paid, it may be recovered back. In New Jersey, the legal rate of interest

being six per cent, usury avoids the whole contract. However, in the township of Hoboken and in Jersey City, seven per cent may be charged. In Pennsylvania, the party taking the usury forfeits the amount of the money or other thing lent, one-half to the State, the other to the party suing for the same. The legal rate of interest is six per cent. It has been decided under this act, that the contract itself is not void; and a party is entitled to recover the sum actually lent, together with lawful interest; otherwise, the State might be deprived of its share of the penalty by the borrower's refusing to enforce the statute. In Delaware, the party taking the usury forfeits the amount of the whole debt, one-half to the State, the other to the informer. The legal rate is six per cent.

In Maryland, the excess paid above the legal rate of interest, six per cent, is recoverable back. In Virginia, the party taking more than the legal rate of interest, six per cent, forfeits the whole debt. In North Carolina the taking of unlawful interest renders the whole contract void. The legal rate is six per cent. In South Carolina, the party taking the usury forfeits the whole interest. The legal rate is six per cent. In Georgia, where the legal rate of interest is seven per cent, by the taking of usury the party forfeits the whole interest. In Alabama, the interest only is forfeited where usury is taken. The legal rate is eight per cent. In Arkansas, the legal rate is six per cent, and the taking of usury avoids the contract; but parties may agree in writing for ten per cent interest. In Florida, usury avoids the contract. The legal rate is six per cent.

In Illinois, in all actions brought upon usurious contracts, the defendant shall recover his costs, and the plaintiff shall forfeit three times the amount of the whole interest. And a party paying more than the legal rate of interest, six per cent, may recover of the party receiving the same three times the amount so paid. But banks may charge seven per cent, and individuals may make special contracts for ten per cent. In Indiana, the taking of usury causes a forfeiture of five times the amount of the whole interest. Six per cent is the legal rate. In Iowa, where the legal rate of interest is six per cent, the taking of usury forfeits the whole interest; but ten per cent is allowed on special contracts. In Kentucky, usury subjects the party to a forfeiture of the whole interest. The legal rate is six per cent. In Louisiana, the legal rate being five per cent, usury causes the forfeiture of the whole interest; but eight per cent may be agreed upon by the parties. In Michigan, seven per cent is the legal rate of interest. Ten per cent may be charged upon special contracts. There is no penalty for taking usury. In Mississippi, the legal rate is six per cent, and the receipt of usury forfeits the whole interest. Eight per cent, however, may be charged on special contracts. In Missouri, the legal rate is six per cent, and the receipt of usury forfeits the whole interest. In Ohio, where the legal rate is six per cent, the receipt of usury causes a forfeiture of the whole interest; but eight per cent is chargeable upon special contracts. In Tennessee, six per cent is the legal rate, and an excess avoids the whole interest. In Texas, the taking of usury avoids the whole interest. The legal rate is eight per cent, but on special contracts twelve per cent is chargeable. In Wisconsin, the legal rate is seven per cent, but special contracts may be made for twelve per cent. In California, the legal rate is ten per cent, and there is no penalty for taking usury.

There is no especial form or expression necessary to make a bargain

usurious. It is enough for this purpose if there be a substantial payment, or promise of payment, of more than the law allows, either for the use of money lent, or for the forbearance of money due and payable. One thing, however, is certain: there must be a usurious intention, or there is no usury. That is, if one miscalculates, and so receives a promise for more than legal interest, the error may be corrected, the excess waived, and the whole legal interest claimed. But if one makes a bargain for more than legal interest, believing that he has a right to make such a bargain, or that the law gives him all that he claims, this is a mistake of law, and does not save the party from the effect of usury.

Thus, in a case in Massachusetts, where the defendant agreed to pay the plaintiffs more than the legal rate of interest, but the excess was owing to the mode of computation adopted by the plaintiffs, and which was usual among banks, the court said: "It is probable that in this case there was no intentional deviation on the part of the bank; but a mistake of their right. An excess of interest was intentionally taken, upon a mistaken supposition that banks were privileged in this respect to a certain extent. This was, therefore, in the sense of the law, a corrupt agreement; for ignorance of the law will not excuse." It may be well to remark, that the law makes a very wide distinction between a *mistake of fact* and a *mistake of law*. Generally, it will not permit a party to be hurt by a mistake of fact; but it never suffers any one to excuse himself by a mistake of law, because it holds that everybody should know the law, and because it would be dangerous to permit ignorance of the law to operate for any one's benefit.

The question has been much discussed, whether the use of the common tables which are calculated on the supposition that a year consists of 360 days, is usurious. In New York it is held that it is. But in Massachusetts, and some other States, it is held that the use of such tables does not render the transaction usurious. We think this latter the better opinion.

It is also settled, that only the contract which is itself usurious can be affected by the usury. If by one contract, or by one completed transaction, as the payment of a debt for another, a party acquires a valid claim for a certain amount, and lawful interest, and then by a new contract, as a new note, for instance, the debtor agrees to pay him usurious interest, this new note, it has been held, will be affected by the usury, but the original claim will not be. So, if a borrower promises to pay a certain sum, and then more than interest as a penalty, if he does not pay the first sum, this is not usurious; first, because by paying the first sum he can escape the penalty; and secondly, because all penalties will be reduced by the court to the sum originally due and lawful interest.

So, if a debtor requests time, and promises to pay for the forbearance legal interest, and as much more as the creditor shall be obliged to pay for the same money, this is not a usurious contract. And even if usurious interest be actually taken, this, although strong evidence of an original usurious bargain and intent, is not conclusive, but may be rebutted by adequate proof or explanation.

When a statute provides that a usurious contract is wholly void, such a contract cannot become good afterwards; and therefore a note which is usurious, if it be therefore void by law in its inception, is not valid in the

hands of an innocent indorsee. But it is otherwise where the statute does not declare the contract void on account of the usury. If a note, or any securities for a usurious bargain, be delivered up by the creditor and cancelled, and the debtor thereupon promises to pay the original debt and lawful interest, this promise is valid.

New securities for old ones which are tainted with usury, are equally void with the old ones, or subject to the same defence. Not so, however, if the usurious part of the original securities be expunged, and not included in the new; or if the new ones are given to third parties, who were wholly innocent of the original usurious transaction. And if a debtor suffers his usurious debt to be sued, and a judgment recovered against him for the whole amount, it is then too late for him to take any advantage of the usury.

So, if lands or goods be mortgaged to secure a usurious debt, and afterwards conveyed to an innocent party, subject to such mortgage, the latter cannot set up the defence of usury and thereby defeat an action to enforce the mortgage. And if A owes B a usurious debt, against which A could make a complete or partial defence, but pays the debt, usury and all, by transferring to B a valid note or debt of C, then, when C is called upon to pay this debt to B, C cannot make the defence that A's debt to B was usurious; for the debt due from C is not affected by the usurious taint of the original debt from A to B.

Usurers resort to many devices to conceal their usury; and sometimes it is very difficult for the law to reach and punish this offence. A common method is for the lender of money to sell some chattel, or a parcel of goods, at a high price, the lender paying this price in part as a premium for the loan. In England it would seem from the reports to be quite common for one who discounts a note, to do this nominally at legal rates, but to furnish a part of the amount in goods at a very high valuation. In all cases of this kind, or rather in all cases where questions of this kind arise, the court endeavors to ascertain the real character of the transaction. Such a transaction is always suspicious, for the obvious reason that one who wants to borrow money is not very likely to desire at the same time to buy goods at a high price. But the jury decide all questions of this kind; and it is their duty to judge of the actual intention of the parties, from all the evidence offered. If that intention is substantially that one should loan his money to another, who shall therefor, in any manner whatever, pay to the lender more than legal interest, it is a case of usury. "Where the real truth is a loan of money," said Lord MANSFIELD, "the wit of man cannot find a shift to take it out of the statute." If this great judge meant only that, whenever legal evidence shows the transaction to be a usurious loan, the law pays no respect whatever to any pretence or disguise, this is certainly true. But the wit of man does undoubtedly contrive some "shifts," which the law cannot detect. There seems to be a general rule in these cases in reference to the burden of proof; the borrower must first show that he took the goods on compulsion; and then it is for the lender to prove that no more than their actual value was received or charged for them.

If one should borrow stock at a valuation much above the market rate, and agree to pay interest on this value for the use of the stock to sell or pledge, this would be usurious. Whether it would be sufficient to dis-

charge this character of usury, for the lender to show that the dividends on the stock actually were, and were expected to be, as high as the interest on the valuation, so that he makes no gain by the transaction, is not certain.

So, one may lend his stock, and may, without usury, give the borrower the option to replace the stock, or to pay for it at even a high value, with interest. But if he reserves this option to himself, the bargain is usurious, because it gives the lender the right to claim more than legal interest. So, the lender may reserve either the dividends or the interest, if he elects at the time of the loan; but he cannot reserve the right of electing at a future time, when he shall know what the dividends are.

A contract may seem to be two, and yet be but one, if the seeming two are but parts of a whole. Thus, if A borrows one thousand dollars, and gives a note promising to pay legal interest for it, and then gives another note for (or otherwise promises to pay) a further sum, in fact for no consideration but the loan, this is all one transaction, and it constitutes a usurious contract.

But if there be a loan on legal terms, with no promise or obligation on the part of the borrower to pay any more, this might not be invalidated by a mere understanding that the borrower should, when the money was paid by him, make a present to the lender for the accommodation. And if, after a payment has been made, which discharged all legal obligation, the payer voluntarily adds a gift, this would not be usurious. But in every such case the question for a jury is, what was this additional transfer of money, in fact; was it a voluntary gift, or was it the payment of a debt?

A foreign contract, valid and lawful where made, may be enforced in a State in which such a contract, if made there, would be usurious. But if usurious where it was made, and, by reason of that usury, wholly void in that State, if it is put in suit in another State where the penalty for usury is less, it cannot be enforced under this mitigated penalty, but it is wholly void there also.

(To be continued.)

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### BRITISH COMMERCE, NAVIGATION AND FINANCE, BEFORE AND SINCE THE ADOPTION OF FREE TRADE AND THE REPEAL OF THE NAVIGATION LAWS.

WE are indebted to E. M. ARCHIBALD, Esq., H. B. M. consul, of New York, for the following statements, intended to exhibit the progress of British commerce, navigation, and revenue during recent years, and to illustrate the results of the adoption by Great Britain of a system of commercial freedom and the repeal of the navigation laws.

Whilst the increase of productive power and other causes have without doubt materially operated in effecting the vast development indicated, these resources must have remained in a great degree unprofitable had the former restrictions on British trade and navigation been still maintained.



The *official* value of British and foreign and colonial exports and imports *combined* were as follows in the years 1842, 1853, and 1863 respectively:—

1842.....	£179,095,088
1853.....	365,171,537
1863.....	485,027,040

Of these amounts the *official* values of the *imports* were:—

1842.....	£65,253,286
1853.....	123,099,313
1863.....	171,913,852

During the same years the corresponding values of the exports of British and Irish and foreign and colonial merchandise were:—

1842.....	£113,841,802
1853.....	242,072,224
1863.....	313,113,188

Of these amounts the official value of the proportion of exports of British and Irish manufactures, etc., was:—

1842.....	£100,255,380
1853.....	214,327,452
1863.....	258,193,551

The *real* value of British imports can only be ascertained since the year 1854. In that year they amounted to £152,389,053, whilst in 1863 they had increased to £248,980,942.

The *real* values of the exports from the United Kingdom in the years 1854 and 1863 were:—

1854.....	£115,821,092
1863.....	196,902,409

The real values of these exports cannot be given previously to 1854, as such values of foreign and colonial merchandise were not ascertained until that year.

The *real* value of *exports* of British and Irish manufactures during the years 1842, 1853, and 1863 respectively was:—

1842.....	£47,381,023
1853.....	98,933,781
1863.....	146,489,768

The immense development of this branch of our commerce during recent years will be more readily appreciated when it is remembered that the figures for the year 1842 are but little in excess of the average value of our exports during the thirty preceding years.

In the years 1854 and 1863 the *real* values of our exports of foreign and colonial merchandise were:—

1854.....	£18,636,366
1863.....	49,485,005

The quantities of the various principal articles of food below mentioned, and now admitted duty free, were as follows for the three periods:—

	1842.	1853.	1863.
Horned cattle.....No. }	prohibited	125,253	150,898
Sheep....." }		259,420	430,788
Bacon and hams.....Cwts.	8,355	205,667	1,877,813
Butter....."	175,197	403,289	936,703
Eggs.....No.	89,548,747	123,450,678	266,929,680
Rice.....Cwts.	511,414	1,504,629	3,070,292

The quantities *retained for consumption* of the following articles, which are still subject to custom duties, were:—

	1842.	1853.	1863.
Cocoa.....Lbs.	2,246,569	3,997,198	3,712,287
Coffee....."	28,519,646	36,983,122	32,762,995
Sugar, raw.....Cwt.	3,868,437	7,272,833	9,202,524
Tea.....Lbs.	37,355,911	58,834,087	85,133,283
Tobacco, unmanufactured.."	22,013,146	29,348,568	36,751,173
Wine.....Galls.	*4,815,222	6,813,830	10,422,105

The *declared or real values* of the more important articles of British manufacture exported during the same years are as follows:—

	1842.	1853.	1863.
Apparel, haberdashery, and millinery...	£1,143,270	£6,923,190	£7,169,975
Cotton yarn.....	7,771,464	6,895,653	8,019,954
" goods.....	13,907,884	25,817,249	39,424,010
Earthenware and porcelain.....	555,430	1,338,370	1,334,275
Hardware and cutlery.....	1,398,487	3,665,051	3,826,784
Leather and leather wares.....	400,927	1,578,595	2,319,763
Linen yarns.....	1,025,551	1,154,977	2,535,728
" manufactures.....	2,346,749	4,758,432	6,509,970
Machinery.....	554,653	1,985,536	4,365,023
Iron and steel.....	2,457,717	10,845,422	13,111,477
Tin plates.....	663,685	1,181,069	1,311,850
Silk, thrown and manufactured.....	590,189	2,044,361	2,229,591
Woolen yarn.....	637,305	1,456,786	5,065,432
" manufactures.....	5,185,045	10,172,182	15,518,842

Notwithstanding the great increase here indicated with regard to British imports and exports, it must be borne in mind that few countries have yet comprehensively adopted a liberal commercial policy, and that, consequently, the measures in that direction which have already been for some years fully applied by Great Britain cannot be said to enjoy the conditions necessary to the complete development of the system.

The tonnage of British and foreign vessels which entered and cleared in the United Kingdom *with cargoes*, in the years 1842, 1853, and 1863, respectively, was:—

	1842. Tons.	1853. Tons.	1863. Tons.
British.....	5,415,821	9,064,705	15,263,047
Foreign.....	1,930,983	6,316,456	7,762,116
Total.....	7,346,804	15,381,161	23,025,163

\* The importation of wine in 1842 was unusually small, the average importation from 1840 to 1848 having been nearly 6,500,000 gallons.

The coasting tonnage of the United Kingdom has likewise increased greatly, notwithstanding the severe competition of the inland railway carrying trade, as is shown by the accompanying figures of the tonnage of British and foreign vessels engaged *with cargoes* in the coasting trade of the United Kingdom:—

	1842. Tons.	1853. Tons.	1863. Tons.
British.....	10,785,450	12,820,745	17,465,635
Foreign.....	None	None	81,897
Total.....	10,785,450	12,820,745	17,547,532

The tonnage of vessels built and registered in the United Kingdom in the years 1842, 1853, and 1862 was:—

	1842. Tons.	1853. Tons.	1862. Tons.
Sailing-vessels.....	116,213	154,956	164,061
Steam-vessels.....	13,716	48,215	77,338
Total.....	129,929	203,171	241,399

In addition to the above, the following amount of foreign tonnage was registered in the United Kingdom:—

1842. Tons.	1853. Tons.	1862. Tons.
None	30,073	74,629

The total registered tonnage of the United Kingdom (exclusive of the Channel Islands and Isle of Man) was in the same years:—

1842.....	Tons 2,990,849
1853.....	“ 3,969,158
1862.....	“ 4,860,191

The revenue produced by the customs has been well sustained, notwithstanding the great reductions effected in our tariff since 1842. In that year almost every article imported was liable to a customs duty, and the list of tariff denominations amounted to many hundreds, whilst at present about twelve leading articles alone are taxed on importation.

The gross customs' revenue amounted in the following years to:—

1842.....	£22,771,315
1853.....	22,506,443
1863-64.....	23,232,000

During the same interval the excess of reduction of customs' duties above the amount imposed was:—

1843-53.....	£10,166,749
1854-63.....	4,458,166

Thus during the whole interval the customs' duties have been reduced by £14,624,915, whilst the revenue produced, instead of being diminished, exhibits an annual increase of £460,685.

The gross amount of the duties of excise in the years 1842, 1853, and 1863 were:—

1842.....	£14,616,083
1853.....	16,303,237
1863-64.....	18,207,000

The relative additions and diminutions during the same periods were—

1842-53.....	£2,486,000 Reduced.
1854-63.....	1,226,000 Imposed.

Excess of excise duty repealed..... £1,260,000

During the whole period, therefore, the actual increase of the excise revenue was £3,590,917, or upwards of 24½ per cent.

The total net receipts of revenue of the United Kingdom during the three years were as follows:—

1842.....	£52,763,147
1853.....	58,962,513
1863-64.....	70,721,892

The gross revenue had, therefore, increased during the aggregate period from 1842 to 1863-64, £17,958,745, or 34 per cent., and that this increase was not due to augmented taxation is made evident by the following statement:—

Excess of amount of taxation repealed over the amount imposed during the periods 1842-53 and 1854-63:—

1842-53.....	£7,175,986
1854-63.....	4,407,966

Excess of diminution..... £11,583,952

or upwards of 20 per cent. of the taxes existing in 1842.

The expenditure of Great Britain, which amounted in 1842 to £55,223,874, was in 1853 £55,769,252, and in 1863-64 £67,856,286.

In 1842 the amounts of the unredeemed funded and of the unfunded debt were respectively:—

Funded.....	£773,063,340
Unfunded.....	18,182,100

Total..... £791,250,440

In 1853—

Funded.....	£761,622,704
Unfunded.....	17,742,500

Total..... £779,365,204

In 1863—

Funded.....	£777,429,224
Unfunded.....	13,136,000

Total..... £790,565,224

In consequence of the actual or approaching termination of various annuities the amount of the debt has been considerably lessened. The estimated capital value of these annuities has not been computed previously to 1855. Since that date, however, they stand as follows :—

1854-55.....	£26,763,244
1862-63.....	17,757,183
Difference.....	£9,006,061

The whole amount of the debt stands at present, therefore, almost the same as in 1853, whilst the actual funded and unfunded debt is now less than it was in 1842.

## COMMERCIAL CHRONICLE AND REVIEW.

EFFECT OF ELECTION—WANTS OF TREASURY—EXPENSES OF GOVERNMENT—GOLD STOCK—PRICES  
 GOVERNMENT STOCK—CIRCULATION INCREASING—CONSUMPTION OF FOREIGN GOODS AND INCREASED  
 COST OF SAME—SPECIE AND PRICE OF GOLD—SPECIE IN THE CITY—DUTIES DECREASED—GOLD HELD  
 BY BANKS DECREASED—EXPORTS OF SPECIE—RATES OF EXCHANGE.

THE general elections, which took place the 8th of this month, under circumstances of extraordinary interest, has to some extent interfered with the course of business. The supposition that the event of the election might work a change in the management of the war checked all disposition to do business and induced most persons to put off enterprises that would otherwise have been prosecuted. Some imagined that more definite steps towards peace would, after election, be taken, and, for this reason, an appreciation of the government money would manifest itself in a fall of gold and prices; consequently, buyers refrained from acting and holders from selling. Gold did indeed fall heavily from 256 to 210, and as rapidly rose to 260 on the day preceding the election, but again fell off under various influences at work. These fluctuations in gold continued to check business, and the uncertainty as to the future operations of the Treasury had a depressing effect.

The amount of money to be raised is very large, and the mode of doing it will have a great influence upon the course of business. There seems to be three general modes of proceeding. One is to tax for a large proportion of the required sum; another is, to raise a large proportion by issues of gold stock; another, by issuing paper and stock with interest payable in paper. It is obvious that, ultimately, if specie payments are ever resumed, all the interest on the public debt must be paid in gold, hence, paper interest and paper issues are a costly expedient which will make the ultimate burden greater by uselessly swelling the amount. The past year, the expenses of the government were as follows :—



Borrowed.....	\$758,121,000
Duties (Gold).....	\$99,181,201 149,781,000
Internal taxes.....	100,231,000

Total.....\$1,008,133,000

The internal taxes now yield nearly \$200,000,000, but the customs have greatly declined. The taxes cannot be greatly increased by legislation now, so as to be available this year. There is, therefore, a certainty that a large amount must be borrowed. The most economical way is to borrow the whole on a gold stock, at the market value, and require all prices to adjust themselves to that standard. This would, of course, have a very depressing effect on all business, and is not a course likely to be popular. Nevertheless, it appears to be the only safe course for the administration to pursue. On the 1st December the Treasury sold \$25,000,000 of 5-20 gold interest stock at 105 privately. The market price being 106½.

The impression which gained ground, to the effect that no more gold stocks would be issued, imparted greater firmness to the government stocks, which were quoted as follows:—

## PRICES UNITED STATES PAPER.

	—6's, 1881.—		5's, 1874.	7 3-10, 3 years.	1 year certit. Old. New.	Gold.	
	Reg.	Coup.					
January 2..	104½	105½	96	106½	101½	97½	151½ a 151½
" 9..	104½	105½	96	106½	102	97½	152 a 152½
" 16..	104	105½	96	106½	102½	97½	155 a 155½
" 23..	106	107	97	107	103	97	156 a 158
" 30..	106½	106	100	107½	102½	97½	156½ a 156½
February 6..	107½	107½	100	108	102½	98½	159½ a 159½
" 13..	109½	109½	100	109½	103	98½	159½ a 159½
" 20..	111½	110	100	111	103	99½	159½ a 161
" 27..	111½	110½	100	111	103	99½	159½ a 161
March 5..	111½	111	100	111	103½	99½	161½ a 161½
" 12..	112	112	100	110½	103	99½	162½ a 162½
" 19..	112	112½	106	110½	103	99½	162 a 162½
" 26..	112	112½	100	111½	103	99½	169½ a 179
April 2..	111	110	100	111	...	99½	166½ a 167½
" 9..	112	112	102	111½	...	99½	169½ a 170
" 16..	107½	112½	102	112	...	99	173 a 189
" 23..	105½	108	109	109	...	97	174½ a 179
" 30..	114	114	102	111	...	98½	179½ a 179½
May 7..	113	113	102	109½	...	98½	173½ a 173½
" 14..	114	114½	102	111	...	98½	172½ a 172½
" 21..	114	114	102	111	...	98½	183 a 183½
" 28..	114	114	102	111	...	98½	186 a 186½
June 4..	109	113½	102	109½	...	98	190½ a 191
" 11..	108	113	102	108½	...	97½	198½ a 198½
" 18..	107	112	102	107	...	97	195½ a 196
" 25..	104½	112	102	106½	...	96½	212 a 216
July 2..	104½	111	102	105½	...	94	235 a 240
" 9..	104	104	102	105	...	94	266½ a 267
" 16..	102½	102½	102	103½	...	94½	244 a 285
" 23..	102½	102½	102	103½	...	92½	250 a 268
" 30..	107	107	93	107½	...	95½	251 a 251½
Aug. 6..	106½	105½	99	107½	...	94½	260 a 260½
" 13..	106½	107	100	108	...	95	256½ a 256
" 20..	108½	108½	100	110	...	94½	257½ a 257½
" 27..	109½	109½	100	111½	...	95	254 a 255

Sept.	3..	107	107	100	111	...	93 $\frac{3}{4}$	254	a	254 $\frac{1}{2}$
"	10..	107	108 $\frac{1}{2}$	100	111	...	93 $\frac{1}{2}$	234	a	233
"	17..	108	108 $\frac{1}{2}$	100	110 $\frac{7}{8}$	...	93 $\frac{1}{2}$	222 $\frac{1}{2}$	a	222 $\frac{3}{4}$
"	24..	108	107 $\frac{1}{2}$	100	110 $\frac{3}{4}$	...	94 $\frac{1}{2}$	212 $\frac{1}{2}$	a	212 $\frac{3}{4}$
Oct.	1..	106	106 $\frac{3}{4}$	103	110 $\frac{3}{4}$	...	94 $\frac{1}{2}$	194 $\frac{1}{2}$	a	194 $\frac{3}{4}$
"	8..	105 $\frac{1}{2}$	105 $\frac{1}{2}$	100	105 $\frac{1}{2}$	...	94 $\frac{1}{2}$	200 $\frac{1}{2}$	a	200 $\frac{3}{4}$
"	15..	106	105 $\frac{3}{4}$	100	105	...	94 $\frac{3}{4}$	213 $\frac{1}{2}$	a	214
"	22..	106	106 $\frac{1}{2}$	100	105	...	94 $\frac{3}{4}$	209 $\frac{3}{4}$	a	210
"	29..	106 $\frac{1}{2}$	105 $\frac{3}{4}$	100	108	...	95	216 $\frac{1}{2}$	a	216 $\frac{3}{4}$
Nov.	5..	107 $\frac{1}{2}$	106 $\frac{3}{4}$	100	106 $\frac{3}{4}$	...	95 $\frac{1}{2}$	239 $\frac{1}{2}$	a	240
"	12..	107 $\frac{1}{2}$	107 $\frac{3}{4}$	100	108	...	95 $\frac{3}{4}$	244	a	245
"	19..	110 $\frac{1}{2}$	110 $\frac{1}{2}$	100	118	...	96 $\frac{1}{2}$	216 $\frac{1}{2}$	a	217

The rise in the 7.30 grew out of the claim of the holders that the notes were receivable, under the law, for customs, and suit was brought in the United States courts to test that right. Should it be decided in favor of the holders, the notes would be worth 220. The change caused the rise to 124 at one time.

Money has become exceedingly plenty during the month. The sums paid out to the army return in the way of trade, swelling the deposits in the banks, but there was little business demand for it. The amount of greenbacks now out is about \$450,000,000. The National bank notes have increased their circulation to \$64,000,000, and progress at the rate of \$2,000,000 per week, as is noticed under the banking head. The tendency is now to fill up rapidly the \$300,000,000 of bank capital authorized by the existing law. These notes issued by the National banks are redeemable in the "greenbacks," which are at present of a value of 40 cents per dollar in specie. As the emission of National notes goes on, the whole circulation of bank notes and greenbacks will approach the fixed amount of \$700,000,000 of paper currency. There are also outstanding \$61,000,000 of 5 per cent. legal tender, on which the coupons are paid December 1, and, being cut off the notes, become currency and will be used as such until the interest again accumulates, causing them to be hoarded. There are also \$150,000,000 of notes, legal tender for the face, with interest compounded every six months for three years. This mass of currency approaches \$1,000,000,000, and, if paper stocks are issued, must be increased to float them.

Consumption of foreign goods has been stopped in great measure by the rise in price. What in the aggregate is the extent of this rise may be seen from the following estimate.

The customs receipts for the whole Union in the past year were, quarterly, as follows :

Quarter to	Revenue.	Currency value.	Average price of gold,
September 30.....	\$22,562,018	\$30,082,630	130
December 31.....	23,411,521	35,117,281	150
March 31.....	27,439,654	43,903,446	160
June 30.....	25,681,207	44,942,113	180
Total.....	\$99,994,400	\$153,945,530	155

This currency value is according to the average price of gold each week in New York, when the duties were paid. Inasmuch as the currency value of the duties is added to the cost of the goods imported, that value represents what the consumers of goods pay. The whole amount of dutiable goods imported in 1864

was \$260,381,101, and the average value of gold, as above, being 155, the exchange was 170. The actual cost of the goods was then as follows :

Prime cost.....	\$260,381,101
Freight, etc.....	26,038,110
	<hr/>
	\$286,419,211
Exchange 60 premium.....	161,051,526
Duties collected in currency.....	159,945,530
	<hr/>
Total cost imports in currency.....	\$601,416,267

Thus the amount of money paid by consumers, exclusive of the profits of importers, jobbers, and retailers, internal transportation, insurance, etc., was \$601,000,000 for a prime cost of \$260,000,000, or 154 per cent average advance for the whole year ; but the rate was much heavier in the last quarter than in the first. If we take the quantity of goods that paid duties in October and in June, and the amount of duties collected, the results are as follows :

	Goods paid duty.	Duties.	Per cent.
October.....	\$16,744,081	\$6,238,943	37
June.....	8,068,899	3,311,148	42

Thus doubling the duties in the spring only raised the average collected 5 per cent. A very large proportion of the goods that arrived in June, however, went into bond, as in April a very large quantity was taken out of bond to avoid the then expected duties. The currency rate of gold increased the cost paid by consumers, as follows :

	October.	June.
Price gold.....	147	200
Cost.....	\$1,000,000	\$1,000,000
Gold duties.....	\$370,000	\$420,000
Currency duties.....	543,900	840,000
Exchange premium.....	470,000	1,000,000
	<hr/>	<hr/>
Total.....	\$2,013,900	\$2,840,000

Thus the rise of 53 per cent in gold operated a rise of 83 per cent in the cost of goods ; of this 5 per cent only was actual advance in the tax by the Government. It is manifest that so heavy an advance in the cost of goods must have produced a serious check in their consumption, and this has manifested itself in the decline of business for the autumn season.

The slackness of business, which caused a diminished demand for gold for duties, also checked the demand for remittances abroad, and the movement was limited up to the approach of November, when the amount due abroad for interest on 5-20's fell due. The shipments then increased. The whole movement was as follows :

## SPECIE AND PRICE OF GOLD.

Jan.	1863.		1864.		Gold in bank.	Prem. on gold
	Received.	Exported.	Received.	Exported.		
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	24,631,204	56 a 58
30	.....	1,331,027	324,864	668,747	24,203,632	56½ a ...

Feb. 6	....	301,860	1,277,000	.....	662,616	24,070,191	49½ a ...
13	....	359,987	1,152,846	368,198	1,219,808	23,521,453	95 a ...
20	....	.....	520,017	.....	325,632	22,523,918	59 a ...
27	....	285,394	1,377,016	407,067	531,700	22,301,687	165 a 61
March 5	....	1,243,551	733,643	512,358	629,803	21,220,652	61½ a 66½
12	....	.....	3,540,550	.....	465,920	20,750,495	62 a 62
19	....	249,514	1,201,907	281,804	83,881	21,059,512	62 a 70
26	....	159,105	1,050,156	375,101	273,900	20,425,504	69½ a 68½
Apr. 2	....	250,778	473,385	273,429	168,912	19,527,665	63½ a 71½
9	....	.....	607,059	302,344	345,471	20,924,287	67 a 29
16	....	217,602	158,437	269,522	1,002,384	21,687,670	71 a 89
23	....	256,604	629,855	.....	3,226,000	24,868,203	72½ a 79
30	....	.....	294,998	282,376	1,271,836	24,087,343	77 a 85
May 7	....	205,057	451,827	282,276	1,174,241	23,082,023	71 a 81
14	....	.....	681,996	.....	2,452,668	22,635,155	61½ a 76½
12	....	258,570	438,745	383,428	1,884,195	22,091,691	73 a 85
28	....	.....	279,994	.....	580,820	21,973,180	87½ a 92½
June 4	....	318,066	411,483	271,801	1,425,588	22,461,604	87 a 90½
11	....	.....	235,364	.....	1,543,600	24,041,704	92 a 99½
18	....	.....	522,147	291,208	1,886,663	22,916,291	94 a 89
25	....	187,082	134,432	281,011	1,296,356	22,000,898	99 a 130
July 2	....	.....	347,807	.....	560,677	21,206,685	115 a 180
9	....	254,947	401,936	301,207	486,339	20,084,917	122 a 176½
16	....	.....	2,190,781	.....	301,244	21,234,354	144 a 185
23	....	.....	1,725,748	249,095	556,464	21,033,912	150½ a 168½
30	....	270,182	480,374	284,301	404,312	21,051,896	144 a 159
Aug. 6	....	.....	550,044	.....	90,111	21,159,518	155 a 161½
13	....	313,612	1,210,220	.....	341,833	21,080,309	152 a 159½
20	....	.....	238,398	571,281	48,009	20,794,268	155 a 158
27	....	231,854	1,379,710	.....	206,398	19,952,949	145 a 157
Sept. 3	....	.....	309,799	387,281	444,503	20,136,547	131 a 159
10	....	279,043	852,752	.....	486,451	20,603,881	125 a 143
17	....	193,548	535,796	369,592	669,733	20,065,180	114 a 130
24	....	277,380	1,411,611	.....	1,288,559	20,065,180	100 a 230
Oct. 1	....	.....	803,583	231,481	603,604	19,671,131	85 a 105
" 8	....	268,282	2,555,656	275,131	237,758	20,066,557	89 a 103
" 15	....	.....	1,206,950	191,781	239,491	20,522,032	99 a 108
" 22	....	267,911	1,243,273	.....	616,456	21,010,360	110 a 115
" 29	....	.....	585,302	279,121	932,648	21,078,307	109½ a 120½
Nov. 5	....	547,338	646,017	381,310	2,296,630	21,740,327	121½ a 146
" 12	....	281,340	395,796	489,632	1,224,250	22,491,122	233 a 250
" 19	....	261,730	1,006,907	.....	1,515,165	21,438,959	209½ a 225
Total	....	10,445,923	\$58,879,548	10,963,530	42,499,017		

The Treasurer gave notice in August that the interest on the November coupons would be advanced on application. Few, however, availed themselves of this offer. Those holding these bonds for investment, and using the interest for expenses, did not draw the gold until it was quite due, because it was safer in the Treasury than elsewhere, while others holding the bonds to sell would not draw the interest because the bond without the coupon was not saleable. Hence the amounts drawn before due were not large.

The amount of specie in the city has been reported for four months as follows :

	Banks.	Treasury.	Total.	
July 1	.....	\$21,206,685	\$9,850,865	\$31,051,550
August 1	.....	21,051,896	10,846,154	31,898,050
September 1	.....	20,936,547	13,171,453	33,207,000
October 1	.....	19,671,131	10,373,433	31,044,614
November 1	.....	21,078,307	12,877,560	33,955,867

This gives the amount of gold in the Treasury at the first of each month. Now if we take the amount received from customs in each month, and the amounts paid for interest, we shall have results as follows :

	Customs.	Interest paid.	Kind of stock.
June .....	\$3,348,010	\$3,754,659—	6s '81
July .....	3,641,800	1,790,600—	7.30
August.....	6,272,002	1,800,136—	10-40
September.....	4,113,210	2,355,476—	7.30
October.....	3,697,335	15,322,707—	5-20
<b>Total.....</b>	<b>\$21,071,857</b>	<b>\$25,023,568</b>	

Thus the interest paid was more than the customs receipts of this port, and probably about equals the receipts at all the ports. But the receipts are now declining. Those for November give about \$3,478,561 for the month, or \$6,000,000 for the two months. The payments will be, for interest \$9,360,000, and for principal of the Texan loan, \$2,062,000, making \$11,422,000, or thus for six months :

Payment of interest, June to January.....	\$24,383,568
Payment principal.....	2,062,000
<b>Total payments.....</b>	<b>\$26,445,568</b>
New York customs.....	\$27,071,857
Other ports.....	5,500,000
	<b>\$31,571,857</b>
<b>Deficit.....</b>	<b>\$3,873,711</b>

From this it will be seen that if more gold bonds are issued, the Treasury will probably be required to buy gold, and there is therefore objection in some quarters to the further issue of such bonds. But when we remember the other alternative, we think no one can hesitate as to which course should be pursued. The question is reduced simply this—whether the Treasury shall buy gold or shall issue more paper? Which will increase the price, or more properly depreciate the currency most? We think there can be no doubt on this point.

The course of paper is just now manifesting itself in the working of the national banking law, so that while the customs receipts are declining, the reservoirs of specie are being reduced. Those banks which are making arrangements to merge their business under the National Bank Law, with a view to escape the State laws in relation to local taxation and the ultimate payment of their notes in specie, were steadily selling their specie. On the 20th of October, the Philadelphia banks concluded to go under the national law. Those of Boston have, many of them, arrived at the same conclusion. The weekly returns show the following results of specie in bank :

	Boston.	Philadelphia.	Total.	Price gold.
October 17.....	\$6,361,581	\$3,940,341	\$10,301,922	222
October 25.....	5,307,481	3,663,670	8,971,151	225
October 31.....	5,225,591	3,496,143	8,721,734	246
November 7.....	4,967,781	3,058,994	8,026,775	260
November 14.....	4,787,182	2,743,641	7,530,823	220
November 21.....	4,429,700	2,674,037	7,103,037	210
<b>Decrease.....</b>	<b>\$1,931,881</b>	<b>\$1,266,304</b>	<b>\$3,198,885</b>	



Thus those banks have sold 31 per cent of their specie in five weeks since they determined to go into the national system, which dispenses with specie altogether. The exports of specie out of the country in excess of all receipts has been for the same time as follows :

	Shipped.	Price.	
		Lowest.	Highest.
October 20.....	\$616,456	\$196 a	\$217
October 27.....	982,648	202 a	222
November 5.....	2,296,690	221 a	246
November 12.....	1,224,280	238 a	260
November 19.....	1,650,000	210 a	230
Total.....	\$6,720,074		

The difficulties of the market gradually caused the price of foreign exchange to fix itself in gold, the bankers requiring payment in gold. During the last four weeks in the following table, therefore, the quotations are for the gold price. To find the currency price the premium on gold is to be added :

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 116						
" 20, 172½ a 174 3 27½ a 3.23½ 65½ a 65½ 65½ a 65½ 58½ a 58½ 115½ a 116						
" 27, 173½ a 174 2.26½ a 3.22 65½ a 65½ 65½ a 66 58½ a 58½ 115½ a 116½						
" 5, 174½ a 175½ 3.25 a 3.21½ 65½ a 66½ 66 a 66½ 58½ a 59 116 a 117						
" 12, 177 a 178 3.15 a 3.18½ 66 a 66½ 67 a 67½ 59 a 59½ 117½ a 118						
" 19, 176 a 177 3.22½ a 3.18½ 65½ a 66½ 66 a 66½ 58½ a 59 116 a 117						
" 26, 179½ a 182 3.15 a 3.10 67½ a 68½ 68 a 68½ 60½ a 61 120 a 121						
April 2, 177½ a 181 3.18½ a 3.12½ 66½ a 67 67 a 67½ 59½ a 60½ 118 a 120						
" 9, 184 a 185 3.08 a 3.06½ 68½ a 69 68½ a 69½ 61½ a 62 121½ a 122						
" 16, 189 a 191 2.97½ a 2.95 70 a 71 70½ a 71½ 62½ a 64½ 127 a 128						
" 23, 190 a 192 3.05½ a 2.95 71½ a 71½ 71½ a 72 62½ a 63½ 124 a 125						
" 30, 195 a 198 2.90 a 2.85 73 a 74 73½ a 74½ 65 a 66 130 a 131						
May 7, 192 a 195 2.96½ a 2.90 72 a 73 72½ a 73½ 63½ a 64½ 126 a 127						
" 14, 192 a 187 2.95 a 3.02 71½ a 70½ 71½ a 71 62½ a 63 124 a 125						
" 21, 196 a 198 2.87½ a 2.83½ 74 a 75½ 73½ a 75 65 a 66 130 a 131						
" 28, 201 a 203½ 2.81½ a 2.77½ 75½ a 76½ 75½ a 76½ 67 a 67½ 134 a 135						
June 4, 218 a 210 2.72½ a 2.68½ 78 a 79 77½ a 74½ 68½ a 69 135 a 136						
" 11, 215 a 218 2.65 a 2.60 79 a 79½ 78 a 79 71½ a 72 143 a 144						
" 18, 216 a 219 2.64 a 2.88 79½ a 80½ 80 a 80½ 72 a 73 145 a 145						
" 25, 235 a 238 2.37½ a 2.41½ 86 a 87 .. a .. 76 a 77 154 a 155						
July 2, 270 a 295 2.15 a 1.92½ 93 a 94 .. a .. 85 a 95 185 a 195						
" 9, 292 a 298 1.95 a 1.87½ .. a .. 200 a 215 96 a 98 184 a 188						
" 16, 268 a 290 Nominal.						
" 23, 273 a 282 2.10 a 2.01½ .. a .. 101 a 103 90 a 93 182 a 184						
" 30, 270 a 274½ 2 15 a 2.07½ .. a .. 98 a 100 88½ a 90½ 178 a 180						
Aug. 6, 279 a 283 2.00½ a 2.00 .. a .. 103 a 105 91 a 93 184 a 185						
" 13, 274 a 277 2.05 a 2.07½ .. a .. .. a .. 91½ a 92½ 183 a 185½						
" 20, 278 a 279½ 2.06½ a 2.02½ 100 a 102½ 101 a 103 91½ a 92½ 183 a 184						
" 27, 275 a 276 2.08½ a 2.05 .. a .. .. a .. 90 a 90½ 178 a 180						
Sept. 3, 260 a 275 2.15 a 2.05 .. a .. .. a .. 85 a 90½ 170 a 180						
" 10, 253 a 256 2.25 a 2.20 93 a 94 .. a .. 83 a 84 166 a 167						
" 17, 245 a 248½ 2.31½ a 2.27½ .. a .. .. a .. 80½ a 81½ .. a ..						
" 24, 230 a 240 1.47½ a 2.35 .. a .. 83 a 90 76 a 80 .. a ..						

Oct. 1,	208	a	210	2.75	a	2.68 $\frac{1}{2}$	..	a	..	..	a	..	67 $\frac{1}{2}$	a	68 $\frac{1}{2}$	..	a	..	
"	8,	210	a	218	2.70	a	2.60	..	a	..	..	a	..	70	a	72	..	a	..
"	15,	218	a	230	2.55	a	2.45	69	a	71	..	a	..	72	a	75	138	a	142
"	22,	108 $\frac{1}{2}$	a	109 $\frac{1}{2}$	5.16 $\frac{1}{2}$	a	5.20	40 $\frac{5}{8}$	a	41	..	a	..	35 $\frac{1}{2}$	a	36	71	a	72
"	29,	108 $\frac{1}{2}$	a	109	5.18 $\frac{1}{2}$	a	5.22	..	a	..	..	a	..	35 $\frac{1}{2}$	a	36 $\frac{1}{2}$	71 $\frac{1}{2}$	a	72
Nov. 5,	109 $\frac{1}{2}$	a	109 $\frac{1}{2}$	5.17 $\frac{1}{2}$	a	5.25	40	a	41	40 $\frac{1}{2}$	a	41	35 $\frac{1}{2}$	a	36 $\frac{1}{2}$	70 $\frac{1}{2}$	a	72	
"	12,	109 $\frac{1}{2}$	a	109 $\frac{1}{2}$	5.16 $\frac{1}{2}$	a	5.25	40	a	41	40 $\frac{1}{2}$	a	41 $\frac{1}{2}$	35 $\frac{1}{2}$	a	36 $\frac{1}{2}$	70	a	72 $\frac{1}{2}$
"	19,	109 $\frac{1}{2}$	a	109 $\frac{1}{2}$	5.25	a	5.16	40 $\frac{1}{2}$	a	41 $\frac{1}{2}$	41	a	41 $\frac{1}{2}$	35 $\frac{1}{2}$	a	36	72	a	72 $\frac{1}{2}$

The disposition to draw only for gold makes the exchange market more regular and satisfactory, and throws upon the importers the whole trouble of buying gold, cost of commissions, etc. The demand then is from importers for duties, and also for gold to pay for bills drawn. Commercial bills are sold to some extent for currency.

## JOURNAL OF BANKING, CURRENCY, AND FINANCE.

STATE BANKS IN PHILADELPHIA RE-ORGANIZING UNDER NATIONAL LAW—NATIONAL BANK RETURNS—INCREASE IN CAPITAL AND CIRCULATION—BOSTON AND NEW YORK STATE BANKS AND THE NATIONAL LAW—NATIONAL CIRCULATION, WHAT IS IT?—BANK OF COMMERCE TO BECOME A NATIONAL BANK, AND WHAT WILL BE ITS CIRCULATION—THE PROFITS OF BANKING UNDER NATIONAL ACT—NEW YORK, BOSTON AND PHILADELPHIA BANK RETURNS—ACCOUNTS FROM ENGLAND MORE FAVORABLE—RETURNS OF BANK OF ENGLAND AND BANK OF FRANCE, ETC.

The officers of the banks of Philadelphia, and many of those of Boston, have been constrained to make arrangements for re-organizing their banks under the National Bank Law, because of the expenses and local taxes that so eat up the profits of the local banks, that it requires 20 per cent. in earnings to pay 8 per cent. dividends. The tendency is, therefore, to make a change and become National banks. These banks are not taxed directly, but under the State laws the tax will fall upon the stockholder, which must be in proportion to other profits. But the advantages held out to the institutions of not paying specie, by being Treasury depositors, &c., are such as to counteract that tax. Other institutions will probably soon assume the national character before the limit allowed by the law is taken up by new institutions. The report of the National Banks, Oct. 1, was as follows. We also give the figures for July :

CONDITION OF THE NATIONAL BANKS ON THE MORNING OF THE FIRST MONDAY OF OCTOBER AND OF JULY, A. D. 1864, BEFORE THE COMMENCEMENT OF BUSINESS ON SAID DAYS.

### Resources.

	July 1.	Oct. 1.
Loans and discounts.....	\$70,746,513 23	\$93,228,657 92
Real estate, furniture and fixtures.....	1,634,049 46	2,202,318 20
Expense account.....	605,341 31	1,021,569 02
Remittances and other cash items.....	5,057,122 90	7,640,169 14
Due from National Banks.....	18,935,730 13	19,935,720 47

Due from other banks.....	17,337,558 86	14,652,396 31
U. S. Bonds, and other U. S. securities.....	92,839,500 00	108,664,496 03
Bills of other banks.....	5,344,172 39	4,687,727 28
Specie and other lawful money.....	42,288,797 84	44,801,497 20
Other items.....	842,017 73	1,424,648 70
Aggregate.....	\$252,273,063 75	\$297,108,195 80

*Liabilities.*

Capital stock paid in.....	\$75,213,945 65	\$86,782,802 75
Surplus fund.....	1,129,910 22	3,010,286 10
Notes in circulation.....	25,925,665 00	45,260,504 00
Deposits.....	119,288,453 27	121,645,820 55
Unpaid dividends.....	125,785 11	520,715 10
Due to National Banks.....	17,303,873 12	20,145,419 35
Due to other banks.....	10,078,133 25	14,716,334 96
Profits.....	3,094,330 11	5,982,392 22
Other items.....	213,788 02	43,239 77
Aggregate.....	\$252,273,803 75	\$297,108,195 30

In the quarter to October 1, it appears the capital increased \$11,568,857, and the circulation increased 20 million. Since October 1, the weekly increase has been as follows:

	Capital.	Circulation.
October 22.....	\$98,111,420	\$56,853,036
“ 29.....	104,746,070	58,734,180
November 5.....	105,381,070	60,450,100
“ 12.....	106,540,750	62,350,390
“ 19.....	108,440,870	64,529,470

It appears from the above that the weekly increase of circulation has been nearly \$2,000,000 per week, and more than one-third of the authorized capital is already taken up. To this will be added the Boston capital, and most of that of New York, as soon as the coming legislature shall have passed an enrolling act, which will remove all doubts as to the legal right of the State institutions to merge their rights in the new system. The bank of Commerce with its capital of \$10,000,000, has already announced its intention to organize under the new law. The direction of this movement is to increase greatly paper issues, because the new circulation of \$300,000,000 will not be based upon specie real or pretended, but upon \$450,000,000 United States legal tender that are now at 40 cents on the dollar in gold. The National bank notes being a legal tender between the government and the people, will require but a small amount of legal tender basis, because there will be no need of demanding payment. If any one has money to pay the government, except for duties, the bank notes are available. If he wants specie, the bank notes will buy it on nearly as good terms as the greenbacks, in which they are redeemable. Thus an institution in the country issuing \$100,000 notes, must have on hand 15 per cent. in lawful money, of which \$9,000 must be in legal tender; and \$6,000 in balances due to it from other banks, which means simply nothing. Thus the whole issue of \$100,000 circulation is \$3,600, if we estimate it at the present value in specie. In case legal tenders fall, as fall they will, from the mere effect of these bank issues, the whole obligation becomes *nil*.

Besides all this, the re-organization of these old banks enables the most of them to issue a large amount of additional currency. Take the Bank of Commerce of New York as an instance. The capital is, as we have stated, \$10,000,000. One-third of this capital will have to be lodged, in the form of United States bonds, with the Comptroller of the Currency at Washington, and ninety per cent. of the market value of the bonds deposited will be restored to it in circulating notes. The law gives any bank the option of increasing its deposit to the full amount of its subscribed capital and its circulation in proportion. The minimum amount of currency placed at its disposal will thus be more than three millions, and may be about nine millions. Its circulation now is only one thousand seven hundred and five dollars.

The evils connected with these National Banks are beginning to receive the attention of the daily press. The Cincinnati *Gazette* of the 15th of November, speaks of them as follows. If our readers will turn to the back numbers of the Magazine issued when the National Act was first passed, much the same ideas will be found repeatedly expressed, only then few believed us. The *Gazette* says:

"The country has suffered but little thus far from National Banks, but it is plain enough to see that the foundations have been laid for a bubble of the most extraordinary dimensions, and the superstructure is going up rapidly. National Banks are running into the wildest kind of a wildcat system. There is no doubt at all about this. We need not say that we do not refer here to the banks based upon *bona fide* capital, and organized for legitimate purposes; but it is known that the ropes are being arranged for operations that will, so far as regards the inflation of the currency, throw the old, broken-down system of Indiana and Illinois into the shade. What else can be expected? Never was such an opportunity for making money presented. Let us look at it: A bank is organized with a nominal capital of \$300,000. The sum of \$100,000 is subscribed and paid in. This is invested in United States bonds, which are deposited with the comptroller, and \$90,000 in currency issued. This is used indirectly for purchasing other bonds, and a further instalment of \$81,000 is obtained in currency. This is again used, and another instalment of \$73,000 in currency is received. Thus the bank has, on a *bona fide* capital of \$100,000, secured and deposited bonds to the amount of \$271,000, and has in circulation notes to the amount of \$244,000. Put these together, and we have \$515,000 standing on \$100,000. This is almost equal to anything the Indiana and Illinois sharpers ever got up in their palmiest days. Now let us look at the profits:

Interest on bonds, equal in currency to.....	\$37,940 00
Interest on circulation at 8 per cent.....	14,640 00
Total interest.....	\$52,580 00

We have deducted from the currency 25 per cent., which banks are required to keep on hand. But the managers who go into this kind of business will do better than that. How this may be done, we need not stop to explain. It is very easy to make an average, by having large amounts of currency two or three times in a month, to swear by. It is thus seen that on a capital of \$100,000 a company of gentlemen may realize a profit of \$52,580 00 per annum from the circulation alone. If gold should go higher than 240, the profits would be still larger. It would be in the direct line of interest with those bankers to inflate the currency and enhance the price of gold. But about redemptions. Isn't a bank required to redeem? Yes, in greenbacks; but they are not asked to redeem in anything. There would be no object in it. If we had specie pay-

ments, there could be no such banking as this we describe; but there being no payments of any kind, notes are set afloat, and do not return to annoy their makers."

We do not believe it will be long before the true tendency of this act will be seen by every one, but we trust it will be before all its evils have worked out their full effect upon the country.

The Banks of Philadelphia and Boston, as will be perceived from the following tables, began to sell their gold freely as soon as they had determined to organize under the new law. The sales of the Banks of the two cities amount to nearly \$3,000,000. The weekly returns of the New York Banks give the following results:

## NEW YORK BANKS.

NEW YORK BANKS. ( <i>Capital, Jan., 1864, \$-----; Jan., 1863, \$69,494,577.</i> )						
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	134,361,977	387,546,217	
"	16,.. 165,991,170	23,884,264	6,008,182	130,311,046	416,962,806	
"	23,.. 162,925,880	24,077,513	5,049,807	130,136,203	460,311,543	
"	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,.. 163,302,935	22,523,918	5,908,394	148,014,106	514,887,411	
"	27,.. 174,928,205	22,301,687	5,907,851	154,875,059	575,442,304	
March	5,.. 182,317,378	21,188,034	5,937,167	158,999,668	518,951,433	
"	12,.. 189,757,746	20,750,405	5,918,807	168,044,977	688,322,278	
"	19,.. 198,229,513	21,059,542	5,889,197	169,637,975	618,338,858	
"	26,.. 199,372,437	20,425,504	5,514,139	168,315,904	576,253,939	
April	2,.. 203,993,131	19,526,665	5,708,908	171,151,297	676,372,745	
"	9,.. 204,333,192	20,924,287	5,804,511	170,513,020	658,352,112	
"	16,.. 198,703,629	21,687,670	5,779,650	168,350,790	646,593,643	
"	23,.. 196,286,722	24,868,003	5,679,947	161,978,166	672,442,840	
"	30,.. 194,157,495	24,087,343	5,626,978	164,578,919	446,587,420	
May	7,.. 192881,246	23,082,028	5,594,832	168,562,197	410,052,013	
"	14,.. 194,178,921	22,635,155	5,482,357	174,426,682	413,552,127	
"	21,.. 197,356,939	22,091,691	5,367,355	173,111,884	486,884,114	
"	28,.. 195,813,462	21,973,180	5,240,812	171,765,696	410,972,198	
June	4,.. 196,740,609	22,461,604	5,180,639	174,516,367	477,648,207	
"	11,.. 194,935,822	24,041,704	5,049,457	172,537,248	445,519,165	
"	18,.. 195,773,583	22,916,291	4,959,096	169,445,767	431,158,427	
"	25,.. 197,077,002	22,000,988	4,807,195	158,772,982	442,840,362	
July	2,.. 198,089,016	21,206,635	4,752,917	154,989,844	452,583,531	
"	9,.. 199,699,742	20,084,917	4,696,107	153,525,977	336,521,426	
"	16,.. 199,043,887	21,234,354	4,724,538	151,816,947	466,125,408	
"	23,.. 190,835,761	21,033,912	4,688,392	147,981,326	403,144,195	
"	30,.. 185,838,480	21,051,896	4,553,426	152,929,633	399,439,739	
August	6,.. 185,563,507	21,159,518	4,522,728	153,279,263	415,360,181	
"	13,.. 185,074,244	21,030,309	4,417,804	155,826,514	422,879,926	
"	20,.. 185,998,407	20,794,268	4,346,658	156,536,217	382,685,347	
"	27,.. 188,502,729	19,952,949	4,256,847	156,036,307	406,296,366	
September	3,.. 189,414,631	20,136,547	4,200,950	151,068,566	436,331,918	
"	10,.. 187,255,127	20,603,881	4,181,616	147,967,942	435,795,330	
"	17,.. 186,317,519	20,185,315	4,169,513	146,378,542	493,191,745	
"	24,.. 185,551,211	20,065,180	4,147,107	144,654,935	461,221,702	
October	1,.. 185,896,837	19,671,131	4,157,823	145,316,097	543,084,474	
"	8,.. 185,875,206	20,066,557	4,131,111	146,333,022	506,281,897	
"	15,.. 185,337,270	20,522,032	4,051,767	150,233,034	494,330,424	
"	22,.. 185,738,764	21,010,360	3,991,779	150,816,384	511,388,091	
"	29,.. 186,521,351	21,078,307	3,920,290	151,883,092	437,717,893	



Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
Nov. 5,...	187,378,510	21,740,327	3,850,463	153,920,403	641,833,442
" 12,...	188,914,029	22,491,122	3,735,635	153,333,095	573,145,880
" 19,...	190,460,852	21,438,959	3,700,626	158,154,196	578,069,364

The returns show an expansive movement on the part of the Banks since the last week in September, when the net deposits were reduced to \$144,000,000. An increase of \$14,000,000 or 10 per cent in the unemployed money has been attended only by an increase of \$5,000,000 in loans. Inasmuch as all paper drawing interest is placed under the head of loans, it appears that the Banks had \$10,000,000 more November 19th than September 24th, which was unemployed. This is due to the absence of demand at a time of business inactivity.

The Philadelphia institutions continue their returns weekly, and the results show a disposition to expand while they have sold specie.

## 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	\$4,158,585	\$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	2,063,148
" 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
Feb. 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	2,099,773
" 29,...	35,519,704	4,102,848	2,167,348	31,435,753	4,837,264	2,114,227
Mar. 7,...	35,913,334	4,102,632	2,208,492	31,712,547	5,323,316	2,116,042
Mar. 14,...	35,956,678	4,099,707	2,308,250	32,511,405	5,508,146	2,333,819
" 21,...	36,412,923	4,099,664	2,340,132	32,835,038	6,933,974	2,428,227
" 29,...	36,695,415	4,096,401	2,357,768	33,156,496	5,791,191	2,724,935
April 4,...	37,262,220	4,095,495	2,390,092	34,404,607	5,641,638	3,425,805
" 11,...	37,032,110	4,093,461	2,379,827	35,958,444	5,855,277	3,799,151
" 18,...	39,535,334	4,095,387	2,329,590	38,174,046	5,748,257	3,291,176
" 25,...	39,570,567	4,095,475	2,253,336	37,393,247	6,067,966	2,592,465
May 2,...	39,770,436	3,972,349	2,241,885	37,758,836	6,374,531	2,730,540
" 9,...	39,639,436	3,967,263	2,152,827	37,466,311	6,636,576	2,786,080
" 16,...	39,262,695	3,964,522	2,131,919	37,638,814	6,580,548	2,853,894
" 23,...	39,639,436	3,967,263	2,152,827	37,466,311	6,636,576	2,786,080
" 30,...	39,262,695	3,964,522	2,131,919	37,638,814	6,580,548	2,853,894
June 7,...	39,723,493	3,694,320	2,100,927	38,249,800	5,993,116	3,186,259
" 14,...	40,286,433	3,964,753	2,077,753	38,367,171	5,930,707	3,007,283
" 21,...	40,286,488	3,934,529	2,074,273	37,583,203	6,403,664	2,993,548
" 27,...	42,057,758	3,943,640	2,092,470	39,122,865	6,544,663	3,139,132
July 4,...	40,918,009	3,955,836	2,154,253	37,945,305	6,225,952	4,325,450
" 11,...	40,717,527	3,949,105	2,337,651	37,312,423	6,197,570	4,658,667
" 18,...	40,731,324	3,948,440	2,208,063	36,462,271	6,189,843	3,616,992
" 26,...	42,057,758	3,963,640	2,092,470	39,122,865	6,544,663	3,139,132
Aug. 2,...	39,277,980	3,962,335	2,249,226	36,520,763	6,059,048	3,816,165
" 9,...	39,142,449	3,962,367	2,231,394	37,234,433	5,992,712	3,785,896
" 16,...	39,353,341	3,962,313	2,214,929	36,826,674	5,801,231	3,691,201
" 24,...	39,401,423	3,962,154	2,222,401	35,869,034	5,733,141	3,891,137
" 31,...	39,778,594	3,972,413	2,361,745	35,603,143	6,070,333	3,704,273
Sept. 7,...	40,331,268	3,962,395	2,454,060	34,931,231	6,119,371	3,419,624
" 14,...	40,835,872	3,962,353	2,524,015	35,039,636	6,071,768	3,047,313
" 21,...	42,404,383	3,961,342	2,574,571	35,913,425	6,031,204	3,031,281
" 27,...	41,839,955	3,960,464	2,610,809	34,833,109	6,121,101	3,057,381
Oct. 3,...	41,152,335	3,910,436	2,626,884	34,649,193	6,351,204	3,158,271

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
" 10,...	40,541,371	3,940,409	2,603,851	34,968,886	6,336,490	3,268,360
" 17, ..	40,867,864	3,940,341	2,581,607	35,559,796	6,745,828	3,125,082
" 20,...	41,105,615	3,663,370	2,554,604	37,102,835	6,582,950	3,302,433
" 27, ..	41,598,194	3,496,143	2,519,385	37,425,689	6,469,666	3,554,675
Nov. 7,...	41,763,747	3,058,994	2,455,776	36,943,993	6,000,000	3,000,000
" 14,...	42,844,878	2,743,641	2,406,652	37,705,033	6,000,000	3,000,000
" 21,...	43,792,297	2,674,037	2,355,763	39,227,713	.....	.....

The Boston Banks struggles against the tenders to absorption in the new loans. But the Suffolk Bank finally gave in, and the others also entered upon the paper flood which knows no outlet. The returns show a pretty sharp contraction in the last few weeks :

## 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	31,151,210	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	14,925,404
" 29,...	72,189,003	7,179,310	9,371,440	33,155,888	12,224,603	16,189,720
Mar. 7,...	72,687,363	7,108,519	9,606,318	33,688,017	12,313,829	16,535,992
" 14,...	72,105,111	7,052,181	9,490,311	33,891,204	12,704,181	17,315,231
" 21,...	73,207,121	7,033,721	9,548,211	35,090,181	13,092,531	17,266,741
" 28,...	73,485,514	7,016,086	9,210,096	34,859,508	13,352,706	17,071,731
April 4,...	71,838,506	6,856,708	9,442,082	32,861,609	13,601,005	15,786,092
" 11,...	72,620,348	6,932,192	10,447,916	33,324,978	15,094,360	17,362,371
" 18,...	72,328,896	6,869,726	10,331,806	33,510,054	14,447,997	17,054,244
" 25,...	72,538,611	6,952,498	10,938,991	31,810,971	14,715,931	15,790,498
May 2,...	71,270,181	6,842,798	10,127,997	31,461,499	14,206,581	14,208,592
" 9,...	69,471,481	6,764,484	10,521,591	31,172,534	12,801,000	16,239,000
" 16,...	68,838,581	6,644,493	10,126,473	31,633,071	12,500,671	16,201,083
" 23,...	66,683,510	6,573,181	9,899,193	34,605,131	11,871,719	15,733,691
" 30,...	69,291,391	6,541,201	9,681,294	34,391,203	11,101,307	15,925,201
June 7,...	67,093,500	6,509,181	9,160,621	32,771,821	10,875,181	16,137,720
" 14,...	67,942,400	6,524,207	8,771,181	33,305,220	10,710,089	15,057,131
" 21,...	68,880,121	6,507,021	8,933,121	32,740,201	11,631,602	14,790,012
" 28,...	69,691,000	6,470,600	9,063,712	30,865,101	12,260,030	12,872,111
July 5,...	66,950,111	6,290,521	9,574,009	29,940,102	11,839,312	13,809,002
" 12,...	66,452,107	6,301,101	9,936,491	32,280,004	11,306,002	13,434,523
" 19,...	66,979,000	6,246,211	9,890,081	30,584,101	10,003,181	13,942,001
" 26,...	59,973,511	5,733,010	9,775,481	27,905,491	9,151,111	13,473,621
Aug 2,...	59,760,398	5,729,431	9,327,101	27,866,201	8,947,021	13,039,537
" 9,...	60,555,181	5,734,101	9,685,671	27,806,030	9,342,621	13,261,654
" 16,...	61,175,211	5,665,981	9,538,841	27,773,821	9,855,921	12,793,321
" 23,...	61,817,002	5,660,911	9,567,921	27,221,731	10,952,871	12,007,431
" 30,...	61,960,431	5,681,871	9,639,000	26,195,100	10,110,000	11,618,931
Sept. 6,...	62,211,931	5,744,893	10,100,400	25,884,487	10,535,000	11,526,011
" 13,...	61,818,600	5,789,033	10,274,852	25,015,230	10,162,979	11,142,930
" 20,...	61,863,582	5,820,671	10,420,810	24,722,891	10,520,000	11,237,030
" 27,...	58,352,671	5,637,921	10,230,431	23,532,931	10,953,731	10,197,691
Oct. 4,...	58,391,621	5,539,000	10,316,991	24,334,531	9,664,431	11,476,581
" 11,...	57,719,911	5,391,101	10,304,857	23,913,331	7,784,451	10,017,792
" 18,...	55,734,921	6,361,531	8,993,181	24,018,572	7,827,911	9,879,721

" 25, ..	56,030,000	5,307,481	9,619,682	24,500,689	9,934,311	7,901,421
" 31, ..	53,485,492	5,225,591	9,197,471	24,009,531	7,647,421	8,669,439
Nov. 8, ..	50,865,491	4,967,781	9,000,000	21,384,001	6,893,910	8,167,892
" 15, ..	50,488,921	4,787,182	9,046,931	22,023,478	6,785,521	8,731,799
" 22, ..	44,236,000	4,429,700	9,053,381	20,219,421	5,375,581	8,889,421

The accounts from England and France have been of a more favorable tenure, inasmuch as the high rate of money produced its natural effect of moderating business transactions, causing a fall of prices and promoting accumulations of money with the Banks. The general causes that had produced the distress were however still in operation, and there was no surety that a slight relaxation might not renew the drain. The great fall in prices, particularly cotton, had thrown a heavy loss upon the Indian shippers of cotton to England, and fears were naturally entertained that those losses might react in London. The Bank therefore, notwithstanding the impure condition of the accounts, did not see fit to lower the rate of interest until the 10th November; when it reduced it to 8 per cent at Bank, although less outside. The institution had decreased its private securities, and also sold Government securities to strengthen itself. The public mind was not entirely settled. On the contrary, most persons dreaded that fresh failures might be announced before long, in consequence of the very large losses that had been encountered in the produce markets. The effect of the failures at Rio by reaction from the North German towns was looked for, and it was feared that the next news from India would be of an unsatisfactory nature. Apart, however, from the uncertainty necessarily existing with regard to the fate of houses whose position is known to be critical, the amelioration in the condition of the money market was daily becoming more marked. Looking at the mass of produce stored in the various warehouses in the kingdom, and having in view the large harvest returns throughout Europe and in America, it is evident that the supplies of all descriptions of food will continue large, and in excess of the actual wants of the population. Speculation is not, under these circumstances, likely to be immediately resumed, as it is in consequence of the plentiful harvests of this year that that previously existing has broken down. With low-priced food, a large amount of money, and notably the savings of the trading and working classes, will soon be returned in greater sums than at present to the capital for investment. In all probability, the movement by which the discount rate will soon be reduced to a lower figure has already commenced; and there is every reason to conclude that, purged by late events, trade will be re-established in a sounder and healthier condition than for a long time past.

The Bank returns were as follows :

THE BANK OF ENGLAND RETURNS.

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	13,411,794	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	"
" 10,...	20,708,113	7,254,682	12,882,226	36,923,317	13,472,271	7	"
" 17,...	20,696,172	7,079,789	13,306,156	31,078,328	13,583,635	7	"
" 24,...	20,207,871	8,153,601	12,426,673	30,504,827	13,819,412	6	"
March 2,...	20,840,374	7,893,633	13,541,278	31,980,446	14,034,222	6	"
" 9,...	20,563,325	8,863,364	12,434,975	31,769,311	13,884,389	6	"
" 16,...	20,333,112	8,570,711	13,105,800	31,929,164	13,946,943	6	"
" 23,...	20,366,705	9,841,323	12,480,154	32,112,543	14,499,201	6	"
" 30,...	20,908,644	10,280,458	12,658,986	33,472,484	14,163,519	6	"
April 6,...	21,528,914	9,818,880	13,348,299	34,223,509	13,616,762	6	"
" 12,...	21,785,597	5,929,922	13,586,029	31,385,305	13,080,300	6	"
" 20,...	21,672,783	5,787,329	13,684,069	31,596,179	12,743,302	7	"
" 27,...	21,484,602	6,217,965	12,620,036	30,961,635	12,567,776	7	"
May 4,...	22,045,792	6,981,132	12,278,903	32,070,427	12,454,244	9	"
" 11,...	21,478,987	7,299,434	12,901,160	32,239,210	12,705,251	9	"
" 18,...	21,313,352	7,568,661	12,962,402	31,855,696	13,267,446	8	"
" 25,...	20,868,047	7,971,003	12,882,042	31,297,181	13,713,943	7	"
June 1,...	21,246,840	8,286,719	12,493,776	31,329,121	14,052,761	7	"
" 8,...	20,766,405	8,748,510	11,966,204	30,711,740	14,043,129	7	"
" 15,...	20,597,557	8,512,311	12,790,361	30,884,192	14,304,205	6	"
" 22,...	20,623,207	9,287,594	13,051,661	31,948,856	14,319,061	6	"
" 29,...	21,153,606	10,213,535	12,890,244	33,297,897	14,197,849	6	"
July 6,...	21,890,063	9,489,130	13,471,415	34,286,592	13,930,809	6	"
" 13,...	22,161,001	4,683,803	15,082,746	31,637,509	13,701,112	6	"
" 20,...	22,302,688	4,462,490	13,408,675	30,471,085	13,171,561	6	"
" 27,...	22,158,547	4,961,046	13,719,621	31,346,657	12,996,635	8	"
Aug. 3,...	22,489,710	5,155,704	13,519,626	31,909,793	12,877,483	8	"
" 10,...	21,831,314	4,963,222	14,419,766	32,202,646	12,609,925	8	"
" 17,...	21,554,139	5,145,800	13,950,446	31,594,936	12,725,759	8	"
" 24,...	21,047,048	5,288,725	13,714,161	30,861,710	12,831,751	8	"
" 31,...	21,289,324	5,815,742	13,073,751	31,058,341	12,980,033	8	"
Sept. 7,...	21,367,124	6,022,373	12,904,085	31,202,405	12,970,447	9	"
" 14,...	20,960,414	6,702,054	12,723,620	31,381,674	12,905,511	9	"
" 21,...	20,842,714	6,815,611	12,390,681	30,795,453	13,171,107	9	"
" 28,...	20,751,741	7,083,958	12,588,902	31,298,584	13,121,123	9	"
Oct. 5,...	21,915,817	6,877,591	11,731,746	31,530,895	12,998,210	9	"
" 12,...	21,774,334	7,023,234	13,206,313	32,192,227	13,606,293	9	"
" 19,...	21,828,920	3,273,589	14,098,454	29,447,960	13,002,433	9	"
" 27, ..	21,525,745	3,723,549	13,897,777	29,274,953	13,146,009	9	"
Nov. 2,...	21,596,300	3,777,941	13,848,428	29,181,019	13,313,441	9	"

The considerable improvement in the returns of the Bank of France induced that institution to lower its rate of interest in the first week of November. The bullion had risen 20,000,000 francs in three weeks. The return is as follows :

## BANK OF FRANCE.

	Loans.	Specie.	Circulation.	Deposits.	Interest.
January	—fr.751,649,983	fr.169,027,010	fr.813,490,825	fr.159,797,667	7
February	— 705,516,796	182,573,888	775,096,775	160,110,225	7
March	— 642,135,993	195,994,738	746,610,375	142,925,719	6
April	— 643,570,276	219,320,720	759,926,425	133,701,530	6
May	— 683,332,517	242,824,609	767,443,475	178,434,305	8
June	— 577,309,524	294,892,295	725,381,925	156,685,209	6
" 23,	594,563,973	280,511,406	720,243,375	144,559,768	6
" 30,	676,605,538	277,544,816	766,609,875	165,668,712	6
July	7, 662,197,524	276,522,727	772,309,475	170,022,200	6
" 14,	667,187,446	266,890,961	792,819,275	152,242,482	6
" 21,	639,299,542	269,810,253	788,378,725	135,282,170	6
" 28,	642,692,154	276,162,420	791,673,525	144,636,935	6

August	4,	634,904,899	276,790,393	786,629,625	157,810,891	6
"	11,	633,495,575	272,433,487	777,023,925	148,866,812	6
"	18,	627,110,297	276,200,183	739,096,425	139,746,017	6
"	25,	615,885,942	280,595,089	767,100,725	130,431,547	6
September	1,	618,948,683	279,353,778	767,763,725	141,075,120	6
"	8,	618,030,503	281,021,082	752,214,625	137,349,361	7
"	15,	633,405,806	273,371,823	761,638,225	130,975,227	7
"	22,	585,624,962	276,644,874	732,775,425	110,529,671	7
"	29,	608,645,155	279,039,471	739,183,625	122,373,527	7
October	6,	606,581,148	267,533,219	751,377,975	128,769,575	7
"	13,	619,256,344	250,423,737	754,479,725	120,525,826	8
"	20,	621,458,240	254,073,595	761,296,775	123,847,672	8
"	27,	591,882,251	272,826,218	740,767,475	124,872,300	8
Nov.	5,	619,601,399	274,145,142	749,664,075	156,717,974	7

The heavy failures which had taken place in Rio had caused great alarm in Paris, both from their direct influence on French commerce, and from the effect they might be expected to produce in London. Several of the leading bankers of Paris are stated to have lost more or less heavily by this. The manager of the Dutch Credit Mobilier at Amsterdam had absconded with a large amount of the funds of that establishment. The general state of affairs it was thought did not justify the Banks in so speedy a reduction of the rate of interest.

The Bank of France has increased its commission for advances on deposits of gold and silver in ingots from 1 to 3 per cent, in order to check certain operations of bullion dealers. These persons, it appears, finding that they could export gold and silver coin at a profit of more than 1 per cent, were in the habit of changing the notes which the Bank gave them for their deposits, and sending the coin abroad. The measure of the Bank has had the good effect of diminishing the demand on its coin, and has at the same time reduced the premium on silver.

The financial circles were much occupied with the negotiations which have taken place between the Italian Government and the Italian Credit Mobilier, for the sale of the crown lands, and through the latter establishment with the Credit Mobilier of Paris. Different sums have been named as the price of the sale, but nothing can be definitively concluded without the sanction of the Italian Parliament. Negotiations with Messrs ROTHSCHILD for the sale of the State railways are also understood to have been renewed.



## FINANCES OF THE STATES IN REBELLION.

The finances of the Confederate States are sadly out of joint. Having tried to spend money and keep it too, they have naturally enough failed. To create debt and call it capital may succeed for a time, but it requires a large mixture of faith to enable such a debt to circulate. When that faith is gone, the promise to pay must go with it. The laws passed at the last Confederate Congress failed to work out the cure expected, just for the reason that they took away the last ray of hope that the government issues would ever be paid: they destroyed the faith necessary to float their paper money. It was expected by Mr. MEMMINGER that by driving out the old treasury note to make room for a new issue, limited in amount, that prices of commodities would be brought down and the cost of the war diminished. But this repudiation worked, naturally enough, just the opposite result. "Those who had taken the old notes," says Mr. TRENHOLM, the present Secretary of the Treasury, "relying on the good faith of the government, on finding them deprived of one-third of their nominal value, became alarmed, and received the new notes under a strong apprehension of a repetition of the measure."

The reduction of value here spoken of consisted in compelling the holders, under pain of forfeiture, to exchange notes, originally and on their face convertible into six per cent bonds, for bonds bearing interest at only four per cent. This repudiation by the government of one-third of its past obligations, besides being a breach of faith, was a confession of insolvency.

Mr. TRENHOLM thus states the present condition of the government finances:

"The currency demands the immediate and the gravest consideration of Congress. Unless a uniform and stable value can be given to the treasury notes, the effort to carry on the war through their instrumentality must of necessity be abandoned. Acquiescence in its deplorable depreciation is to court the ruin to which it leads. One hundred and thirty five dollars in currency, the price obtained for one hundred dollars in six per cent bonds, is equal to six dollars only in specie; and to sell the bonds at this rate is in reality to dispose of them at ninety-four per cent discount; or, in other words, to give a bond for one hundred dollars in consideration of the loan of six dollars.

"There is not a man of property in the country who would not prefer any fair measure of taxation rather than procure a temporary and treacherous prosperity by the sale of mortgages on his estate at this ruinous rate.

"The depreciation of the currency, proceeding from redundancy, and the want of confidence in its ultimate redemption, can only be corrected by measures that shall both diminish its volume and sustain the public confidence. The measures adopted by Congress to reduce the currency did not combine these essential elements of success. Those who had taken the old notes, relying on the good faith of the government on finding them suddenly deprived of one-third of their nominal value, became alarmed, and received the new notes under strong apprehensions of a repetition of the measure. At the time, too, that the currency act provided for a circulation exceeding four hundred millions of dollars, it circumscribed and reduced the demand for the notes by making the four per cent bonds receivable in the payment of taxes. By the 1st of August \$170,000,000 of the new notes had already been issued, and less than \$10,000,000 sufficed for the payment of the taxes collected at that date. Depreciation commenced at once, and

proceeded at so rapid a rate that by the first day of October gold was selling at twenty-five dollars for one.

"The necessity of providing a speedy and efficient remedy for this condition of things is obvious. The bonds have to be sold for this currency; the taxes must be collected in it, and hence all the means of the government for the purchase of supplies will consist of this medium. Admitting that the amount which may be raised from these sources is nominally equal to the estimated expenditures, there is yet no security against such a further decline in the value of the notes as will disappoint present calculations and add enormously to the accumulation of the public debt. The time, therefore, seems to have arrived when Congress should take measures to restore and sustain the currency, or make provision for its honorable redemption, and resort to the use of specie and bank notes. The adoption of the last alternative, it is feared, would produce great embarrassment in the community, and the impossibility of obtaining an adequate supply of specie and bank notes for the wants of the government would create the necessity for a system of universal impressments, followed by incalculable suffering and distress."

Mr. TRENHOLM does not despair, however. In the first place his expedients with regard to the currency are three. First, he proposes that the Government faith be pledged that the notes shall ever remain exempt from taxation. Second, that Congress shall also pledge the faith of the Government, not to exceed the issue of notes already authorized, namely, \$400,000,000; and, Third, that it should pass an act appropriating twenty per cent of the taxes each year, until the return of peace, to the reduction of the currency until its amount is brought down to \$150,000,000; and, further, that a tax in kind be continued after the war, and a certain fixed proportion of it be annually applied to the redemption of the then outstanding notes. This scheme, it will be seen, implies faith in the government and faith in the success of the rebellion; but, as we stated above, government faith has already been broken, and the necessities to which it yielded being quite as likely to happen again, the mere pledge of Congress is of no account. The old issue of notes might have had a little life infused into it by some such acts as these, but it will take a stronger body than a Confederate Congress to build up the new.

The nature and extent of the Treasurer's expectations and wants may be gathered from his report. For instance, he states the resources as follows:—  
The tax in kind will produce, he says—wheat, twenty-five million bushels; Indian corn, two hundred million bushels; and cotton, two million bales. If this wheat, corn and cotton be sold, the receipts in cash from this source are estimated as follows:—

Wheat, two million five hundred thousand bushels, at four dollars...	\$10,000,000
Indian corn, twenty million bushels, at two dollars.....	40,000,000
Cotton, two hundred thousand bales, at two hundred dollars per bale.	40,000,000
Total.....	\$90,000,000

To this he adds the following suggestions:

"I propose an additional duty of five cents per pound on the exportation of cotton and tobacco, and the duplication of the duties on imports; payments to be made in coupons of the five hundred million loan, sterling exchange and specie, as now provided by law. The price of cotton in Liverpool being about sixty cents per pound, the deduction of five cents for the tax would

hardly have an appreciable effect upon its value in currency. The duty would fall chiefly on the foreign consumer, or be taken from the profits of the exporter; and an important financial advantage would be obtained at a moderate expense to the country. The increased duty on imports would be a small tax on this lucrative trade. If paid by the importer, it would be free from all objection; and if by the consumer, his ability to bear it is abundantly proven by the high price paid for goods. These measures would enhance the value and enlarge the demand for the five hundred million loan.

The expenditures for the six months, from the 1st January to the 1st of July, 1865, with an improved currency, may be safely estimated at a maximum of \$300,000,000; and for the twelve months at.....	\$300,000,000
To this amount must be added for the redemption of notes, as proposed, the sum of.....	60,000,000
And for the estimated amount of floating debt.....	114,000,000
<b>Total.....</b>	<b>\$774,000,000</b>

“To meet these demands upon the Treasury, I propose the following scheme of taxation and loans, viz.:

1. Taxation, including the tax in kind.....	\$360,000,000
2. Sale of bonds of the five hundred million loan and certificates of indebtedness.....	409,000,000
3. Import and export dues and miscellaneous receipts.....	5,000,000
<b>Total.....</b>	<b>\$774,000,000</b>

“To raise the amount proposed by taxation I recommend the repeal of so much of the act amending the act of 17th February, 1864, as will leave the property and income tax in full operation, without the abatements now allowed, viz.: section 1, paragraph 1, of the amendatory act of 14th June, 1864, which provides that the value of the tax in kind shall be deducted from the ad valorem tax on agricultural property, and section 8, paragraph 2, of the same act, which provides that the property tax shall be deducted from the income tax. By this change the desired amount of revenue will be secured and the prominent inequities of taxation, now the subject of complaint, will be redressed.”

This statement is not an encouraging one, nor is it very clear. How the Treasurer proposes to raise his \$360,000,000 by taxation certainly needs some further explanation. To us it appears a hopeless prospect.

There are, however, financially two resources left the South, both of which she has already used and may use, so long as her people will submit—these are the cotton loan and the tax in kind. A revenue may be derived from these sources, which, together with the little that can be obtained from other taxation, will enable the government to exist (that is, keep its army in the fields,) but nothing more. To talk of redeeming the currency is idle in the extreme.

Judging from President DAVIS message, and Mr. TRENHOLM's report, we should suppose that the tax in kind, passed by last Congress, had been pretty thoroughly collected this year, for it seems that of the appropriations in money made for the support of the government by last Congress not over one half were used, and the president says that no new appropriations will be needed. If, then, we may suppose that it has been and will be collected, the supplies for the army are secured, just so long as the people can and will pay the tax. To be sure it is an expensive and oppressive mode of taxation, but yet it is clearly the best the circumstances will permit. How far a cotton loan may be used to supply the

necessary munitions of war, machinery, &c., we cannot undertake to say. Certainly this resource would be very limited.

The public debt on the 1st of October, 1864, was as follows:—

FUNDED DEBT.	
Total issue of bonds and stocks.....	\$363,416,150
Total issue of call certificates.....	197,578,370
Total issue of certificates of indebtedness.....	19,010,000
Total amount of produce certificates, act April 21, 1862.....	2,500,000
Amount of 7-30 interest notes, which have assumed the character of permanent bonds.....	99,954,900
Total.....	\$683,459,420
Reduced by amount redeemed, to wit:—	
Act May 16, 1861, principal.....	\$297,600
Act August 19, 1861, principal.....	1,267,700
Call certificates, act December 24, 1861, six per cent..	70,729,030
Call certificates, act March 23, 1863, five per cent....	70,000,000
Call certificates, act March 23, 1863, four per cent....	1,825,000
Total.....	144,119,330
Total.....	\$539,340,090
UNFUNDED DEBT.	
Amount of 3-65 interest notes outstanding.....	\$516,050
Total issue of Treasury notes—old issue.....	\$973,281,863
Reduced by amount called in for cancellation.....	649,047,945
Total issue Treasury notes, new issue.....	324,203,918
Total.....	283,880,150
Total.....	\$1,147,970,209

### BANK OF ENGLAND.—RATE OF DISCOUNT FROM 1844 TO 1864.

THE following table shows the several changes in the Bank rate of discount of the Bank of England from the beginning of the year 1844 to the present time. It will be seen that in the earlier years of the series the changes were very few; there was, for instance, but one in the year 1846, one in 1849, one in 1850, none in 1851. Since 1854 the fluctuations have been much more frequent. The rate of discount was altered seven times in 1855, eight times in 1856, nine times in 1857, six times in 1858, five times in 1859, eleven times in 1860, eleven times in 1861, five times in 1862, twelve times in 1863, and eleven times in about nine months of 1864. The highest rate in the list was 10 per cent, which prevailed in 1857, from November 9th to the day before Christmas. The lowest rate was 2 per cent, which prevailed during the greater part of the year 1852, and for three months of the summer and autumn of 1862. During the year 1864 the average rate has been higher than ever before. In no other year except 1857 has the rate reached 9 per cent.

We also give in the table the date of the successive changes, and the number of days each minimum rate was in operation:

## RATE OF DISCOUNT CHARGED BY THE BANK OF ENGLAND FROM 1ST JANUARY, 1844, TO THE PRESENT TIME.

Date of change.	Rate.	Number of days in force.	Date of change.	Rate.	Number of days in force.
1844. 1st Jan.....	4	249	1857. 2d April.....	6½	77
5th Sept.....	2½	406	18th June.....	6	28
1845. 16th Oct.....	3	21	16th July.....	5½	84
6th Nov.....	3½	294	8th Oct.....	6	4
1846. 27th Aug.....	3	140	12th Oct.....	7	7
1847. 14th Jan.....	3½	7	19th Oct.....	8	17
21st Jan.....	4	77	5th Nov.....	9	4
8th April.....	5	119	9th Nov.....	10	45
5th Aug.....	5½	81	24th Dec.....	8	14
25th Oct.....	8	28	1858. 7th Jan.....	6	7
22d Nov.....	7	10	14th Jan.....	5	14
2d Dec.....	6	21	28th Jan.....	4	7
23d Dec.....	5	35	4th Feb.....	3½	7
1848. 27th Jan.....	4	140	11th Feb.....	3	301
15th June.....	3½	140	9th Dec.....	2½	140
2d Nov.....	3	385	1859. 28th April.....	3½	7
1849. 22d Nov.....	2½	399	5th May.....	4½	28
1850. 26th Dec.....	3	370	2d June.....	3½	7
1852. 1st Jan.....	2½	112	9th June.....	3	35
22d April.....	2	259	14th July.....	2½	189
1853. 6th Jan.....	2½	14	1860. 19th Jan.....	3	12
20th Jan.....	3	133	31st Jan.....	4	58
2d June.....	3½	91	29th March.....	4½	14
1st Sept.....	4	14	12th April.....	5	28
15th Sept.....	4½	14	10th May.....	4½	14
29th Sept.....	5	224	24th May.....	4	168
1854. 11th May.....	5½	84	8th Nov.....	4½	5
3d Aug.....	5	245	13th Nov.....	5	2
1855. 5th April.....	4½	70	15th Nov.....	6	14
14th June.....	3½	84	29th Nov.....	5	32
6th Sept.....	4	7	31st Dec.....	6	7
13th Sept.....	4½	14	1861. 7th Jan.....	7	38
27th Sept.....	5	7	14th Feb.....	8	35
4th Oct.....	5½	14	21st March.....	7	14
18th Oct.....	6 and 7*	217	4th April.....	6	7
1856. 22d May.....	6	7	11th April.....	5	35
29th May.....	5	28	16th May.....	6	77
26th June.....	4½	97	1st Aug.....	5	14
1st Oct.....	5	5	15th Aug.....	4½	14
6th Oct.....	6 and 7*	38	29th Aug.....	4	21
13th Nov.....	7	21	19th Sept.....	3½	49
4th Dec.....	6½	14	7th Nov.....	3	63
18th Dec.....	6	105	1862. 9th Jan.....	2½	133
			22d May.....	3	49
			10th July.....	2½	14
			24th July.....	2	98
			30th Oct.....	3	77
			1863. 15th Jan.....	4	13

\* Six per cent for *short*, and seven per cent for *long* dated bills.



1863. 28th Jan.....	5	22	1864. 20th Jan.....	8	22
19th Feb.....	4	63	11th Feb.....	7	14
23d April.....	3½	7	25th Feb.....	6	50
30th April.....	3	16	16th April.....	7	16
16th May.....	3½	5	2d May.....	8	3
21st May.....	4	165	5th May.....	9	15
2d Nov.....	5	3	20th May.....	8	7
5th Nov.....	6	27	27th May.....	7	19
2d Dec.....	7	1	15th June.....	6	42
3d Dec.....	8	21	27th July.....	8	42
24th Dec.....	7	27	7th Sept.....	9	..

### COINAGE OF GREAT BRITAIN.

WE have prepared from the official tables the following statement showing, in detail, the total coinage of the United Kingdom the past two years :

#### GOLD.

	1862.	1863.
Sovereigns.....	7,836,413	5,921,669
Half sovereigns.....	None.	4,371,574
Total gold.....	7,836,413	10,292,243

#### SILVER.

Florins.....	504,000	938,520
Shillings.....	954,360	859,320
Sixpences.....	990,000	491,040
Fourpences.....	4,153	4,158
Threepences.....	1,160,808	952,889
Twopences.....	4,752	4,752
Pence.....	7,920	7,920
Three-halfpenny pieces.....	319,774	.....
Total silver.....	3,945,572	3,253,599

#### BRONZE.

Pence.....	50,534,400	28,062,720
Halfpence.....	51,107,200	25,918,800
Farthings.....	14,336,000	1,433,600
Total bronze.....	115,977,600	55,545,120

There have been coined in the last ten years 47,929,914 sovereigns, 12,058,970 half-sovereigns, also 13,069,370 florins, 20,198,393 shillings, 16,737,520 sixpences, 1,837,694 groats, 41,580 fourpenny pieces, 18,495,796 threepences, 47,520 twopences, 79,200 pence, 479,670 three-halfpenny pieces, together in value £3,002,287, or \$15,011,435 ; and the cost of the silver metal was £2,257,900 or \$11,289,000 ; also, 136,725,120 copper pence, 164,502,685 halfpence, 43,041,152 farthings, 1,591,296 half-farthings, the value of the copper coin being £958,065 or \$4,790,325, and the purchase value of the metal £496,543 or \$2,482,715.

## THE FLORIDA.—ITS CAPTURE IN BRAZILIAN WATERS.

THE announcement of the capture of the Florida at Bahia, has given rise to serious discussion, and if the facts prove to be as stated in the *Journal da Bahia*, we are certainly in the wrong.

Bahia is a maritime city of Brazil, on All Saints' Bay, about eight hundred miles north-northeast of Rio Janeiro. The harbor is one of the best in America, accessible to vessels of the greatest draught, and is protected by seven forts. It has been a favorite resort of the privateers, for coal and supplies.

The Florida came in on the 5th from Santa Cruz de Teneriffe, in order to repair her engine and take in water, &c. The United States Consul asked the President of the province not to let the vessel into port, and to impose some penalty for her not respecting Brazilian waters in burning an American vessel near the Island of Fernando de Noronha. The President replied that he had granted her two days to make the repairs that her engine needed.

There was also in port the United States steamer Wachusett. Fearing some fight, since a challenge had been given, the President of the province obtained from the Consul his word of honor (so says the *Journal da Bahia*) that peace would be kept, and that no action would take place in the port, or within the line of neutrality.

The Florida, for better security, was placed under the batteries of the flagship. On the 6th, its crew being in need of some recreation, half of it was put on liberty, went on shore, and thirty of the crew and some of the officers slept on shore on the nights of the 6th and 7th.

Captain Collins, of the Wachusett, having held a consultation with his officers, determined to sink the Florida in port. Accordingly, at about three o'clock, the cables were slipped, and the Wachusett steered for the Florida, hitting her on the quarter, without doing her great injury.

The following statement of the subsequent facts we take from the *Journal da Bahia*:

Hardly had the Wachusett struck the Florida, when she fired a shot from a bow gun. At once a mast of the Florida fell over, and she lost some men; but the crew returned a feeble fire.

It is asserted that there was great loss of life at all points in the struggle that took place with revolvers and cold steel, and that it did not last long, for the complement of the Florida was reduced by nearly fifty men. Among the dead is said to be the officer of the deck, who received a ball in the breast; and it is said that an officer named Stone was also killed from a shot in the mouth. Another officer, leaping on board of the Wachusett, struck about him, and fell dead under the many blows dealt at him.

Four sailors of the fifteen who leaped into the sea escaped, and these were picked up by vessels lying near. The other eleven were shot in the water by the enemy.

After this brief contest there came an interval of silence which was broken by prolonged cheers from the Wachusett.

The chief of division, Gervasio Mancabo, sent a barge under the command of Lieutenant Varella, on board of the Wachusett, to tell its captain to anchor at

once, or he would sink him if he tried to continue his provocation. To this the latter replied, that, on his word of honor, he would do no more, and that he would go back to his anchorage.

This answer was given to the officer, the commander of the steamer not allowing him to come on board.

But the steamer *Wachusett* had smartly made fast a cable to the *Florida*, and then feigned to return to its anchorage, steering to the south.

She passed about a cable's length from the bow of the corvette *D. Januaria*, which then opened fire, sending eight shots at the steamer, which did not return the fire, and, on the contrary, forced its speed to put itself out of range of the fire. The shot nearly all took effect, being delivered by the best gunners.

At this moment, the crews of all the vessels of war being at quarters, the chief determined that the steamer *Paraeuse*, which had put up steam from the outset of the incidents, should take the corvette in tow as soon as it had enough steam up, sail at the same time being set on the corvette, so that the vessels might rapidly follow the prize. In this order the division set out: steamer *Paraeuse*, corvette *D. Januaria*, and tender *Rio de Coutas*. Owing to the tow of the *Florida*, it was thought that the corvette could gain upon the United States steamer.

On passing the light-house, the chief of the divisions called together his officers in his cabin, and told them of the insult that had been received, declaring that he was going to sink the steamer, take the prize and carry it into this port, if it was possible. He added that it was their duty to show that the honor of a nation could not with impunity be wounded. These words were received with enthusiasm by all the officers, who called out for an action with great ardor.

Chase was given to the steamers, which were about five miles ahead, making all sail and steam to effect their escape.

At 9 a.m., the *Paraeuse*, casting off her tow-ropes from the corvette, gained greatly upon the American vessels. An action appeared certain to every one; but the wind began to fail.

The steamer *Florida*, which up to that time was being towed, began to steam, and, with the *Wachusett*, to gain very fast on our vessels.

The latter continued the chase, and the steamers to run, until they finally went out of sight. Being in shoal water, and losing sight of the fugitive, they gave up the chase at 11.15.

As a matter of interest in this connection, we give the following official manifesto of the Brazilian Government, issued in June, 1863. By it we may learn the nature of the neutrality determined on and practised by Brazil during our present war:

OFFICIAL CIRCULAR TO THE GOVERNORS OF THE PROVINCES.

Ministry of Foreign Affairs, Rio Janeiro, }  
June 23, 1863. }

Most Illustrious and Excellent Sir.—With the view of giving wider circulation to the directions issued from this bureau on the 1st of August, 1861, in which are set forth the principles regulating the neutrality which the imperial government has resolved to assume in view of the struggle in the United States of North America, as well to explain some of those principles as to indicate in general the cases in which neutrality shall be considered violated and the manner of making it effective, his Majesty the Emperor desires to give your Excellency the following instructions for your information and due execution:—

By the words, "except in case of compulsory arrival," mentioned in the circular alluded to, it must also be understood,

That the vessel shall not be obliged to leave port within the period of twenty-four hours if she has not been able to effect such preparations as are absolutely necessary to put to sea without risk or danger of being lost.

The same rule will apply in case of bad weather.

And, finally, in case the vessel is pursued by the enemy.

In emergencies of this kind it will be the duty of the Governors at court and the Presidents of the provinces to determine, in view of the circumstances, the time at which the vessel should sail.

The privateers, it always being understood that they conduct no prizes, shall not be admitted into the ports of the empire for more than twenty-four hours, except in case of compulsory arrival. (*Salvo o caso de arribada forcada*)

Prizes to which the circular of the 1st of August refers are vessels captured by the belligerents or by the privateers, so that the penalty imposed on those who may conduct prizes shall not be applicable to those who may only be found carrying objects from prizes; but in no case will such objects be allowed to be disposed of.

In conformity with the above mentioned circular, belligerent vessels cannot receive in the ports of the empire anything except such food and naval stores as they may absolutely need, or to take any other measures for the continuation of their voyage. This disposition presupposes that the vessel is destined for some given point, and that only on her course and of necessity she has to enter a port of the empire.

This provision of the circular will not be carried out, however, if the same vessel shall frequently enter a port, or if, after being provisioned in one port, she shall immediately enter another on similar pretences, except in undoubted cases of superior force.

Such frequency of visits, without sufficient reason to justify it, must authorize a suspicion that the vessel is not on a lawful voyage, but that she is cruising in the adjacent waters of the empire to capture hostile vessels.

The aid and assistance which in such a case is given to one of the belligerents must be qualified as aid or favor given against the other, and, therefore, is a violation of our declared neutrality.

Consequently it is declared that a vessel which has once entered one of our ports shall not be received in the same port, or in another shortly after having entered the first, to receive food, naval stores, or for any other purpose, except in cases duly proved of superior force, unless after a reasonable space of time, by which it might be made to appear that the vessel had left the costs of the empire, and that she only returned after completing the voyage she had undertaken.

For the same motives as are herein expressed it will not be permitted in any of the ports of this empire that belligerent vessels shall receive goods imported directly for them in ships of any nation; for this would show that the belligerents do not seek to use our ports on their voyages and in cases of necessity unforeseen, but with the view of remaining in proximity to the costs of the empire, taking in advance the precautions necessary for the prosecution of their enterprises. The toleration of such abuse would be equivalent to permitting the ports of the empire to be used by the belligerents as a base of operations.

The principles of the circular of the 1st of August being thus explained, it follows that the ports, bays and harbors of the empire will be open to the belligerents on the following conditions:—

1. Ships-of-war admitted into a port or harbor must observe the most perfect tranquility and complete peace with all vessels that may be in port, whether they be war vessels or ships owned as such by their enemies.
2. They shall not be permitted to increase their crew or employ sailors of any nationality whatever, their own countrymen included.
3. They shall not be permitted to increase the number or the calibre of their artillery; nor, under any circumstances, to purchase or embark portable arms or munitions of war.
4. They shall not make use of the ports or harbors, or of the capes on territorial seas of the empire, to watch for inimical vessels that may enter or sail from our ports; nor procure information respecting those that may be expected

or are about to sail; nor shall they be permitted to make sail in chase of any enemy's vessel that may be in sight or signalled.

5. They shall not sail immediately after the departure of a vessel belonging to an inimical or neutral nation. If the vessel which sails first as well as that which proposes to follow be both sailing vessels or steamers, twenty-four hours shall be allowed to elapse between the departure of the one and the other; but if the vessel that sails first be a sailing ship and the other a steamer, the latter shall not leave until seventy-two hours afterwards.

6. During their stay in port the belligerents shall not attempt, by force or stratagem, to retake prisoners made of their fellow citizens who may be found in the same asylum, or to liberate prisoners of their nation.

7. They shall not be allowed into a neutral port to sell or dispose of prizes made from their enemy until the lawfulness of the prize shall be decided by the competent tribunals.

It is to be understood that the infraction of either of these seven conditions will constitute a violation of the neutrality of the empire, subjecting those who infract it to the penalties therein declared.

And to make our neutrality effective, preventing and repressing those abuses which are being practised, the following means should be employed:—

1. To ascertain, before conceding an asylum, the character of the vessel and her antecedents in other ports of the empire, so that it may be decided whether the vessel shall be allowed to enter or remain, and for this purpose all vigilance should be used.

2. To observe the anchorage where the vessel may be, under the immediate surveillance of the police, and to watch for suspicious circumstances and places.

3. To keep a proper guard from the entrance to the sailing of the belligerent over the movements of the vessel, and to ascertain the character of all the articles that may be embarked.

4. To direct the police not to allow the landing for sale of any goods taken from prizes.

5. To prevent them from making prizes in the territorial waters of the empire, using force if necessary; and if any prizes be taken in these imperial waters they will be retaken by the forces of the government and restored to their lawful owners, as no sale of such goods can be considered legitimate.

6. No belligerent will be admitted into our ports which has once violated the laws of neutrality.

7. To compel every vessel that attempts to violate neutrality to leave the territorial waters of the empire instantly.

8. Finally to use force, and in default of a sufficiency thereto, to protest solemnly and energetically against the belligerent, who, being informed and warned, does not desist from a violation of neutrality, ordering the forts and war vessels to fire on the belligerent who attacks his enemy on our territory, and on the armed vessel which attempts to sail before the time defined after the sailing of a vessel belonging to the other belligerent.

And inasmuch as the steamer *Alabama*, of the Confederate States, has openly violated the neutrality of our empire, infringing the dispositions of our circular of the 1st of August, 1861, making the Island of Rita the base of her operations for the purpose of carrying prizes there, and sailing thence to make others, which she has caused to be burned after keeping them some days in the anchorage of the said island, his Majesty the Emperor has ordained that the said steamer shall never again be received into any port of the empire.

I renew to your Excellency the assurances of my greatest esteem and high consideration.

THE MARQUIS OF ABRANTES.

To His Excellency the PRESIDENT, &c., &c.



## COMMERCE OF THE LAKES.

IN the Report of the Chamber of Commerce of Buffalo for 1863 we have the following review of the commerce of the lakes, showing its rapid development :

The French in 1678 selected sites for the first trading posts; which was the commencement of the immense fur trade with the natives at the extremities of these lakes, first carried on by them, and afterwards by the English. In the following year the Chevalier de LA SALLE, on the 7th day of August, set sail in a small vessel named the "Griffin," (which by the permission of the Seneca Indians had been built at Cayuga Creek, six miles above Niagara Falls,) with a crew of thirty men, destined for Mackinac, at which place he arrived on the 28th day of the same month. The "Griffin" was laden with a cargo of furs, and with a crew of six men was ordered to return to Niagara. Encountering a storm she was lost with all her crew. She was the first vessel moved by sails on the waters of these lakes. Then every portion of the Great West was covered with its ancient forests. The sounds of the echoing axe or "church going bells" had never rung through their solitudes, and the battle for mastery was yet undecided between the wild beast and his wilder foe, the savage hunter.

Nearly a century later, "August 28, 1763, the sloop 'Beaver' was lost at Cat Fish Creek, fourteen miles up Lake Erie." This vessel, with her consort, the "Gladwin," left Detroit on the 13th of August to procure troops and supplies for the fort, then besieged by PONTIAC, and arrived at Fort Erie on the 22d day of the same month. When the "Beaver" was wrecked, her guns were lost, and all her cargo, except 185 barrels of provisions, which were taken by the "Gladwin" to Detroit, where she arrived on the 3d of September, with a cargo of 160 barrels of pork and 47 barrels of flour, which came to Fort Erie from New York, by the way of Oswego and Niagara, and was carted around the falls over a road built by SREDMAN, and finished June 20th, 1763. When the "Gladwin" arrived in Detroit River she was attacked by 340 Indians, embarked in canoes, who cut her cable, tried to cut holes in her stern, killed Captain HORSBY and another. These were the only vessels on the lakes at this time, of which there is any known record. In 1764, there is a record of arrivals and departures at and from Detroit, of the "Victory," "Boston," "Royal Charlotte," and "Gladwin." During this year the "Gladwin" made one trip to Mackinac, and three or four trips each were made between Detroit and Fort Erie. Such was the commerce of the lakes a hundred years ago. Forty-eight years later, in 1812, there were only twelve vessels on all the lakes. From a pamphlet published by JAMES L. BARTON, Esq., in 1846, the following is taken: "The steamboat 'Walk-in-the-Water' was built and first went on Lake Erie in the month of August, 1818." The *Detroit Gazette* of May 14th, 1819, published the following, taken from the *New York Mercantile Advertiser*: "The swift steamboat 'Walk-on-the-Water' (her great speed may be judged of when it required ten days to make her trip to and from Buffalo to Detroit) is intended to make a voyage early in the summer from Buffalo, on Lake Erie, to Michilimackinac, on Lake Huron, for conveyance of company." She was the first and only steamboat on the lakes above Niagara Falls. She made an annual trip to Mackinac to carry up the American Fur Company's goods, in the years 1820 and 1821, but was wrecked in November, of the latter year. There was a small steamboat called the "Ontario," on Lake Ontario, that was built and launched in 1817. These were the only steamboats at this time on all the lakes. The loss of the "Walk-in-the-Water" was supplied by a new steamer named the "Superio," which was built and launched in 1822. In 1826 or 1827, a pleasure party went to Green Bay from Buffalo, by a steamboat, which was the first steam vessel that ever entered Lake Michigan. In 1845 there were owned and running on the lakes,

above Niagara Falls, 52 steamboats, 8 propellers, 50 brigs, 270 schooners, making three hundred and eighty vessels of all classes, with an aggregate tonnage of 76,000 tons.

There are now in commission, and engaged in the trade of the lakes, 1,870 vessels of all classes, with an aggregate tonnage of 470,034 tons, valued at \$16,720,800. The first vessel registered in the district of Buffalo Creek, was a small schooner named the "Hannah," of 48 73-95 tons, built by CHARLES TOWNSEND, GEORGE COIT, and OLIVER COIT, the last named as master. The date of register is May 26, 1817. There are now registered in the district of Buffalo Creek, 307 vessels of all classes, with an aggregate tonnage of 96,156 tons.

Prior to the opening of the Erie Canal, in 1825, the trade upon the lakes was of little moment, and can scarcely be dignified with the name of commerce. No record is known to exist of the amount of trade on the lakes prior to 1815. In that year the number of arrivals and departures of vessels at and from Buffalo was 64. In 1863 the number of arrivals and departures at and from Buffalo was 15,376.

"In 1835, the following description of property came from the State of Ohio, being then the only exporting State on these lakes, and passed through Buffalo via the Erie Canal, to tide water, viz.: 86,233 barrels of flour, 98,071 bushels of wheat, 2,565,272 pounds of staves, 6,562 barrels of provisions, 4,410 barrels of ashes, 149,911 pounds of wool."

"In 1845 the exports of Ohio and other States around the lakes, sent off by the same channel, were 717,466 barrels of flour; 1,354,990 bushels of wheat; 88,296,431 pounds of staves; 68,000 barrels of provisions; 34,602 barrels of ashes; 2,957,761 pounds of wool."

In 1856 the receipts at Buffalo were 1,211,189 barrels of flour; 8,465,671 bushels of wheat; 9,632,477 bushels of corn; 2,025,519 bushels of other grains, making an aggregate, including flour estimated as wheat, allowing five bushels for each barrel of flour, of 26,239,791 bushels.

In 1862 the receipts at Buffalo were 2,739,818 barrels of flour; 30,450,255 bushels of wheat; 24,288,623 bushels of corn; 2,634,730 bushels of oats; and 1,091,326 bushels of other grain—making an aggregate of 72,164,024 bushels, including flour.

In 1800, in all the territory west of New York and Pennsylvania and north-west of the Ohio River, there were no considerable settlements, except in Ohio, which was then a territory containing a population of only 45,365. There was, by the census of 1860, in the lake basin, a population of 9,474,358, against 4,100,425 in 1840, and 6,080,609 in 1850.

The cereal product of the lake basin States was, in

1840.....	bush.	267,265,877
1850.....		434,862,661
1860.....		679,081,559
1862.....	(estimated)	900,000,000

In 1840 the surplus cereals moved to the seaboard out of the lake basin was about 5,000,000 of bushels, against 145,000,000 bushels in 1862.

The Erie Canal and the Mississippi River were, from 1825 to 1833, the only avenues of transportation for the products of the West to the seaboard. The surplus cereal products exported from those States bordering on Lake Erie, including flour estimated as wheat, were all included in the receipts at Buffalo, which receipts in 1836 were only 1,239,351 bushels.

The first grain received at Buffalo from Lake Michigan was in 1836, being a small cargo of 3,000 bushels of wheat from Grand Haven, Michigan, by the brig John Kinzie, R. C. BRISTOL, Master. The first grain received at Buffalo from Chicago, was a small cargo of 1,678 bushels of wheat, shipped by NEWBURY and DOLE of Chicago, October 8, 1839, on the brig Osceola, FRANCIS P. BILLINGS, master, and consigned to KINGMAN and DURFEE, Black Rock, now North Buffalo.

In the year 1862 the surplus cereals exported from Lake Michigan, were from

Chicago.....bush.	57,676,741
Milwaukee.....	18,723,000
Other ports (estimated).....	10,000,000
Total.....	86,399,741

Such are the changes of less than twenty-five years. With such results before us, what may we reasonably expect will be the increase of the next succeeding twenty-five years, when all the circumstances are so much more favorable than were those of twenty-five years ago? The States bordering and tributary to the lakes, embracing Ohio, Indiana, Michigan, Wisconsin, Illinois, Minnesota, Iowa, Missouri, Kansas, Kentucky, Nebraska, and Dakota, have an area of 501,027,260 acres; only 56,221,908 of which were improved lands in 1860, against 26,680,340 acres in 1850. In the single decade from 1850 to 1860 no less than 25,146,341 additional acres were taken from forest and prairie and turned into farms. During this decade the population had increased 3,393,749, being 55 8-10 per cent, or an annual increase of over 5½ per cent.

The annual increase in the population of the whole of the United States, since 1790, has been three per cent and a fraction. By this rule, which has proved correct through seven decades, applied to the remaining portion of this century, the population will be upwards of one hundred millions in 1900.

If this fertile region of the country shall continue to increase in population, at the same rate per cent for the remaining portion of the century, that it has during the last decade, more than half of the population of the United States in the year 1900 will be in the valleys of the lakes and the Mississippi.

The progress in internal improvements in these northwestern States, shows stupendous results. There were twenty-eight miles of railway in 1840; 1,354 in 1850; 11,782 miles in 1860. In 1830 these States had no artificial canals. In 1860, there were completed and in operation 1,556 miles of canals, besides nearly one thousand miles of slack-water navigation, answering all the purposes of canals.

Within the present limits of the United States and Territories there are three millions of square miles, which may be geographically divided as follows:

Pacific slope.....square miles	750,000
Mississippi and lake valleys.....	1,350,000
Atlantic and gulf slopes.....	900,000

This great middle division of 1,350,000 square miles, embracing nearly one-half the national domain, is drained by the Mississippi and its tributaries, and the Great Lakes; the waters of the former finding an outlet in the Gulf of Mexico, and the latter in the Gulf of St. Lawrence, through the River St. Lawrence, extending through 20 degrees of latitude and 30 degrees of longitude.

This vast area of country abounds with extensive deposits of iron, coal, copper, lead, gold, silver, and quicksilver; the coal being always near the iron deposits, and the quicksilver, near those of gold and silver; the former being necessary for the manufacture of the iron, and the latter for economizing the gathering of the more precious metals.

The rich alluvial soil of the Lake and Mississippi Valleys will make the richest and most productive agricultural district in the world. By the year 1900, the fifty millions of people inhabiting these valleys, dividing their labor between agriculture, manufactures, and trade, promoted and advanced by the productive wealth of the gold and silver mines of the Pacific slope, will, from necessity, give life and vigor to a domestic commerce that will be equal to that of all Europe, and from which will result a more extended foreign commerce than has ever been the lot of any nation to enjoy.

There is no country on earth that has so many natural advantages for a large

and extended internal trade, or can be so easily made available by artificial aids, as the great West and northwest. The Mississippi River and its tributaries, the Missouri and its tributaries, the Ohio, the Tennessee, the Cumberland, the Red River, the Arkansas, embracing many thousands of miles of river navigation; can, by the construction of a ship canal of less than a mile, from Big Stone Lake to Lake Traver, in Minnesota, be navigably connected with the Great Red River of northwest British America. This river is navigable seven hundred miles to Lake Winnipeg. This lake receives the Saskatchewan, which is navigable seven hundred miles to a point (Edmonston House) within one hundred and fifty miles of the gold mines of British Columbia.

"A report to the New York Chamber of Commerce made in 1858, announces that the region of Lake Winnipeg, like the valley of the Mississippi, is distinguished for the fertility of its soil, and for the extent and gentle slope of its great plains, watered by rivers of great length, and admirably adapted to steam navigation."

"It will, in all respects, compare favorably with some of the most densely peopled portions of Europe. In other words, it is admirably fitted to become the seat of a numerous, hardy, and prosperous community. It has an area equal to eight or ten first class American States. Its great river, the Saskatchewan, carries a navigable water line to the base of the Rocky Mountains. The navigable waters of this great sub-division interlock with those of the Mississippi. The Red River of the North, in connection with Lake Winnipeg, is navigable for eight hundred miles directly north and south, and is one of the best adapted for steam in the world, and waters one of the finest regions on the continent. Between its head waters and St. Paul, in Minnesota, a railroad is in process of construction, which, when completed, will open a half million of square miles of territory for settlement."

The commerce of Minnesota, with Selkirk and Saskatchewan, doubled in 1860. The Carriboo is rapidly filling up with a mining population. This will necessitate the prompt organization and settlement of British America, that is, of the plains of the river basins, converging to Lake Winnipeg, and closely connected with our northwestern States. What all this vast region is to Minnesota now, all of the country west of New York and Pennsylvania, east of the Mississippi and northwest of the Ohio River, was to the Middle States, fifty years ago.

The improvement of the Fox River, which can be done at comparative small cost, will make a navigable highway from Green Bay to the Mississippi River. The enlargement of the Illinois Canal, and the improvement of the Illinois River, will make still another navigable highway between the Great Lakes and the Father of Waters.

These connecting links in the great internal water highway being completed; the proposed improvement of the Canadian canals will, when accomplished, extend an arm of the sea from the Gulf St. Lawrence into the heart of the great West, while from the sunny South comes another arm from the Gulf Mexico.

Between these two great water highways is a projected canal from the Ohio River, through Virginia to the ocean; besides the Pennsylvania canals, and the canal system of New York, with its trunk lines, the Erie and Oswego. New York need never very much fear this Southern arm of the ocean, but the Northern arm has power now, and when the plans and purposes of the Canadian Provinces shall have been carried out, there will be such an augmented power as to sweep onward to the ocean, via the St. Lawrence, nearly all the vast prospective commerce, the infancy of which has been shared by the Empire State.

## CANADIAN CONFEDERATION.—THE PROPOSED CONSTITUTION.

THE papers of Canada publish the following as the result of the deliberations of the Conference :

1st. That a federal union with the crown of Great Britain at the head is the arrangement the best fitted to protect the existing interests and to promote in the future the prosperity of British North America, provided always that such union may be effected upon principles of equity towards the different provinces.

2d. That the system of federation for the provinces of British North America is the best adapted in present circumstances for the protection of the varied interests of the several provinces ; and the most fit to produce efficiency, harmony, and permanence, in the working of the union, will be a general government and parliament, which will have the control of affairs common to all the country, with local legislatures and government for each of the Canadas, Nova Scotia, New Brunswick, and the Island of Prince Edward. These local governments and legislatures to have control respectively of local affairs. The admission into the union on equitable terms of the province of Newfoundland, the Northwest Territory, Vancouver's Island, and British Columbia, is to be provided for.

3d. The federal government and parliament are to be formed in so far as circumstances may permit on the model of the British constitution, the convention desiring thus to express its desire of perpetuating the ties which unite us to the mother country, and to serve more efficiently the interests of the populations of the different provinces.

4th. The executive power will reside in the sovereign of Great Britain, and will be administered by the sovereign or his representative, according to the principles of the British constitution.

5th. The sovereign or his representative will be the Commander-in-Chief of the forces by land and sea.

6th. There shall be for all the confederated provinces one general Parliament composed of a Legislative Council, and a House of Commons.

7th. In order to form the Legislative Council, the provinces shall be divided into three parts ; the first shall comprise Upper Canada ; the second Lower Canada ; and the third Nova Scotia, New Brunswick, and Prince Edward's Island. These three parts shall be represented by equal numbers in the Legislative Council. In this manner Upper Canada will have 24 Councillors ; Lower Canada 24 ; and the three maritime provinces 24, of whom 10 will be for Nova Scotia ; 10 for New Brunswick, and 4 for Prince Edward's Island.

8th. Newfoundland on entering the union, will have the right to four Legislative Councillors.

9th. The conditions of admission into the union of the Northwest Territory, British Columbia, and Vancouver's Island, shall be determined upon by the Federal Parliament and approved by Her Majesty, and with regard to the admission and conditions of admission of British Columbia or Vancouver's Island, the consent of the local legislatures will be necessary.

10th. Legislative councillors are to be named for life by the crown, under the great seal of the general government. Legislative Councillors shall lose their seats by the fact of a continued absence during two years consecutively.

11th. Legislative Councillors must be born or naturalized British subjects, of thirty years of age, and possessed of and continuing to be possessed of real property of the value of \$4,000, free from all incumbrances. But with respect to Newfoundland and Prince Edward's Island, the property may be real or personal.

12th. The Legislative Council shall have the decision of all questions relative to the eligibility or want of eligibility of its members.



13th. The first Legislative Councillors shall be taken from the existing Legislative Councils of the different provinces, except Prince Edward's Island. If a sufficient number of Councillors shall not be found eligible or willing to serve, the complement must necessarily be found elsewhere.

These Councillors are to be named by the crown on the recommendation of the general government, on the presentation of the respective local governments. In the nomination regard is to be had to Legislative Councillors representing the opposition in each province, in order that all political parties should be as much as possible proportionably and equitably represented in the Federal Legislative Council.

14th. The President of the Legislative Council, until it shall have been otherwise decided by the general Parliament, shall be chosen from among the Legislative Councillors by the crown; who may remove him at pleasure. He is to have only a casting vote.

15th. Each of the twenty-four Legislative Councillors who are to represent Lower Canada in the Legislative Council of the Federal Legislature shall be named to represent one of the electoral divisions named in schedule A, chap. I of the consolidated statutes of Canada, and such Councillor must reside or possess his qualification in the division whose representation is to be assigned to him.

16th. The representation in the Federal House of Commons shall have for its basis, the population determined by the official census taken every ten years and the number of representatives shall be at first as follows:

Upper Canada shall have.....	82
Lower Canada.....	65
Nova Scotia.....	19
New Brunswick.....	15
Newfoundland.....	8
Prince Edward's Island.....	5

17th. There shall be no change in the representation of the different provinces before the census of 1871.

18th. Immediately after the census of 1871, and every subsequent decennial census, the representation of each of the provinces in the House of Commons, shall be repartitioned on the basis of population.

19th. Lower Canada shall never have more or less than sixty-five representatives, and the other provinces shall have, after the census, the proportion of representation to which each shall have the right; taking for basis of calculation, the total of the representation of Lower Canada.

20th. There shall be no reduction in the number of representatives elected for any one province, unless the total of its population shall have decreased to the extent of five per cent or more, in comparison with the total of the population of the Confederate Provinces.

21st. In computing the number of representatives at each decennial period, no regard shall be had for fractions except when they exceed half the number which would give them right to a representative, and then these fractions shall have a right to a representative.

22d. The legislatures of the different provinces shall divide their provinces respectively into counties, and shall define the limits thereof.

23d. The Federal Parliament may increase the number of its members when it shall think proper, but must preserve the proportions then existing.

24th. The local legislatures may from time to time change the electoral districts for the purpose of representation in the federal House of Commons, and may redistribute, in such manner as may be thought advisable, the representatives to whom they may respectively be entitled in the federal House of Commons.

25th. Until it shall be otherwise decided by the federal Parliament all the laws on the following subjects which shall be in force in the several provinces at the date of the proclamation of the union, shall continue to be in force, viz., the

laws relative to the qualification or non-qualification of persons to sit and vote in the Legislative Assemblies of each province, as well as those which regard the capacity or incapacity of voters, and oaths imposed upon voters; those relating to returning officers, their powers and duties; to elections; to the time which elections are to last; to contested elections and proceedings incident thereto; to the vacating of seats; to the issuing and execution of new writs in case of vacancies arising from causes other than the dissolution of Parliament; all of which shall be applicable to the elections of members of the federal House of Commons according to the province for which they may be elected.

26th. The duration of Parliament shall be for five years, unless it shall be previously dissolved by the Governor-General.

27th. There shall never be a greater lapse of time than one year between the end of one federal session and the beginning of another.

28th. The general Parliament shall have power to make laws for the peace, welfare, and good government of the Confederated Provinces, but always without prejudice to the sovereignty of Great Britain.

29th. The following subjects shall be placed especially under its control:

The public debt and property.

Trade and commerce.

Duties on imports and exports, except on the export of squared timber, logs, masts, spars, planks, sawed lumber, coal, and other minerals.

Excise duties.

The raising of money by any other mode or system of taxation.

Loans of money on public credit.

The postal service.

Steamboat or other shipping companies, railroads; canals, and other works connecting two or more provinces, or which are prolonged beyond the limits of one of them.

Steamers navigating between the confederated provinces and other countries; telegraphic communications, and the incorporation of telegraphic companies.

All other works which; though situated in the province, shall be declared in their acts of incorporation to be for the general benefit.

The census.

The Militia, defences, and the military and naval services.

Marks, buoys, and lighthouses, navigation and shipping.

Quarantine.

Sea and inland fisheries.

Navigable waters between one province and a foreign country, or between two provinces.

Coin and coinage of money.

Banks of issue.

Savings banks.

Weights and measures.

Bills of exchange and promissory notes.

Interest.

Legal tenders.

Bankruptcy and insolvency.

Patents of invention and discovery.

Copyrights.

Indians and Indian reserves.

Naturalization and aliens.

Marriage and divorce.

The criminal law, (except the constitution of the courts of criminal jurisdiction,) comprising the procedure in criminal cases.

The power of making uniform all the laws relative to property and civil rights in Upper Canada, Nova Scotia, New Brunswick, Prince Edward's Island, and Newfoundland, as well as the procedure in all the courts of these provinces. But no statute which the federal Parliament shall pass for this purpose shall have

force or authority in any of these provinces until it shall have received the sanction of the local Legislature.

The establishment of a general Court of Appeals for all the confederated provinces.

Emigration.

Agriculture.

And in general all matters of a general character, not especially and exclusively reserved for the control of the local governments and legislatures.

30th. The general government and Parliament shall have all the necessary powers as a portion of the British Empire, to fulfil towards foreign countries the obligations arising from treaties, existing, or which may exist between Great Britain and these countries.

31st. The federal Parliament for the purpose of executing its laws may, when it shall think fit, create new judicial tribunals, and the federal government may consequently appoint new judges and officers, if that shall become necessary or advantageous for the public.

32d. All the courts, judges, and officers of the different provinces are to aid the general government, and to obey it in the exercise of its rights and powers; and for these purposes there shall be general courts, judges, and officers of government.

33d. The general government shall appoint and pay the judges of the Superior Courts in the different provinces, and the County Courts in Upper Canada. The Federal Parliament shall fix their salaries.

34th. Until the lands of Upper Canada, New Brunswick, Nova Scotia, Newfoundland, and Prince Edward's Island shall have been consolidated, the judges of these provinces, who are to be named by the general government, shall be taken from their respective bars.

35th. The judges of the courts of Lower Canada shall be selected from the advocates of the Lower Canada bar.

36th. The judges of the Courts of Admiralty, who now receive salaries, shall be paid by the general government.

37th. The judges of the Superior Courts shall hold their offices during good behavior, but they may be dismissed only on an address of the two houses of the Federal Parliament.

38th. Each province shall have an executive officer called a Lieutenant-Governor, who shall be named by the Governor-General in Council, under the great seal of the confederate provinces, and during good pleasure; but this good pleasure must not be exercised before the lapse of five years unless for cause, which cause must be communicated in writing to the Lieutenant-Governor immediately after his dismissal, and also by a message to the two houses of the Federal Parliament in the first week of the next following session.

39th. The Lieutenant-Governors shall be paid by the general government.

40th. The Convention in thus regulating the salaries of the Lieutenant-Governors does not intend to prejudice the claim of Prince Edward's Island on the imperial Parliament for the salary now paid its Lieutenant-Governor.

41st. The governments and parliaments of the different provinces shall be constituted in the manner in which their existing legislatures shall respectively judge most fitting.

42d. The local legislatures shall have power from time to time to amend or change their constitution.

43d. The local legislatures shall have power to make laws on the following subjects, viz.:

Direct taxation and the imposition of export duties on square timber, logs, masts, spars, deals, sawed lumber, coals, and other minerals. This right to levy export duties is reserved to New Brunswick and Nova Scotia.

Loans of money on the credit of their province.

The creation and tenure of local offices, and the appointment and payment of local officers.

Agriculture.

Immigration.

Education (excepting the rights and privileges which the Catholic and Protestant minorities may possess with respect to separate schools in the two Canadas at the moment of the union.)

The sale and regulation of public lands other than those belonging to the general government.

Sea and inland fisheries.

The establishment, maintenance, and regulation of penitentiaries and reformatories.

The establishment, maintenance, and management of the hospitals, asylums, and all kinds of charitable institutions.

Shop, tavern, auctioneers, and other licenses.

Local works.

The incorporation of private or local companies conjointly with the Federal Government.

Property and civil rights, with the exception of those placed under the General Government.

Punishment by fines, penalties and imprisonment, for breaches of laws within their legislative jurisdiction.

The administration of justice, comprehending the constitution, maintenance, and organization of courts of civil and criminal jurisdiction, as well as the procedure on civil cases.

And generally all matters of a private or local nature.

44th. The power of pardoning criminals, of relieving, commuting, or remitting their sentences in whole or part, which power belonging of right to the crown shall reside in the person of the lieutenant-governors in council; but these last must obey the instructions which may from time to time be addressed to them in this respect by the general government as well as the laws passed by the general parliament.

45th. With respect to all questions in which the federal and local legislatures have a concurrent control, the laws of the general parliament are to be supreme over those of the local legislatures. The laws of the latter will be null and void when they may conflict with those of the general parliament.

46th. The English and French language may be employed simultaneously in the deliberations of the Federal Parliament, as well as in the Legislature of Lower Canada, the Federal courts, and the courts of Lower Canada.

47th. No taxes are to be imposed on public properties belonging to the federal or local governments.

48th. Every bill, having for its object, the appropriation of any portion of the public revenue, the creation of new taxes, or imposts, must originate in the Federal House of Commons or the local Legislative Assembly, as the case may be.

49th. Every vote, resolution, address, or bill of the Federal House of Commons, or any local Legislative Assembly, having for object the appropriation of any part whatever of the revenue, or the creation of taxes or imposts, must be preceded by a message from the Governor General or the Lieutenant Governor, as the case may be; and the message must be laid before the house during the same session in which such vote, resolution, address or bill shall be passed.

50th. Any bill of the general Legislature will be subject to rejection by Her Majesty during the two years following its passage; and those of the local governments during the twelve months following their adoption.

51st. Ottawa is to be the seat of the Federal government; but the royal prerogative is saved in respect to the fixing of the general government.

52nd. Toronto is chosen for the seat of the Upper Canadian Government, and Quebec for that of the government of Lower Canada. There is to be no change as to the local seats of Government for the other provinces.

53rd. All stocks, cash, the balances in the hands of bankers, and every other

value in cash belonging to the various provinces, at the time of the union, shall belong to the general government.

54th. The public works and properties following, belonging to the different provinces, shall belong to the general government, viz. :

The canals.

Public harbors.

Light houses, piers and wharfs.

Steamboats, dredges, and other public vessels.

Improvements in rivers and lakes.

Railways and railway shares.

Mortgages and other debts to the province due by the railway companies.

Custom-houses, post-offices, and other public buildings, except those reserved by the general government for the use of the local legislatures and governments.

Ordnance property transferred to the Colonies by the imperial government.

Arsenals, drill-rooms, and military clothing, accoutrements, and ammunition.

Lands reserved for public purposes.

55th. All the lands, mines, minerals, and royal prerogatives belonging to Her Majesty in the provinces of Upper Canada, Lower Canada, New Brunswick, Nova Scotia, and Prince Edward's Island, for the use of those provinces, will belong respectively to the local governments of the territories where they are situated ; subject nevertheless to the trusts and interests of third parties therein.

56th. All sums of money due by the purchasers or lessees of these lands, mines, and minerals at the period of the union will also belong to the local governments.

57th. The different provinces will remain respectively in possession of all other public properties which may be found within them ; but the confederation will have the right to take such lands and public properties as it may require for the fortification or defence of the country.

58th. All effects relating to the portions of the public debts of the provinces with which the local governments are charged, will also belong respectively to the governments.

59th. The general government will assume all the debts and obligations of the different provinces.

60th. The debt of Canada so far as it is not specially attributed to Upper or Lower Canada, respectively, is not at the time of the union to exceed \$62,500,000 ; that of Nova Scotia \$8,000,000 ; and that of New Brunswick \$7,000,000.

61st. But if Nova Scotia and New Brunswick do not contract obligations exceeding those to which these provinces are now liable, and if these obligations shall be respectively less than seven and eight millions at the time of the union, they shall be entitled annually to 5 per cent. on the difference which may exist between the total capital of their obligations and the sums of eight and seven millions respectively. There is a like provision for Newfoundland and Prince Edward's Island.

The foregoing is not intended to restrain the powers which the governments of these provinces possess through their legislatures ; but simply to limit the debts which they will be allowed to bring into the account against the general government. But the respective legislatures, after the expiration of five years from the date of the union, will have no power to contract the obligations just spoken of.

62nd. As Newfoundland and the Island of Prince Edward have not contracted debts equal to those of the other provinces, they will have the right to receive an advance from the general government in semi-annual payments of an amount equal to the interest at 5 per cent. on the difference between the amount of their respective debts at the date of the union, and the average of the debt per head of the population of Canada, Nova Scotia and New Brunswick at the same date.

63rd. In consideration of the transference of the power of taxation to the



general legislature, the provinces are to have the right respectively to a grant of 80 centimes per head of the population computed on the population of 1861. The population of Newfoundland is estimated for this purpose at 130,000 souls. The provinces will not be able to claim more from the general governments for local objects, and this aid is to be paid them semi-annually and in advance.

64th. As the condition of New Brunswick is such that that province must expend immediately a considerable amount from her local revenue, that province is to receive annually during ten years an additional sum of \$53,000. But so long as her obligations shall remain below \$7,000,000, there shall be deducted from this sum of \$53,000 an amount equal to the interest of 5 per cent. on the difference between the capital sum of the provisional debt and \$7,000,000.

65th. Newfoundland for abandoning her rights on her mines, minerals, and crown lands, which are not yet sold or occupied, shall receive annually \$150,000 in semi-annual payments. But that province reserves the right to open, construct and control her roads and bridges situated on these lands, which, however, shall be subject to the laws, in that respect, which the general government shall think ought to be enacted.

66th. The general government is to assume all the engagements which may have been undertaken before the union with the imperial government, for the defence of the provinces.

67th. The general government is to cause to be completed without delay, the intercolonial railway between River du Loup and Truro in Nova Scotia, making it pass through New Brunswick.

68th. The convention attaching the highest importance for the confederate provinces to the communication with the north-west territories, and to the ameliorations necessary for the development of the commerce between the great west and the sea, engages itself to give effect to these as soon as the state of the finances will permit.

69th. The sanction of the imperial parliament and of the local parliaments is to be sought for the union of the provinces, on the principles adopted by the convention.

70th. The choice of the title and of the name of the confederation is left to the decision of Her Majesty.

71st. The deliberations of the convention shall be signed by the delegates and submitted by each local delegation to its government; and the president of the convention is authorized to submit a copy to the Governor-General, in order that he may transmit it to the Secretary of State for the Colonies.

## COMMERCIAL REGULATIONS.

### DECISIONS OF THE TREASURY DEPARTMENT UNDER THE TARIFF ACTS.

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 acts, of certain articles of foreign manufacture and production, entered at the ports of New York, Boston, &c. :—

OLD BULLETS, (MOLTEN LEAD.)

Treasury Department, March 24, 1864.

SIR:

Your appeal is received, dated March 1, 1864, from the decision of the collector at Rouse's Point, assessing duty at 1½ cents per pound on 101,332 lbs. of

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lead imported by you from Montreal, and transported to the district of Boston and Charlestown in bond.

You claim "that the same is not lead in pigs and bars within the commercial signification of the term, but should pay one cent per pound as old lead, the said lead being in fact old bullets sold by Candiana military authorities, and molten, that same may be sent to United States without violation of British neutrality."

Under section 1 of act of 5th August, 1861, a duty of  $1\frac{1}{2}$  cents per pound is imposed on "lead in pigs or bars."

By virtue of the 20th section of act of August, 1842, molten lead, in any shape, not further advanced in manipulation or design than "lead in bars or pigs," should pay duty as of such classification, being entirely of the same character as if it were in bars or pigs.

The decision of the collector is hereby affirmed.

I am, very respectfully,

S. P. CHASE,  
Secretary of the Treasury.

To SAMUEL B. LOCKE, Esq.,  
Boston, Mass.

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ORCHELLA WEED, SO STYLED.

Treasury Department, April 22, 1864.

SIR:

JOHN BOYD, Jr., has appealed from your decision assessing duty, at the rate of 10 per cent ad valorem, on certain (so-styled) "orchella weed," imported by him, and alleges:

"The tariff act, in my opinion, allows this article to entry duty free, and imposes a duty of 10 per cent ad valorem on 'orchella' and 'cudbear,' two manufactured articles. Whereas 'orchella weed,' the article in question, is a crude article of no use whatever, except to manufacture, by a slow and expensive operation, into the two articles above-named, viz.: 'orchella and cudbear'—vegetable dyes. It cannot be the intention of the law to impose the same duty upon a perfectly crude article, as it does upon the articles manufactured from that crude material."

Under the 23d section of the act of March, 1861, "cudbear, vegetable, and orchil," were admitted to entry free of duty.

Under the 5th section of the act of July, 1862, on "orchil and cudbear," a duty of 10 per centum ad valorem is imposed.

It will be observed that the phraseology in the act of July, 1862, differs from that in the act of March, 1861, only in the transposition of the words "orchil and cudbear," and in the absence of the word "vegetable," which last word it may be said was superfluous, inasmuch as cudbear, being a distinctly defined article, needed no qualification.

It is apparent that the attention of Congress was, as is shown by the preparation of the act of July, 1862, distinctly drawn to the subject; and if it had been intended that any form of orchil or archil was to be exempted from the ten per cent duty, it is reasonable to presume that it would have been specially provided for.

I am of the opinion that the article in question, imported by Mr. JOHN BOYD, Jr., was properly assessed at 10 per cent ad valorem, and your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE,  
Secretary of the Treasury.

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

## BRANDY.

Treasury Department, May 3, 1864.

SIR:

I have considered the appeal of Messrs. PATTERSON & BOULTON, of Philadelphia, from the decision of the collector of New York, assessing duty, at the rate of 50 per cent ad valorem, on certain brandy imported into the port of New York by E. W. ENGS & SON, which it is alleged was 46° and 48° proof, and it is claimed that the legal duty is \$1 $\frac{5}{100}$  per gallon.

It has been decided by the Department that the proof of spirits shall be ascertained, &c., and the indication of 50 per cent, &c., is to be regarded as first proof. (See circular December 19, 1861.)

The sixth section of the act of March 2, 1861, levies a duty on "brandy for first proof, \$1 per gallon," and further provides that, on "all spirituous liquors not enumerated, 33 $\frac{1}{3}$  per centum ad valorem shall be paid."

The first section of the act of 5th August, 1861, provides that, in lieu of the existing duty of \$1 per gallon, \$1 $\frac{2}{100}$  shall be paid on brandy per gallon; and the sixth section of same act amends the 6th section of the act of March 2, 1861, so as to make it read, that no lower rate or amount of duty shall be levied on brandy &c., than that now fixed by law for first proof, but shall be increased, &c., &c.

The second section of the act of 14th July, 1862, provides that, in addition to the duties heretofore imposed on brandy for first proof, 25 cents per gallon shall be levied; and on all spirituous liquors not otherwise enumerated, there shall be levied an addition of 16 $\frac{2}{3}$  per cent ad valorem.

Thus, it will be seen that, by the existing tariffs above referred to, brandy of first proof is subject to duty at \$1.50 per gallon, and that brandy under first proof—being a spirituous liquor not otherwise enumerated—is subject to an ad valorem duty of 50 per cent, unless said ad valorem duty of 50 per cent should amount to a less sum than \$1 $\frac{5}{100}$  per gallon, in which case \$1 $\frac{5}{100}$  shall be exacted; but if it amounts to more than \$1 $\frac{5}{100}$  per gallon, then the duty of 50 per cent, according to its value, shall be assessed and collected.

Without this construction, the provision of the statute that spirits not otherwise provided for shall pay an ad valorem duty of fifty per cent would be inoperative in its relation to brandy and all other spirits under first proof.

The very provision itself, that it shall not pay less, enacts that it may and must pay more, if the duty, as realized by the ad valorem rate is more.

It was decided by the Department, 17th September, 1861, upon the appeal of Wm. R. HORRAN from the decision of the collector of Boston, (a printed copy of which is herewith transmitted,) that gin under first proof should, under the tariff of March, 1861, be classified as "spirituous liquors not enumerated," subject to an ad valorem duty.

The decision of the collector at New York is hereby affirmed.

I am, very respectfully,

S. P. CHASE,  
Secretary of the Treasury.

To Wm. B. THOMAS, Esq.,  
Collector, Philadelphia, Penn.

## GAMBIA.

Treasury Department, May 3, 1864.

SIR:

The question as to the proper rate of duty to be assessed on gambia, gambir, or gambier, has been presented to this Department by the appraisers at your port, and the subject was referred to experts and scientific gentlemen for their views. The result may be briefly stated thus: \*

Gambia is nowhere designated in any of the tariff acts by name, but has been included under the general term of "terra japonica," of which catechu or cutch may be considered a variety.

Under the act of March, 1861, (23d section.) "teara japonica, catechu, or cutch," were admitted free; but under the act of July, 1862, (5th section.) cutch or catechu are made liable to a duty of 10 per cent ad valorem.

It is claimed that, by reason of terra japonica not being provided for in the act of July by name, it still stands in the 23d section of the act of March, 1861, and should be admitted to entry free of duty.

In this conclusion I cannot agree with the appraisers. It is more reasonable to suppose that Congress, having discovered that "terra japonica" was a misnomer, excluded it from the act of July, 1862, for that reason only.

Gambia is essentially identical with catechu or cutch. They are alike in their physical properties, as color, taste, smell, and solubility; in their chemical properties, as shown by their analysis; in their medical properties, both being powerful astringents; in their technical properties, both being used in the arts for precisely the same purposes.

I am of the opinion that gambia should be assessed at the same rate of duty as catechu or cutch, viz.: ten per cent ad valorem, by virtue of the 20th section of act of August, 1842.

I am, very respectfully,

S. P. CHASE,  
Secretary of the Treasury.

To HIRAH BARNEY, Esq.,  
Collector, New York.

FORTY CENTS PER GALLON, UNDER ACT OF MARCH 7, 1864.

Treasury Department, June 13, 1864.

GENTLEMEN:

Your appeal is received, dated April 20, 1864, from the decision of the collector at New York, exacting the payment of forty cents per gallon, in "coin or specie," under the act of March 7, 1864, on six quarter casks of brandy imported by Messrs. C. DORD & Co., April 4, 1863, per ship "Libertas," from Bordeaux, and transferred by C. DORD & Co. to you.

The enclosed circular will explain that the additional duty of 40 cents per gallon was to be regarded as an internal revenue tax on all spirits bonded in government warehouses prior to March 7, 1864. On spirits imported on and after that day, the character of the tax changed, and it became that of an imported duty, and as such payable in funds receivable for duties.

It appears the brandy in question was imported into New York, April 4, 1863, and was in bond when the additional duty of 40 cents was collected; and you are, on compliance with the conditions of the enclosed circular, entitled to the relief asked for, so far as relates to the payment, in "coin or specie," of the additional 40 cents, as distinguished from "legal tender notes," so styled by you.

I am, very respectfully,

S. P. CHASE,  
Secretary of the Treasury.

To Messrs. P. W. ENGS & SON,  
New York.

BOOT AND SHOE LACINGS.

Treasury Department, June 15, 1864.

GENTLEMEN:

Your appeal (No. 1,560) dated April 20, 1864, has been considered. The collector at Portland assessed a duty of 35 per cent upon certain merchandise

imported by you per "Hibernian," April 4, 1864, which you allege to be cotton braids, and liable to a duty of only 25 per cent ad valorem.

The goods in question are not in fact, nor as commercially known, "cotton braids," but are "boot and shoe lacings" manufactured from cotton thread, having ends secured and covered with tin, and were properly classified under the 22d section of the tariff act of March 2, 1861, and section 13 of the act of July 14, 1862, the former imposing 30 per cent and the latter 5 per cent in addition thereto on "articles worn by men, women, or children, of whatever material composed, made up, &c., not otherwise provided for."

The decision of the collector is hereby affirmed.

I am, very respectfully,

S. P. CHASE,  
Secretary of the Treasury.

To MESSRS. STODDARD, LOVERING & Co., Boston, Mass.

BRASS PADLOCKS.

Treasury Department, October 3, 1864.

SIR:

I have received the appeal (No. 2,352) of H. & J. W. KING, dated August 27, 1864, from your decision assessing duty, at the rate of 45 per cent, on certain brass padlocks imported by them.

The appellants allege: "These goods we have paid duties upon up to this time as hardware. The appraiser under the new tariff values them as manufactures of which steel is a component part, to wit: the spring which is attached to the bolt, and therefore to pay 45 per cent instead of 35 per cent."

You have assessed the duty under the 43d subdivision of the 3d section of the act approved June 30, 1864, which reads as follows:

"On all manufactures of steel, or of which steel shall be a component part, not otherwise provided for, forty-five per centum ad valorem: *Provided*, That all articles of steel partially manufactured, or of which steel shall be a component part, not otherwise provided for, shall pay the same rate of duty as if wholly manufactured."

It is thus a repeal of the clause of the 22d section of the tariff of March, 1861, enumerating articles of metal, steel being mentioned, of which either metal "is the component material of chief value," so far as articles not otherwise provided for, into the composition of which steel enters, are concerned. No specific provision for "brass padlocks" is made in the act approved June 30, 1864, or in previous acts; consequently, they are properly classified under the 43d subdivision of the June tariff quoted, and are dutiable at 45 per cent.

I am aided in arriving at this conclusion by the suggestion that as the padlocks in question might be classified as manufactures of which brass is of chief value, and as manufactures in which steel enters, the 20th section of the tariff of 1842 would determine the assessment under the latter classification as paying the higher rate.

Your decision is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,  
Secretary of the Treasury.

To SIMEON DRAPER, Esq., Collector, New York.

PETROLEUM INVESTMENTS.

THE capital now being invested for the purpose of developing the petroleum interest is beyond precedent. Every week new companies are organized, very many of them giving promise of unusually favorable results. Dividends of from 3 to 5 per cent per month are by no means uncommon. Of course if such re-



turns could be depended upon, from year to year, the flow of capital towards petroleum investments would be even much more rapidly increased. Comparatively few, however, anticipate so rich a harvest, and yet so long as the present high prices are maintained, we cannot see how investments in the good companies can fail to be extremely remunerative. The cost of working the land is comparatively small, and when a good well is struck the returns are enormous, leaving a large balance of profits.

We have been requested to call attention to the New York and Liverpool Petroleum Company, (71 Broadway,) as one of unusual promise. Of course we know little with regard to the actual resources of the land held by that corporation, not having examined it personally. Yet its list of property, favorably located, is very large indeed, and the names of its directors are a guarantee of good faith. For every five dollars subscribed ten dollars in stock is received, so that if the company is successful the profits must be very large. Were we about to make investments of that nature, we should certainly be favorably inclined towards this company, and give it a further examination.

## THE BOOK TRADE.

*Cyclopædia of Commercial and Business Anecdotes.* Embellished with Portraits and Illustrative Cuts. 2 vols. By FRAZER KIRKLAND. D. APPLETON & Co., 443 and 445 Broadway. 16 Little Britain, London.

This work is a collection, original and selected, of the choicest and most striking anecdotes relating to business men and commercial pursuits, from the earliest recorded trading transactions down to the present time. No one who is pleased with the ludicrous, the witty, the mirthful in life, will be disappointed in its contents; while with most of the incidents is conveyed, in this pleasant way, a valuable lesson easy to be understood. In a word, it is a capital work, well arranged, carefully prepared, and very creditably published, and will undoubtedly secure a prominent place in the libraries of a large circle of readers. The fine engravings of some of our leading commercial men add greatly to its value.

The "Cyclopædia" is fast becoming quite an extensive family. How we ever lived without it is the great wonder. We have Cyclopædias of Art, of Literature, of Science, of Commerce, etc., etc., and now we can add to the long list this latest born. They are all invaluable, and in one way and another descendants of the venerable "Chambers." For this class of works American readers and writers are particularly indebted to the Messrs. APPLETON. The new American Cyclopædia published by them is well known and thoroughly appreciated; while their yearly book is always full and reliable. But every additional publication of this kind will find a welcome. We therefore give the Cyclopædia family a hearty "God speed"—may it be fruitful and multiply.

*An Epitome of General Ecclesiastical History,* from the earliest period; with a condensed account of the Jews, since the destruction of Jerusalem. By JOHN MARSH, D. D. W. W. DODD, 506 Broadway.

This history of Dr. MARSH takes up the story of religion from earliest dates and brings it down to our own day. The work is divided into three parts or periods; the first extending from the creation to the call of Abraham; the second, from the call of Abraham to the birth of Christ; the third, from the birth of Christ to the present time.

Such a history cannot fail to meet with favor. To very many, even of the conscientious readers of Scripture, the historical narrative is but little understood, and especially is this the fact with regard to the events of the period intervening between the end of the Old and beginning of the New Testament. This book gives us the narrative complete, and will be found, therefore, a very valuable assistant in the study of the Bible.

*The Correlation and Conservation of Forces.* A Series of Expositions, by Professor GROVE, Professor HELENHOLTZ, Dr. MAYER, Dr. FARADAY, Professor LIEBIG, and Dr. CARPENTER; with an Introduction and brief Biographical Notices of the chief Promoters of the New Views. By EDWARD L. YOUMANS, M. D. D. APPLETON & Co., 443 and 445 Broadway.

It seems almost a work of supererogation to say anything in favor of a book, which is able to boast of so many great men as its authors; and even if its title page were robbed of these high names, the interesting topics of which it treats would be sufficient to render it acceptable to the scientific world. It consists of a series of essays one or more by each of the persons named, on the Correlation and Conservation of Forces, which, said the President of the British Association for the Advancement of Science, "constitute the most important discovery of the present century." It is cause for congratulation, that Dr. YOUMANS has seen fit to introduce us, in this pleasant way, to these scientific European celebrities.

*Essays; Moral, Political, and Aesthetic.* By HERBERT SPENCER. D. APPLETON & Co. This book is a collection of those essays of Mr. SPENCER formerly published in various English periodicals, and which have not yet been given to the American public. The great demand for his works in this country, and the difficulty of obtaining them from England, owing to the high rate of exchange, have led to this republication. As a moral philosopher Mr. SPENCER has taken a very high stand, and the profound study by which he has mastered the subjects of which he treats, have given him a world wide and lasting reputation. No production of his pen, therefore, could fail to meet with general acceptance, and many of the essays of this collection have an especial claim upon the American public.

*History of the Romans under the Empire.* By CHARLES MERIVALE, B. D. Vols. V. and VI. D. APPLETON & Co.

Two additional volumes of Mr. MERIVALE's history have now issued from the press of the Messrs. APPLETON. The fifth commences with the reign of TIBERIUS, and the last chapter of the sixth gives an account of the siege of Jerusalem, with the capture and destruction of the city by TITUS. These volumes embrace the reign of NERO, and consequently some of the most interesting portions of Roman history. There is but one volume more to be published to make the set complete. It would be difficult to find so handsome or interesting a work with which to make a really valuable Christmas gift.

*The Early Dawn; or Sketches of Christian Life in England in the Olden Time.* By the author of "Chronicles of the Schomberg Cotta Family," with an introduction by Professor H. B. SMITH, D. D. New York: M. W. DODD, 12mo. Price \$1 75.

No recent publication has been received with greater favor, than that charming book the "Chronicles of the Schomberg Cotta Family," and now we have another volume from the pen of the same author. Early Dawn is intended to illustrate, by a series of stories, "Christian Life in England in the Olden Time." There are nine of these stories, illustrating as many different epochs; beginning with the introduction of Christianity, when the Druids still retained sway over portions of Britain, and closing

with a story of the Lollards. The author has reanimated these, remote times with graphic conceptions of life and character, clothing with reality and a lively interest the events pertaining to the early religious history of England. Here we see vividly portrayed the difficulties, the dangers, and the trials, which beset the paths of our ancestors, as they groped their way from darkness into light, while all the peculiarities of those remote periods are faithfully brought out by one, who has an unusual power of appreciating them. The book is one which will be, like its predecessor, extensively read.

*Memoir of Mrs. Caroline P. Keith*, Missionary of the Protestant Episcopal Church to China. Edited by her brother, WILLIAM C. TENNEY. D. APPLETON & Co., 443 and 445 Broadway, N. Y.

WE have seen few books of more real value to one who takes an interest in the extension of Christianity throughout the world than this Memoir of MRS. CAROLINE P. KEITH. MRS. KEITH was one of the most energetic and faithful of those great and good women, who, at the call of duty, and influenced by a strong desire to make known to others the blessings and consolation of the Christian faith, have left their country and friends to labor in the field of missionary effort. The story of her life and work is told by herself—the book being merely a collection of her letters written to different friends, and not, of course, intended for the public eye. The account which some of them contain of the civil disturbances in China are also of general interest. She died, it will be remembered, about two years since.

*Thoughts on Personal Religion*. By EDWARD MEYRICK GOULBURN, D.D., Prebendary of St. Pauls, Chaplain to the Bishop of Oxford, etc., with a prefatory note by GEORGE H. HOUGHTON, D. D., of New York. D. APPLETON & Co., 443 and 445 Broadway, New York.

WE are indebted to Dr. GOULBURN for a number of the most useful religious works that have of late years issued from the press, many of which are no doubt familiar to our readers. This treatise on the Christian life is equal, if not superior to any of his other writings. It would appear to have been written not for those in retired life, but more especially for all who are engaged in the ordinary avocations of the world, for the purpose of teaching such how to sanctify the "secular all engrossing pursuit and the daily toil," so as to be fervent in spirit as well as not slothful in business. The style is vigorous and agreeable, so that the book is far from dry to any reader.

*The Haunted Tower*. By Mrs. HENRY WOOD, author of "The Channings," "The Earl's Heirs," "Verner's Pride," &c., &c. T. B. PETERSON & BROTHERS, Philadelphia. Price 50 cents.

MRS. WOOD is a marvel in her way. Her ability to write books has no limit. Each new moon seems to bring with it a new creation of her brain, with a plot so mysterious and thrilling that it would seem as if her very life were made up of a succession of dead secrets, startling disclosures, and mysterious murders. *The Haunted Tower* is, in these respects, not unlike some of its predecessors, and will, therefore, prove a feast to novel readers. The man that was supposed to be murdered is not murdered—the dead man is found to be alive, and the live man dead—while the poor heroine is the victim of both.

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