



Eng<sup>d</sup> by W. J. Jackson

C. Vanderbilt

Engraved expressly for Hunt's Merchants Magazine.

THE  
MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

~~~~~  
JANUARY, 1865.  
~~~~~

CORNELIUS VANDERBILT.

THE influence of one earnest, energetic life upon the world is scarcely appreciated. Where that life has given birth to some grand idea, we readily see the effect upon society. The inventor of the cotton gin, for instance, worked a revolution apparent to all wherever cotton cloths are made or used. But when one's life, though successful, is not thus signalized, its influence upon the present and future is not so readily appreciated. In a biography, too, we must fail to show it, for it is only now and then that the acts of even our most prominent men attain publicity. The steady flow of their lives carries with it a power felt by every one, although not always acknowledged or even known. Like the current of a river, noiseless though it be, yet making every object it touches on either bank bend beneath its influence, until the land itself is shaped by the river that thus flows through it, so the acts, views and purposes of all men, yes and the external and internal policy of the country itself, are shaped by the few who have a decided and single purpose in life, and the energy, perseverance and will faithfully to pursue it. To measure that influence—to state in every instance its extent and potency, is not, as we have already said, possible: yet by referring to their more public acts we can show, but only in part, the work that has been accomplished.

Especially is this true in the case of those eminent in the commercial world. Is not the progress and glory of this city inseparably connected with, and almost made up of, the lives and works of the merchants and commercial men who have held, and now hold, the foremost rank? Without the results they, and others like them in sister cities, have accomplished, would not the wealth of the country be still unproductive and its commerce undeveloped? Lawyers and politicians may claim and obtain the official positions, but if there is progress, the power that propels the ship must come from commercial men.

We place at the head of this article the name of one whose life has thus contributed very largely to the general prosperity of the country; a

name inseparably connected with our commercial history, and synonymous with the rapid growth of our merchant navy. His enterprise, genius and success are known and felt the world over, and we propose to follow the course of his life, briefly noting, in many instances, the motives of action as well as the acts themselves, and thus adding a valuable page to history, while furnishing incentives to young men everywhere.

The sturdy Knickerbocker habits of industry, developed so early, and forming, as it were, the corner-stone in the character of Commodore VANDERBILT, may be traced to his ancestors, who left Holland for America at an early period in the history of New York. His father, whose name was also CORNELIUS, settled on Staten Island, living very comfortably and pleasantly on his own farm. At that time the Island was divided into large estates, being worked by those living there, for the purpose of raising supplies for the city. Communication with New York was of course a necessity, and many of the Islanders, therefore, kept small sail-boats, for the purpose of carrying their products to market. As the inhabitants increased, other facilities for communication became necessary, and Mr. VANDERBILT, Sr., would, at times of leisure, undertake to convey those not having boats themselves. Out of this, and the demand for some public and regular communication, grew up a ferry, which he established in the form of a perryauger, departing every morning for the city and returning every afternoon.

In the meantime, however, and on the 27th day of May, 1794, a son, the subject of this sketch, was born to Mynheer VANDERBILT. Young CORNELIUS was not one of those sleepy babies, making no trouble (the pride of our Dutch ancestors) but very early showed that he had voice, will, muscle, and mind. As the days of his infancy merged into those of boyhood, his naturally ambitious temperament began to develop itself and assume shape. Books he did not seem to fancy. It was the practical of life rather than the theoretical that engaged his thoughts. Even thus early his aim appeared to be to strike out new and untried paths, rather than to walk along the well-worn old ones. A school was too confining for his restless nature, and neither the urgent entreaties of his mother, nor the more forcible logic of his father, could convince him of the great importance of a thorough school education. His disposition led him to draw his knowledge from another source, making nature his instructor: and so absorbed did he become in the execution of his many plans and ideas, that it was with difficulty he could find time for his meals.

But it was not until he was sixteen years of age that he entered upon his first independent business venture. Living upon the Island, being of necessity much upon the water, he early developed a fondness for that kind of life, as affording the widest scope for his ambition. Thus far he had acted for others, but now he wished to strike out for himself, and determined, therefore, to have a sail-boat of his own. He went to his father and made known his plan and desire. Little encouragement did he receive, his father deeming it rather a dangerous and uncertain business for so young a boy. Not discouraged, he continued to plead his cause with the greatest earnestness, and finally received the qualified promise that if he could accomplish a certain amount of work on the farm the money

should be furnished. The task set was no slight affair. To do it would require time—more time than he could consent to give, with his enterprise delayed. In the absence of his father, therefore, he determined to make the job a short one. Being popular with his companions in the neighborhood, young VANDERBILT imparted to them his secret, and summoned them to his aid. Meeting with a hearty response, they all went to work with a will, and soon completed the allotted task. At once he reported to his mother the successful achievement, and claimed the boat. Her aversion to his proposed business was as great as his father's, and she also tried to dissuade him. But it was of no use. His purpose was fixed, and fearing that if this cherished project fell through he might carry out his oft expressed intention of running away to sea, she gave him the hundred dollars as being the lesser evil. With the money in hand, he was soon at the Port-Richmond shore, where the selected boat was snugly moored to the dock. The purchase was made at once, and with a proud heart he took possession of his long-coveted prize. One can easily imagine the sensations of this boy of fourteen, as he first walked the deck of his little craft, and set sail for home. He was now a full-fledged captain—a man of business—dependent upon his own exertions. What visions must have danced through his head of future successes! But every picture has its shadows. As the little boat, freighted with so many hopes, was cutting its way through the water, a rock in the Kills was struck, and our, as yet, inexperienced sailor was only able to run the boat ashore before it sunk. Here was certainly a discouraging accident. Still, nothing daunted, the young captain at once brought to his service the needed assistance, and in a few hours all damage was repaired, and his little craft safe and sound at the Stapleton dock.

An important point had now been gained. No great work to be sure had been accomplished, but the means to an end were obtained. He had stepped out from under his father's care, and was the owner and captain of a boat. The world was now before him. Launched upon life's broad sea, his character must at once show itself. In every community there will be found three classes of young men: those who boldly put forth their energies and cleave for themselves a way through life; those who simply float along the play of every wind and tide; and those who sink at once. The latter class would have taken this little boat, enjoyed a pleasurable but brief existence, while indulging every folly and every passion of youth, and making a speedy shipwreck of their characters and hopes. Another, with little force of character, would have wistfully looked out upon the vast expanse before him, waiting for fortune to come, half frightened, leaning upon friends for support, and thus, by using these life-preservers, have been able just to keep his head above surrounding waves. But the hero in the strife makes good and bad fortune equally his servant. Striking always with a strong arm and a brave heart—prepared alike for failure or success—a way is soon cleared: even the most discouraging circumstances becoming subservient to his wishes. Thus, young VANDERBILT was now in a position to choose what should be his future: the question to be decided was, should he rise, float or sink. Many and varied difficulties at once beset him. Young and inexperienced as he was, he must necessarily compete with older heads, long used to the work, and with reputations made. He felt, therefore, that he could not simply float,

he must fight or fail, and feeling thus, at this early day, when but sixteen years old, he set up his first opposition line—a prophetic miniature of later efforts.

Of course, in such a position, and with such ideas, VANDERBILT could not be idle. He at once made the necessary effort to obtain business, and succeeded wonderfully. At that time the fortifications of Staten and Long Islands were being built by Government, and the carrying of labourers to and from New York furnished work for him and his perryauger, which was quite remunerative. Amid, however, these first successes one fact troubled him. The money that bought his boat came from his mother; and this being so, he could not feel that perfect independence his spirit craved. Day by day, therefore, from his first earnings, he scrupulously laid by every cent that could be saved, for the purpose of returning this sum; and but a little time elapsed before he quietly placed in his mother's lap the hundred dollars. Probably a happier, prouder child never lived than CORNELIUS VANDERBILT at that moment; and he had certainly won the right to be so.

We thus see with what spirit and earnestness, this mere boy laid hold of the stern realities before him. His life was regulated by self-imposed rules, and with a fixedness of purpose as invariable as the sun in its circuit. Among other things he determined to spend less every week than he earned. We have already seen the first fruit of this careful management; but it speedily produced other results, for very soon he was able to extend his business, by purchasing with his savings a vessel of larger dimensions than his first little craft. Thus, for three or four years, he went on daily adding to his worldly means, until on his eighteenth birth-day, he found himself part owner and captain of one of the largest perryaugers in the harbor of New York, and shortly after became also interested in one or two other smaller boats engaged in the same business. In the meantime he almost lived on the water, carrying freight and passengers, boarding ships, and doing everything else coming within his line. Not satisfied with working all day, he undertook, and continued through the whole war of 1812, to furnish supplies by night to one of the forts up the Hudson, and another at the Narrows. In fact his energy, skill and daring became so well known, and his word, when he gave it, could be relied upon so implicitly, that "Corneile, the boatman," as he was familiarly called, was sought after far and near, when any expedition particularly hazardous or important was to be undertaken. Neither wind, rain, ice nor snow ever prevented his fulfilling one of his promises. At one time, during the war, (sometime in September, 1813,) the British fleet had endeavored to penetrate the port during a severe South-easterly storm just before day, but were repulsed from Sandy Hook. After the canonading was over, and the garrison at Fort Richmond had returned to quarters, it was highly important that some of the officers should proceed to headquarters, to report the occurrence, and obtain the necessary reinforcements against another attack. The storm was a fearful one—still the work must be done, and all felt that there was but one person capable of undertaking it. Accordingly, VANDERBILT was sought out, and upon being asked if he could take the party up, he replied promptly—"Yes, but I shall have to carry them under water part of the way!" They went with him, and when they landed at Coffee-House Slip, there was not a dry thread in the party. The next day the garrison was reinforced.

VANDERBILT also showed in these earlier days, what he has frequently exemplified in his later life, that he was very tenacious of his rights, and determined that no one should infringe them. On one occasion, during the same war, while on his way to the city with a load of soldiers from the forts at the Narrows, he was hailed by a boat coming out from the shore, near the Quarantine. Seeing an officer on board, young VANDERBILT allowed it to approach him; but as it came nearer, he saw that it belonged to one of his leading competitors, and that the owner himself was with the officer. Still he awaited their approach, preparing to defend himself in case of any unauthorized interference. No sooner, however, were they alongside of his boat than the officer jumped on board, and ordered the soldiers ashore with him in the other boat, for inspection, etc. Young VANDERBILT seeing that the whole affair was a trick to transfer his passengers to his competitor, at once told the officer that the men should not move, that his order should not be obeyed. The military man, almost bursting with rage, hastily drew his sword, as if about to avenge his insulted dignity, when young VANDERBILT quickly brought him, sword and all, to the deck. It did not take him many minutes more to rid himself of the officer and his companion, and quickly getting under way again his soldiers were soon landed, without further molestation, at the Whitehall dock.

But we have not room to dwell longer on these boyish exploits. They are important, however, as they forcibly illustrate the life and character of the man. Thus, the labors of young VANDERBILT having been rewarded with success, he now felt that the time had come when he might prudently carry out a long cherished wish. Having previously wooed and won Miss SOPHIA JOHNSON, of Port Richmond, Staten Island, they were married on the 19th of December, 1813. They settled temporarily on the Island, remaining there till the fall of 1814, when they moved to New York. About this time VANDERBILT became the master and owner of the new perryauger *Dread*, just launched, then by far the finest and largest craft traversing the bay of New York. In the summer of 1815 he built, in connection with his brother-in-law, DE FOREST, a schooner remarkably large for her day. This vessel justly elicited the praise of others, and the pride and satisfaction of its owners. It was called the *Charlotte*, was commanded by DE FOREST, and profitably employed as a lighter, carrying freights between numerous home ports. Thus up to the year 1817, with varied experience, but always with success, VANDERBILT continued interested in the business we have indicated, improving the construction of vessels, and adding to his reputation among nautical men. Seven years were passed in this manner, from the time he was sixteen till some months after his twenty-third birth-day, laboring incessantly. During the last four years he had laid up nine thousand dollars of his earnings; yet his ambition was by no means satisfied. A new element had within a few years been made subservient to the purposes of navigation, and quick to see the importance of this powerful agent steam, as thus applied, he determined to devote himself to exploring and developing its mysteries, as soon as an opportunity could be obtained. About this time he became acquainted with THOMAS GIBBONS, of New Jersey, a large capitalist, then extensively interested in the transportation of passengers between New York and Philadelphia. Very soon GIBBONS proposed to take him into his employ, and offered him the position of captain of a little steamer, at a salary of one thousand dollars a year. For

one who had always been his own master, and was then making enough to lay up nine thousand dollars in four years, such a position would appear to offer few inducements. And if he had studied alone his present interests, certainly he would have declined it at once. But as we have already stated, he was not acting with the expectation of obtaining an immediate return—he saw with his clear head the future triumphs of steam, and determined to participate in, if not direct them.

With such motives, in the Fall of 1817, VANDERBILT entered upon the duties of captain of his first steamboat. This boat was so little that its owner soon after changed its name, re-christening it "The Mouse of the Mountain." In a few months he was promoted, and put in charge of the *Bellona*, a much larger boat, being then just completed and ready for her trial trip. This vessel was at once employed on the Philadelphia line, in carrying passengers between New York and New Brunswick. About this time VANDERBILT left New York for Elizabethport, and after a residence at that place of a few months, moved with his family to New Brunswick, his business engagements requiring him to spend his nights there. It will be remembered that the passengers *en rout* for Philadelphia remained at New Brunswick over night, to be in readiness for the early stage to Trenton, where they again took boat for Philadelphia. Mr. GIBBONS himself owned the Stage House, where the passengers then remained over night, and of course the proper reception and treatment of travellers was an indispensable condition to the prosperity of the whole rout. He, therefore, having become unfortunate in the management of his hotel, shortly after VANDERBILT moved to New Brunswick, offered it to his new captain, free of rent, if he would, in addition to his other duties, take charge of it. VANDERBILT finally accepted this proposition, and continued at the head of the house during the remainder of his business connection with Mr. GIBBONS, conducting it so successfully that it proved a source of considerable profit. In 1827, while still in the employ of Mr. GIBBONS, he leased of him the New York and Elizabethport ferry for seven years, and ran it on his own account. At the end of that lease it was renewed for seven years more. This enterprize was managed so skilfully that it also brought him in large returns, although previous to his taking the lease, the working of the ferry had proved unremunerative.

In the meantime VANDERBILT began to think it was time for him to act for himself again. He had been in the employ of Mr. GIBBONS for twelve years, and during those years had, with such faithfulness, care and persevering industry, watched over the interests intrusted to him, that the line rapidly advanced in prosperity until then it was netting nearly forty thousand dollars a year. Every new boat constructed under his supervision, was made better and fleetier than its predecessors, enabling him to drive away all opposition, while his quick and active mind took hold of every new circumstance arising, making it subservient to his purposes.

To understand some of the difficulties with which VANDERBILT was surrounded, at the time he first became captain of the *Bellona*, we must recall the early history of steam navigation. It will be remembered that in 1798, an act was passed by the Legislature of New York repealing a previous act, and transferring to Mr. LIVINGSTON the exclusive privilege of navigating the waters of the State by steam. This act was from time to time continued, and FULTON was finally included in its provisions. In 1807,

after the trial trip of the Clermont, the Legislature, by another act, extended this privilege, and in the following year subjected any vessel propelled by steam to forfeiture, which should enter the waters of the State without the license of those grantees. These acts were in force when VANDERBILT entered the employ of Mr. GIBBONS, and the Philadelphia line violated the privilege thus granted, in case the boats stopped at the city of New York; and, hence, for a long time, whenever VANDERBILT ran a steamer in on the New York side of the river, as he was instructed by the owner to do, he was arrested if he could be found. As an expedient, to avoid arrest, he taught a lady how to steal the boat, and when it neared the New York dock, he would turn it over to her charge, and disappear himself; so that the officers were frequently compelled to return their writs against him, "*non est.*" At this time, it will also be remembered, the New York Court of Errors had pronounced these acts constitutional, the New Jersey Legislature had passed retaliatory acts, and a suit against GIBBONS was in progress in the United States Court. To make this line prosperous under such difficulties, and against such opposition, was, of course, no ordinary task. Still it was at once accomplished as we have stated. At length, and in 1824, the GIBBONS case was decided, Chief-Justice MARSHALL delivering the opinion of the Court, to the effect that, under the Constitution of the United States, no State could grant an exclusive right of navigation, by steam or otherwise, on any of the principal rivers of the country; and, as a consequence, navigation on the Hudson and elsewhere became free to all. With this obstacle removed, VANDERBILT went to work with renewed vigor, steadily pushing forward his employer's enterprise, until it produced the remarkable revenue noted above.

Thus having labored faithfully for others with such brilliant results, he now felt at liberty to look after his own interests more exclusively, and to commence business again on his own account. Therefore, in 1829, he informed Mr. GIBBONS of his plan to leave him.—"You must not," he replied, "I cannot carry on this line a day without you." He then offered to increase his salary to five thousand dollars, or more, if money was his object. But VANDERBILT had thought well before he decided on the step he was about to take, and at once refused the offer. Finally, GIBBONS told him he could not run the line without him, and that he might have the Philadelphia rout, saying, "There, VANDERBILT, take all this property, and pay me for it as you make the money." This tempting offer was also declined, for he was unwilling to put himself under such an obligation to any one, although fully sensible of the great kindness that prompted it. Thus ended VANDERBILT's engagement with Mr. GIBBONS, and soon after Mr. GIBBONS sold out the line to other parties, finding that the life of it was gone.

Once again the captain was now his own master. He had served a long time in a severe school to make himself thoroughly acquainted with the details and practical management of steam navigation. The next twenty years of his life we must pass over rapidly. At once applying himself to the work before him, with the same wisdom and that earnest, steadfast zeal he had ever shown, successful results followed. During this period he built a very large number of steamboats, and established steamboat lines on the Hudson, the Sound and elsewhere, in opposition to corporations and companies having a monopoly of the trade, and making travel too expensive to

be enjoyed by the many. His plan was always to build better and faster boats than his competitors, to run them at their lowest paying rates, and thus furnish passengers with the best and cheapest accommodations. That he has made enemies in doing this we will admit, but that society at large has been greatly benefitted thereby, we fearlessly assert. We do not claim that VANDERBILT by his every act has sought alone the public welfare—that he has never allowed himself to be influenced by self interest—but let the man that is without sin in this respect (if sin it be) cast the first stone. Besides, as we have already said, the great result of his opposition has been decidedly good to the country. Commercial growth presumes rivalry, and there can be no healthy trade without competition. Brand every man with approving epithets who undertakes to compete with another, and their will be an end to all enterprize—an end to our prosperity and growth as a nation. The property of individuals or corporations may suffer in the conflict, but the country at large does not and should not care for that, so long as it is better served—so long as the great result is progress.

Thus engaged, these twenty years were past, contributing greatly to the rapid growth and development of steam navigation. In the meantime, the gold of California had been discovered, and the rush of passengers and the pushing forward of merchandise to that remote portion of our country necessitated the building of the Panama Railroad, and the establishment of the Pacific Mail Steamship Company to run in connection with it.\* The immense travel over this route led VANDERBILT to determine to seek another transit route, in connection with which he could put on a competing line between New York and California. With this intention on the 12th of August, 1849, he obtained from the government of Nicaragua a charter for a ship canal and transit company. This charter was subsequently amended by additional stipulations granting to CORNELIUS VANDERBILT and his associates the exclusive right to transport passengers and merchandise between the two oceans by means of a railroad, steamboats, or otherwise, and separating the transit grant from the canal grant. In 1850 VANDERBILT built the Prometheus, and left in her on Christmas day of that year for Nicaragua. The party were three weeks exploring the region, and during the whole of that time they were either on foot, on horse-back, or in an open boat, satisfying themselves of the practicability of the route. The original plan was to make Realejo the Pacific port, but finally the then but little known harbor of San Juan del Sur was fixed upon. Thus having explored and mapped out the transit route from ocean to ocean, he at once went to work to put the line in operation. Having built the little steamboat Director to run up the San Juan River, he towed it all the way to Nicaragua, and personally superintended the laborious, wearisome, and difficult task of taking her up over the rapids. This accomplished, the transit company was formed, the route was opened, and a semi-monthly line to California, via Nicaragua, was established in July, 1851. We can scarcely appreciate now the difficulties of this undertaking; yet all will agree that it required a man with a clear head, and a will that never yields to obstacles, to plan and execute it. Under his management, also, the route became a favorite one, and the price of passage between New York and San Francisco

---

\* The Railroad was surveyed in 1849, and finished in 1855. The P. M. steamships ran in 1848.

was permanently reduced from six hundred to three hundred dollars. He constructed very many first-class steamers for both the Pacific and Atlantic sides of this line, and it was continued in successful operation until January 1st, 1853, when VANDERBILT sold his steamers on both sides to the Transit Company. After that he acted as the company's agent for a few months, and then his connection with it ceased, until January, 1856, when he was chosen president. In the meantime, WILLIAM WALKER had landed in Nicaragua, and VANDERBILT having taken ground against his "filibusterism," and refused to carry his men and munitions, WALKER issued a decree on the 18th of February, 1856, annulling all grants to the company and the acts of incorporation. After this there was a long series of plots and counter plots, all of which would be interesting in a history of Wall Street, but we have not room for it here. We will add, however, that very many unsuccessful attempts were made by different parties to obtain the right to open this route, until finally, when every difficulty of that kind had been removed, it was found to have become almost impracticable—a sand bar having formed at the mouth of the San Juan River.\*

About the time VANDERBILT sold out his interest in the Nicaragua California line he had laid the keel of a new steamship, to be called the *North Star*. She was built, as all his vessels have been, under his own supervision in a very complete manner, and splendidly fitted up with all that could tend to gratify or please. He had now become a man of great wealth. From the little boy of sixteen with his hundred dollar sail-boat, he had gradually but surely crept up, accumulating and so using his accumulations, that now his vessels plowed almost every sea, and his enterprising spirit was felt in every part of our country. It has never been his plan to put away his money in a chest, nor yet to simply invest it, but rather, in the fullest sense of the word, to use it. Consequently, it is said that to-day he employs more men, directly and indirectly, than any other person in the land. Having, then, from so small a beginning, worked out such great results, he proposed in May, 1853, to make the tour of Europe, with his family, in the *North Star*. The undertaking was a novel one, and yet, as has been said, in some respects a grand one. By means of this excursion a display of American enterprise and skill was made which was of essential service to the country. But besides that, for a single individual, without rank, without prestige, without national authority, to build, equip, and man such a noble specimen of naval architecture, and to maintain it before all the courts of Europe with dignity and style, was an extremely happy and suggestive illustration to the old world of what the energies of man may accomplish in this new land, where they are allowed to have full play, uncramped by oppressive social institutions, or absurd social traditions. CORNELIUS VANDERBILT is a natural, legitimate product of America. With us, all citizens have full permission to run the race in which he has gained such large prizes, while in other countries they are trammelled by a thousand restrictions.

For the purposes, then, of this excursion the *North Star* was built and furnished. This was the first steamer fitted with a beam engine that ever attempted to cross the Atlantic. Many steamship men considered engines thus built impracticable for ocean steamers, but VANDERBILT, by his experi-

---

\* This route is, however, now used, passengers being landed in small boats.

ments on this and many other vessels, has, we think, established the fact, that they are eminently suited for sea purposes as well as river navigation. But we shall not attempt any description of the capabilities, or of the beauty and elegance of this vessel as it then was.\* It is enough to say it was perfect in all departments. Thursday, the 19th of May, 1853, was the time fixed for sailing, but as she was leaving her berth the strong current of the ebb tide caught her on the quarter, and swung her upon a reef of rocks at the foot of Walnut Street. The damage being slight, however, was soon repaired, and on the following day she was on her way to Southampton. To give an account of this excursion, or even a small portion of what was seen or was said, would require more space than we can spare, and besides is foreign to our purpose. In almost every country visited they were received by all the authorities with great cordiality, as well as great attention. At Southampton the North Star formed the topic of conversation in all circles, and the party was honored with a splendid banquet, at which about two hundred persons sat down. When in Russia, the Grand Duke CONSTANTINE and the Chief Admiral of the Russian Navy visited the ship. The former solicited and obtained permission to take drafts of it, which duty was ably performed by a corps of Russian engineers. In Constantinople, in Gibraltar, and Malta, the authorities were also very cordial and polite. But in Leghorn (under the government of Austria) the vessel was subjected to constant surveillance, guard boats patrolling about her day and night—the authorities not being able to believe that the expedition was one of

---

\* We give the following, however, from articles published in English papers after the arrival of the party at Southampton, showing the opinions, on these points, of those who are certainly not inclined to flatter Americans.

In regard to the peculiarities of the vessel, the *London Times* of June 3, 1853, says:

“Most of the old fangled notions of builders of English ocean steamers are completely discarded in the North Star; and although it may be questionable whether the adoption of so much of the principle of the American lake and river boats into the uses of trans-Atlantic steamships is, in the long run desirable, yet it is certain that this beautiful ship is in the highest degree worthy of attention. \* \* \* \* Her model is the perfection of nautical beauty, and gives promise of the highest speed at the least expenditure of motive power.”

In regard to the interior of the vessel the same article says:

“The fittings of the cabin are the especial theme of admiration of most of the visitors, and it is difficult to believe that any royal or imperial yacht could be supplied with greater luxuries or conveniences, or with greater taste and elegance.”

The *London Herald* of the same date says:

“The North Star is one of the finest steam yachts ever seen. She is fitted up in the most gorgeous style.”

The *London Chronicle* of June 9, 1853, says:

“The saloons and furniture appeared yesterday magnificent in the extreme. Everything on board the North Star is American, and it is very evident that in many of the useful and ornamental arts the Americans are our equals in point of taste and skill.”

The *London News* of June 3, 1853, has the following:

“Handsome flights of stairs lead to the saloon, which is larger and more magnificent than the saloon of any ocean steamer afloat, and even surpasses in splendor the Queen's yacht, the Victoria and Albert. The carpets and furniture are superb, etc.”

We might multiply these extracts indefinitely, but have given enough to convey an idea of the vessel in the estimation of Europeans.

pleasure, but imagining that the steamer was loaded with munitions and arms for insurrectionary purposes. Thus, after a very charming and delightful excursion of four months, they returned home, reaching New York September 23, 1853, having sailed a distance of fifteen thousand miles. This certainly was an expedition worthy and characteristic of the man who undertook it, and met with that decided success which his efforts ever seem to ensure.

This visit of Commodore VANDERBILT to Europe satisfied him that the interests of our growing commerce required that the facilities of communication between Europe and America should be increased. Consequently, soon after his return he made an offer to the Postmaster General to run a semi-monthly line to England, alternating with the Collins line, carrying the mails on the voyage out and home for fifteen thousand dollars. It will be remembered that the Cunard line was at that time withdrawn from the mail service on account of the Crimean war, and his plan, therefore, was to provide for weekly departures, filling up those thus left vacant. This proposition, however, was not accepted; nevertheless, not willing to abandon the idea, on the 21st of April, 1855, he established an independent line between New York and Havre. For this purpose he built several new steamships, and among them the Ariel, and finally the Vanderbilt, and the line was kept up with great spirit and very successfully. Subsequent to the building of the Vanderbilt, there was an exciting contest of speed between the boats of the different lines. The Arabia and Persia, of the Cunard, the Baltic and Atlantic, of the Collins, and the Vanderbilt of the Independent line, were the competitors. Great interest was taken in the contest, as all will remember, but the Vanderbilt came out victorious, making the shortest time ever made by any European or American steamer.

The subsequent history of this vessel, and the use which is now being made of it, is well known. In the Spring of 1862, when the administration needed, immediately, large additions to its navy, to aid in carrying on its military operations, (an occasion which many were too eager to turn to their own advantage, at their country's expense,) Commodore VANDERBILT illustrated the nature of his whole-souled patriotism, by making a free gift of this splendid ship to the Government. The following resolution of thanks, passed by Congress, and approved by the President, January 28, 1864, is a fitting, though late, acknowledgement of his magnificent gift:

*Whereas, CORNELIUS VANDERBILT, of New York, did, during the Spring of eighteen hundred and sixty-two, make a free gift to his imperilled country of his new and staunch steamship "Vanderbilt," of five thousand tons burthen, built by him with the greatest care, of the best material, at a cost of eight hundred thousand dollars, which steamship has ever since been actively employed in the service of the republic against the rebel devastations of her commerce; and whereas the said CORNELIUS VANDERBILT has in no manner sought any requital of this magnificent gift, nor any official recognition thereof,—Therefore,*

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the thanks of Congress be presented to CORNELIUS VANDERBILT, for his unique manifestation of a fervid and large-souled patriotism.*

*SEC. 2. And be it further resolved, That the President of the United States be re-*

quested to cause a gold medal to be struck, which shall fitly embody an attestation of the nation's gratitude for this gift; which medal shall be forwarded to CORNELIUS VANDERBILT—a copy of it being made and deposited for preservation in the library of Congress.

How appropriate it seems that the man who has spent his life in developing the commerce of the country, should give this, his best effort, for the defence of that commerce! He may be sure his country will never forget it.

But time would fail us were we to attempt to speak of all the prominent acts, and varied interests, in steamboats and steamships, of Commodore VANDERBILT during his life, or even for the last few years—nor is it necessary. Wherever a line could be established profitably, he has always been ready to undertake it. He has built and owned, exclusively himself, upwards of one hundred steamboats and steamships,\* and has never had the misfortune to loose one of them by any accident. He has extensive machine shops, where he makes his own machinery, according to his own ideas, and his vessels have been generally built by days' work, under his constant supervision, and from plans entirely his own. Consequently, there have never been wanting those who have predicted disaster at every new launch. The North Star, we were told, would certainly go to the bottom, with all the excursionists on board. The Ariel could never cross the ocean; while the Vanderbilt was a dead failure. Still they have all managed to sail regularly, safely and speedily. It is his practice to employ the most deserving and trustworthy commanders, and never to insure a vessel or cargo of any kind—believing that good vessels and good commanders are the best kind of insurance; and, more than that, if corporations can make money in the business of insurance, he can.

His time and money have not, however, been alone employed in developing the steamship interest. Railroads, and all other commercial enterprises, have received a large share of his attention. In fact, wherever his money would do the most work, there he has ever placed it; thus greatly extending and invigorating every commercial interest. Of late years, however, and especially since the commencement of this war, he has been gradually retiring from the shipping business, and within a few months has sold his last steamship, transferring a much greater proportion of his wealth to railroads, until now he is the largest railroad proprietor in the United States. The steamboat king is thus turned into a railroad king, as Wall

---

\* The following are the names of the principal steamboats and steamships built by him:—

*Steamships.*—Prometheus, Daniel Webster, Star of the West, Northern Light, North Star, Granada, Ariel, Vanderbilt, Ocean Queen, Galveston, Opelousa, Nagnolia, Metagorda, Champion, Costa Rica, Port Jackson, New York.

*Steamboats.*—The Citizen, Cinderella, West Chester, Union, Nimrod, Champion, Lexington, Cleopatra, Augusta, Clifton, C. Vanderbilt, New Champion, Commodore, Gladiator, Staten Islander, Huguenot, Sylph, Hunchback, Red Jacket, Kill Von Kull, Westfield, Clifton No. 2, Westfield No. 2, Clifton No. 3, Cornelius Vanderbilt, Wilmington, North Carolina, Geo. Dudley, Traveler, Director, Central America, Clayton, Bulwer.

Street well understands. His property has, in the meantime, accumulated rapidly. Perhaps there are two or three men wealthier than he in New-York city—but no more; and all of this vast wealth is the product of his own labor.

Were we asked the secret of this success, we could answer it no better than by pointing to the history of his early life, which we have already given. As a boy, we have found him an indefatigable worker, ever exhibiting remarkable judgment, inflexible will and untiring perseverance; full of enterprise, self-dependent and self-reliant. The prize, therefore, was clearly his from the beginning. GEORGE STEVENSON would never allow that he possessed any faculty pre-eminently except perseverance. We cannot agree with him in this estimate of himself, and yet admit that the man who is never discouraged, even though the prospect be dark and gloomy, possesses one great requisite for success, and has an immense advantage over his timid neighbors. But still, one may walk forever on the wrong road and not reach the desired haven; the power to judge correctly is, therefore, as necessary as perseverance. In this particular Commodore VANDERBILT has ever excelled. He appears to possess an intuitive judgement of men and things. Consequently, all his plans are first carefully considered; every possible contingency provided against; so that when he executes them he strikes with a strong arm, because a confident one. We see this illustrated in the first efforts of the boy, and in every conflict and undertaking of the man. With, then, such judgment, and with the energy and perseverance he has ever exhibited, unusual success was the natural result.

Yet amidst his close and continued application to the business of life, the kindly feelings of childhood have remained unchanged. The eagerness with which he has anticipated every desire of an aged mother, is only an evidence of the heart within him. He was as devoted to her in manhood, as she to him in early youth. The pretty home-like cottage constructed for her under his eye, and in accordance with the taste of both, surrounded by luxuriant vines and evergreens, was a continual joy to her during her life. There, near her old home, and overlooking the water, the scene of his early exploits, she happily lived, tenderly cared for, and only a few years since as happily and peacefully died. How consistent with all his conduct towards her was the thoughtfulness which prompted him, upon returning from his triumphal tour of Europe, to stop the steamer in passing up the bay, and give that mother his first greetings, and receive her welcome home. Few, as they read at that time the newspaper accounts of his arrival, could have failed to notice, among the more exciting items, the statement of this simple fact, and to feel that it was an honor to the son as well as to the mother.

This same kindliness of feeling he has always exhibited in every other position in life. Deceit and underhand dealing he has ever quickly detected and thoroughly hated, but frankness and honesty of speech and act have been sure to find a ready and kind response. During all his contests with men, he has exemplified the truth of this, ever being ready to act with the greatest generosity, when thus approached. A certain captain, interested in a line of boats to Hartford, took steps which VANDERBILT considered dishonorable, to injure his line of boats to the same place, and therefore VANDERBILT determined to run him off, and did it. About that time, Captain BROOKS, who is an intimate friend of the Commodore, met the defeated party and asked him how he got on. "Why, I have put my hand in VANDERBILT'S mouth, and of course I must give up," he replied. "But,"

said Brooks, "go and see him, and if you are frank to him, he will be generous to you." "Go!" said he, "he would not see me." Yet afterwards he concluded to go, and, sure enough, he came back not only with the difficulty healed, but with obligations conferred, which he will very long remember.

Many other similar instances might be mentioned, but it is needless. All remember the account of the storm which overtook the *Ariel* in 1859, on her voyage from Havre. After the vessel had received severe damage from the fury of the gale, and those in command were exerting themselves to their utmost to avert the destruction that threatened, a tremendous sea broke upon the forward deck, causing a fatal injury to Captain LUDLOW. He only revived sufficiently to say a few words, the last of which were, "Tell the Commodore I died at the post of duty." These words proving, as they do, the unflinching devotion of Captain LUDLOW, speak also very strongly in praise of the one to whom the message was sent. The man who can inspire another with so noble a sense of the trust and responsibility committed to him, must possess great warmth of heart as well as strength of mind.

---

## THE NATIONAL FINANCES.

BY HON. AMASA WALKER.

Two things are alike indispensable in war, men and money. So said the great JULIUS before the Christian era, and if true then, how much more so now.

The expenses of war increase as civilization and the arts advance, and, as these are rapidly progressing, so are the expenditures incident to war. An old line-of-battle-ship, such as those with which NELSON fought at the Nile, cost a hundred thousand pounds, but a "Warrior," a modern iron-clad, requires a million sterling. A forty-eight pounder was once a formidable gun, but now we talk familiarly of shot weighing half a ton. In time of peace, a standing army costs one thousand dollars per man annually; in time of war, vastly more.

Such being the case, the finances of a nation become a matter equal in interest to that of its military force. The two cannot be separated; the latter is dependent on the former. You may, indeed, have money without men, but cannot have men without money. To every one who can comprehend the condition of our national finances at the present time, they become a matter of greater anxiety than the military resources of the government.

Our finances are depressed; from what cause?

They ought to be restored; in what way?

These two questions we propose to answer.

That the finances are depressed, cannot be a matter of dispute. The price of gold at the time of writing this is quoted at 240. One thousand dollars in gold will purchase \$2,400 of United States bonds bearing in-

terest at six per cent, payable in coin. This is sufficient evidence of the great depression of the public stocks.

In examining into the causes of this extraordinary depression we shall endeavor to speak plainly. Deception is not patriotism, and the good of the country does not require false statements, or specious arguments. It is true of a nation as of an individual, that nothing is gained by self-delusion. The individual who finds himself embarrassed, if he is a wise man, will look carefully into his affairs, and ascertain, as near as possible, just how he stands. He will exercise the utmost scrutiny to know the best and worst of his condition. He will not hesitate, or fear to do this. Just so should it be in regard to national difficulties.

In order to accomplish the object proposed it will be necessary to give a brief history of our financial operations since the commencement of the war.

Many false statements have been made in regard to the condition of the Treasury at the time Mr. CHASE came into office. It has been said that the country was then in a very flourishing condition, "the Treasury well supplied, the national revenue abundant." All this is untrue. The national Treasury was empty. It had been robbed. It was deranged in all its departments. There was no adequate system of taxation, and the revenue from customs had been almost annihilated. The six per cent stocks were sold as low as 83 cents; five per cent at 75 cents. The public debt was \$100,000,000.

And yet under these circumstances, a fearful avalanche of expenditure was hurled upon the Treasury. An army of 500,000 men was to be raised, armed, equipt, and supported. No financier in all history ever had such responsibilities to meet as Secretary CHASE. The labors that devolved upon a COLBERT, NECKAR, CARNOT, or PITT, were light compared with those of the American Minister of Finance.

No public man in the nation practically unacquainted with the laws of currency and finance, was perhaps better qualified to meet the crisis than Mr. CHASE. His character and antecedents inspired universal confidence, and his personal appearance and bearing were in the highest degree favorable to the successful discharge of the duties that devolved upon him.

#### THE BANKS LOAN THEIR WHOLE CAPITAL TO THE GOVERNMENT.

But under such depressing and difficult circumstances, what could the Secretary do? As there was no money in the Treasury he must go abroad and get it. He went to the banks of the three great commercial cities. Where else could he go? The banks responded in the most prompt and patriotic manner. Their generous conduct ought never to be forgotten. They loaned \$50,000,000, and when that was gone \$150,000,000 more—finally, indeed, they loaned *all their capital* to the Government; for the next annual returns will doubtless show that the banks of the loyal States hold a larger amount of stocks than their aggregate capital; not that every bank has loaned all its capital in this way, but some have loaned much more, so that in the aggregate, we doubt not it is strictly true, that the banks hold a greater amount of governmental securities than the sum total of their capital stock.

But all this amount, so liberally furnished, was but a small part of what

was needful to meet the demand of the war, and by authority of Congress, Treasury notes (greenbacks) were issued. In this manner matters went on quite comfortably until the last day of 1861, when the Government and banks suspended specie payment.

#### MR. CHASE UNJUSTLY CENSURED.

Blame has been thrown upon Mr. CHASE for this suspension, but quite unjustly. That he might by some arrangement with the banks, in regard to the circulation of their notes, have postponed the suspension for a short time, we do not doubt; but it could not have been long avoided. Mr. CHASE had a broken down currency to start with. The banks of the United States on the 1st of January, 1861, had \$459,000,000 of immediate indebtedness, while they held but \$87,000,000 of specie, equal to but 19 cents on the dollar. How was it possible to go through a great war with a currency of so little strength? It could not be done. Suspension was inevitable.

The Government and banks having stopped specie payments, a new state of things was inaugurated. At first the banks contracted their engagements, in view of a speedy resumption, but the Government went on issuing its notes, as it was obliged to do, and it soon became evident that no resumption would take place. The banks, therefore, changed their policy, and increased their own issues.

#### RISE OF PREMIUM ON GOLD.

The currency of course was expanded, and in a short time, say in about two months, there began to be a small premium on gold. In June it had advanced to 2½ per cent, and from that time rose rapidly. The Government continued to issue greenbacks to meet the pressing exigencies of the nation, the banks issued their notes to increase their dividends, and between them both, on the 1st day of December, 1862, they had carried the premium up to 33½ per cent.

This was an alarming state of things. All who could appreciate the condition of the currency felt it to be so. An important crisis had arrived, and it was as certain as anything could be, that the financial policy of the Government must be changed, or national insolvency would ultimately be the consequence.

#### CONGRESS ASSEMBLES.

This was perhaps the gloomiest hour of the great struggle. Every thing seemed adverse to the national cause, and its best friends were despondent. Congress assembled. The members felt the solemnity of the crisis, and the majority were ready to do anything which the Secretary of the Treasury should recommend. Bold and efficient measures were indispensable, and had such been brought forward by Mr. CHASE, they would have been carried, for there was no lack of confidence in the Secretary, or want of cordiality between the different branches of the Government.

Up to this point the management of Mr. CHASE had secured as much success as could reasonably have been expected. He had used a feeble and defective bank currency wisely, and had issued the Government notes only as the most imperative necessity required. But this course could be

safely pursued no longer. The frightful premium on gold of 33½ per cent was an unmistakeable indication, that although he had been able to furnish thus far the funds required to carry on the war, it was a temporizing policy which should no longer be followed. Unless the rise in the price of gold, and of course of all other commodities, could be arrested, the Government would grow weaker and weaker.

The credit of every Government is more or less depressed in time of war. It has always been, and always must be so. The expenditures are vast, the consumption of capital rapid, the duration of the contest always uncertain, the fortune of war constantly varying, and the final results wholly unknown. It is not possible that public credit should be unaffected by such adverse circumstances. And this must be especially true of a Government suddenly plunged into the most fearful conflict in human history. The wonder is not that the credit of the nation suffered so much, but that it suffered so little—that the capitalists of the country responded so cheerfully and heartily.

Had the bank currency of the country been reliable at the commencement of the war, it might have been kept so without difficulty, and there would, of course, have been no premium on gold. The prices of all commodities being determined by a correct standard, the national expenditures would have been lessened, and whatever of depreciation there really was in the national credit, would have shown itself in the discount at which Government bonds would have been negotiated.

#### THE GOLD PREMIUM HAS TWO ELEMENTS.

But it was far otherwise, and a heavy premium on gold and corresponding rise in prices were the necessary consequence. It is important to understand that this premium on gold, so irresistible in its influence, in the present case, is composed of two elements; first, that which arises from a redundant currency; secondly, that which comes from the depreciation of the public credit incident to a state of war. But from whichever cause it may arise, its effects upon the national finances are equally unfavorable. These effects we must notice.

#### EFFECTS OF THIS PREMIUM.

1st. *Effect on prices.* All commodities advance in price as the standard by which they are measured declines in value. When it requires two and a-half dollars of the currency to purchase one dollar in gold all commodities will advance in proportion—that is two and a-half times above their natural price.

2d. *Effect on governmental expenditures.* These are increased in the same proportion, and the Treasury is therefore obliged to disburse twice and a-half as much as would be required if its purchases were made with a currency equivalent to gold—that is, with a sound or convertible currency.

3d. *The effect on the national debt.* That is growing twice and a-half as fast as it would be if the standard were gold instead of paper, or mere credit. Debt to the amount of one dollar is created for every 40 cents of value received by the Government—certainly a wasteful mode of conducting the most stupendous war the world has ever seen.

4th. *The effect on labor.* The wages of the laborer are not raised as much as the commodities which he consumes. Wages are higher than they would be under a value currency, but not as high in proportion as all articles of commerce. Why is this? For the reason that for all commodities there is both an actual and a speculative demand, while for labor there is only the actual demand. The speculative demand always enhances the price of property, but the wages of labor cannot be bought up and held like flour or coffee for a rise, and, therefore, it is that the laborer is certain to suffer from any inflation of the currency which induces speculation.

5th. *Effect on imports.* A redundant currency always increases importation, especially of luxuries, and causes a demand for gold for exportation. It is commonly supposed that importations are greatly influenced by tariffs; but the statistics of the national Treasury show indisputably that importations are governed by the currency. The larger the volume of the currency the greater the amount of foreign imports. Nothing is more certain than the operation of this law.

6th. *The effect on speculation.* As we have already intimated, a redundant currency induces speculative operations, and these become wild and extravagant as the quantity becomes excessive. It is a certain and inevitable consequence which cannot be avoided.\* It has always been, and always will be so. It is an effect. Many persons denounce speculation and the speculator, but that is entirely idle. The thing to be denounced is the cause. Every man and woman, in every sphere of life, may, and in fact, does speculate.

When prices were constantly rising from day to day, and the prudent housewife sent to the grocery for five pounds of tea instead of one, because "every thing is rising," she speculated as truly as the grocer who purchased fifty chests of tea instead of ten, for the same reason. Under such great excitement as a vast inflation of the currency causes, it may be literally said, that speculation is universal, and its effects highly prejudicial to the public morals and public interest; but remove the cause, and you remove the evil. Preserve a sound currency and speculative gambling will be almost unknown. With these remarks upon the effects of a premium on gold we return to our review of the national finances, and would recal the condition of things on the 1st day of December, 1862, when the 37th Congress assembled for its last session.

#### WHAT THE SECRETARY ASKED FOR.

As we have before said, it was a dark hour in our history, and it was evident to all who could understand the signs of the times, that the financial policy of the Government should be greatly changed.

The first object should have been reduce the currency, and bring back gold to par. This was a *sine qua non*; yet the Secretary had no proposal of the kind to make, but in the bill "to provide ways and means for the support of the Government," he wished for loans, Treasury notes on interest, Treasury notes not on interest (greenbacks,) fractional currency, and subsequently, for a system of National Banks.

#### LOANS GRANTED.

The bill was debated through the session, but finally loans to the amount

of \$900,000,000, 10-40 coupons, 6 per cent, payable in coin were authorized. This was well. Coin had been previously given for interest, and it was not practicable then, perhaps, to change the policy, but it was nevertheless a mistaken one at the outset. The Government should never have recognized any difference between its own notes and specie. Greenbacks should have been sufficiently good for all purposes, for the soldier and the capitalist, the importer and the manufacturer.

#### TREASURY NOTES.

Another proposition was for \$300,000,000 of Treasury notes of ten dollars and upwards, bearing interest, payable semi-annually in coin at the rate of one and a-half cent per day, or 5.47 per annum.

When this measure was brought forward it was objected by a member from Massachusetts, that the rate of interest was an unusual one, to which the people were not accustomed, and was less than the common rate, and therefore would not be satisfactory; that the interest was payable semi-annually, which, on small notes, would be inconvenient and expensive; was payable in coin when it should be payable in lawful money.

#### COMPOUND INTEREST NOTES PROPOSED.

Instead of this, the objector proposed—

- 1st. That the notes should be issued payable in three years, principal and interest.
- 2d. That they should bear six per cent compound interest.
- 3d. That principal and interest should be paid in lawful money.
- 4th. That interest for each six months should be computed and engraved on the back of each note.
- 5th. That they should be paid out to contractors, soldiers, officers, and other creditors of the Government, so that they might secure a wide diffusion.

If these notes were so issued, it was argued that they would be *hoarded*; that they would inflate the currency but little, if any, as they would be laid by for investment by all who could afford to keep them, and thus be demonetized; that such notes were precisely what all persons having trust funds, like executors, guardians, trustees, etc., would wish to obtain and hold; that they would be especially acceptable to savings banks, who by retaining these notes would be drawing compound interest, and yet be ready at any moment to meet such calls as might be made for their deposits; that they would, in short, constitute a popular loan to the Government, and thus aid the national Treasury; while at the same time millions of people would thus become personally interested in the stability of the public finances—a matter of no small moment in a time of great distress and embarrassment; and lastly, that they would not interfere with any other Government loan.

The bill was recommitted, and finally reported with authority to issue \$400,000,000 of Treasury notes of \$10 and upwards, at a rate not exceeding six per cent, payable not exceeding three years.

#### MORE GREENBACKS AUTHORIZED.

In the same bill authority was given to issue \$150,000,000 of Treasury

notes without interest, (greenbacks,) and \$50,000,000 of fractional currency. The act was approved March 3, 1863.

Besides this, Mr. CHASE had on hand some \$300,000,000 of 5-20's previously authorized, making in all, \$1,200,000,000.

Such, however, had been the delay of Congress in acting upon the finance bill, such the expansion of the currency in the meantime, and such the discouraging aspect of military affairs, that gold on the day of the adjournment was at a premium of 65 per cent.

How did the Secretary use the vast power placed in his hands by the national Legislature? The ample provisions, which, despite a violent opposition had been made by Congress, inspired confidence amongst capitalists, and the 5-20 bonds sold rapidly. They became more popular from week to week, until the subscriptions amounted to two or three millions per day.

These sales reduced the circulation, as they were made for greenbacks, and gold rapidly declined to about 40 per cent. The victories of Gettysburg and Vicksburg, which took place about the 4th of July, gave additional impetus to the fall of gold, and it went down to  $23\frac{1}{2}$  during that month.

#### THE 10-40'S ISSUED AT FIVE PER CENT.

The condition and prospect of the Treasury was now encouraging, and it seemed only necessary that Mr. CHASE should go forward in the same direction to secure all the funds the Government required. The 10-40 bonds were even more desirable, if issued at 6 per cent, as the Secretary was authorized to issue them, than the 5-20's. If promptly put into market they would have sold as rapidly. But Mr. CHASE seems to have supposed that the 5-20's having sold so well, he could issue the 10-40's at five per cent, and thus make a large saving to the Government; and he accordingly fixed the rate of interest at five per cent. This proved, as all shrewd financiers expected, a great mistake. The demand for bonds fell off at once from two millions to two hundred thousand per day, notwithstanding they were widely advertised. But this was not all, nor the worst of the matter. By issuing these bonds at five per cent instead of six, the Secretary virtually depreciated his own currency by the difference, because it required 1.20 in greenbacks to purchase an equal income or interest on five per cent, which 1.00 would purchase on bonds bearing interest at six. Consequently the price of gold was thereby raised 20 per cent, and of course the price of all the Government must purchase to carry on the war. The economical intention of the Secretary proved a most uneconomical operation for the country. The popular current seemed to be running strongly in favor of the Government credit while the sale of the 5-20's was going on, but the 10-40's offered at five per cent changed the face of affairs, and the current set strongly in the opposite direction.

#### ISSUE OF TREASURY NOTES ON INTEREST.

But there was still another way in which the Secretary might have greatly reduced the premium on gold.

He was authorized to issue \$400,000,000 of Treasury notes at not exceeding six per cent, as before stated, and it was expected that he would

make them at six per cent compound interest, and of suitable size for circulation as had been proposed in Congress. But he did no such thing. He first issued \$50,000,000 at five per cent on two years, \$50 notes and upwards. These, all or mostly, went into the banks in Philadelphia, New York, and Boston, where they displaced and drove out into circulation \$50,000,000 of currency. This, instead of benefitting the Government, absolutely made matters worse, and carried the gold premium still higher. The Secretary then made the experiment of issuing \$150,000,000 of five per cents, for two years, with coupons attached, but under the strange restriction, that the coupons should not be cut off, except by an officer of Government! These, too, to a great extent, went into the banks, and operated to expand the currency and carry up the premium on gold. So that notwithstanding the success of the war, it went up to 98 on the 15th of June last.

#### THE GOLD BILL.

And now came the crowning folly of financial legislation.

Congress, as it is understood, at the instance of the Secretary of the Treasury passed an act "prohibiting the sale of gold in certain cases." The measure was utterly absurd, and produced an effect precisely opposite to that intended. The price of gold advanced more rapidly than ever before, and went up to the extreme rate of 285. All confidence in the actual market value was destroyed, and speculation became more rife than ever.

Alarmed at the results of its own folly, Congress repealed the obnoxious act, and gold again receded. The victories of GRANT, SHERMAN, and SHERIDAN, which soon followed, carried the price down to about 200, from which point it has risen to its present rate.

Such is a brief outline of the financial operations of the national Treasury. The results are now before us, and the question presents itself, whether a different course from that pursued might not have been adopted with great advantage to the country, and whether even now such a course should not be attempted.

#### WHAT MIGHT HAVE BEEN DONE.

Suppose that instead of the plan pursued by Secretary CHASE, he had issued his 10-40 bonds promptly at six per cent. They would certainly have met with a ready sale, and he would have been able still further to reduce the circulating medium, and, consequently, the premium on gold, and besides would have furnished himself abundantly with funds. But it may be said that the Secretary could not have carried out this reduction of the currency with entire success, because, as he withdrew the greenbacks, the banks would push out their notes. True, and hence the necessity of such legislation by Congress as should have effectually prevented this. But the experiment showed that the reduction of the currency lowered the gold premium, and that if it could have been fully carried out gold might have been brought to par.

#### COMPOUND INTEREST NOTES SHOULD HAVE BEEN ISSUED.

Suppose again, that as soon as Congress adjourned the 4th of March,

1863, the Secretary had set about the work of preparing his six per cent compound interest notes, and issued them as he might have done, in a few months. They would have been readily received, and as readily hoarded. Instead of this he never issued a dollar of this kind of notes until June, 1864, fifteen months after he was authorized, and just before he left office, when he only put out a few millions.

The manner in which they were received, and their immediate disappearance from circulation satisfied everybody of the desirableness of this kind of Government notes, and Mr. FESSENDEN, the new Secretary, has since issued them, we believe, exclusively, (so far and so fast as he was able,) and at present there are some \$150,000,000 or more in the hands of the people. They have been paid off to soldiers and other creditors of the Government, and, as was confidently predicted, immediately hoarded by those who have the ability and disposition to lay them by, as a safe and most convenient investment. They thus become a three years loan to the Government.

If these three measures had been adopted, (and they were perfectly feasible,) is it not quite clear that such a depressed condition of our national finances as we now witness, would never have existed? That gold would have been brought down nearly to par? If so, then is it not equally clear that what we now suffer from the depreciation of our currency, and the low value of our national stocks, is owing to mistakes and blunders?

The value of our stocks is low, not so much because the ability of the nation to discharge all its indebtedness, or the disposition of the people to sustain the Government, is doubted, but that owing to our mistaken management, a redundant currency has been allowed to accumulate in the country, until the standard of value is so reduced that our stocks actually bring only 40 or 50 cents on the dollar.

#### WHAT IS THE REMEDY?

*First.* The currency must be reduced until prices are restored to something like their natural rate, and gold goes down to par.

It is in vain to hope for any reform or essential improvement until this is done.

If it be said that this cannot be accomplished, then the finances cannot be saved. But it is not true that this cannot be done. Intelligence and determination on the part of Congress, and efficiency and perseverance on the part of the Secretary of the Treasury, are all that is required even now, low as the public stocks have fallen, to retrieve the national credit and restore the finances.

#### THE BANK CURRENCY MUST BE WITHDRAWN.

That the undertaking is an arduous one we shall not deny. There are now some 1,500 banks competing with the Government in issuing currency. This competition neither the Government or the people can stand much longer. The nation must have the advantage of its entire credit to carry on the war. Of all forms of credit, that in the shape of currency is the most available, and used only to a reasonable extent, the most profitable.

The bank currency of the nation, at the present time, reckoning the circulation at \$250,000,000, and the deposits at \$450,000,000, is \$700,000,000. The country does not need a dollar of that circulation. There are \$457,000,000 of greenbacks, besides fractional currency, and these are all that the country needs, all it *can possibly bear*, and preserve the standard of value. Every dollar, therefore, put in circulation by the banks, inflicts injury upon the nation, and goes to break down our finances and weaken the Government. The bank circulation, at the present time, is a public nuisance that must be abated.

Such being the case, it becomes the imperative duty of Congress to impose a severe tax upon the circulation of the banks. Probably a three per cent tax for the first six months, and five per cent for the next, with prohibition after twelve months, would be found entirely effective. This would cause a gradual withdrawal of all bank circulation, and the Government currency would form the only circulating medium. This would be ample, and upon it the people would gain the entire interest. This currency the Government might enlarge or diminish from time to time, according to the wants of trade.

If this be so, why should not the reform be at once commenced, and continued until the desired object be attained?

What objection can there be to such a course of proceeding?

#### WILL THIS DESTROY THE BANKS?

Will it be said that such taxation must destroy the banks? Not at all. Not a dollar of their capital will be touched; they will still possess every right and privilege attached to banking, except the assumed right of manufacturing currency, a right that belongs exclusively to the Government of the country. Will it be said that it will prevent them from making fair dividends? That cannot be true, for the capital of all the banks, of whatever kind, is invested in Government stocks, and upon them the banks draw six per cent annually in coin; they also have their deposits on which to make loans, and thus increase their profits, besides all they can make upon exchanges, no small source of income. The banks can do as well as any other interest; as well as the farmers, mechanics, or merchants, without swelling their profits by issuing their promises in the form of currency, and thus injuring all classes of the community, and weakening the Government in the hour of its distress and peril.

Do banks exist for the benefit of the country, or the country for the benefit of the banks? That is the primary question to be settled. But there is, in truth, no real collision of interest if the matter be looked at in its true light. That which is beneficial to the banks in the long run, is equally so to the country; that which is detrimental to the one, is equally detrimental to the other.

#### THIS COURSE FOR THE INTERESTS OF THE BANKS.

Of all classes banking institutions are the most interested in having their own notes entirely withdrawn from circulation, because they, above all others, have the most at stake in the success of the national finances. If the Government securities are repudiated, the banks are utterly ruined. That they must know very well. Other interests and institutions may

suffer much by a failure on the part of the Government, but the banks will be annihilated. How anxious ought they to be, then, that a policy should be adopted which shall expel all bank circulation, and thus afford great additional strength to the Government, by reducing its expenditures and curtailing the national debt, which at the best will be of formidable dimensions.

## BANK STOCKHOLDERS.

No far seeing stockholder can desire that the present inflation of the currency should continue, much less that it should be carried farther; for he must see that if this is done, final bankruptcy and repudiation are inevitable.

There is still another reason why a bank stockholder, who understands the nature of currency and his own interests, cannot wish for an excessive currency, and that is, that he *gains nothing, but absolutely loses by it*. He increases his dividends to be sure, but at the same time raises the price of every thing he has occasion to purchase. That this is very bad economy may be seen by the following illustration:

A has an income from various sources of.....	\$5,000
From bank stock.....	1,000
	<hr/>
Whole income.....	\$6,000

In consequence of an increase of circulation by the banks he gets an increase of \$500 in his dividends, making his income \$6,500. But prices of all commodities have advanced 25 per cent in consequence. What he could have bought for \$6,000 he must now pay \$7,500 for. So he has lost \$1,000 by the operation! There is nothing imaginary or fictitious in this statement of the case. It is a plain matter of fact that any person can appreciate who will give a little consideration to the subject. It is very strikingly illustrated at the present time, when incomes for the purchase of commodities have scarcely half their former value; and it is ever true, that those who receive dividends from bank stock *always suffer when those dividends are increased by inflating the currency*. It is a law from which none can escape, and the holders of bank stock, for their own interest, should be utterly opposed to such inflation.

Therefore, the proposition we now insist upon, that all bank notes shall be withdrawn from circulation, is one that, so far from being injurious, will be *absolutely beneficial* to those who hold bank stocks.

It may perhaps be said, that after all no legislation is needed on this point, because the banks already have the power to call in their issues if they see fit. True they have the power, but will they universally have the disposition to do so? A few of the more enlightened bank managers are quite ready for the movement, but can they secure concerted and unanimous action? That is not to be expected, and hence the action of Congress is indispensable.

## NATIONAL BANKS INCLUDED.

But it may be inquired, perhaps with some surprise, whether we intend to say that the currency of the National Banks shall share the fate of that

of the State Banks, and be expelled from circulation? We answer, Yes we mean just that. But it may be asked, was not the National Bank system a special pet of the late Secretary, and did he not insist upon it as essential to his financial system? Certainly. But on what ground are the National Banks to be favored at the expense of the Government and the peril of the national finances? They, like State banks, exist for the benefit of the public, and are to be maintained and cherished only so long as they answer that end. The last section of the act by which they were established, says, "Congress may at any time amend, alter, or repeal this act." The banks accepted their charters under this condition, and without it the bill never could have become a law, for a large majority of both houses had little confidence in the measure, and voted for it mainly because it was so strongly urged by the Secretary. A full majority of Congress never gave their sanction to it. In the Senate, the vote was 23 to 21, and 4 absent. In the house, 77 to 64, and 38 absent.

As a *measure of finance* the National Bank system was of slight importance. It was urged in behalf of it, that a large demand would be made for the bonds of the Government, but such was not the case. Existing banks, having their capital already in stocks, had no occasion to purchase in order to come into the new system, and when new banks were got up, it was generally by those who were already holders of Government bonds.

As financial agents there was no necessity for these banks, because the State banks could act as such efficiently, and as they held Government bonds so largely, could give all the security required, and would have been happy to do so. As a *measure of finance*, there was really no occasion for the creation of a new banking system.

#### NATIONAL BANKS, WHY PREFERABLE.

But as a *currency measure*, although it was no suitable time to inaugurate a new system, it may certainly be regarded as a decided improvement upon the old for several reasons.

1. Because all notes issued under it are permanently secured, so far as a Government guarantee can do it.
2. Because the notes will be universally current, and as far as possible, under a credit currency, will equalize exchanges.
3. Because it brings the currency under national legislation and control, where it ever ought to be.
4. Identifies the interests of our monied institutions with the credit of the national Government, and in so far adds to the stability of both.

For these reasons the system may be justly regarded with more favor than that which it is designed to supersede, and there need to be no interference with it, except with the issue of its promises, or credit, as currency. That, under any circumstances, no banks ought ever to do, and under present circumstances, when to do it is in the highest degree to injure the national finances and absolutely endanger the public safety, they ought to be prohibited from it entirely, and rely upon legitimate business for their profits. If such profits, together with the interest in coin which they receive upon their Government bonds, are not sufficient to enable

them to make satisfactory dividends, it is clearly not for the interest of the public that they should exist at all.

#### BUSINESS MEN, HOW AFFECTED.

But it may be urged as an objection to any curtailment of bank circulation, that business men will thereby be deprived of their accustomed and necessary accommodation in the way of loans.

There is no force in this objection when the circumstances of the case are carefully examined. The banks, we have already shown, have no capital to loan, having already parted with that to the Government. They have nothing but their own credit in the shape of currency. If their currency be withdrawn prices will be so reduced that business men will need only half what they now do, and money will be as plenty with them as ever. Speculators will suffer, but no other class. Their vocation will be ended, and legitimate capital will be employed for legitimate purposes.

We know it may be said, there will be a loss upon stocks on hand if prices are brought down. True, and so there will be whenever we return to a sound currency. The sooner we come to that the better. The longer it is postponed, the worse will it be for all.

#### THE FAVORABLE MOMENT.

There never was a time in the whole history of the nation when business men had so little necessary connection with the banks. They do not themselves give credit, and they have little occasion to ask credit of the banks. The circulation of the banks merely inflates prices and excites speculation. That fact is well known to all concerned with business and banking, and the gradual withdrawal of bank notes, as proposed, would not only not be injurious, but absolutely advantageous to all engaged in every department of trade and manufacture.

#### MORE COMPOUND INTEREST NOTES.

In the *second* place, Congress should authorize a further issue of compound interest notes, and the Treasury should pay them out so long as they continue, as at present, to be hoarded, but no longer. Whenever they appear in the currency, that is in circulation, no more should be issued. Until that time arrives, there is no more politic or convenient mode of raising funds for the Government; and a measure so eminently successful, thus far, should be followed up till all its advantages and capabilities are realized.

#### ONLY ONE KIND OF BONDS.

*Thirdly*, Congress should authorize only one kind of bonds, and those six per cents, on such time as may seem most desirable, say not less than five or more than twenty years. This should be the uniform mode of raising money by loan. Every other description of loan should be discarded. Then all at home and abroad would understand the precise character of our Government stocks, and make their arrangements accordingly.

There should be no temporary loans; no different rates of interest founded on the expectation that the war will soon terminate—that six or

twelve months will be as long as the Government will need to borrow, and therefore it may temporize. Such idle expectations have already cost the nation millions of money and thousands of lives.

#### THE BRITISH FINANCES.

The British Government, in its great struggle with NAPOLEON, prosecuted the war as if it were to last forever; met its vast demands in the most prompt and resolute manner, imposing the heaviest taxation possible, and negotiating its loans on the best terms it could.

The *discount* or loss upon the sale of its bonds, from 1793 to 1815, was more than 40 per cent, yet the sacrifice was cheerfully submitted to, though in the aggregate it amounted to \$1,350,000,000, a sum equal to more than one-half of our whole national debt at the present time! But by this bold and decisive action, the finances of the nation were maintained, and England secured her grandest triumph.

If we would have a like success, we must imitate her example. Our system of internal taxation must not only be kept up, but every effort made to increase it. The revenue must be carefully watched, and every opportunity to enlarge it must be promptly improved, whether by excise, custom house duties, or direct taxation.

#### PREMIUM ON GOLD NOT DEPENDANT ON MILITARY SUCCESS.

Again, we should not delude ourselves with the false idea that if we have great military successes the premium on gold will disappear. This is a popular delusion, which has already given rise to many temporary and wasteful expedients. The premium on gold will not be permanently affected by any military achievements whatever. If GRANT should capture the rebel capital, and SHERMAN march his troops to the Atlantic, or the Gulf of Mexico, the quantity of currency will not thereby be changed, and therefore the premium on gold will remain essentially unaltered. Even were peace to come within sixty days, the price of gold could not, until the currency was reduced, go down to par.

#### ATTEMPTS TO INFLUENCE IT.

And here we would say that no attempts to influence the price of gold should be made by combinations formed for that purpose, or by governmental action. Such has hitherto been the case on more than one occasion. The newspaper press has done its utmost to "bear" down the premium on gold. All such efforts are very far from indicating an enlightened patriotism, however well intended.

They produce no good result nor any permanent effect, but they do greatly interfere with the trade and industry of the country. For example, a great effort was made during the month of September last to bring down the price of gold. On the second of the month it stood at 154, on the 5th of October at 88. A tremendous panic was created mostly by politicians through the newspapers, and the public was made to believe that gold was going down to par, or nearly so. Business men were greatly alarmed, and many sold off their stocks at an enormous sacrifice, because they believed that gold certainly would decline until it reached par value, and of course every species of merchandise would follow gold. So they

sold out at whatever they could get. But all this was a perfectly senseless panic, without the slightest foundation; and therefore, despite of all these efforts, gold went up back to its former average price, and has fluctuated mostly between 210 and 240—which is probably about its actual value as compared with the present currency of the country, by which it is measured. Great injury was inflicted upon innocent parties.

#### NOBODY BENEFITED.

It may be said we are aware that what the manufacturers, importers, and dealers thus lost, the people, the consumers, gained. That, in the long run, is not true; for such a panic destroys confidence and interrupts business. Men feel that they are not safe in making operations, and hence the industry of the country is paralyzed, and production is lessened. The country, as a whole, is not benefited by any such movement as that referred to. Gold should be allowed to rise or fall by the laws of value, and not by any extraneous efforts made for that purpose.

#### WHAT BUSINESS MEN SHOULD DO.

If the matter were well understood by business men, they would pay no attention to the hue and cry raised about the premium on gold, but go straight forward in their operations with entire confidence, that until the quantity of currency is reduced by the action of Government no essential change can take place. Gold may advance from where it now is, and probably will, but it cannot permanently recede, except in the contingency mentioned, that is, by the action of Government.

As a matter of fact, there has been no safer time to do business, for many months, than the present. If Congress should take measures to restore the currency, it will be a gradual movement of which all will be apprized, and can govern themselves accordingly. The true standard might, in that way, be restored, with as little loss and injustice as the nature of the case will admit.

#### A CHEERFUL VIEW OF THE MATTER.

If the foregoing considerations in regard to the past history and present condition of the finances and currency of the country are correct, then it will follow that the depression and derangement we suffer, are not the result of any want of ability or disposition on the part of the people to sustain the Government in its great struggle, but only to the mistakes of those to whom the management of its affairs have been entrusted.

This is a most cheering view of the case, because if our difficulties are owing to errors in legislation and financial mismanagement, then, if those errors are rectified, the finances may be restored.

We have endeavored to show that this may be done, that Congress may re-establish a sound standard of value, negotiate the public securities upon that basis, and thus greatly reduce public expenditures, and prevent an unwarrantable increase of the national debt.

#### THE NATIONAL DEBT.

But it may be said that we shall after all be left, when the war is closed, with a great debt. True, and it will be a national incumbrance which

every sensible man must deplore. It is no blessing, as some would fain make the people believe, but will be to the nation what a heavy mortgage is upon an individual estate. The only question is, will that burden be so great as to bear with oppressive weight upon the people? So large as to retard their industry, interfere with the natural increase of population, put a stop to immigration, and consume the capital of the nation? Not at all. Nothing like it. Wisely managed, it can be easily borne, aye more, it can be paid off in thirty years without difficulty. There is not the slightest occasion to fear repudiation from inability to discharge the debt.

Our debt will be less per capita than that of England, while our ability to sustain taxation is practically twice as great as hers. No people ever had so large a margin, over and above their necessary expenditures, out of which to pay taxes, as the people of the United States. But our present population are not alone to pay the debt. That will be done by a greatly augmented population. Nor is the debt always to bear six per cent interest. As fast as it becomes payable, as most of it will, at the pleasure of the Government, in five or ten years, the new loans will be had at not exceeding four-and-a-half per cent. Let the credit of the Government be established as firmly as prior to the war, and its bonds at four-and-a-half per cent would command a premium. This we shall readily believe, if we consider that they are exempt from taxation, which is equal to one per cent annually at least. That would reduce them to five per cent.

Our stocks of every description will eventually be *consolidated* into one having a uniform rate of interest, and then American "consols" will be in general request at home and abroad for permanent investment. A large part of our debt will eventually be held in Europe, where capital yields a much less rate of interest than in this country.

#### PROSPECTIVE INCREASE OF POPULATION AND WEALTH.

If the population of the country increases in the future as in the past, (and it assuredly will,) in 20 years we shall be 60,000,000. If our wealth increases in the future as heretofore, it will in the same period amount to more than 50 billions, (\$50,000,000,000.) or more than three times its present amount. Should our public debt reach the improbable and extravagant amount of four billions, (\$4,000,000,000.) it would not be half as great a burden on the people, as the debt of England was upon her population at the close of the wars growing out of the French Revolution

#### NO REPUDIATION.

There is then, no occasion for repudiation, or danger of it, if we reform our financial system and effectually put down the rebellion. The first the Government ought to do, and if disposed, can do; the latter the people are determined shall be done.

They have resolved that the nationality shall be restored in all its integrity—that at whatever cost of blood and treasure,

"These States shall be,  
One nation, sovereign, independent, free."

The people comprehend the great issue and are prepared to meet it. We have able generals who know how to fight battles and follow up

victories; men who have no fears whatever of hurting the rebels, or destroying their property, when necessary.

We have brave and veteran troops, who instead of being employed in guarding rebel orchards and hen roosts, are marching in serried ranks to those great victories and achievements which are to decide the fate of their country.

By the will and fiat of a mighty people the war cannot end, or even relax, until all who once formed the American nation shall be reunited under one government, in one great and glorious destiny.

---

### THE TAEPIING REBELLION—ITS RISE AND FALL.

T. M. J.

THE Taeping rebellion in China, which was expected to open a wide door to increased commercial enterprise, and which, in its early stages, was hopefully regarded by the whole Christian world, has suddenly come to an inglorious end. The bud that promised so well has produced nothing but bitter fruit. The mercantile community has been doomed to disappointment; and the pretended Christianity of the leader of the insurrection has resolved itself into the mad ambition of a rebel chieftain, or, at best, into the wild fanaticism of a crack-brained and self-deceived enthusiast.

Before the present race of monarchs came into power in the East, the old, time-honored and respected Ming dynasty filled the throne of the Celestial Empire. This illustrious line of worthy potentates ruled, according to the Eastern chronicle, full four hundred years, with undisputed authority and power. At the end of that time, however, which was about two hundred years ago, their government was overthrown by the Manchu Tartars, who drove the Chinese monarch from the throne of his fathers, and have from that day to this held the country and ruled it with despotic sway. In many of the high civil positions they placed Tartar officials, and of the 800,000 men who compose the Imperial army, at least one-fourth belong to the victorious race, who, besides being paid, armed, and disciplined in a manner superior to the native Chinamen, occupy a separate quarter in every garrison, and always the one which commands the town. It must not be supposed, however, that the Chinese acquiesced quietly and tamely in a foreign rule, and, bowing their heads, submitted with patient humility to the yoke which the Tartars placed upon them. It was by hard fighting that the conquest was achieved, and much Chinese blood had watered the plain, before the Manchu foreigners ruled peacefully over Cathay. In no part of the Empire was the innovation more obstinately contested, and nowhere did the people struggle more fiercely for the preservation of their ancient government, than in the two provinces of Kwang-tung and Kwang-si. The Kwang district is the most southern portion of China. It contains about twenty-seven or twenty-eight millions of people, and as it has been the last to submit, so has it always been the first to revolt against the rule of the newly established dynasty. It

is a barren, mountainous district, with naked peaks, utterly devoid of vegetation, but presenting scenery grand in the extreme. The Kwang-si Mountains are among the curiosities of the Celestial Empire, and strange stories are told, by native travelers, of the wonderful things they present. Antedeluvian animals are found encrusted with rock, and petrified in the most curious shapes. Whole masses take the forms of animals and represent a cock or an elephant beyond the possibility of mistake. But these are the stories of natives concerning regions for ages unpolluted by the footstep of the foreigner, and require some further investigation before we can consider their existence as established. Nevertheless, the general aspect of Kwang-si is charming and picturesque. But the soil, being suited only to certain kinds of cultivation, is barely able to sustain its crowded population. It is inhabited by a bold and hardy race, inured to fatigue and animated by a heroic spirit of independence, and rivers of blood were shed, before Kwang-si submitted to be ruled by the Manchus. Some of them in fact never submitted at all. Beaten on the plain they would betake themselves to the mountains, and after years of Tartar rule, we find them in their native fastnesses, as banditti or pirates, wandering about this Eastern Switzerland, still unreduced, and acknowledging the authority of no government whatever. In these men, who considered themselves subjects of no sovereign, and who feared the violation of no law, provided they could escape its penalty, did the armed smugglers of the different commercial nations find useful and willing allies. Long before the English settled themselves at Hong-Kong were these turbulent spirits roving about the country, bent only on mischief, and ready for any wickedness that might happen to turn up. It needed but the example of a few English smugglers, in their armed opium clippers, overpowering the clumsy war junks of the government, which guarded the China seas, to stimulate them to like proceedings. When no other work presented itself, they would attack neighboring Chinese towns, and as it made little difference to them, whom they fought, provided the operation was a paying one, they sometimes cut off their own traders and little coasters, and were even ready, for a consideration, to turn round and assist the Imperial Government in its efforts to destroy "the barbarians." This utter defiance of all law and authority did not confine itself to the sea-board. Far away in the interior, armed bands fought their way down to the coast with smuggled goods. It was stated by one of the French Roman Catholic missionaries, with how much truth we cannot say, that at one time some six hundred of these ruffians forced their way from Yunnan to Canton, aided by some of the most influential people of Kwang-si. The gentlemen, who afforded this timely assistance, were, naturally enough, called to account for their action in the matter. They resisted the authorities. The mob came to their rescue. A secret society in the province gave a helping hand. Sedition spread like wild-fire. All the disaffected, disbanded soldiers and slighted braves, ruined opium-smokers and ruffians of every description joined in the movement, which, in the year 1850, broke out into a rebellion, and, under the name of Taepingism, it has for the last fourteen years spread death and devastation over some of the fairest portions of the Celestial Empire.

Whether he is right or wrong in affirming that the rebellion arose in such a way, it would be impossible to say; but certainly the incendiary

disposition of the people of these provinces might have served to supply fuel, when once the flame of anarchy had actually burst forth.

But beyond the lawless character of the people of Kwang-si, and the seeds of anarchy, which were scattered over the province, there were forces at work in the government itself, which served to invite rather than to repress such a movement. Never was a country cursed with a worse race of rulers, than that which at present directs the destinies of China. Each succeeding Emperor appears to have surpassed his predecessor in every low vice, without possessing any redeeming virtue. A memorial from a high English officer, during the year 1832, draws a touching picture of the results of the Emperor KIADING's misrule, in alluding to the consequent disturbances in some of the provinces. TAOUKWANG, his successor, only added to the disorganization of the country, while the administration of his grandson HIENFUNG, who succeeded his father TAOUKWANG, in 1851, was marked by increased speculation and general corruption. Thus disorder and rebellion spread as the natural results. We should remember, in this connection, that all the honors and privileges of the Peking government are, by law or custom, which in China is equivalent to law, attainable by any one who can successfully pass through a certain examination. This popular right is, of course, jealously regarded by the nation, and any tampering with the freedom of this great arena of national ambition is indignantly resented. The necessities of the court, however, during the reign of the last three inefficient and corrupt monarchs, had led it to dispose of certain appointments by purchase, and consequently every disappointed candidate, tracing his failure to this abuse, became a disorganizing agent, laboring zealously to increase the general discontent.

A poor and venerable man, upright in all his dealings, who, like his neighbors, earned his own living by cultivating rice and rearing pigs and poultry, dwelt in a little village about thirty miles from Canton. He seems to have obtained the respect of his fellow townsmen, for he held the position of headman or elder of the village, and was accustomed to settle the disputes of the people, and to take care of their ancestral fields. In the year 1813, the third son was born to this old man, and his name was HUNG-SIU-TSUEN. He appears to have been a remarkable child from his very cradle, and wonderful stories are told of the progress which he made at school. But as he signally failed every time he was examined for the bachelor's degree, we cannot help thinking that it was with him as with many great men. When they have made a name for themselves, in after life, it is suddenly discovered that they evinced the most remarkable precociousness when young. The poverty of HUNG-SIU-TSUEN's family is given as a reason why he did not attain literary pre-eminence. His parents, after giving him every advantage, which their slender means would allow, were reluctantly compelled to take him from school, that he might aid them in providing the means of livelihood. Accordingly, at the early age of sixteen, when his studious propensities would have led him to devote himself eagerly to his books, he was obliged to give up his time to manual labor, or in attending to the oxen and the pigs. As soon as he could he abandoned this employment, and obtained a situation as teacher in the village school, the meagre emolument he got for his services being sufficient to keep him from actual want.

HUNG was his family name. He chose SIU-TSUEN as his literary name. This means "Elegant and Perfect," and by adopting it, he displayed the characteristic modesty of a true Chinaman.

In the year 1833, a public examination was to be held at Canton, and SIU-TSUEN went to that city to attend it. Here he accidentally fell in with two men, one of whom gave him a package containing nine small volumes, entitled "Good Words Exhorting the Age." The person who gave it to him was a native Christian convert and colporteur; and the books themselves were tracts, intended to spread the knowledge of religious truth, but written in such a diffuse and careless manner, as to be unacceptable to a well educated Chinese, and almost unintelligible to the masses. It was through this illiterate channel, that SIU-TSUEN received his first impression of the Christian faith. In 1837 he again visited Canton, and presented himself for examination. Utterly failing, he returned home very much disheartened and oppressed. He was now attacked by a severe fit of illness, which for some time confined him to his bed, and his mind became filled with strange fancies and subject to visions.

"In one of his visions," says Commander LINDSAY BRINE, of the English Navy, who has given us an excellent account of the rebellion, "he imagined himself to be carried away in a sedan-chair by a number of men playing musical instruments, and, after visiting bright and luminous places, and having all his impurities washed away, he entered, in company with a number of virtuous, aged, and venerable men, into a large hall, the beauty and splendor of which were beyond description. A man, venerable from his years, and dressed in a black robe, was sitting in an imposing attitude, in the highest place. As soon as he observed SIU-TSUEN he began to shed tears, and said: 'All human beings in the world are produced and sustained by me; they eat my food and wear my clothing, but not a single one among them has a heart to remember and venerate me; what is, however, still worse, they take my gifts, and therewith worship demons; they rebel against me and arouse my anger. Do thou not imitate them?' Thereupon he gave SIU-TSUEN a sword, commanding him to exterminate the demons, but to spare his brothers and sisters; a seal, by which he would overcome evil spirits; and a yellow fruit, which SIU-TSUEN found sweet to the taste. He then gives him charge to do the work of bringing round the perverse; and taking him out told him to look and behold the perverseness of the people upon earth.

"SIU-TSUEN looked and saw such a degree of depravity and vice that his eyes could not endure the sight nor his mouth express their deeds. He then awoke from his trance, but being still partially under its influence, he put on his clothes, left his bedroom, went into the presence of his father, and making a low bow, said: 'The venerable old man above has commanded that all men shall turn to me, and all treasures shall flow to me.'

"When his father saw him come out, and heard him speak in this manner, he did not know what to think, feeling at once joy and fear. The sickness and visions of SIU-TSUEN continued about forty days, and in these visions he often saw a man of middle age, whom he called his Elder Brother, who instructed him how to act, accompanied him in his wanderings to the uttermost regions in search of evil spirits, and assisted him in slaying and exterminating them. SIU-TSUEN during his sickness, when his mind was wandering, often used to run about his room leaping and fighting like a soldier engaged in battle. His constant cry was, 'Tsan-jan, tsan-jan, tsan-ah, tsan-ah!' Slay the demons! etc., etc."

He also took a notion into his head that he had been duly appointed Emperor of China, and was pleased when any one gave him that title. His curious antics and the wild fancies, with which his brain was filled, soon obtained for him the appellation of the madman, by which name he was known throughout the district.

He recovered from his illness, but his distempered imaginations still

clung to him. He considered that he had a peculiar mission, and that to carry out the mandates of the old man he had seen in his vision, was his one, all-important duty. He again perused the bundle of tracts, and became very much impressed with their character. He saw that they supplied the key, which unlocked the mystery of his dream. They explained to him that the old man he had seen was God, the Father of all, and that the man of middle age, whom he called his celestial elder brother was Jesus, the Saviour of the world. He was, of course, transported with joy at making this discovery, and he and his friend LI, also a schoolmaster, and one who had become persuaded that SIU-TSUEN had a divine mission, administered baptism to themselves, which rite the tracts declared to be absolutely essential. His next step was to discard his idols. He took down the tablet of Confucius from the school-room, and endeavored to make converts to the new faith, but not meeting with very great success, and losing his place in the school on account of his heterodoxy, he moved to the province of Kwang-si. Here he remained for some time teaching his doctrines and obtaining some disciples. In a short time the converts to the new faith began to meet together for religious purposes, and became known as the "Society of God-Worshippers." After remaining in Kwang-si a few months, SIU-TSUEN returned home, leaving one of his converts FUNG-YUN-SAN behind to proclaim the new doctrine. At this time his opposition to the Tartar dynasty is said to have commenced. He went to Canton, where he remained some time studying Christianity under the Rev. Mr. ROBERTS, a Baptist missionary, who happened to be residing in that city. When he returned, he found the Society of God-Worshippers in a prosperous state, and he was immediately received as their leader.

Thus far we have followed the story of the leader of the Taepings, as it seemed at the time, unaccompanied by the light of the subsequent facts. Had everything been as it appeared on the surface, and as the leaders of the movement proclaimed it to be, there would have been great reason to rejoice. For although SIU-TSUEN's ideas of Christianity were crude and indefinite in the extreme, and in endeavoring to extend his doctrines by the sword, and in setting himself up as an object worthy of divine adoration, as he afterward did, he displayed a character more like that of Mahomet, than of a meek and humble seeker after truth, yet even this would have been so far in advance of the miserable idolatry of Buddhism, that we might, with good reason, have felt glad. But even these meagre results were not attained. Religion was merely used as a cloak to cover his traitorous schemes, or, if his apparent zeal for Christianity ever contained a spark of genuine honesty, it quickly gave way when brought in contact with his inordinate ambition.

The influence of the Society of God-Worshippers must have extended itself, by this time, to a considerable distance, for we find the members of the Christian Union acting in connection with SIU-TSUEN. The Christian Union was the name of a school which had been established at Hong Kong by the Protestant missionaries. Its object was to instruct the natives in gospel truth, and to prepare them to act as teachers among their own countrymen. This excellent institution was under the charge of a Mr. GUTZLAFF, who seems to have been entirely in error as to the character of the men he received. They were mostly worthless vagabonds, pretending to be Christians for the sake of a living, and there was no trick

so low, or imposture so cunning, which they did not commit. An instance of this we will mention in passing. It seems to have been a part of the work of the Union to send these converts into the various provinces of the Empire, for the purpose of distributing Bibles, and of acting the part of native catechists and colporteurs. These Bibles were supplied by a Chinese publisher at Hong-Kong. Somehow or other a suspicion was excited, that these same Bibles were brought back to the missionaries by the publisher, and were passed off by him as new ones. In order to see whether there was any truth in this suspicion, a number of them were secretly marked before they were sent off, and in a short time they all came back to the office as new Bibles fresh from the press. Of course this was immediately stopped; but it is only a specimen of the numberless duplicities practised, by these arrant knaves, upon the innocent-minded missionaries.

How the God-Worshippers first came into collision with the Imperialists, what was the particular spark which fell into this combustible mass and caused the first explosion, is not stated; or rather, it is stated in various ways by various journalists. Having, as they supposed, permanently established their own religious worship, they commenced interfering with that of their neighbors, by destroying their idols, etc. FUNG-YUN-SAN, was seized and placed in confinement, but was subsequently released. A young convert and iconoclast is said to have been thrown into prison at the instigation of a certain enemy of the God-worshippers, and to have died on account of the ill-treatment he received, and that this caused the first serious collision. Then it is stated that the magistrates attempted to seize HUNG-SIU-TSUEN and FUNG-YUN-SAN, and that they summoned the God-Worshippers to the rescue, and thus the rebellion commenced.

They first attacked and captured the towns of Ho and Kiang Men, where they obtained money and supplies, and from thence they proceeded to Tai-tsun, a large village, where they found provisions in great abundance. SIU, the head of this vice-royalty, a weak and cowardly man, was thrown into a great state of uneasiness by the violent acts of the insurgents. When he learned that they were approaching, he requested permission to visit the late Emperor's tomb, and to humble himself before it, in order that he might escape the approaching evil; but as this was not considered a proper time to perform a pilgrimage, his request was refused. He sent a body of Imperial troops against the rebels, but they being deceived by the tactics of the enemy, were defeated and slaughtered without mercy. The rebels would feign a retreat, and draw the Imperial troops into an ambuscade, and then, turning upon them, cut them to pieces. "At first," writes one of the Imperial officials, concerning HUNG-SIU-TSUEN "he conceals his strength, then he puts it forth a little, then in a greater degree, and lastly comes out in great force. He constantly has two victories for one defeat; for he practices the tactics of SUN-PIN."

Emboldened by various successes, the insurgents ventured to leave Kwang-si, and to penetrate into the neighboring province of Kwang-Tung and here they issued a proclamation, which was their first political act. It is a curious document, and displays rather crude notions of the art of government:

"The Manchus," says the proclamation, "who, for two centuries, have been the hereditary occupants of the throne of China, were originally members of a small foreign

tribe. With the aid of a powerful army they took possession of our treasure, our lands, and the government of our country; proving that superior strength is all that is required for the usurpation of an empire. There is, therefore, no difference between us, who levy contributions on the villages we have taken, and the officials sent from Peking to collect the taxes. Taking and keeping are both fair alike. Why then, without any motive, are troops marched against us? This appears to us very unjust. How have the Manchus, who are foreigners, a right to collect the revenues of eighteen provinces, and to appoint the officers, who oppress the people; while we, who are Chinese, are forbidden to take a little money from the public stock? Universal sovereignty does not belong to any individual to the exclusion of all the rest, and no one ever saw a dynasty, which could count a hundred generations of emperors. Possession—and possession only—gives a right to govern."

The first really great advantage obtained by the rebels, was the capture of the city of Yung-gnan, in the eastern part of Kwang-si. The capture of this important place was effected in a manner decidedly Chinese. The walls of the city were not very high, and the attacking party were enabled to create confusion in the garrison within, by advancing quickly, and throwing lighted fire-crackers into the town. The constant explosions of these fearful missiles, at last caused the enemy to retreat, and the rebels succeeded in scaling the walls and entering the city.

Rather a ludicrous mode of conducting a siege, according to our ideas, and reminding us strongly of 4th of July sham-fights, but strictly in keeping with the rules of Chinese warfare. The rebels seized all the treasures of the city, put all the Imperial officers to death, who were unfortunate enough to fall into their hands, and HUNG-SIU-TSUEN, under the name of the TIEN-WANG, or Heavenly King, which he had previously assumed, entered the place in triumph, and was proclaimed Emperor of the new dynasty of Taeping, or Great Peace. Here the TIEN-WANG established his government. He appointed four chief officers to be inferior only to himself, giving to each the title of king. His old tried friend and comrade FUNG-YUN-SAN was the Southern king; a man named YANG, who held the position of a prophet, was the Eastern king; SIAU, a man who was in the habit of falling into trances, and who conceived himself to speak in the name, and under the direct inspiration of Jesus, the Celestial elder brother, was the Western king; and WIE-CHING, another adherent, was the Northern king. And besides these, the KANG-WANG, or Shield King, formed one of his principal officers. This man was, beyond doubt, one of the ablest of the Taeping leaders. He had formerly, under the name of HUNG-JIN, been connected with the Christian Union, and was much esteemed as an earnest catechist and preacher. His part in the drama seems to have been to worm himself into the confidence of the missionaries, and by deceiving them with regard to the quasi christianity, which the Taepings professed, to secure their influence in preventing "the active operation of the foreign powers against their material progress." The service, which in this way, he rendered the rebel cause, appears to have been fully appreciated by the TIEN-WANG, and rewarded by an important office under his government. The missionaries were much pleased with the amiable disposition, and Christian sweetness, which HUNG-JIN had assumed, and it was a long time before the wolf was discovered through his double covering of sheep's clothing. Even after he had left the Union, and become chief officer of the self-styled King of Heaven, he was still used by the missionaries as a channel of communication with the Taepings. Having

displayed great skill in humbugging the foreigners, while connected with the Union, he still continued to throw out to them the hope of extention of religion and the promotion of commercial interests, neither of which, he *very well knew*, would ever be realized. In Nov., 1851, the TIEN-WANG issued his second proclamation, in which he stated the doctrine of his religion, and gave certain orders to his army :

“Our Heavenly Father, the great God and supreme Lord, is one true Spirit (God); besides our Heavenly Father the great God and supreme Lord there is no Spirit (God). The great God our Heavenly Father and supreme Lord is omniscient, omnipotent, and omnipresent—the supreme over all. There is not an individual who is not produced and nourished by him. He is Shang (supreme). He is the Te (ruler). Besides the great God our Heavenly Father and supreme Lord there is no one who can be called Shang, and no one who can be called Te.

“Therefore, from henceforth, all you soldiers and officers may designate us as your lord, and that is all; you must not call me Supreme, lest you should enroach upon the designation of our Heavenly Father. Our Heavenly Father is our Holy Father, and our Celestial Elder Brother is our Holy Lord, the Savior of the world. Hence, our Heavenly Father and Celestial Elder Brother alone are holy; and from henceforth all you soldiers and officers may designate us as your lord, and that is all; but you must not call me holy, lest you enroach upon the designation of our Heavenly Father and Celestial Elder Brother. The great God our Heavenly Father and Supreme Lord is our Spiritual Father, our Ghostly Father \* \* \* \* All the kings above referred to are to be under the superintendence of the Eastern King. We have also issued a proclamation designating our queen as the lady of all ladies (empress), and our concubines as royal ladies. Respect this.”

This was comparatively modest, for he here acknowledges himself inferior to Deity, and claims no superhuman authority; but he afterwards ceased to be content with such a humble position, and demanded for himself divine adoration. Mr. ROBERTS thus speaks of him in Jan., 1862: “His religion is of no avail in the spread of Christianity—worse than useless. It only amounts to a machinery for the promotion and spread of his own political religion, making himself equal with Jesus Christ, who with God the Father, himself and his own son, constitute one Lord over all! Nor is any missionary, who will not believe in his divine appointment to this high equality, and promulgate his political religion accordingly, safe among these rebels in life, servants or property. He told me, soon after I arrived, that if I did not believe him I would perish like the Jews did, for not believing in the Saviour.”

But to resume. The rebels now pressed on, taking one place after another, until on the 12th Jan., 1853, they had occupied Han-yang, Wu-chang and Hankow, three cities adjacent to each other, where they collected an immense amount of supplies, both money and provisions. The insurrectionists had met with almost uninterrupted success. Almost in every instance had the Imperial troops been defeated, and the rebels victorious; not so much on account of the skill or generalship displayed by the officers of the Tien-wang, or the valor of his men, as of the imbecility and cowardice of SHEN, the viceroy of the two KWANGS, and the insubordination in the Imperial ranks. On one occasion twenty large war junks came down from the Touaug-Kouan district, bringing a reinforcement of about 2,000 recruits. They were as undisciplined a horde of vagabonds as ever pretended to call themselves soldiers, and refused peremptorily to embark, unless two months wages were paid in advance. The mandarins foolishly acceded to this demand, and they consented to go. With such troops it was not strange, that victory seldom crowned the efforts of the Imperial forces.

The insurgents next proceeded down the Yangtze river to Nankin, and took the city by assault March, 1853. Nankin was defended by a garrison of 7,000 or 8,000 Manchus, and although the TIEN-WANG had publicly declared, that their extermination was the first duty of his mission, and they knew that neither they nor their wives nor children could expect to receive any mercy, yet were they so overcome with fear and so fully persuaded of the invincibility of their enemies, that they never struck a blow in their own defence, but fell down before the leaders of the insurrection with piteous cries of "Spare my life, Prince! Spare my life, Prince!" It does not appear, however, that this appeal touched the cruel heart of the stern TIEN-WANG. The whole city was put to the sword. Only about one hundred escaped out of a population of over twenty thousand. Men, women and children were put to death. "We killed them all," was the fiendish exultation of the pitiless insurgent. "We killed them all, to the infant in the arms. We left not a root to sprout from." Such was the unsparring brutality by which the Taeping rule was, in a degree, established and maintained in China.

We have not space to narrate, even in this brief and meagre way, all the operations of the Taepings. Firmly established in Nankin, which was, under the Mings, the capital of the country, they were able to establish their jurisdiction over an immense extent of territory, and to maintain their authority over a vast number of people. At one time they were said to be in possession of sixty thousand square miles, having a population of 70,000,000. Of course all these were not Taepings, neither in their sympathies nor in their actions; but as long as they lived under the tyranny of the Taeping government, they had to acquiesce in the Taeping rule. It was thought that ninety-nine out of a hundred of the people, over whom the Taepings held sway, had no sympathy whatever with the movement, but that they dreaded the fate which awaited them should they fall into the hands of the Imperialists, or feared the vengeance of the TIEN WANG's officers, should they be apprehended when attempting to escape. The government of the insurgents was a most awful tyranny, as is always the case, when ignorant and fanatical men become suddenly possessed of power. They seemed to be actuated more by whim or fancy, than by any principle, which could be dignified by the name of a national policy. At one time we find them anxious to establish commercial intercourse with the different foreign nations, at another they cut off the head of any man who attempted to carry on a trade. At one time the foreign merchants made a sort of commercial raid among them, buying whatever they could, and bringing away their teas and silks in wheel-barrows and hand-carts, or whatever else they could get hold of. At another time we find Mr. ROBERTS writing of the TIEN WANG as follows:—"He is opposed to commerce, having had more than a dozen of his own people murdered since I have been here, for no other crime than trading in the city, and has promptly repelled every foreign effort to establish lawful commerce here among them, whether inside the city or out."

The entire absence of any kind of plan with reference to future operations, and an absolute inability or unwillingness to provide sufficient force to carry out any important movement, were among the striking characteristics of the Taeping rule. It was not until the movement had commenced and the civil war had actually burst forth with all its fury, spreading

ruin and desolation over a thickly settled and well cultivated country, that the leader began to study military matters at all. Indeed he was so ignorant of the art of war, even according to the clumsy fashion in which the Chinese carried it on, that he was forced to begin at the very rudiments, when he should have been leading his army to battle. One of his chiefs, when taken prisoner, confessed that after the commencement of the rebellion, he had instructed the TIEN-WANG in military tactics. After the capture of Nankin, an expedition was fitted out to march upon Peking. It was one of the most important operations which the Taepings could possibly undertake. It was nothing less than a strike at the very centre of their enemy's power—his capital. If it succeeded, it placed the insurgents at once in possession of the government, and although it might not have been the immediate and absolute overthrow of the Imperial dynasty, yet it would have greatly decreased the power and importance of their rule, and have surrounded the Taepings with all the prestige of success. If undertaken at all, it should have been undertaken with all the force which the TIEN WANG could possibly muster. Nothing should have been neglected, which would insure victory and ward off every possibility of defeat.

Yet how different was the fact? A small body of men, scarcely large enough to besiege a little unimportant town, was despatched upon this expedition. This contemptible force was to march all the way from Nankin to Peking, overcome all the obstacles, defeat the Imperial troops, which ventured to oppose its progress, and besiege and capture the capital of the Chinese Empire. The thing was absurd, and it seems almost unnecessary to add that it resulted in complete disaster. It seemed as if the Taepings were merely playing with the cause they had espoused, and were indifferent about its success or failure. But it was only a specimen of the way they did things. The Heavenly Monarch appears to have made no preparation at all, either for the revolt itself, of which he became the head and front, or for the different operations, which the revolt forced him to undertake. Instead of deliberately maturing his plans, and preparing himself with all the means in his power, and omitting nothing to increase the chances even of success; he seems to have been dragged lazily along by the current of events, and to have had little or no regard to the probabilities of the future; consequently, that future came upon him unawares; it caught him napping, and he had to pay the penalty. It was this feature, more than any other, which led to the final failure of his cause. The rebellion retained its power so long more on account of the imbecility of the Imperial government, than of any ability which the TIEN-WANG ever displayed.

To show the tyrannical nature of the Taeping rule, and the utter impossibility of any material prosperity ever resulting from its permanent success, it is only necessary to mention one fact. When Nankin fell into their hands, the inhabitants submitted at once to the TIEN-WANG's government. The rebels immediately seized all the crops, which belonged to the people, and served out rations to them; but these rations were so scanty and insignificant as barely to sustain life. This caused such great indignation on the part of the inhabitants, that they threatened to apply to the Imperialists. When their murmuring came to the notice of the insurgents, they took a bloody vengeance, and seventeen thousand victims,

fell, in one day, to satisfy the ideas of justice entertained by the cruel TIEN-WANG. So it was with all their acts. Wherever they went, devastation and ruin were the results. Smoking villages, devastated fields, death and destruction followed in the wake of these Apostles of Great Peace. Indeed it could not be otherwise. No pay was given to the soldiers, and they were not only allowed, but expected, and encouraged to make it up out of the wholesale plunder of the country through which they passed. It was their custom, wherever they met with the least opposition, to destroy the adults, both men and women, but to carry off the children, probably to train them up in their peculiar faith.

The arrogance of the insurgents, in their intercourse with foreigners, was extremely silly, and rendered it impossible to carry on with them anything resembling international correspondence. Shortly after Nankin fell into their hands, the *Hermes*, of the English Navy, visited the city, having Sir GEORGE BONHAM, the governor of Hong-Kong, on board. The Taepings seemed very willing that the English should visit them, but professed to care little whether they aided the Imperialists or not. As they expressed it: "Our Heavenly Father helps us, and no one can fight with him." They pretended to believe that the English had come to give in their allegiance to the Tien Wang, and no matter how high the rank of Sir GEORGE might be, the Northern King declared that it could not possibly be as high as his own. So it was when, a year later, the *Susquehanna* visited the city. Some of the Taeping officials came on board, and their assumption of power and dignity was ridiculous in the extreme. "You say you come from a great nation. That is not so. There is no nation but Taeping. You call yourselves officers. It is all a mistake—if you had commissions from the TIEN-WANG, then you would be." With such a people it would, of course, be impossible to establish any diplomatic intercourse.

Nankin continued to be the residence of the TIEN-WANG, and the seat of his government, as long as the Empire of Great Peace was able to exist. It fell into the hands of the Imperialists on the 19th of last July, and with the fall of Nankin fell the hope of the Taepings. The city was defended by three walls—one round the city proper, another round the Tartar portion, and a third, which defended the TIEN-WANG's palace. The outer wall was breached by means of a mine, containing 60,000 pounds of powder. On the 18th inst., it was abandoned by the rebels, who made no defence at the Tartar city, but fell back to the third line. Here the Taepings are said to have fought very bravely, but they were too weak to resist successfully the stronger force, which their enemies brought against them. The next day the whole city was in the hands of the Imperialists, and the Taeping rebellion was subdued. Within the palace was found the dead body of the TIEN-WANG, lying upon the ground, and hanging from the garden trees were the bodies of a number of his wives. He knew that there was nothing to hope for from Imperial clemency; so when he saw his power gradually decrease, and the chance of offering any effectual resistance become smaller and smaller, and found himself unable to retain possession of the city, where he had established his government, he quietly hung his wives upon the trees of the garden, and swallowed gold leaf, the favorite mode in China of committing suicide. Part of the garrison escaped, and part were

made prisoners. Those that escape have to wander as fugitives about the country, and the prisoners have little to expect from the Emperor's mercy. The brother of the TIEN-WANG, and one of his chief officers, who were taken, were sent to Peking for execution. It was thought by many Chinamen, that they would be brushed to death; that is executed by means of an iron brush passed over the body, tearing the flesh from the bones—a method of execution almost surpassing, in the refinement of its cruelty, the ingenious devices of the Spanish Inquisition. With regard to the body of the TIEN-WANG, the Emperor commanded that the flesh should be torn from the bones, and the head be sent through the country.

It was not, however, on account of any ability on the part of the Manchu generals, or any superior wisdom ever displayed by the Imperial government, which turned the scale against the Taepings, and finally effected the complete overthrow of the rebellion. It was the foreign element introduced in favor of the Tartar dynasty, to which the Peking government is indebted for its own preservation; and that portion of the Empire over which the TIEN-WANG held sway, for deliverance from the blasting influences of his rule. Our own people, as well the English and French, gave, at the last, very effective aid to the Imperialists. Introducing among the Chinese the discipline and tactics of the Western nations, they quickly showed their superiority to the clumsy operations of the rebel soldiers. An American by the name of GOUGH rendered, in this way, most important service, and obtained the title of Admiral. A Mr. WARD also became a General over the Chinese forces. But the most effective aid was rendered by a Major GORDON, of the English army, who drilled a number of the Imperial troops, and was promoted for his eminent ability, to the rank of General in the Chinese service. He assisted the Imperial forces in taking very many important places, or perhaps it would be more correct to say, that the Imperial forces assisted him; for to the superior element, which he was personally instrumental in putting into practice, belongs the merit of the capture of the most important cities, and of the final suppression of the Taeping rebellion.

Nankin will hereafter be open to trade. It was a large and important city, but is now mostly a heap of ruins. The country about it is a desert, and years will elapse before it can recover from the pernicious influences of Great Peace. Taepingism is probably dead forever, and we are not aware that the mercantile interests, or the extension of Christianity, have materially suffered from the failure of the TIEN-WANG's Heavenly administration.

---

## WHY THE GOLD REVENUE IS FALLING OFF.

### PROHIBITORY DUTIES.

EXPERIENCE is revealing the many crude and absurd provisions of the present Tariff Act, whereby the revenue of the country is diminished rather than increased.

Take the article of spool-cotton for example. Selecting this article as one, solely of foreign manufacture, our legislators have thought no duty too high. The present specific and ad valorem duties amount to about

sixty per cent of the foreign cost, and are so arranged, that on a return to lower prices for raw cotton, they will amount to a tax of at least seventy-five per cent—one altogether prohibitory.

The protection incidentally given to a few New England spinners, at the expense of the United States Revenue, is enormous; the taxes paid by them, in currency, being only one-tenth part of those levied on the foreign spinners. The Internal Tax is five per cent in currency, a tax which produces from five to six cents per dozen at this time, and which will not yield more than two and one-quarter cents a dozen at the ordinary prices of spool-cotton. The duty on foreign thread, ranges from twenty-four to twenty-six cents per dozen, according to quality, and is payable in gold. When gold can be bought at a premium of 2.25, this is equal to 54c@60c. per dozen in currency. Since the Tariff Act went into effect, the fluctuations in the price of specie have made the duty, at times, equal to seventy-four cents in currency, against an average tax of six cents on the domestic article.

The consequence is an enormous falling off in the imports, and consequent specie-revenue, raised from duties on spool-cotton, which, for many years has been upwards of \$300,000 in coin, at the port of New York alone; and which, for the past two years has been about \$500,000 per annum. It is absurd to suppose that a domestic tax of only six cents per dozen in currency will make up this deficiency, even if the entire trade could be transferred to New England.

Already the general bulk of the importations of this article have been largely diminished under successive advances of duty, and since the last Tariff act went into effect, they have almost ceased. The great and sudden reduction of imports for the current year cannot be attributed to excessive importations prior to the passage of the Act, since the imports of 1864 were very nearly the same as those of the two preceeding years. The true explanation is to be found in the losses which foreign spinners are now suffering, in their attempts to contend against these heavy odds, whereby importation is stopped. The duty has passed the point at which the article will yield revenue.

The annexed tables are taken from the reports published weekly of the New York Customs, and are approximately correct, no official statement of revenue from spool-cotton being accessible. As regard the quantities imported at the Port of New York—the figures are official, the duty for each year being assessed according to the Tariff Act then in operation :

REVENUE COLLECTED FROM SPOOL-COTTON AT PORT OF NEW YORK.

In fiscal year ending.	Entered for consumption, and withdrawn from warehouse. Packages.	Foreign value.	D'ty ass'd, p. ct.	Revenue in Gold.
30th June, 1859.....	7,246	\$1,621,199	24	\$339,087 76
1860.....	7,193	1,589,185	24	381,404 40
(Duty at 30 p. ct, levied on 969 p'k's.)				
1861.....	7,845	1,311,042	24	324,696 96
1862.....	5,546	1,063,267	30	318,980 80
1863.....	5,331	1,232,756	40	493,102 40
1864.....	4,539	1,257,856	40	503,142 40
Six months of 1865, 1st July to 15th Dec., 1864.....	631	180,002	Sp'fic Duty, eq'l to 12c. & 30 p. c. on 200 yd. thr'd, say, 60	108,001 20

## COMMERCIAL LAW.—NO. 17.

## INTEREST AND USURY.

(Continued from Page 440, Vol. 51.)

## CHARGE FOR RISK OR FOR SERVICE.

It is undoubtedly lawful for a lender to charge an extra price for the risk he incurs, provided that risk be perfectly distinct and different from the merely personal risk of the debtor's being unable to pay. If anything is paid for this last risk, it is certainly usury. But if it is a part of the bargain that the debt shall not be paid if a vessel or goods do not arrive in safety, as is the case in a loan on bottomry, or on respondentia, this is not usury. And by the same principle, if one buys an annuity to end at the annuitant's death, or a life-estate, even on exorbitant and oppressive terms, against which a court of equity would relieve, still it is not a usurious contract, provided the purchase be actual, and not a mere disguise.

So, one may charge for services rendered, for brokerage, or for rate of exchange, and may even cause a domestic loan or discount to be actually converted into a foreign one, so as to charge the exchange; and this would not be usurious. But here, as before, and indeed throughout the law of usury, it is necessary to remember that the actual intention, and not the apparent purpose or form of the transaction, must determine its character. So, if one lends money to be used in business, and lends it upon such terms that he becomes a partner in fact with those who use it, taking his share of the profits, and becoming liable for the losses, this is not usurious.

So, if one enters into a partnership, and provides money for its business, and the other party is to bear all the losses, and also to pay the capitalist more than legal interest as his share of the profits, this is not usurious, because there is no loan, if there be in fact a partnership; because then there is a very important risk, as he becomes liable for all the debts of the partnership. If, however, there be only a pretended partnership, in order to disguise the fact of the loan, this would be usurious, although very possibly the lender might, as to a third party, lay himself open to a liability for debts incurred, by reason of his interest in the profits.

The banks always get more than legal interest by their way of discounting notes and deducting the whole interest from the amount they give. This is perfectly obvious if we take an extreme case; as if a bank discounted a note of a thousand dollars at fifteen years, in Massachusetts, the borrower would receive one hundred dollars, and at the end of fifteen years he would pay back the hundred dollars, and nine hundred dollars for the use of it. But this method is now established by usage and sanctioned by law. It must, however, be confined to discounts of negotiable paper, not having a very long time to run. For the rule is founded upon usage, and the usage goes no further.

## THE SALE OF NOTES.

There are, perhaps, no questions in relation to interest and usury of more importance than those which arise from the sale of notes or other securities. In the first place, there is no doubt whatever that the owner of a note has as good a right to sell it for the most he can get, as he has to sell any goods or wares which he owns. There is here no question of usury, because there is no loan of money, nor forbearance of debt. But, on the other hand, it is quite as certain that if any person makes his own note, and sells that for what he can get, this, while in appearance the sale of a note, is in fact the giving of a note for money. It is a loan and a borrowing, and nothing else. And if the apparent sale be for such a price that the seller pays more than legal interest, or, in other words, if the note bear interest and is sold for less than its face, or is not on interest and more than interest is discounted, it is a usurious transaction. Supposing these two rules to be settled, the question in each case is, under which of them does that case come, or to which of them does it draw nearest.

We are not aware of any general principle so likely to be of use in determining these questions as this: If the seller of a note acquired it by purchase, or if it is his for money advanced or lent by him to its full amount, he may sell it for what he can get; but if he be the maker of the note, or the agent of the maker, and receives for the note less than would be paid him if only a lawful discount were made, it is a usurious loan. In other words, the first holder of a note (and the maker of a note is not, and cannot be, its first holder) must pay to the maker the face of the note, or its full amount. And after paying this, he may sell it, and any subsequent purchaser may sell it, as merchandise. The same rule (if it be law, of which we cannot doubt) must apply to corporations, and all other bodies or persons who issue their notes or bonds on interest. If sold by brokers for them, for less than the full amount, it is usurious. Nor can such notes come into the market free from the taint and the defence of usury, unless the first party who holds them pays for them their full value.

But then comes another question. If a note be offered for sale, and be sold for less than its face, and the purchaser supposes himself to buy it from an actual holder and not from the maker, can the maker interpose the defence that it was actually usurious, on the ground that the seller was only his agent? We should say that he could not; that there can be no usury unless this is intended; and that the guilty intention of one party cannot affect another party who was innocent. Undoubtedly, a note, originally usurious, is not healed, so far as the owner is concerned, by transfer to an innocent holder. The *indorsers* may be liable to the holder; but whatever defence the maker could have, on the ground of usury, against the first holder, he may always have against any subsequent holder. This is because there was actual usury at the beginning; that is, one lent and the other borrowed, both knowing that more than legal interest was paid. But in the case of an innocent purchaser, or, rather, of one who supposes, and has a right to suppose, that he is a purchaser, he did not lend his money at all; he only bought a security with it; and, therefore, there is no usury.

We should, however, say that, when a maker shows that the apparent

seller was only his agent, and offers this as evidence that the note passed from him usuriously, he thereby casts upon the buyer the burden of proving his innocence; but it is then enough for the buyer to satisfy the jury of his belief that he was only a purchaser.

As one may sell the notes or other securities which he holds as property under no other restriction than that which attends the sale of merchandise, so we think that a man may sell his credit. The cases which relate to this question are far from harmonious. In the dread of usury which was formerly entertained, and the determination—so strongly expressed by MANSFIELD—that it should not, by any device, escape the law, it has undoubtedly been held that the indorser of a note should be liable upon it only for what he received, with lawful interest. But although we have not much positive authority for setting this rule aside, we are quite confident that a better understanding of the nature of negotiable paper, of the contract of indorsement, and of the rules which properly belong to the sale and purchase of money, would make the indorser liable for the whole of the note.

If A holds the note of B, and sells it to C, without indorsing it, he can certainly sell it for what he pleases; if he chooses to add his indorsement, he will do so, and he will probably do this if the additional value, which he thus imparts to it exceeds the risk he incurs. If, then, he indorses the note, it is to make his merchandise more valuable; and it would seem to be little less than an absurdity to say, that a merchant may not thus give a paper he holds more value, or that he may give the paper this value, but must not realize this value by the sale. If, however, the rule is, that, when called upon by the indorsee, he may plead usury as between them, and pay either nothing, or so much only as he received, without regard to the amount he agreed by his indorsement to pay, it is obvious that the whole effect and utility of the indorsement would be very much impaired. We think that a seller with indorsement should be, and that he now generally would be, held as liable for the full amount of the note.

Some courts have held, that, if one honestly buys a negotiable note for less than its face, he can recover only so much as he pays, with lawful interest. But the law is otherwise generally, and especially in our most commercial States, for the plain reason, that, if this be law, no note would be saleable when money was worth more than lawful interest. That is, no one would buy it, if he could only get his money back with simple interest. Suppose one owes a note for \$1,000, having six months to run, when money is worth twelve per cent per annum. The note is worth in the market \$1,000, less six per cent, or \$60; that is, it is worth \$940. But if a man gave this, he could recover under this rule only what he gave, with simple interest; that is, \$940 with three per cent interest, or \$968.20. Therefore he would not buy it. Only where it is supposed that the law can always regulate and control the actual market value of money, can this rule prevail.

We should say, also, that one who, having no interest in a note, indorses or guaranties it for a certain premium, will be liable for its face; he does not now add his credit to the value of his property and sell both together, as where he indorses a note which he holds himself, but sells his credit alone. This transaction we should not think usurious. And if it was open to no other defence, as fraud, for example, and was in fact

what it purported to be, and not a mere cover for a usurious loan, we know no good reason why such indorser or guarantor should not be held liable to the full amount of his promise. This case arose in New York. A, being desirous of raising money upon a note, drawn by himself, and indorsed for his accommodation by B and C, authorized a broker to buy an additional name or guaranty, for the purpose of getting the note discounted, and application was accordingly made to D, who thereupon indorsed the note, receiving a commission of two and-a-half or three per cent therefor; it was held that the taking of the commission by D did not render the transaction usurious, and D was bound for the whole amount. The earlier cases, however, seem to have held that the compensation thus received must not exceed the lawful rate of interest for the time the paper has to run.

#### COMPOUND INTEREST.

Compound interest is sometimes said to be usurious; but it is not so; and even those cases which speak of it as "savoring of usury," may be thought to go too far, unless every hard bargain for money is usurious. As the authorities now stand, however, a contract or promise to pay money with compound interest cannot, generally, be enforced. On the other hand, it is neither wholly void, nor attended with any penalty, as it would be if usurious; but is valid for the principal and legal interest only.

Nevertheless, compound interest is sometimes recognized as due by courts of law, as well as of equity; and sometimes, too, by its own name. Thus, if a trustee be proved to have had the money of the party for whom he is trustee (who is called in law his *cestui que trust*) for a long time, without accounting for it, he may be charged with the whole amount, reckoned at compound interest, so as to cover his unlawful profits. If compound interest has accrued under a bargain for it, and been actually paid, it cannot be recovered back, as money usuriously paid may be. And if accounts are agreed to be settled by annual rests, which is in fact compound interest, or are actually settled so in good faith, the law sanctions this. Sometimes, in cases of disputed accounts, the courts direct this method of settlement.

Where money due on interest has been paid by sundry instalments, the mode of adjusting the amount which has the best authority, and the prevailing usage in its favor, seems to be this: Compute the interest due on the principal sum to the time when a payment, either alone or in conjunction with preceding payments, with interest cast on them, shall equal or exceed the interest due on the principal. Deduct this sum, and upon the balance cast interest as before, until a payment or payments equal the interest due; then deduct again, and so on.

### THE TREASURY REPORT.—THE PAST AND FUTURE POLICY.

WHEN a few months since Mr. FESSENDEN succeeded to the arduous position and complicated embarrassments bequeathed by Mr. CHASE, we sympathised with the new Secretary in the great task he had undertaken. The finances, inflated like an immense balloon, and showing evident signs of collapse, after a more or less successful ascension, were put into his hands to guide and sustain. He has now had five months experience of the task, and his annual report is before us. We should, however, remember, in examining it, that he is not to blame for the errors of his predecessor, nor for their necessary consequences. Had he, therefore, taken hold of his department with a firm hand, and a steady purpose to guide the ship through the breakers that surround it—had he shown no signs of yielding to the cry of eager speculators who live upon inflation—had he adopted every expedient to bring his balloon to the earth again, no fault could be found with him. But we are sorry to see, that although he acknowledges this swimming in the air is not safe, yet he appears either to like it or has not the courage to make the necessary change: so he casts about for some means of sustaining himself without apparently having any exact idea of the kind of aid which will be effective.

He informs us that revenues from taxes are not as large as he hoped for, and appeals to Congress for some action which will be more efficient: and yet he fails to propose any adequate taxation or to make any change in the policy pursued. It is difficult, therefore, to see how he would attain the desired end. At the last session of Congress the duties on imports were doubled and the internal revenue charges consolidated and increased, and yet the revenue bears a less ratio to the increasing expenditure than ever. The actual income for three years has been as follows, with the estimate for 1865, now half elapsed:

	1862.	1863.	1864.	1865.
Customs .....	\$49,056,397	\$69,059,642	\$102,316,153	\$70,271,092
Lands .....	152,204	167,617	588,333	642,186
Direct tax .....	1,795,332	1,485,103	475,649	16,080
Internal revenue....	.....	37,640,788	109,741,134	249,562,860
Miscellaneous .....	931,787	3,046,615	47,511,488	24,020,171
Total revenue.....	\$51,935,720	\$111,399,766	\$260,632,717	\$344,512,389
Expenditures.....	474,744,778	714,709,995	865,234,087	1,248,790,997
Excess expenses.....	422,809,058	603,310,229	604,601,370	904,278,608

These figures present the difficulties of the position. The increase of expenditure is constantly exceeding the increase of revenue.

The statement of the income, as above given, is not quite accurate, however. It will be observed that the customs which are paid in gold are added up in their specie value, with other resources given in the currency value. This would have been accurate had the provisions of the law been carried out which provides that the coin received for currency shall be appropriated exclusively to the interest on the public debt and to a sinking fund. The amount of customs, however, exceeded the amount paid

for interest by forty-eight millions, and that sum, instead of being applied to a sinking fund, as the law directs, was sold and used for other purposes, under the head of miscellaneous receipts.\* There is a credit of \$16,498,975 for premium on gold sold. This would give a premium of about 3½ per cent on the surplus gold, but much of it was sold at 65 premium under official public notice; and at that premium the actual revenue of the year should have been \$16,000,000 greater than reported, making \$32,000,000 derived from the premium on gold for the service of the Treasury. The business of the present year is such that the customs will give no more than will be required for interest, and perhaps, as the Secretary intimates, not enough for that purpose. Hence, notwithstanding the increased estimate for the internal revenue tax, the actual revenue for the service of 1865 will be very little more than last year. This is apparent if we deduct the amount applied to interest:

Gold receipts.....	\$102,316,153
Interest paid.....	53,685,422
Balance gold.....	\$48,630,731
Add premium.....	32,500,000
Total used for general purposes.....	\$81,130,731
Other revenue.....	158,316,564
Total currency revenue, 1864.....	\$239,447,295
“ 1865, less gold.....	274,241,297
Net increase.....	\$34,794,002

Now, when it is borne in mind that these are results from a revised tariff, by which duties were doubled, and a revised revenue law which came into operation with Mr. FESSENDEN, in July, and that these figures also embrace a 5 per cent extra tax levied upon the incomes of 1863, and which the report of the Commissioner of internal revenue informs us will give \$35,000,000; and when we remember, also, the great increase of our expenses, caused by the increased currency issued by the Treasury and the National Banks, we become aware of the gravity of our financial position and the necessity for some radical change.

We have already stated that the difficulty lies in the fact that our revenue, each succeeding year, bears a less and less ratio to the expenditures. Why this is so is evident. So long as prices rise our expenses must increase, and so long as Government adds to its issues of paper, and allows Banks to do the same thing, prices will evidently rise. The

---

\* The Treasurer has applied the gold (\$48,000,000) to purposes other than those the law directs, and all the explanation he makes is the following:

“The act of February 25, 1862, provides that the coin received for duties on imports shall, after paying interest on bonds and notes, be appropriated to the purchase of one per centum of the public debt, to be set apart with its accruing interest as a sinking fund, as the Secretary might, from time to time, direct. All experience has proved that, in a time of war, when expenditures must largely exceed receipts from ordinary sources, and large sums are borrowed in each year, the attempt to establish a sinking fund invariably fails. It is, in fact, simply borrowing to lend again. For this reason, no attempt to carry out this provision has yet been made.”

extent to which our expenses are being multiplied by the currency is seen in the foregoing statement. The measure of the depreciation is the price of gold, which is lower in relation to paper than most other commodities, and is, consequently, a safe guide to the over-supply of paper. If we take, then, the average price of gold each fiscal year, in connection with the expenses for the same time, the one will explain the other :

	1862.	1863.	1864.	1865.
Expenses .....	\$474,744,778	\$714,709,995	\$865,234,087	\$1,248,790,997
Average premium on gold.....	3	40	60	125

Our expenses ought really to decrease as the war advances, since much of the material bought the first year does not have to be purchased again. The unfortunate policy that has been pursued, however, has made a contrary result.

If now we take the official tables of the receipts and expenditures of the quarter ending September 30th, being the first quarter of each of the two fiscal years 1864 and 1865, we may also learn the effect on the revenue of the paper issues :

	1863.	1864.
Customs .....	\$22,562,018	\$19,271,092
Lands.....	136,182	342,186
Direct tax.....	.....	16,079
Inland revenue.....	17,599,714	46,562,860
Miscellaneous.....	641,542	9,020,171
<b>Total.....</b>	<b>\$40,939,456</b>	<b>\$75,212,408</b>
<b>Expenses .....</b>	<b>176,110,932</b>	<b>353,061,861</b>
<b>Excess borrowed.....</b>	<b>\$135,171,476</b>	<b>\$277,849,453</b>

The following statement shows the revenue of these two quarters at its specie value, which was 30 premium in 1863 and 150 in 1864, and, also, the actual revenue, less the customs :

	Currency Revenue.	Specie value.
1863... ..	\$18,377,438	\$14,136,481
1864.....	55,941,316	22,376,510

Thus we see there was an increase of \$177,000,000 in expenses, while there was an increase of \$37,000,000 in currency revenue, and only \$6,000,000 in coin value. Can we look at such figures and then read with patience the portions of the report speaking in commendation of National Banks and their fast increasing currency, or those sentences recommending that unlimited power be granted the Treasurer to issue legal tenders !

Mr. FESSENDEN makes, apparently, a grave error in the amount to be borrowed this year. Thus, he gives the income and expenditure of the year as follows :

	Revenue.	Expenditure.
1 quarter actual.....	\$75,212,408	\$353,061,861
3 " estimated.....	269,299,981	1,245,729,135
<b>Total.....</b>	<b>\$344,512,389</b>	<b>\$1,598,790,996</b>
Deduct unexpended balances.....	.....	350,000,000
<b>Amount, less revenue. ....</b>	<b>.....</b>	<b>\$1,248,790,996</b>
		904,278,607

This sum evidently represents the amount that must be borrowed, yet Mr. FESSENDEN states the amount to be \$570,727,508. The error of this last statement is manifest from the fact that the official figures show the amount actually borrowed in the first quarter ending September 30, to have been \$277,849,453, or nearly one-half of what he puts down to the whole year, and there still remained a large amount of arrear requisitions to be met.

Such seems to be the real condition of the Treasury, and the Secretary appears to be puzzled, for he does not pretend to point out any remedy. He suggests rather than advises a tax upon leaf tobacco, a tax on all sales of merchandise, that the income tax be made to embrace all sums, and that the tax increase in proportion to the income; also, that mineral lands be rented instead of sold. Any or all of these means he thinks will increase the revenue.

The great resource, however, is to borrow, and this is to be done on bonds with paper interest, even if it requires another flood of paper to float them. Why such a course is persevered in, is past finding out. Cannot the Government see that when they depreciate the currency they are not only increasing the expenses, as shown above, but are depreciating the value of the stock issued as compared with the products of industry? Thus the farmer in December, 1863, could get a United States six per cent gold interest bond of \$1,000 for 170 barrels flour, to-day he can get the same bond for 90 barrels flour; or he could get the bond last year for 60 barrels mess pork, this year it will cost him but 30 barrels of pork.

The President, in his annual message, proposed that the bonds should be exempt from all tax, and made also exempt from seizure for debt. Mr. FESSENDEN sustains this expedient as follows:

"If our public debt must necessarily be large, and require a long course of years for its liquidation, its wide diffusion is most desirable. Such advantage should be offered as will induce all, who have anything to spare beyond the amount required for their own support or use, to invest the surplus, or a portion of it, in the national securities. These advantages can only be found in an increased rate of interest, an exemption from public burdens, and security of possession. What limit should be fixed in either of these particulars it is for the practical experience and wisdom of Congress to ascertain and determine."

This loan is so very objectionable that we cannot think it will be seriously entertained. Suppose the Government was able to absorb all the capital of the country in such a loan, who would pay the taxes necessary for interest, etc.?

Of course as the Secretary has no particular policy to recommend for raising the necessary funds, he asks for further and unlimited power to increase the currency. On this point he says:

"A wide discretion should be entrusted to the officer charged with the duty of negotiating loans, in order that he may be enabled to avoid unexpected difficulties occasioned by, possibly, conditions of the money market. This delicate and responsible duty must necessarily be entrusted to somebody, and the people can have no other reliable security for faithfulness in its discharge than may found in the established character of the individual *charged with so important a trust, whoever he may be*. The discretion thus confided should, in the opinion of the Secretary, include the power of increasing the currency."

He protests strongly against the supposition that he would needlessly increase the currency. But in regard to this power being granted the

Comptroller of the National Banks has the following excellent protest:

"Circulating notes have been issued under peculiar circumstances by other governments, as is now being done by that of the United States, but the judgment of the world is against it as a permanent policy, and nothing but an overpowering public exigency will at any time justify it. Under popular institutions like ours no more dangerous, no more corrupting power could be lodged in the hands of the party in possession of the Government; none more perilous to official probity and free elections. Give to a party dominant in the legislative and executive branches of the Government the authority of issuing paper money for the purpose of furnishing the country with its currency, subject, as it would be, to no restraint but its own pleasure, and what guaranty would there be that this authority would be honestly and judiciously used? If there were no risk in the preparation of the notes, and checks were provided to make fraudulent issues an impossibility, the power of issuing Government promises as a circulating medium is too dangerous a one to be conferred upon any party, except under extraordinary circumstances."

This is, as we said, no doubt a correct view of the matter. But although the Comptroller argues against Mr. FESSENDEN having this power, he claims it in behalf of the National Banks which he controls, and says it is indispensable for the Treasury to control the currency. He fails entirely to show how the increase of the currency through banks which he controls, is any less dangerous than for the Secretary of the Treasury to control the currency himself directly.

The gold revenue is now short of the interest account, and the spectre of a deficit gold fund presents itself to the mind of the Secretary:

"But whatever success might attend any effort to check speculation in coin, or to counteract its injurious effect, it is still obvious that so long as there remains a large and increasing necessity for its use, and a limited supply, it will command a price commensurate with the necessity and the difficulty of obtaining it. This necessity arises from the demand for foreign exchange, the customs duties, and to pay the interest on the public debt. The matter of foreign exchange I do not propose to discuss. The demand for duties on imports and that to pay the interest on a large portion of the public debt are so far identical that one is dependent upon the other. The laws authorizing the issue of bonds bearing interest in coin specifically pledged the revenue from customs to the payment of that interest, and provided for the collection of those duties in the same currency. In the opinion of the Secretary that pledge should not be violated; a departure from it could only be vindicated by one of those state necessities which justify a nation in temporarily postponing its obligations in order to preserve the power to discharge them at a future day. When the pledge was given no one anticipated a possible continuance of the war for such a length of time as would involve the increase of the public debt to the point it has already attained, or the possible payment of interest in coin to an amount beyond the ability of duties on imports to supply. It will be noticed, however, that our annual coin interest now exceeds \$56,000,000. Should the additional amount required for the expenditures of the present fiscal year be raised upon bonds bearing interest in coin, and the revenue from customs not exceed the estimate predicated upon the receipts of the first quarter, it is quite manifest that resort must soon be had to some other source of supply, or recourse must be had to the emission of securities of a different character."

These suggestions thus put forth involve very grave consequences. The actual interest payable in coin is \$61,000,000. The actual amount of duties in the last ten years of peace was \$54,000,000 average. The paper outstanding convertible into coin stock will raise the interest to \$70,000,000 if no more is created. The point is therefore reached when "resource must be had to securities of a different character," and what are these?

Such is the substance of the report of our new Secretary so far as he develops his future policy. To our mind there is little in it that is satis-

factory. It fails to suggest any plan for the future, or any remedy for the present. As we understand it, the Treasury is to be left to drift along, while old evils are too aggravated. Oh, for a man brave enough to strike out boldly and swim against this current which is hurrying us on to bankruptcy! Is it fear that leads our official men to recommend a three per cent income tax when it should be thirty per cent, if there is no better way to raise the money? Is it something worse than fear that allows the further increase of our currency through Government and through banks? Why should banks of any kind (whether State or National) have the power to issue circulation now? Can the Government afford to increase its expenses each year as in the past, and can we as individuals continue to pay an advance each day for our daily bread? Is there no limit to our ability to do this? Certainly the late election has shown the administration that the people are in earnest in carrying on this war. All they ask is, that it be managed rightly, economically. Unwelcome as taxation is they are ready for it, if the Government will only avoid other measures which are neutralizing the payments they are called on to make.

---

## COMMERCIAL CHRONICLE AND REVIEW.

---

IMPORTS AND EXPORTS AT NEW YORK FALLING OFF—PRICES OF SIXTEEN ARTICLES FROM 1862-64  
—EFFECT OF TREASURER'S REPORT—THE 7.3-10 BONDS, RIGHT OF CONVERSION—UNITED STATES  
PAPER, PRICES OF FOR YEAR—SPECIE AND PRICE OF GOLD—RATES OF EXCHANGE, ETC.

THERE has been, during the month, little change in a commercial point of view. The uncertainties that attended the election, the publication of the annual reports, the assembling of Congress, the new projects for increasing the taxes, and their probable influence upon the value of and demand for goods, together with the anxieties in relation to military operations, and their possible influence, in combination with the Treasury measures for the raising of money upon the value of goods, have all tended to paralyze enterprise, the more so as a new draft for 300,000 men was announced towards the close of December. The imports and exports of the port of New York, as compared with last year, show a great falling off. They have been as follows, November 1 to December 19 :

	Imports.	Exports.		Excess imports.
		Currency value.	Specie value.	
1863.....	\$25,964,896	\$20,027,109	\$13,635,218	\$12,329,678
1864.....	13,412,177	28,963,763	12,069,291	1,342,886

The amount of goods imported was hardly more than half that of the same period last year, but as the price of gold fluctuated in the market, advantage was taken of the low rates of gold to draw goods out of bond, and the duties so paid seemed to sustain the customs revenue, which nevertheless has been much less than at the same period last year. The rise in gold and in taxes has told

heavily upon consumption by greatly enhancing prices. The following is a comparative table of the prices of sixteen articles in illustration :

	March, 1862.	March, 1863.
Cordage, Manilla.....	\$9 00 a 10 00	\$18 00 a 18 50
Indigo.....	1 25 a 2 50	2 00 a 2 85
Coffee, Rio, 100 lbs.....	17 25 a 19 50	30 50 a 34 00
India rubber.....	48 a 50	85 a 87
Gunny cloth, 100 yards.....	11 00 a 11 50	16 00 a 16 75
Hides, Rio, 100 lbs.....	21 00 a 21 50	30 00 a 31 00
Plaster of Paris.....	1 50 a 1 75	3 60 a 3 75
Leather, oat. mid.....	27 00 a 30 00	40 00 a 42 00
Mahogany.....	35 00 a 45 00	45 00 a 55 00
Molasses, No. gall.....	50 a 55	45 a 47
Silk, raw.....	5 00 a 5 50	10 00 a 10 50
Cassia, 100 lbs.....	31 00 a 32 50	45 00 a 46 00
Gin.....	26 00 a 27 00	55 00 a 56 00
Sugar, Cuba, 100 lbs.....	6 87 a 8 75	9 25 a 11 50
Tin, Banca.....	30 00 a 32 00	56 00 a 58 00
Spelter.....	5 50 a 5 70	9 00 a 9 37

\$228 35 a254 25      \$370 55a396 56

	March, 1864.	December, 1864.
Cordage, Manilla.....	\$19 00 a 20 00	\$24 00 a 25 00
Indigo.....	1 60 a 2 50	2 60 a 3 00
Coffee, Rio, 100 lbs.....	36 00 a 37 50	44 00 a 48 00
India rubber.....	83 a 85	1 16 a 1 20
Gunny cloth, 100 yards.....	15 50 a 15 75	20 50 a 21 00
Hides, Rio, 100 lbs.....	29 50 a 30 00	31 00 a 32 00
Plaster of Paris.....	3 25 a 3 50	4 50 a 4 80
Leather, oat. mid.....	45 00 a 47 00	49 00 a 52 00
Mahogany.....	100 00a150 00	75 00a110 00
Molasses, No. gall.....	70 a 80	1 10 a 1 27
Silk, raw.....	9 50 a 9 75	14 00 a 15 00
Cassia, 100 lbs.....	62 50 a 65 00	100 00 a105 05
Gin.....	103 00a110 00	210 00 a215 00
Sugar, Cuba, 100 lbs.....	12 25 a 14 75	16 25 a 22 25
Tin, Banca.....	56 00 a 57 00	70 00 a 72 00
Spelter.....	12 50 a 13 00	15 00 a 15 50

\$516 13 a577 00      \$679 11a739 27

This average aggregate rise has been as follows :

	Gold premium.	16 articles.	Rise per cent.
March, 1862.....	1 1/2	241 30	..
" 1863.....	54	383 55	60
" 1864.....	53	546 56	130
Dec., 1864.....	1, 25	709 19	194

This table shows that the price of commodities keeps always in advance of that of gold. Thus the premium on gold is 125 per cent, and the advance in the articles has been 150 per cent on the gold price of those articles. These higher prices include the duties, the cost of gold with which payment is made, the price of exchange, the stamps and other taxes, and all the expenses and profits of the importers. Before the goods reach the consumers they are thus loaded with expenses, charges, taxes, and profits, which therefore necessarily diminish the ability of the consumers to take the usual quantities. The home manufacturers have had

less to contend with. They have been charged with three per cent tax, and other charges, and the rise in raw materials and wages, but they have been sustained by a large and effective demand from the Government for most materials of clothing, munitions, etc., at rates which have left a considerable profit. The manufacturing sections have indeed never been so prosperous as during the past year. It is the case, nevertheless, that the stocks of merchandise generally, as well in first hands, as those on the shelves of stores, and in possession of consumers, are far less than in ordinary years, while there is very little apparent disposition at the present moment to import. For these reasons prices are generally firm.

The effect of the annual Treasury report was not very marked. The leading idea advanced was that the issue of paper money would be restrained, and that dependance would be had mostly upon paper interests bearing securities, to the exclusion of gold stocks, the amount of which the Secretary intimated is quite as large as the revenue from customs will meet. Nevertheless, he asked for the authority to issue more legal tender at discretion, while avowing the strongest opposition to the exercise of that discretion.

The securities most pressed upon the public were 7.3-10 three year notes, with coupons payable half-yearly, and convertible into 5-20 six per cent gold stock at maturity. The right of conversion is not, in this case, very valuable, for the reason that the gold stock to be issued in exchange is also payable, at the will of the Government, at the end of 5 years, and may be paid in paper by the contraction of a new loan for the purpose. The sales were, therefore, not very great. An amount of about \$27,000,000 of the 5-20 gold stock was issued to private takers at about 105. This stock was in some demand on account of the rapid increase of the new Banks, which desire them to place with the Comptroller. The negotiation was followed by another of the 10-40 five per cent gold stock, the only stock absolutely payable in coin at maturity. The amount of this stock authorized by the law of March, 1864, was \$200,000,000. There had been sold about \$82,000,000, and the balance of \$118,000,000 was taken up, in the hope that the Secretary would make a public announcement withdrawing the remaining \$100,000,000 from market. This he declined to do. Last year Mr. CHASE stopped the sale of the 5-20's while they were being rapidly sold, in order that by so doing the price might rise for the benefit of the speculators. The results were by no means satisfactory, and Mr. FESSENDEN seemed desirous of avoiding that mistake. The negotiation left the Treasury with the following means to negotiate:

10-40's 5 per cent gold stock.....	\$100,000,000
5-20's 6 per cent gold stock.....	133,000,000
3 year 7.3-10 paper notes.....	60,000,000

The 10-40's were sold at par, with an allowance of 3-16 discount. The interest ran from September, and accrued interest was paid by the buyer in gold, or at the rate of 150 in currency. One year certificates, due before Jan. 6, were taken with the interest in full. One year notes, due in February, were also taken with interest. The movement caused a greater degree of activity in Government stocks, the more so that the scarcity of business paper directed the growing abundance of money mostly into Government stocks for employment.

This was encouraged by the disposition of the Government Banks to sell the stocks on small margins and lend the money on them. The effect on prices was as follows :

## PRICES UNITED STATES PAPER.

	—6's, 1881.—		5's, 1874.	7 3-10, 3 years.	1 year certif.		Gold.
	Reg.	Coup.			Old.	New.	
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	...	93½	254 a 254½
" 10..	107	108½	100	111	...	93½	234 a 233
" 17..	108	108½	100	110½	...	93½	222½ a 222½
" 24..	108	107½	100	110½	...	94½	212½ a 212½
Oct. 1..	106	106½	103	110½	...	94½	194½ a 194½
" 8..	105½	105½	100	105½	...	94½	200½ a 200½
" 15..	106	105½	100	105	...	94½	213½ a 214
" 22..	106	106½	100	105	...	94½	209½ a 210
" 29..	106½	105½	100	108	...	95	216½ a 216½
Nov. 5..	107½	106½	100	106½	...	95½	239½ a 240
" 12..	107½	107½	100	108	...	95½	244 a 245
" 19..	110½	110½	100	118	...	96½	216½ a 217
" 26..	111½	111½	100	120	...	96½	219 a 219½
Dec. 3..	107½	107½	100	116	...	97½	231½ a 232
" 12..	108½	108½	100	120	...	97½	240 a 241½
" 19..	109	109½	100	120	...	97½	234½ a 234½
" 26..	110	110	100	120	...	96½	217 a 217½

The rise in the 6's carried the prices here to a rate higher than the price abroad, which varied from 40 a 43 cents per dollar in London.

The demand for gold was well sustained during the month for export, and the movement was as follows :

## SPECIE AND PRICE OF GOLD.

		1863.		1864.		1864.	
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold
Jan.	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	59½ a ...
	13	359,937	1,152,846	363,198	1,219,808	23,521,453	95 a ...
	20	.....	520,017	.....	325,632	22,523,918	59 a ...
	27	285,394	1,377,016	407,057	531,700	22,301,687	165 a 61
March	5	1,243,551	733,643	512,358	629,803	21,220,653	61½ a 66½
	12	.....	3,540,550	.....	465,920	20,750,495	62 a 62
	19	249,514	1,201,907	281,304	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	473,885	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	155,437	269,522	1,002,334	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	.....	661,996	.....	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 98½
	25	187,062	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	270,132	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	.....	341,883	21,080,309	152 a 159½
	20	.....	238,398	571,231	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 153
	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	277,880	1,411,611	.....	1,288,559	20,065,180	100 a 126
Oct.	1	.....	803,583	281,481	603,604	19,671,131	85 a 105
"	8	268,232	2,555,656	275,131	287,758	20,066,557	89 a 106
"	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	547,333	646,017	381,310	2,296,630	21,740,327	121½ a 146
"	12	281,340	395,796	489,632	1,224,280	22,491,122	238 a 260
"	19	261,730	1,006,907	.....	1,545,165	21,438,959	209½ a 225
"	26	261,101	1,331,057	.....	1,524,113	20,248,716	216½ a 228½
Dec.	3	.....	1,771,021	.....	1,523,255	20,273,919	225 a 236
"	12	305,650	1,409,455	376,878	1,072,508	20,713,208	226½ a 243½
"	19	297,399	1,466,497	792,517*	1,671,487	20,863,768	223½ a 227½
"	26	.....	730,806	381,220	1,281,351	20,600,441	211½ a 226
Total	.....	11,037,229	\$49,882,515	12,484,145	49,571,731		

\* \$500,000 to United States Treasury.

A good deal of the export movement is due to the amount of gold stocks held abroad. Of these it is estimated that \$150,000,000 are there held, which would involve a shipment of \$9,000,000, or 25 per cent of the receipts from California. The Secretary of the Treasury in his report states, however, that he had large additional sums to pay abroad, and to meet them sent out \$10,000,000 of stock to sell, but failed in the negotiation, and was therefore compelled to send \$4,000,000 of gold from California for that purpose. The demand for travelers, for remittances of emigrants, and for State and corporation interest and dividends, form important items of remittance in addition to the payments on account of imports. It was also the case that the Bank of France had been a buyer of gold to aid in bridging over adverse exchanges, until the current of trade set back. This accelerated the export hence. The whole export for the year has been such as to diminish the amount here by perhaps \$40,000,000. The dealing in gold has become large, regular and permanent, and the fluctuations in currency such that it has been necessary to confine exchange transactions to the gold price, payable in gold, as is also the case with many leading articles of importation. Under these circumstances the transportation and safe keeping of the gold became onerous. The large dealers, therefore, by consent, took a common depository—the Bank of New York—where all the gold that arrives for the parties interested is deposited, and is transferred by certificate from hand to hand, until wanted, for shipment, or for customs, when the holder of a certificate draws it. This seems to be the initiation of a system like that of the Bank of Hamburg, which grew out of a similar difficulty, viz., the permanent depreciation of the currency making it too unstable for purposes of foreign commerce. Hence pure silver lodged with the Bank becomes the medium of settling exchanges, and is termed “banco,” in distinction of currency, which bears an hourly varying “agio.” The demand for exchange has been quite limited, and the rates as follows :

## RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2.	166 a 166½	3.38½ a 3.34¼	62½ a 63	62½ a 63¼	55½ a 56	110½ a 111
“ 9.	166½ a 167½	3.38½ a 3.40	62½ a 63	62½ a 63¼	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 208½	2.81½ a 2.77½	75½ a 76½	75½ a 76½	67 a 67½	134 a 135

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
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	2.87½ 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 108	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 2.68½	.. a ..	.. a ..	67½ a 68½	.. 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	198 a 142
" 22,	108½ a 109½	5.16½ a 5.20	40½ a 41	.. a ..	35½ a 36	71 a 72
" 29,	108½ a 109	5.18½ a 5.22	.. a ..	.. a ..	35½ a 36½	71½ a 72
Nov. 5,	109½ a 109½	5.17½ a 5.25	40 a 41	40½ a 41	35½ a 36½	70½ a 72
" 12,	109½ a 109½	5.16½ a 5.25	40 a 41	40½ a 41½	35½ a 36½	70 a 72½
" 19,	109½ a 109½	5.25 a 5.16	40½ a 41½	41 a 41½	35½ a 36	72 a 72½
" 26,	109½ a 109½	5.15 a 5.17½	.. a ..	.. a ..	35½ a 36½	71½ a 72½
Dec. 3,	109½ a 109½	5.15 a 5.17½	.. a ..	40½ a 41½	36½ a 36½	72 a 72½
" 12,	109½ a 109½	5.15 a 5.17½	.. a ..	.. a ..	36½ a 36½	72 a 72½
" 19,	109½ a 109½	5.16½ a 5.17½	.. a ..	.. a ..	36½ a 36½	72 a 72½
" 26,	109½ a 109½	5.16½ a 5.15	.. a ..	.. a ..	36½ a 36½	.. a ..

The payment of the Federal interest, January 1, to the amount of about \$9,000,000, involves some remittances to foreign holders.

## JOURNAL OF BANKING, CURRENCY, AND FINANCE.

STATE BANKS COMING UNDER NATIONAL LAW—INCREASE OF NATIONAL BANKS, AND THE NUMBER ORGANIZED IN EACH STATE—INTEREST ON DEPOSITS—NEW YORK BANK RETURNS—RETURNS OF THE BANKS OF PHILADELPHIA, BOSTON, MASSACHUSETTS, RHODE ISLAND, OHIO, AND WISCONSIN—CONDITION OF BANK OF ENGLAND, AND RETURNS—BANK OF FRANCE RETURNS.

In our last number we remarked upon the fact that the Banks of Boston and Philadelphia, with those of New York, were disposed, and some of them were taking steps to come under the national law. This movement has since become more general for reasons then stated, and the chances now are that all the State Banks will merge themselves under the new law. The advantages to stockholders in selling the gold on hand, dividing the surplus, and beginning anew under a system which never contemplates a return to specie payments, are apparently very great. The progress of the Banks has been as follows:

	No. banks.	Capital.	Circulation.
Oct. 22.....	556	\$98,111,420	\$56,858,036
" 29.....	560	104,746,070	58,734,180
Nov. 5.....	564	105,381,070	60,450,100
" 12.....	568	106,540,750	62,350,320
" 19.....	578	108,440,870	64,529,470
" 26.....	587	110,950,870	68,535,070

Dec. 3.....	601	115,710,870	70,507,840
" 19.....	620	121,256,020	70,259,840
" 17.....	631	128,151,020	72,388,740

This rapid increase involves the adhesion of the old Banks to the new system, into which the Comptroller of the currency confidently expects the absorption of all of them. It was rumored, therefore, that the further formation of new Banks had been discouraged by the Comptroller, and consequently he published the following denial of the rumor :

"The Comptroller has given no such notice. In view of the fact that State Banks are being rapidly organized under the National Currency Act, and that in the Eastern States there is no deficiency, but rather an excess of banking capital, he has considered it to be his duty to discourage, in many instances, new organizations, and in more instances, the increase of the capital of those already in existence. It is the aim of the Comptroller to introduce the National Bank note circulation without adding to the present inflation; but it is not in his power to prevent new organizations, nor is it his desire to do so, in places where the legitimate business of the country seems to require additional banking facilities."

The Secretary of the Treasury in relation to the circulation of the old Banks stated that the amount out in July, 1864, was \$144,000,000. To extend the new system to \$300,000,000 would involve an increase of \$156,000,000 in the currency, even if the old note circulation should be entirely withdrawn. The old Banks, especially those in cities, hold stocks enough to lodge with the Comptroller for circulation without purchasing any more, and it is evidently for their interest to utilize the stock by obtaining circulation for it. The number of Banks in each State, November 25th, was given officially as follows :

## NATIONAL BANKS.

State.	No.	Capital stock paid in.	Circulation.	Bonds.
Maine.....	18	\$2,749,800 00	\$1,887,880	\$2,244,500
New Hampshire.....	9	1,120,000 00	552,700	944,000
Vermont.....	10	1,490,000 00	1,311,800	1,638,000
Rhode Island.....	2	700,000 00	414,000	560,000
Massachusetts.....	67	25,909,040 00	12,536,850	16,888,650
Connecticut.....	20	5,176,638 00	4,084,050	4,525,500
New York.....	100	20,599,175 08	12,584,950	14,064,600
Pennsylvania.....	109	21,120,148 88	10,193,830	14,964,100
New Jersey.....	16	2,141,249 00	1,756,170	2,011,000
Delaware.....	1	300,000 00	200,000	250,000
Maryland.....	3	1,560,000 00	1,245,000	1,400,000
District of Columbia..	2	600,000 00	477,000	534,000
Virginia.....	1	95,025 00	95,000	112,000
West Virginia.....	2	206,950 00	140,000	230,000
Ohio.....	84	10,035,165 86	7,505,880	8,749,850
Kentucky.....	1	200,000 00	162,000	134,000
Indiana.....	34	4,201,671 26	3,148,400	3,924,100
Illinois.....	38	4,147,837 25	3,396,560	3,794,600
Michigan.....	15	1,165,090 00	797,800	943,500
Wisconsin.....	15	1,040,277 00	774,500	903,050
Minnesota.....	4	590,000 00	442,000	603,000
Iowa.....	20	1,215,000 00	945,900	1,092,000
Nebraska Territory...	1	40,000 00	27,000	30,000
Kansas.....	1	100,000 00	49,000	55,000
Missouri.....	7	1,621,530 00	722,000	865,000
Tennessee.....	3	340,000 00	234,380	263,000
Louisiana.....	1	500,000 00	180,000	200,000
Total.....	534	\$108,964,597 28	\$65,864,650	\$81,961,450

The business of the new Banks continues to be mostly Government transactions. Those institutions are deemed fiscal aids to the Treasury. The city institutions employ large amounts of Bank balances, Government deposits, and individual deposits, but at times like the present, when there is not much business paper created, the employment for money is not so active in the usual channels. At the same time there is a considerable amount of individual money unemployed, which might be directed to the service of holders of United States bonds. In this view the first National Bank of New York makes offers as follows :

"Resolved, That this Bank confine its discounts to collateral loans on United States securities, payable on *call* or at *short* dates, except in its dealings with corresponding Banks, where advances on bills receivable may be proper.

"Resolved, That this Bank issue to depositors, when so desired, deposit receipts instead of the ordinary Bank pass-book, such deposit receipts to be payable on demand, and to bear interest at the rate of three per cent per annum on all amounts from \$100 to \$1,000, and at the rate of four per cent on all amounts of \$1,000 and upwards; but no interest shall be allowed on deposit receipts paid within fifteen days from the date of issue."

The operation of this is to draw into the Bank the funds of individuals, who thus get their money employed at a fair rate of interest, and always on demand. This issue of deposit receipts bearing interest, and payable on demand, is, we think, a novel feature in Banks. It is of the nature of the Government deposit certificates, without the formality of ten days notice. The funds so attracted to the Banks are employed in advances on United States stocks. The idea seems to be to strengthen holders of those securities who may be in want of a temporary loan.

The old Banks, as will be observed in the weekly returns, show a continual decline of circulation, and in Boston and Philadelphia of specie, which it seems is being gradually sold. The New York Bank returns are as follows :

## 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	134,861,977	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	460,811,543
"	30,..	162,296,896	24,203,632	5,913,558	130,665,415	427,306,608
February	6,..	163,076,846	24,070,791	5,974,762	133,849,042	425,430,985
"	13,..	165,090,329	23,521,453	5,916,707	140,464,616	467,751,745
"	20,..	168,302,935	22,523,918	5,908,394	148,014,106	514,887,411
"	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	688,822,273
"	19,..	198,229,513	21,059,542	5,889,197	169,637,975	618,538,858
"	26,..	199,372,437	20,423,504	5,514,139	168,315,904	576,253,939
April	2,..	203,993,131	19,526,665	5,708,903	171,151,297	676,372,745
"	9,..	204,333,192	20,924,287	5,804,511	170,513,020	658,352,112
"	16,..	198,703,699	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	174,426,632	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

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
June 4, ..	196,740,609	22,461,604	5,180,659	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	21,206,685	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, ..	190,885,761	21,033,912	4,688,892	147,981,325	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	21,080,309	4,417,804	155,826,514	422,379,926
" 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	156,086,807	406,296,866
September 3, ..	189,414,631	20,136,547	4,200,950	151,068,566	436,381,918
" 10, ..	187,285,127	20,603,881	4,181,616	147,967,942	435,795,830
" 17, ..	186,317,519	20,185,315	4,169,513	146,378,542	498,191,745
" 24, ..	185,551,211	20,065,180	4,147,107	144,654,935	461,221,702
October 1, ..	185,896,837	19,671,131	4,157,828	145,816,097	543,084,474
" 8, ..	185,875,206	20,066,557	4,131,111	146,333,022	506,281,897
" 15, ..	185,357,270	20,522,032	4,051,767	150,233,084	494,830,434
" 22, ..	185,738,764	21,010,360	3,991,779	150,816,884	511,388,091
" 29, ..	186,521,351	21,078,307	3,920,290	151,883,092	437,717,893
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
" 26, ..	192,679,080	20,248,716	3,615,648	161,422,248	452,028,948
Dec. 3, ..	196,363,507	20,273,919	3,570,321	165,432,990	549,927,689
" 10, ..	202,470,349	20,713,208	3,516,372	161,916,344	557,185,953
" 17, ..	204,479,016	20,863,768	3,457,034	159,565,335	517,534,142

The increase in loans is due to the Government loans taken by the institutions during the month. This case is the same with regard to the Banks of Boston and Philadelphia.

The following are the returns of these Banks :

PHILADELPHIA BANKS.

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

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4, ...	\$35,698,808	\$4,153,585	\$2,055,311	\$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	2,814,188
" 18, ...	34,896,842	4,158,125	2,044,427	31,194,851	4,330,120	3,063,148
" 25, ...	34,849,959	4,103,065	2,047,846	32,354,263	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	2,099,778
" 29, ...	35,519,704	4,102,843	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	2,116,222
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	2,724,933
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	2,736,080
" 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	2,736,080
" 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	3,964,758	2,077,753	38,367,171	5,930,707	3,007,283
" 21,...	40,286,488	3,964,529	2,074,273	37,588,203	6,403,664	2,998,548
" 27,...	42,057,758	3,963,640	2,092,470	39,122,865	6,544,668	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	2,208,068	36,462,271	6,189,343	3,616,992
" 26,...	42,057,758	3,963,640	2,092,470	39,122,865	6,544,668	3,139,132
Aug. 2,...	39,277,980	3,962,385	2,249,226	36,520,768	6,059,048	3,816,165
" 9,...	39,142,449	3,962,367	2,231,394	37,284,436	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	35,869,084	5,738,141	3,891,137
" 31,...	39,778,594	3,972,413	2,361,745	35,603,148	6,070,333	3,704,273
Sept. 7,...	40,334,268	3,963,395	2,454,060	34,981,281	6,119,371	3,419,624
" 14,...	40,885,872	3,963,353	2,524,005	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	3,081,281
" 27,...	41,839,955	3,960,464	2,610,809	34,838,109	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
" 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	3,126,082
" 20,...	41,105,615	3,663,370	2,554,604	37,102,885	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	37,705,036	6,000,000	3,000,000
" 21,...	43,792,297	2,674,037	2,355,768	39,227,713	.....	.....
" 28,...	44,170,412	2,539,218	2,315,263	38,974,932	.....	.....
Dec. 5,...	44,810,135	2,473,419	2,321,109	38,462,084	.....	.....
" 12,...	45,336,381	1,933,502	2,356,673	39,622,645	.....	.....

## BOSTON BANKS.

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

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,...	\$76,805,343	\$7,503,889	\$9,625,043	\$32,525,679	\$12,831,000	\$12,351,500
" 11,...	77,747,734	7,531,195	10,185,615	31,524,185	12,703,600	11,019,000
" 18,...	75,877,427	7,464,511	9,963,389	31,151,240	12,041,000	11,769,000
" 25,...	74,146,000	7,440,000	9,729,000	30,893,000	11,106,700	12,227,000
Feb 1,...	73,959,175	7,385,413	9,660,163	30,655,782	10,825,000	11,854,500
" 8,...	71,765,122	7,265,104	9,579,020	30,030,292	11,315,000	12,272,000
" 15,...	71,088,849	7,224,924	9,741,471	30,412,647	11,615,000	13,448,000
" 22,...	71,074,000	7,215,500	9,411,000	31,831,000	11,329,600	14,925,404
" 29,...	72,189,003	7,179,310	9,371,440	33,155,888	12,224,603	16,189,720
Mar. 7,...	72,637,363	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	14,715,981	15,790,498
May 2,...	71,270,181	6,642,798	10,127,097	31,461,499	14,206,581	14,206,592
" 9,...	69,471,481	6,726,484	10,521,591	31,172,584	12,801,000	16,239,000
" 16,...	68,888,581	6,644,493	10,126,473	31,633,071	12,500,671	16,201,033
" 23,...	66,683,510	6,573,181	9,899,193	36,605,131	11,871,719	15,733,691
" 30,...	69,201,301	6,541,201	9,681,204	34,391,208	11,101,307	15,925,201
June 7,...	67,093,500	6,509,181	9,160,621	32,771,821	10,875,181	16,130,720
" 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	11,681,602	14,790,012
" 28,...	69,691,000	6,470,600	9,068,712	30,865,101	12,260,080	12,872,111
July 5,...	66,950,111	6,290,521	9,574,009	29,940,102	11,830,312	13,809,002
" 12,...	66,452,107	6,301,101	9,936,491	32,260,004	11,306,002	13,434,523
" 19,...	66,079,000	6,246,211	9,890,081	30,584,101	10,003,181	13,942,001

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
" 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	13,039,587
" 9..	60,655,181	5,734,101	9,685,671	27,806,030	9,842,621	13,261,654
" 16..	61,175,211	5,665,981	9,538,841	27,773,821	9,855,921	12,798,821
" 23..	61,817,002	5,660,911	9,567,921	27,221,731	10,052,871	12,007,481
" 30..	61,960,481	5,681,871	9,630,000	26,495,100	10,110,000	11,618,981
Sept. 6..	62,211,931	5,744,898	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	10,152,979	11,142,930
" 20..	61,863,582	5,820,671	10,420,810	24,722,891	10,530,000	11,237,080
" 27..	58,352,671	5,637,921	10,230,431	23,532,981	10,958,781	10,197,691
Oct. 4..	58,391,621	5,539,000	10,316,991	24,384,581	9,664,481	11,476,581
" 11..	57,719,911	5,391,101	10,304,857	23,918,381	7,784,451	10,017,792
" 18..	55,734,921	6,361,581	8,998,181	24,018,572	7,827,911	9,879,721
" 25..	56,030,000	5,307,481	9,619,682	24,500,689	6,785,521	8,731,421
" 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	6,393,910	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	9,058,381	20,219,421	5,375,581	8,889,421
" 28..	44,236,311	4,429,821	9,058,101	20,219,491	5,375,582	8,889,421
Dec. 5..	43,614,928	4,094,672	8,480,921	21,129,421	5,289,121	10,109,591
" 12..	44,190,581	3,353,121	8,190,231	22,572,481	5,395,821	11,640,481

The returns of the Banks of Massachusetts for the four weeks to October 1st, compared with two previous returns, were as follows :

	Loans.	Specie.	Circulation.	Deposits.	Balances.
July 1....	56,628,376	1,848,376	21,694,366	13,141,787	5,427,595
Aug. 1....	56,487,727	1,298,756	21,743,761	12,585,310	5,184,681
Oct. 1....	53,472,326	1,309,665	22,221,063	12,157,216	6,339,285
Dec. 5....	51,839,762	1,114,728	21,488,266	12,164,096	5,480,362

The following statement of the condition of the Banks of Rhode Island is taken from the returns made to the State Auditor on the 5th inst. :

Capital.....	\$21,310,319
Circulation.....	6,760,540
Specie.....	456,571
Loans.....	32,839,770
Deposits.....	7,008,784

The following is a comparison of the leading items of the Banks of Ohio, as appeared by their returns made on the 1st of November, in the years indicated :

	1864. Nov. 1.	1863. Nov. 1.	1862. Nov. 1.	1861. Nov. 1.
Stock.....	\$4,408,820	\$5,052,940	\$5,539,950	\$5,690,450
Specie.....	1,180,802	1,823,591	3,370,131	3,047,251
Loans.....	9,426,994	11,366,451	11,295,937	10,750,362
Circulation.....	5,116,471	6,652,311	10,033,326	9,522,493
Deposits.....	11,115,818	11,405,439	9,814,009	5,664,292

The December statement of the Banks of Wisconsin compare with the returns of the previous month as follows :

	Nov. 1.	Dec. 1.
Circulation of Banks.....	\$2,552,780	\$2,607,894
Circulation of Banks winding up.....	89,356	83,478
Total circulation.....	\$2,642,136	\$2,691,372
United States and State securities.....	2,511,880	2,641,480
Treasury notes on hand.....	178,661	102,905
Specie.....	11,811	10,762

In the first week of November, the favorable state of the exchanges which had been developing itself since the rise in rate of interest to 9 per cent, Sept. 8, was so far advanced that the Bank of England felt justified in reducing its rate to 8 per cent, notwithstanding that some considerable failures in France, and symptoms of weakness elsewhere, suggested caution. The export demand for bullion had, however, closed, and speculation had subsided in face of the accumulating stocks of goods and produce in bond, caused by the dearness of money and the idea that the dearness would result in lower prices. The higher rate had caused a large number of liabilities to be settled, and had attracted money from abroad. The impulse once given in that direction, the accumulation of means was continuous.

On the 23d of November the bullion had increased \$5,000,000, and the Bank made a farther reduction of the rate of interest to 7 per cent.

The returning ease of money was, however, already producing a reaction in the current. Several new loans were announced—an Egyptian loan and a Danubian loan—the latter for \$5,000,000 at 86 for 7 per cent interest; also, a Danish loan of \$4,000,000 5 per cent at 94½. These, with the movements of trade, caused a renewed export of bullion.

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	15,411,794	31,726,575	11,708,597	7 "
" 20,...	21,445,793	5,689,074	13,879,877	31,445,860	12,974,109	8 "
" 27,...	20,875,825	6,337,246	13,406,627	31,017,449	13,022,220	8 "
Feb. 3,...	21,162,626	6,748,867	13,372,981	31,436,334	13,303,243	8 "
" 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	31,073,328	13,582,635	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,...	20,568,325	8,863,364	12,434,975	31,769,311	13,884,339	6 "
" 16,...	20,333,112	8,570,711	13,105,800	31,929,164	13,946,943	6 "
" 23,...	20,566,705	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,...	20,368,047	7,971,003	12,882,042	31,297,181	13,713,948	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,...	21,890,663	9,489,130	13,471,415	34,286,592	13,930,809	6 "
" 13,...	22,161,001	4,683,803	15,982,746	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	12,996,685	8	"
Aug.	3,...	22,489,710	5,155,704	13,519,626	31,909,793	12,877,483	8	"
"	10,...	21,881,314	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	31,053,341	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	13,002,488	9	"
"	27, ..	21,525,745	3,723,549	13,897,777	29,274,958	13,146,069	9	"
Nov.	2,...	21,596,300	3,777,941	13,848,428	29,181,019	13,313,441	9	"
"	9,...	20,919,333	4,560,836	14,438,450	29,575,836	13,647,270	8	"
"	16,...	20,750,500	5,142,368	14,426,234	29,776,783	13,852,355	8	"
"	23,...	20,120,567	5,518,860	14,353,521	29,184,949	14,131,094	7	"
"	30,...	20,331,055	6,301,202	13,272,161	29,200,705	13,989,924	7	"

The returns of the Bank of France show a more prompt action of a high rate of money upon the influx of coin, which rose from 250,423,737*fr.*, October 20, when the rate was put up to 8 per cent, to 308,621,518*fr.*, or by 58,000,000*fr.* to November 23, when the rate was put down to 6 per cent; and, in the last week of November, to 5 per cent. The returns were 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	6
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	144,636,985	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	769,096,425	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	254,073,596	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
"	10, 612,218,482	276,575,577	745,249,825	153,336,313	7
"	17, 592,319,529	284,276,966	733,661,325	148,945,706	7
"	24, 571,509,684	308,621,518	732,482,125	146,273,755	6
Dec.	1, 564,370,793	327,718,612	742,316,325	158,317,239	5

This was due partly to the revival of the old system of purchases of the precious metals, and partly to the rigor which the Bank exercised towards bills which there was reason to believe would occasion a drain of coin. So great was this rigor that the discounts are 57,810,000f less than they were Oct. 20. As to the note circulation, it declined 30,000,000f. These reductions were not made without great distress, and consequent complaint. The principal disasters was the failure of ROTGEMONT DE LOWENBERG. He was at the head of a banking firm of long standing and considerable importance. His liabilities are stated at from 15,000,000f to 18,000,000f, (3 to 4 million dollars)—but it is said that there are large assets, though they cannot be immediately realised. It appears that he became embarrassed principally on account of his connection with the Libourne to Bergerac Railway, of which he was one of the chief promoters. One or two banks with which he was much connected were, in consequence of his failure, under the necessity of obtaining aid, and fears were entertained that they may, in spite of it, be obliged to close their doors. Unfavorable reports respecting other banks and some few commercial firms were current, and at Bordeaux and Lyons failures are apprehended. None of the Paris Banks, however, failed, but confidence in them was not strong. It said, also, that certain Russian houses suffered greatly. The actual suspensions were:—1, a commission agent at Paris in an extensive way of business; 2, two houses at Lyons, one of them engaged largely in the silk trade; 3, two shipping firms at Bordeaux, one a large one; and fourthly, the bills of "several" cotton dealers at Havre were protested. The amount of the liabilities in the various failures recorded is loosely estimated at from 20,000,000f to 25,000,000f. (£800,000 to £1,000,000).

The dearth of the money market, and the fact that the Bank of France alone has the right to raise the rate of interest at will, caused much discussion. The government, before presenting to the Corps Legislatif a bill for the abolition of the Usury Laws, thought right to consult the Chamber of Commerce. Most of them declared energetically in favor of "liberty of interest;" but the Chamber of Commerce of Rouen is of a different opinion. As organ of the very Protectionist city, it thinks the restriction by law of the rate of interest wise and just, and demands its maintenance. It, besides, complains that the Bank of France is, by special privilege, allowed to charge more than the legal rate whenever it pleases—certainly a special privilege that is open to remark. The Chamber of Commerce of Rouen, moreover, demands energetically that "the Bank of France shall be made to do what it was founded for—discount commercial bills at the most moderate interest possible," and that "the government shall take measures for providing the Bank with the necessary means of attaining that object." But the Bank already does the former, and it cannot do otherwise if it would; whilst, as to the government, it has no power whatever in the matter.

### THE RECIPROCITY TREATY.

THE PRESENT TREATY SHOULD BE CONTINUED UNTIL A NEW TREATY IS MADE.

THE subject of our commercial relations with Canada, which has been so much discussed the past year, is likely to receive increased attention at the present session of Congress. What has been already said has accomplished much, since thus the public mind has been enabled to reach certain definite conclusions.

In the first place, it seems now to be the universal sentiment of thoughtful men that our interests lie in future freedom of commercial intercourse, not in additional restrictions. The action of every Board of Trade we have seen, has been to this effect. Trade must be free, or as nearly so as possible. Again, all agree that our existing Treaty must be continued until a new one is made. There may be, and undoubtedly are imperfections in it; but at the same time great benefits are accruing, especially to the West, from its operation.

The following letter shows what has recently been the action of the Board of Trade of Detroit, and of some other similar bodies:

DETROIT, Dec. 9th, 1864.

W. B. DANA:

DEAR SIR,—Be kind enough to chronicle in your valuable journal the fact that our Board of Trade has, after mature consideration and full discussion, declared unanimously in favor of allowing the present Reciprocity Treaty to stand until another Treaty shall have been negotiated by Commissioners to be appointed by the high contracting parties. This action, on the part of our Board, is significant of the friendship that every philanthropist and enlightened lover of his country so ardently desires to see obtain between us and foreign powers, and especially between us and our British neighbors; there being so much that should knit us together in the closest ties of brotherhood. Besides, this action makes the decision of the agricultural and commercial interests of the North West almost unanimous in favor of the continuance of the Treaty—a decision that will continue to be favorably regarded by the government of the United States. By thus promoting the interests of this growing section of our common country, the interests of the whole, to which the West is so largely tributary, will be best served. In addition to the action of our Board of Trade above referred to, I give below the action of several other similiar bodies:

#### MICHIGAN.

Detroit Board of Trade, December 7, says:—"The only action necessary, on the part of our government, is to allow the present treaty to stand until commissioners appointed by it, and the British Colonies of North America, agree on whatever alterations may be deemed advisable and mutually just and beneficial."

#### ILLINOIS.

Chicago Board of Trade, February 10, 1862, states that the "treaty has been of great value to the producing interest of the whole North West." Says that "we should not check the energy nor circumscribe the industry of our country, but take a broad national view of the question, and firmly advocate the principle of the greatest good to the greatest number. Cannot recommend any measure that will in the least cripple the energies of our people, but cheerfully advocate the revision of the treaty, if any of its parts are unjust or oppressive. What we

desire is to make our trade still more reciprocal, still more free with our Canadian neighbors."

## WISCONSIN.

Chamber of Commerce at Milwaukee, January 13, 1864, desires "such action as shall result in securing a new treaty, founded upon the true principles of reciprocity between the two governments and the people of both countries, and which shall obviate the objections and inequalities existing in the present treaty, and be upon a more liberal and enlarged basis."

## MINNESOTA.

Memorial of the Chamber of Commerce at St. Paul, referred to the Committee on Commerce, February 5, 1862, invokes the "sober second thought" of the country on the subject of our continental policy; reiterates the "uniform utterance of the authorities and citizens of Minnesota in anticipating an adjustment of the relations of the United States and all the British provinces on this continent, upon a basis of mutual interest and good will; does not deny the expediency of a revision of existing stipulations, but always in the interest of further freedom, not additional restriction of commercial intercourse."

## MASSACHUSETTS.

Boston Board of Trade, March 8, 1864, "resolved, that the continuance of the Reciprocity Treaty of 1854, between the United States and Great Britain, as the same may be revised in certain particulars by commissioners of the two high contracting powers, is of great moment to both countries, and is demanded by the principles of human brotherhood, as well as by the interests of American commerce."

From these several expressions of sentiment, touching our commercial relations with our neighbors, we look for an amended treaty that shall correct any imperfections that time has shown to exist in the present treaty, and at the same time secure and extend the real benefits that have already accrued to both countries under the existing treaty.

The action of the Board of Trade of Detroit, above referred to, took place on the 7th of December. A committee had previously been appointed which presented the following report. We give this report entire because it clearly and forcibly expresses the views of a large body of men in the West. The whole report was not adopted by the Board, but its conclusion was—some of the members not wishing to commit themselves to all the points discussed in it:

DETROIT, Dec. 6, 1864.

To the Honorable the Board of Trade of the City of Detroit:

On the 7th of June last, we, the undersigned, were appointed a committee to report to your honorable body, on the second Tuesday of December, what action, if any, in the opinion of this Board is needed, on the part of our Government, with regard to the abrogation of the Reciprocity Treaty, now existing between the United States and the British North American Colonies.

Your committee would beg respectfully to report as follows:—We find that both the Government of the United States and the Government of Canada have given this grave and important question much and careful consideration, and an examination of the facts and figures presented in their various reports has enabled us to arrive at the following conclusions:

From the year ending June 30th 1821, to June 30th, 1863, the total exports to Canada and the other British American Provinces were \$422,443,981; the total imports for the same time were \$260,327,900—making a balance in favor of the United States of \$162,116,081. With men acquainted with commercial matters, no further argument is needed to prove that the trade with Canada and

the other British possessions of North America has been of vast advantage to the people of the United States. This seems so clear and conclusive that we consider it unnecessary to add anything to the force of the figures presented; to do so would be a waste of time.

We find the principal argument in favor of an abrogation of the treaty to be the fact, that since the treaty went into effect, the Parliament of Canada has largely increased the duties on manufactured articles produced by us, causing a large decrease in the demand for such articles, and consequently acting injuriously upon our interests. We say this is no valid objection, as these duties do not touch one single article named in the treaty; and further, no one claims that any infringement of the treaty has taken place. On the contrary, it is admitted on all hands that both parties have been scrupulously exact in the observance of its terms, in spirit and in letter.

The Government of Canada increased the duties on imports, not because it desired to inflict any injury on the people of the United States, or their commerce, but because this measure had become a matter of necessity, in order to sustain the public credit and meet the public expenses. If increasing the duties on imports, under these circumstances, be a just matter of complaint against the Government of Canada, then, every nation with whom we have treaties of commerce has a much more just cause of complaint against ourselves, as our national necessities have compelled us to raise the duties on articles coming into the United States, far beyond anything contemplated by the Legislature of Canada. We take the ground that the governments of the two countries are the sole judges of what is best to be done in the way of taxation in their respective countries, and when, as in the present case no treaty is infringed, no other nation has a right to consider itself aggrieved.

The second argument used is, that the people of Canada and the British Isles have no sympathy with us in our present struggle; that on the other hand, all their best wishes and feelings are with our enemies. This view of the case is largely dwelt upon to create a prejudice against the treaty. We consider this no kind of argument, as it has nothing to do with the subject under discussion; and it is not in keeping with the dignity of a great and powerful nation like the United States, to allow itself to be betrayed into hasty and ill-advised acts of legislation, because a portion of the inhabitants of certain countries do not like us. This is not a question of likes or dislikes, it is a question of trade and commerce, affecting the well-being of 70,000,000 of people. If there has been any infringement of our rights on land or water we submit, that, repealing the reciprocity treaty is not the proper redress for wrongs done us. Let the Government of the country, when the proper time comes, present its case in the right quarter, in a becoming and statesmanlike manner, and insist on such redress as is just and reasonable. Let our commercial treaties, and our quarrels, each stand or fall on their own merits.

It is further argued that our lumber interests suffer by the competition of the Canadian lumber merchants. We consider this a most wholesome as well as needful competition. It is well known that the pineries of the great West are being rapidly taken up by large capitalists, and that in a few years monopolists will hold the most of these lands; this result will leave the consumer at the mercy of these great land holders, who would then control the price of lumber and put it to such a rate as would greatly retard the building and improving of our cities, towns and villages, and weigh heavily upon our farming interests. We therefore consider it a great and fortunate thing for the people of the great West that we have the privilege of the Canadian lumber market to keep in check the desire of our own dealers in that article, to raise it to an unreasonable price. Cheap lumber is a commodity of indispensable necessity with us.

Coal is covered by the same argument as lumber. Coal masters are combining all over the land to raise and keep up the price of fuel, and we are only sorry that Nova Scotia does not export to the cities of our Atlantic seaboard twenty times more coal than she does; because, if she did, we would have a much larger

and cheaper supply at the West. The interest of the manufacturer, the wants of the poor, the requirements of our vast steam marine on the western lakes, as well as on the seaboard, demand cheap fuel, and no monopoly in either lumber or coal. We trust the time is gone by when those who earn a living by the sweat of their brow can be made the mere tools of those who get rich by improper acts of Congress. In helping us to fuel and lumber at a reasonable price, the treaty is a real blessing.

Touching the fisheries, although they have not been near so profitable to us as was anticipated, the settlement of a question that was rapidly drifting the two countries into an attitude hostile to each other, was a boon so great to both parties that, had the treaty affected nothing else, it would have been worth all the advantages its enemies claim we have given to Canada.

In whatever light we view the treaty, it has been of vast importance to us, as well as to the colonies. It has been what all treaties should be, a mutual benefit, conferring on both contracting parties, advantages as nearly equal as possible.

We now come to breadstuffs. It is claimed by those opposed to the treaty, that this portion of it affords great and improper advantages to the Canadians. We claim the advantages are on the side of the United States, and not of Canada. Instead of being injured by the importation of Canadian grains, we are largely benefited. We will try and prove this, and we think the proof is conclusive. In 1863 we imported at Detroit 300,000 bushels of Canadian white wheat, on which Americans received the following sums, for labor, freight, insurance, elevating charges, and commission :

Elevating and shipping charge on 300,000 bushels, 2c. . . . .	\$6,000 00
Fire insurance on value here \$450,00, $\frac{1}{2}$ c. . . . .	1,125 00
Freight to Buffalo on 300,000 bus., 6c. . . . .	18,000 00
Transfer at Buffalo, 1c. . . . .	3,000 00
Canal freight to New York, 20c. . . . .	60,000 00
Measuring at New York, 1c. . . . .	3,000 00
Commission on value at New York, at \$1.90 per bushel, \$484,250, $\frac{2}{3}$ per cent. . . . .	14,250 00
Lake insurance on \$584,250 at $\frac{1}{4}$ per cent premium. . . . .	2,921 25

Total charge paid Americans. . . . . \$108,296 25

With the revenue law, as it stands at present, the Government would have received directly, as its portion of the benefit, the following sums :

On canal and lake freight \$78,000 at $\frac{2}{3}$ per cent. . . . .	\$1,950 00
On gross sales \$584,250 at $\frac{1}{4}$ of 1 per cent. . . . .	730 30
On stamps for time drafts for \$400,000 at 50c. per 1,000. . . . .	200 00
Assuming that all parties interested netted the moderate sum of \$10,000 on this property, it added just that amount to the nett income of the various parties interested, so that with a five per cent income tax, the Government would get another sum out of the transaction of. . . . .	500 00

Amount paid the Treasury. . . . . \$3,880 30

Here we have a sum of \$111,676 55 paid to the Government and people on one lot of 300,000 bushels of white wheat. Every transaction of the same nature resulted more or less in the same way. It will take a great deal of argument, prejudice and sophistry, to prove that the United States were deeply wronged by the above and kindred transactions. The opponents of the treaty say that this wheat would have come in under a twenty per cent *ad valorem* duty, and that we should have had all these profits and the duty besides. To this we reply:—We would not have received one single bushel of the wheat with a twenty per cent duty, for the simple reason, that the amount of this tax would have paid the freight charges, insurance and commission from the point, or way port from which the grain started in Canada, to Montreal, where it would have sold for a

larger sum than it would have done at Detroit. As all merchants sell in the market that will yield them the largest net profits on a given article, it is easy to see that Montreal, and not Detroit, would have drawn this grain into its port, and that neither the people nor the Government of the United States would have received a single dollar out of the transaction.

It may be deemed policy, it may be considered statesmanship, it may gratify a spirit of revenge for wrongs, fancied or real, to destroy this trade that so largely benefits the citizens of the United States. Your committee think otherwise; such conduct could only be expected of Chinese, Japanese, and other semi-barbarous nations, who are in the habit of erecting barriers to hinder commerce; when they overdo the thing and get their barriers a little too much in the way. Christian England, France and the United States send fleets and batter down all obstructions, destroy forts, burn cities, sink shipping, and do many other things that only strong christian nations can do, to teach weak heathen nations proper respect for civilized ideas of free trade; and yet we can be so inconsistent as to do ourselves what we so strongly condemn in others.

Our commission merchants complain that a vast quantity of flour is now purchased in Toronto by parties who used to make their purchases in Detroit, and claim that the treaty ought to be repealed on that account. To say the least, this complaint is rather selfish and ungenerous; for the plain English of the desire is to get a law passed by Congress that will compel the New England consumer to purchase his flour in Detroit, whether it is to his interest to do so or not. A better and more natural way would be for our merchants to offer our New England friends flour at fair rates, instead of holding it from one to two dollars per barrel above all other markets, as they have generally done for the past few years, and by this cause have driven the flour trade that used to center here, to Toronto, Chicago, Milwaukee and Toledo. A spirit of utter variance with the ordinary rules of trade has lost us this business, and nothing else. Neighboring cities with more spirit and liberality, are fast stripping us of even the home trade; for the same reason, Chicago and Cleveland are fast leaving us behind in the race for the Lake Superior trade, simply because the consumer in that region can trade with more advantage with them than with us; and it would be just as reasonable to ask Congress to stop this trade as to ask a repeal of the Reciprocity Treaty, to prevent the New Englander from purchasing his flour in Toronto.

Canada, and the Northwestern States, have always a surplus of breadstuffs, and both must look abroad for a market for what they cannot consume themselves, and both look to the same market. It therefore follows, that Canada can send to Liverpool just the amount less she has sent to New England. If she sent none of her supplies to the United States, she would have to send the whole of it to the markets abroad, where our own supplies would come into competition with it; this being the case, it appears to us a matter of no moment whether the ground on which we compete is Boston or Liverpool, for every merchant knows that the foreign, and not the home market, governs the price.

The next complaint against the treaty is, that it fosters and sustains rival transportation interests through a foreign country. This is the most groundless complaint of all. There is not one single merchant in the Northwest but knows that the facilities to transport the produce of this region to the sea-board, through American territory, is utterly inadequate to the task—that, in the busy season of the year, freights are so crowded on the American lines, that the cost of transportation is largely increased, and delays so numerous, that the mercantile and farming interests suffer great damage from these two causes. We do not use more severe language than is called for, when we state that members of Congress and others, who make this complaint, show an amount of ignorance on the subject that can hardly be explained or excused. The only real ground of complaint your committee can make clear is, that the Grand Trunk Railway (one of the rival lines), has not increased its rolling stock to a point where it could carry off an average of at least 10,000 barrels of flour per day from Detroit, instead

of the present small and insignificant amount it can transport. If it could do this, it would add five cents per bushel to the value of all the wheat grown in Michigan, for the reason that its increased facilities would reduce the cost of conveying a barrel of flour from this point to the seaboard at least twenty-five cents per barrel. In other words, the saving yearly, for all time to come, would be almost equal to the original cost of the land on which the wheat was produced.

Your committee have only touched briefly on some of the more important points of the treaty. It is needless for us to add, that we are, and think your honorable body should be, opposed to a repeal of the Reciprocity Treaty. We condemn in the most earnest and unqualified terms possible, all legislation, that has for its object the placing of the producer and consumer within the grasp of the monopolists who try on this particular subject to control the action of Congress.

Finally, we would respectfully report that, in the opinion of your committee, the only action necessary on the part of our Government is, to allow the present treaty to stand, until commissioners appointed by it, and the British Colonies of North America, agree on whatever alterations may be deemed advisable and mutually just and beneficial.

In modifying the treaty, we would respectfully suggest that our Government endeavor to have the Government of Canada enlarge the locks of the Welland Canal to the same length and breadth of the St. Lawrence Canals; and that, within a given number of years, (say five years) from the ratification of the amended treaty, that the Canadian Government guarantee a depth of 12 feet 6 inches of water fit for navigation from the entrance of the Welland Canal at Port Colborne to Montreal; as also the enlargement of the locks above named; for which great and important benefit to us, the new treaty be made for twenty-five years, so as to give stability to the trade between the two countries, and take away all cause for mutual irritation, and put it beyond the hope or power of scheming monopolists on either side to disturb the harmony of the two countries by acts of unfriendly legislation,

We would also suggest that the revenue laws of Canada be so amended, that goods purchased in the original package in the United States be admitted to Canada on the same terms as if the same class of goods had entered by sea; and that our Government give the same advantage to goods in the original package from Canada.

We are also of the opinion that the law that authorizes the Governor General to discriminate in favor of certain railroad routes be repealed. As the law now stands, he can issue an order to admit goods *via* Portland, by the Grand Trunk Railroad, at the value at the port of exportation; whereas, the same goods entering from any other of our seaport cities, would be liable to the value at that point of departure. Exceptional laws of this kind must always produce irritation in the minds of those injured by them; and no one, either in Canada or the United States, can look upon such enactments in any point of view except that of being most unfriendly acts.

To remedy such evils, and strengthen the bonds of friendship between the two countries, we respectfully recommend the line of policy indicated in this report.

DUNCAN STEWART, Chairman of Committee,  
W. H. CRAIG,  
R. HAWLEY,  
AUG. E. BISSELL,  
F. LAMBIE.

## THE NAVAL FORCES OF THE UNITED STATES.

THE subjoined statements, which we take from the Report of the Secretary of the Navy, presents a general exhibit of the navy, including vessels under construction on the 1st of December, 1864, with a comparative statement of the navy in December, 1863 and 1864.

A tabular statement is appended of the number of naval vessels, of every class, that have been constructed, or in the course of construction, since March 4, 1861.

## GENERAL EXHIBIT OF THE NAVY, INCLUDING VESSELS UNDER CONSTRUCTION, DEC., 1864.

No. of Vessels.	Description.	No. of guns.	No. of tons.
113	Screw steamers especially constructed for naval purposes.	1,426	169,231
52	Paddle-wheel steamers especially constructed for naval purposes	524	51,878
71	Iron-clad vessels	275	80,596
149	Screw steamers purchased, captured, &c., fitted for naval purposes	614	60,380
174	Paddle-wheel steamers purchased, captured, &c., fitted for naval purposes	921	78,762
112	Sailing vessels of all classes	850	69,549
671	Total	4,610	510,396

## COMPARATIVE STATEMENT OF THE NAVY, DECEMBER, 1863 AND 1864.

No. of Vessels.	Description.	No. of guns.	No. of tons.
671	Total Navy, December, 1864	4,610	510,396
588	Total Navy, December, 1863	4,443	467,967
83	Actual increase for the year	167	42,429
26	Total losses by shipwreck, in battle, capture, &c., during the year	146	13,084
109	Actual addition to the Navy from December, 1863, to December, 1864	313	55,513

The following tabular statement exhibits the number and description of vessels that have been constructed, or put in the course of construction, for the navy, since the institution of active measures for the suppression of the rebellion. Some of them have been built by contract; others by the Government, in the several navy yards. If we add to the number those constructed under similar circumstances, and within the same period, that have been lost by shipwreck, in battle, &c., viz.: the sloops *Housatonic* and *Adirondack*, and the iron-clads *Monitor*, *Weehauken*, *Keokuk*, *Indianola* and *Tecumseh*, the aggregate would be 210 vessels, 1,675 guns, and 256,755 tons.

Picket-boats, and small craft built for especial purposes, are not embraced in this statement.

## VESSELS CONSTRUCTED FOR THE NAVY SINCE MARCH 4, 1861.

No.	Description.	Guns.	Tonnage.
7	Screw sloops, Ammonoosuc class, 17 to 19 guns, 3,213 to 3,713 tons each	121	23,637
1	Screw sloop <i>Idaho</i> , 8 guns and 2,638 tons	8	2,638
8	Screw sloops, spar deck, <i>Java</i> class, 25 guns and 3,177 tons each	200	25,416
2	Screw sloops, spar deck, <i>Hassalo</i> class, 25 guns and 3,365 tons each	50	6,730

No.	Description.	Guns.	Tonnage.
10	Screw sloops, clippers, single deck, Contoocook class, 13 guns and 2,348 tons each.....	130	23,480
4	Screw sloops, Kearsarge class, 6 to 12 guns, and averaging 1,023 tons each.....	40	4,092
6	Screw sloops, Shenandoah class, 8 to 16 guns and 1,367 to 1,533 tons each.....	74	8,584
2	Screw sloops, Ossipee class, 10 to 13 guns and 1,240 tons each.....	23	2,480
8	Screw sloops, Serapis class, 12 guns and 1,380 tons each..	96	11,040
4	Screw sloops, Resaca class, 8 guns and 831 to 900 tons each.....	32	3,462
8	Screw sloops, Nipsic class, 7 to 12 guns and 593 tons each	71	4,744
23	Screw gunboats, Unadilla class, 4 to 7 guns and 507 tons each.....	123	11,661
9	Screw tugs, Pinta class, 2 guns 350 tons each.....	18	3,150
2	Screw tugs, Pilgrim class, 2 guns and 170 tons each.....	4	340
13	Paddle-wheel steamers, double-enders, Octorara class, 7 to 11 guns, and 730 to 955 tons each.....	98	11,924
26	Paddle-wheel steamers, double-enders, Sassacus class, 10 to 14 guns and 974 tons each.....	272	25,324
7	Paddle-wheel steamers, of iron, double-enders, Mohongo class, 10 guns and 1,030 tons each.....	70	7,220
1	Paddle-wheel steamer, of iron, double-ender, Wateree, 12 guns and 974 tons.....	12	974
141	Total.....	1,442	175,986

## IRON-CLAD VESSELS.

2	Sea-going casemated vessels, Dunderberg and New-Iron-sides.....	28	8,576
3	Sea-going turret vessels, Puritan, Dictator and Roanoke...	12	9,733
4	Double-turret vessels, Kalamazoo class, 4 guns and 3,200 tons each.....	16	12,800
4	Double-turret vessels, Monadnock class, 4 guns and 1,564 tons each.....	16	6,256
1	Double-turret vessel, Onondaga, 4 guns and 1,250 tons....	4	1,250
4	Double turret vessels, Winnebago class, 4 guns and 970 tons each.....	16	3,880
8	Single-turret vessels, Canonicus class, 2 guns and 1,034 tons each.....	16	8,272
9	Single-turret vessels, Passaic class, 2 to 4 guns and 844 tons each.....	21	7,596
20	Single-turret vessels, Yazoo class, 1 to 2 guns and 614 tons each.....	35	12,280
2	Single-turret vessels, Sandusky and Marietta, 2 guns each.	4	953
3	Single-turret vessels, Ozark, Neosho and Osage, 2 to 7 guns each.....	13	1,624
2	Casemated vessels, Tuscumbia and Chillicothe, 5 and 3 guns respectively.....	8	768
62	Total.....	189	73,988
203	Total.....	1,631	249,974

## CONSTRUCTION OF NAVAL VESSELS.

At the commencement of the rebellion the navy consisted of sailing vessels, a few paddle-wheel steamers, and screw vessels with auxiliary steam-power. Among the latter, the principal and most important were the steam frigates, which, on account of their great draught of water, were unsuitable for any other purpose than that of cruisers on foreign stations as flag-ships, for which indeed

they were intended. These vessels had been built to meet the conditions of the day; some of them, the Mississippi for instance, had been in service more than twenty years. When constructed, the principal object in view was armament, not speed, and they were equal, if not superior, to the vessels of other naval Powers. For attacks on forts, when accessible to naval attacks, or to protect troops in landing, they can still render service. Time was required to repair and place in proper condition such of these vessels as were dismantled, and also those which were recalled from service abroad. The sailing men-of-war had become useless for fighting purposes. In the emergency that devolved upon it at the beginning of hostilities, the department resorted to the commercial marine, and purchased every available merchant steamer that could advantageously be converted into a naval vessel, and be used to enforce the blockade.

The want of a class of small, heavily armed, propeller vessels was felt, and the department immediately proceeded, on its own responsibility, and without any appropriation or authorization by Congress, to contract for the construction of twenty-three gunboats, of which the Unadilla, Pionola and Wissahickon may be taken as the type. Some of these vessels were afloat, armed and manned within four months from the date of contract, and participated in the attack on Port-Royal; others took part on the lower Mississippi, in passing the forts and in capturing New-Orleans. These gunboats continue to maintain a good reputation, and their steam machinery gives satisfaction. Well adapted as they are for guarding our coast, a larger description was needed for ocean service, and four vessels of the class of the Ossipee, mounting each two guns of eleven inches, were built. There were, also, four vessels of slightly less tonnage constructed, carrying the same armament, of which the Kearsarge is the type. The Shenandoah is the type of six vessels, mounting each three eleven-inch guns, all of which sustain a high reputation. The heavy guns mentioned constitute the principal armament of the several classes named, but they each have in addition from two to six guns of less calibre. All of these vessels are screw steamers, suitable for sea cruising: but for shallow sounds and bays, the rivers and bayous, often narrow and tortuous, another and different class, drawing less water, was found to be necessary, and for them competition was invited. To turn in these frequently restricted channels is difficult, sometimes impossible, and the necessities of the case suggested the principal of a fighting vessel with a double bow and rudder at each end. Twelve paddle-wheel steamers constructed on this principle were built, some in the navy-yards and others by contract. The Port-Royal and the Sonoma are types of this class. An additional number, amounting to twenty-seven, of these double-bowed paddle-wheel vessels have been built, almost all of them by contract. The Sassacus, which was distinguished in the attack on the rebel ram in Albemarle Sound, the Metacomet, conspicuous in Mobile Bay, and the Eutaw, are types of these vessels. Eight of this class are built or building of iron, and will have strength sufficient for sea service as well as for inland waters. One of them, the Wateree, sent round Cape Horn, reached San Francisco in September last, and is on duty in the Pacific.

In order to have armed vessels suitable for naval operations on the Mississippi and its tributaries, the Department invited plans and propositions from ship-builders and others acquainted with those waters, and the vessels built on those rivers have been chiefly from the plans submitted by parties thus invited. Two of these vessels, built at St. Louis, participated in the action with the rebel ram Tennessee, and have done good service in Mobile Bay.

The entire class of monitor or turreted vessels has been brought into existence during this war, and the coast and harbor iron-clads have been serviceable in James River, at Charleston, and at Mobile. Modifications and improvements have been made in this class of armored vessels.

The pressure for iron-clads of light draught, which could ascend the rivers and penetrate the sounds and bays along our coast, was felt to be a necessity. The operations of our armies in the vicinity of the inland water and adjacent to the rivers required the constant presence of gunboats. But the men thus employed,

as well as the magazines and machinery of the vessels, are exposed, especially in the narrow streams with high and wooded banks. Some vessels, and not a few valuable lives, have been lost by these exposures, and in order to afford all possible protection to the gallant men who encounter these dangers, the Department considered it a duty to provide armored vessels of light draught for their security. Contracts were entered into for the construction of twenty vessels on the monitor principle, each to carry two 11-inch guns, in order to be efficient, and to draw seven feet of water.

It was ascertained, however, when the first two approached completion, that their draft of water was more than was intended. The heavy armor and the two 11-inch guns, with the machinery to give them proper speed, involved the necessity of enlarging the capacity of each of them. When making these necessary alterations, it was deemed advisable, under applications from some of the commanders of squadrons for boats that should present but a small rise above the surface of the water, to dispense with the turrets in five of these light-draft vessels, with a view to special operations. The remaining fifteen were ordered to be enlarged by raising their decks, thereby giving them additional tonnage and greater draft and making them more efficient, but in other respects carrying out the original design. This work is now being performed, and most of the vessels are near completion.

The exigencies of the times and the necessities of the war have stimulated the inventive faculties of our countrymen to vast improvements in vessels, in engines, in ordnance and projectiles. That in some instances they are not at first entirely successful is not surprising. Mistakes and even failures will occur. In nearly every class of vessels that have been built, and especially those that are armored, more or less alterations have been found necessary while they were being constructed. Only two of the monitor class of vessels, the Dictator and Puritan, are proposed for sea service. Their success, of which the inventor and builder is sanguine, is among the experiments that the period and the exigencies of the country have imposed upon the department.

Four turreted vessels have been built in the navy-yards, of wood, and cased with iron—differing therein from the original monitors, which are exclusively of iron. One of them, the Monadnock, now in commission, has performed her trips from Boston to Hampton Roads with entire satisfaction, giving assurance that this experiment, deviating, in essential respects, from others, is likely to be successful. The draught of water of the Monadnock is twelve feet, and with two independent screws she has a speed of ten knots. Four other similar vessels, of a still more formidable and invulnerable character, are building.

The only sea-going iron-clad ships, besides the two turreted vessels already mentioned, are the New Ironsides, built in 1862; the Roanoke, one of the old frigates which has been armored, and the Dunderberg, a casemate vessel. For this vessel the contractor has promised a speed of fifteen knots at sea.

The department has, on several occasions, invited propositions for iron, sea-going, armored ships, but Congress having declined to make the necessary appropriations, no measures have been taken for their construction.

The vessels recently built, and at present constructing in the navy yards, are of wood, the smaller class of them being gunboats, eight of which are of the class of the Nepsic, 600 tons, mounting one heavy pivot and four broadside guns. There are four of the class of the Nantucket, of 900 tons, mounting one heavy pivot, with six broadside guns. In addition to these there are four vessels of the class of the Algona, with a tonnage of 1,350 tons, and proportionate armament. All of these vessels have very considerable steam-power, and will, as some of them have already proved, be efficient cruisers at sea.

The immediate wants of the blockade having been supplied by the vessels built and altered in the navy-yards, and by purchase of the best merchant steamers capable of bearing heavy armament, the attention of the department has been bestowed on larger and more imposing ships, such as would be formidable not only for home defence but for foreign service. The position and influence of a

nation among the great commercial and maritime powers of the world are to a great extent dependent on its naval ability. Limited appropriations have already been made by Congress for vessels of this character. Each succeeding year of this war has produced from foreign ship yards steamers of greater speed to run the blockade, and the reliable preventive of this illicit trade must be found in vessels of increased steam power. By making them of sufficient size they will be formidable, not only to neutral violators of our laws, but to any enemy. Of the vessels on which some sacrifice of armament has been made to obtain speed there are seven building, three of which are already launched, and the others will soon be ready. Two of these vessels are being built by contract, and five in the navy-yards. This class of vessels is represented by the Ammonoosuc and the Chattanooga. There are also in progress of construction twenty vessels with steam machinery of rather less power, but which are to be much more heavily armed. Ten of these, of the class of the Illinois, the Guerriere and the Java, have covered gun-decks, and will carry twenty heavy guns. Two will have a plating of thin iron as a protection from shells. The remaining ten, of the class of the Contocook and Manitou, building in the navy-yards, are of less size, but with equal machinery, and intended for greater speed. As all of them will be provided with masts and sails, they can be cruising vessels and used on foreign stations.

## PRIZES AND PENSIONS.

The number of vessels captured by the squadrons since the last annual report, and reported to the department prior to November 1, is 324, classified as follows: schooners, 105; steamers, 88; sloops, 40; brigs, 3; barks, 3; small boats, 85. The total number of captures since the commencement of the rebellion is 1,379, viz.: schooners, 652; steamers, 267; sloops, 171; brigs, 33; barks, 29; ships, 15; yachts and small boats, 117.

The gross proceeds arising from the sale of condemned prize property amounts to \$14,396,250.51; expenses, \$1,237,153.96, leaving for distribution, one-half to the captors, and one-half to the United States as a naval pension fund, \$13,190,841.46.

The pension roll on the 1st of November, 1864, was as follows:

769 invalids with pensions amounting to.....	\$50,401 10
840 widows and orphans amounting to.....	139,258 00
1,609 persons receiving a total amount of .....	\$189,659 10

## EXPENSES AND ESTIMATES.

The following are the expenses of the Naval Department the past year, and the estimates for the coming year:

On the 1st July, 1863, there was an unexpended balance standing to the credit of the department of.....	\$39,101,970 34
The appropriations for the fiscal year ending June 30, 1864, were	76,663,567 36
Total available means.....	\$115,765,537 70
The expenditures of the department during the same time were.	\$85,733,292 77
Leaving a balance at the commencement of the present fiscal year of.....	\$30,032,244 93
The appropriations for the current year are .....	109,256,814 54
Making the total available resources for the fiscal year ending June 30, 1865.....	\$139,289,059 47

The estimates submitted for the fiscal year ending June 30, 1866, are as follows:

Pay of the navy .....	\$23,327,722 50
Construction and repair of steam machinery .....	17,145,000 00
Construction and repair of vessels .....	24,530,000 00
Ordnance and magazines .....	9,187,615 00
Fuel, hemp, and equipment of vessels .....	14,050,000 00
Provisions and clothing .....	13,923,280 75
Navy-yards and superintendents .....	4,577,313 00
Navigation and Naval Academy .....	562,626 00
Surgeons' necessaries and hospitals .....	315,000 00
Marine corps .....	1,599,087 70
Contingent and miscellaneous .....	3,970,018 33
Total .....	\$112,187,663 28

The expenditures of the department since the 4th of March, 1861, have been as follows:

From 4th of March to close of fiscal year, June 30, 1861 .....	\$6,244,357 63
For fiscal year ending June 30, 1862 .....	42,200,529 06
For fiscal year ending June 30, 1863 .....	63,211,105 27
For fiscal year ending June 30, 1864 .....	85,733,292 77
From July 1, 1864, to November 1, 1864 .....	41,257,976 72
Estimated expenditures from Nov. 1, 1864, to March 4, 1865 .....	42,000,000 00
Total .....	\$280,647,261 45

### PUBLIC LANDS, MINES, AND PATENTS.

THE Secretary of the Interior reports a revival of the demand for the public lands, particularly for settlement and cultivation. During the year ending June 30, 1864, more than three millions of acres have been disposed of, and including the quarter ending on the 30th of September, more than four and a quarter millions of acres. The following is a statement in full:

Acres sold for cash .....	432,773.90
“ located with military warrants .....	515,900.00
“ located with agricultural scrip .....	214,418.14
“ certified to States for railroads .....	857,180.87
“ taken under the Homestead law .....	1,261,592.61
“ disposed of during the year .....	3,281,865.52
During the quarter ending September 30, 1864, the aggregate quantity taken for the same purpose was .....	939,476.90
Making a total of .....	4,221,342.42

The cash receipts for sales, homestead and location fees, for the same five quarters, were \$1,019,446 44.

The aggregate quantity of public lands surveyed, but not disposed of, on the 30th September last, was 133,517,587 acres. This has been the average quantity for several years past. The amount surveyed annually has been about equal to that disposed of annually.

The annual receipts from ordinary sales for four years past have been as follows:

For the year ending June 30, 1861 .....	\$884,887 03
“ “ “ 1862 .....	125,048 30
“ “ “ 1863 .....	136,077 95
“ “ “ 1864 .....	678,007 21

Nineteen States have accepted the provisions of the acts donating lands "for the benefit of agriculture and the mechanic arts," and have received land and land scrip amounting to 4,950,000 acres.

#### THE MINES.

The reports of the mining interests are very encouraging. Additional discoveries of precious metals have been made during the year in the region flanking the ranges of the Sierra Nevada on the east, in Idaho and Nevada and Arizona, and the Secretary recommends the appointment of experienced and skillful mineralogists to make a scientific examination of the principal mining localities, and of the mineral regions generally, and to report the result. An appropriation would be required for these purposes. The report says: "In that portion of Nevada through which the Pacific Railroad will pass, many rich veins have been found, and it is estimated by persons familiar with the subject, that if the mines now opened there were supplied with the proper machinery, they would yield ten millions of dollars per month. In the same region vast beds of salt have also been found, which, from its value in the process of separating the silver in the ores, has given a fresh impulse to mining. When we reflect that the region of country in which deposits of the precious metals abound, includes large portions of three States and six territories, and that the richest veins of ore heretofore discovered are as yet but slightly developed, whilst new discoveries are constantly made, it will be perceived that the annual product of the mines in the United States must soon reach a magnitude, without precedent in the history of mining operations."

The mines of New Mexico and Arizona, though regarded as inferior to no others, are now nearly inaccessible and indifferently wrought. It is therefore suggested whether it would not be expedient to grant all, or such portions of the lands as are requisite, to insure the construction of the necessary railroads, and the conversion of the sterile lands to a condition of fertility.

#### THE INDIANS.

The Indian troubles, during the year, have given the department much concern. The proposition to reverse the policy of making treaties with Indian tribes, and to abrogate all existing treaties, is discouraged by Mr. USHER; but he suggests the propriety of omitting all stipulations for the payment of money annuities, whenever good policy or existing engagements will admit of that course of action.

#### PATENTS.

The inventive industry of the country is stimulated rather than depressed by the war. Last year 6,740 applications were made for new patents; 939 caveats were filed; 29 applications for extensions were received; 4,843 patents were issued (including re-issues,) and 40 extensions were granted.

## THE BOOK TRADE.

*A History of the World from the Earliest Records to the Present Time.* Vol. I. By PHILIP SMITH, B. A. D. APPLETON & Co., 443 and 445 Broadway.

THE title which this volume bears usually suggests to one's mind a mere dictionary of dates; that being about the scope of what are generally called "Universal Histories." We must confess, therefore, that in opening it, we did not anticipate anything less weighty, and were the more pleased to find it a very different affair. It is a history

—not a dictionary—and promises to be a work of permanent value, as a continued record of human progress, showing the gradual development and the grand result of the acts and struggles of all nations.

The author treats his subject under three different heads or periods—the three into which history naturally divides—ancient, midieval, and modern. The first extends from the creation to the fall of the Western Empire, and is to be completed in two volumes; the second, also in two volumes, will embrace the period from the fall of the Western Empire to the taking of Constantinople by the Turks; and the third, to which four volumes are to be devoted, is to bring the story down to our own time. Thus, the work will extend through eight large octavo volumes—giving room enough for a valuable history, and yet not making it so extensive as to place it beyond the reach of any.

We notice that the first volume contains several fine steel-plate engravings, and is, in fact, in every respect issued in excellent style.

*Our Young Folks.* A new Magazine published by TICKNOR & FIELDS, Boston. Single subscriptions \$2 a year.

WE have received the first number of this new periodical for "Young Folks," and find it full of articles both instructive and entertaining. Filling, as it does, an important corner before unoccupied, and addressed to a class whose characters are forming, we are glad to see that its pages are to be presided over by editors so well fitted for the position. If we would interest young people in books we must make them attractive, and convey the information they contain, in an agreeable, lively, and entertaining manner. We know no one able to do this better than GAIL HAMILTON, and feel sure, therefore, that so long as she is one of the editors, one will find precious little stupidity between the covers of "Our Young Folks." We wish it a long, useful, and successful existence.

*Diary of Mrs. Kitty Trevelyen:* A Story of the Times of WHITFIELD and the WESLEYS. By the author of "Chronicles of the Schonberg-Cotta Family," etc., with a Preface by the author for the American edition. New York: M. W. DODD, 506 Broadway.

Notices of this and other books received deferred until next month.

---



---

## CONTENTS OF JANUARY NUMBER.

---

1. Cornelius Vanderbilt.....	10
2. The National Finances. By HON. AMASA WALKER.....	22
3. The Taeping Rebellion—Its Rise and Fall. By T. M. J.....	38
4. Why the Gold Revenue is Falling Off.....	49
5. Commercial Law.—No. 17. Interest and Usury.....	51
6. The Treasury Report.—The Past and Future Policy.....	55
7. Commercial Chronicle and Review.....	60
8. Journal of Banking, Currency, and Finance.....	66
9. The Reciprocity Treaty.....	75
10. The Naval Forces of the United States.....	81
11. Public Lands, Mines, and Patents.....	86
12. The Book Trade.....	88