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PETROLEUM.—ITS LOCATION AND PRODUCTION.

At present engaged in the oil producing region of Pennsylvania, the undersigned cannot repress the ever uprising desire to explain, or to attempt an explanation, of the phenomena of the oil and its production.

ROCKS IN WHICH IT ABOUNDS.

First the rocks in which it is found, and those in which it abounds, claim a passing notice.

Everybody was surprised at the out-gushing of oil from the rocky bosom of the earth, as much as were the weary and thirsty Hebrews, when the smiting of the Prophet's magic wand brought water, pure and sweet, from the desert granite. At first there was a tendency to regard it in the same category as the "*Moon Hoax*." Its reality, however, was palpable. The senses could testify, and even incredulity was compelled to believe. Then arose the questions, "if oil is found in one place, why not in any other?" and "if in one place only, or under certain conditions only, then in what place or under what conditions?" If in one place only it could be found, then that was answered when the first well was found. No other need be looked for. Happily, however, the first astonishment over, venturesome spirits were not wanting to repeat the experiment of Mr. DRAKE; and, in a remarkably short period of time, many neighbors began to bore. The identity of the oil thus obtained, with the oil obtained by distillation, of coal and inspissated bitumen, which had just at that time succeeded in making a market for itself, brought the new product immediately into use, to the serious loss and great disgust of the coal distillers. The demand, however, was still exceedingly small, when the discovery of a flowing well of great productiveness set enterprise and speculation all astir, and the oil began to spout forth from the wounded earth in numberless torrents. Demand was drowned in the deluge. The oil could not be

given away at the wells as fast as they poured it out. Small producing pump-wells were abandoned by the thousand, inasmuch that old derricks rear their decaying heads all over Pennsylvania oildom, and bear mournful testimony to the ruined fortunes of thousands of early adventurers.

But to the rocks—what kinds of rocks are they? The rocks of almost every geological epoch above the primary igneous, produce petroleum in quantities greater or less—more less than greater however. But the rocks, pre-eminently oil-bearing, are immediately subjacent to the bituminous coal-bearing rocks of this region, although a remark of an old oil hunter, made in the hearing of the writer, seems to be a realized fact. Speaking in the earnest manner, common to the mere observer without science, he said: "Where the coal is, the ile aint." Thus it seems to be pretty generally agreed, that it is useless to bore through a coal bed for oil. After all, this is, at present, mere empiricism. No reason can be given by any man why oil may not be reached through a bed of coal, as well as through the other overlying rocks. On nearly all these hills subcarboniferous rocks abound, and the debris of subcarboniferous rocks forms the surface of most of the valleys as well. The basis of the hills are mostly identical with the Devonian sandstones and shales, represented in the New York system by the Chemung and Portage group. At the base of the subcarboniferous series lie the compact sand rocks, which, in many parts, are coarse conglomerates.

In boring for a well, no man expects to find oil until he has reached and passed through a whitish sand rock, lying at depths varying from seventy-five to two hundred and seventy-five feet in the valleys. This is called, by way of distinction, the "first sand rock," although the borer may have passed through a dozen different sand rocks alternating with shales, before having reached the "sand rock." Very generally, a well stopped after having penetrated this rock, yields a heavy thick oil, considered specially valuable for lubricating purposes, and commanding nearly double the market value of the light oils.

From one hundred to two hundred feet below this lies another, very similar, and called the "second sand rock." Having penetrated through this, the borer is usually rewarded with another "show of oil." This, too, is a heavy oil, though not commonly so heavy as the former. From this rock is produced nearly all the wells along the Alleghany River, while the wells on French Creek are nearly all completed in the "first sand rock."

But, to reach the great oil fountains, the drill must make another plunge of from one hundred to two hundred feet, when a "third sand rock" is reached. From beneath this rock out gushes the pure, limpid, light oil. Here, too, are reached most, not all, the great "flowing," or rather spouting wells; some of them having deluged the land at first, with three thousand barrels per day—the "Empire well," for instance. The wells of Oil Creek are mostly in this rock.

Here, then, we have perforations through a series of sand rocks and clay shales, until a certain sand rock is reached, under which lies the greasy treasure. Let it be noticed that in all this descent into the bowels of the earth, no limestone is reached in this region of country.

CAN WELLS BE OBTAINED FROM TOPS OF HILLS?

Under the general impression that breaks in the hills indicate chasms

in the rocks beneath, the valleys, gorges, dells, and even mountain rills are seized upon by oil seekers as favorable locations for boring; and the omnipresent derrick climbs to the summits of the ridges, by timidly following the channel or brink of some little mountain torrents, instead of boldly mounting up the faces of the hills. It is, undoubtedly, a geological fact, that these valleys of Western Pennsylvania, never primarily marked out at the period of upheaval, by the flexures of elevation causing anticlinal axes, or by the flexures of depression causing synclinal axes; in both which cases a system of fissures would be produced; in the former, they would be superficial and open upwards, forming the primitive channels for the waters—now the rills, brooks, torrents, runs, creeks, rivers; in the latter, they would be deep and cavernous, and open downwards, while the depression itself would form the water channel. Both these forms of valleys are seen here, and are usually plainly distinguishable, the one from the other; while, in some cases, it becomes necessary to carefully observe the dip of the rocks before a decision can be formed.

But what is the testimony of the wells? Do they all speak one language—tell one tale? Verily no; though their reports, however various, are susceptible of classification, quite clear and intelligible. These reports are of two distinct classes, viz.: cavernous accumulations of oil, and shaly accumulations of oil.

When the Noble well was bored, for seven long days and nights, down rushed the waters, down rushed the oil, and down rushed the gases. Probably Mr. NOBLE thought he had struck a short route to China or *the other place* below; and he might have been pardoned, if the thought of putting a telegraph wire down through to the Celestials began to suggest itself to his excited mind, apparently disappointed in his dream of wealth from the flow of the coveted grease. But lo! if he had been amazed and chagrined during the first seven days, at the swallowing up of all his hopes in a fathomless abyss, he was no less astonished and delighted on the eighth day when he saw the liquid wealth suddenly rise with a snort and a splutter, and shoot up at the enormous rate of two thousand five hundred barrels per day. Other proofs of caverns are abundant, especially of caverns in the forms of rifts and chasms. Intermitting wells also show the fact of caverns. For instance, one well flows a good stream, gradually diminishes, ceases, and then gradually commences, increases, reaches its maximum flow, and then, as before, gradually declines. The periods in this case are eleven minutes flow, and fifteen minutes rest. On the contrary, most wells, I think, give proofs of being supplied with oil from shales. The gradual manner in which it evidently reaches the tube, shows that it results from percolation through some partially retaining substance. That shales are there the borer knows; for he brought up their triturated debris, while reason also affirms "it must be so."

As to the question of choice of ground, whether we shall take hill or valley or ravine, we may evidently conclude that these three several "sand rocks" will be reached at a less depth in a valley than on a hill. That rifts and chasms would be more abundant near the axes of flexure than where these do not occur, is a very natural and safe conclusion; but that one of the shale wells might be obtained from the top of a hill seems self-evident, by adding to the depth of the boring the excess in altitude. That no chasm or rift might be reached from the top of a hill, is by no

means a tenable position. Indeed, proofs are not wanting that chasms or rifts do occasionally occur in hills and beneath them. The celebrated bitumen vein in West Virginia splits a hill from summit to base, and crosses the valley at nearly right angles. At the top of the hill this rift is two feet thick; at the bottom and through the valley it is four feet ten inches thick. Assuming now, merely for the argument, that this same rift were a thousand feet geocentrically lower, that the bitumen existed in a liquid state, and that, in boring for oil, or other purpose, it is reached, evidently our part of the rift, *i. e.*, the reservoir, would be equally efficacious with another, hill or no hill. If, however, this hypothetical rift should make an angle with a vertical plane, in such manner as to place some portions geocentrically higher than others, (a condition, the probabilities of which, against the supposition of a perfectly concentric contour and vertical position, are almost infinity against zero,) then perforations at different altitudes will vary in productiveness. A low perforation will give great hydrostatic pressure; and the flow will be correspondingly great. If a barrel filled with any liquid be tapped on the head in a dozen different places, and at different distances from the top, that orifice will discharge the most which lies the lowest, the perforations being equal. *A priori*, then, we may safely conclude that he who bores for oil from the top of a hill, though his chances for striking a chasm reservoir may be somewhat diminished, may still very confidently proceed, assured that he will find oil in shale, if not in rifts.

THE THREE SAND ROCKS.

What may be the character of the three "sand rocks," in virtue of which they, and they alone, have become the conservitors of oil, does not yet appear. So far as known, all the surface drainage must have originated from these rocks, as in all the borings made these alone have yielded oil,—still not these, but under these. Moreover, the reservoirs under the three are evidently disconnected; the oils differing in gravity, the heaviest atop! when, by mixing the three in one vessel, they separate according to the law regulating the separation of liquids differing in specific gravity. On the contrary, as might be expected, the reservoirs under the same rock, give abundant proofs of extensive connections. Thus new wells frequently so tap the reservoir of old ones near them, as to greatly effect the quantity of the product from the old. On Oil Creek, new borings very generally pass through a deposit of debris from the old borings; and, in some instances, remnants of cable, and of seed bags and seeds have been brought up from a depth of several hundred feet. Thus the proof of connection is placed beyond hypothesis. It rests on facts.

DAILY PRODUCTION OF OIL, AND THE AGGREGATE AMOUNT.

The quantity of oil produced now does not materially differ from that of two years ago, *viz.*, about six thousand barrels daily; a little short perhaps. From this fact some have leaped to the unwarrantable conclusion, that the maximum capacity for daily production was then reached. They argue that the number of wells has been greatly increased, but the quantity received is nearly constant. Therefore, more oil cannot be produced by increasing the number of wells.

Now we need but a moments reflection, and an appeal to a fact or two, in order to expose the fallacy of such a conclusion. First, the number of producing wells now is not so much greater than two years ago, as would at first sight appear. Old abandoned derricks, over wells which were producing oil two years ago, are very abundant; all along Oil Creek for miles, along French Creek for miles, and along the Alleghany River for miles, these abandoned wells outnumber the wells producing oil to-day. To the inquiry, wherever made, "Why are these wells idle?" but one answer is given, viz.: "They were abandoned two years ago, many of them at the time of their abandonment yielding thirty to forty barrels per day. But cooperage could not be obtained, and oil was worthless. The owners were obliged to leave them. Many of the owners have since gone into the army." This tells half the tale. The other half is as follows: All great spouting and flowing wells act either from hydrostatic or pneumatic pressure, or both. In either case the vent made by the well gradually reduces the force, and the well as gradually declines in its productiveness. This is the universal history of these wells. But it is a no less noticeable fact, that fewer new wells are great *spouters* than formerly. On the other hand, pumping wells, especially those of moderate productiveness, are very constant in their yield, scarcely diminishing their primary quantity in years. I conclude, therefore, that the daily product might be indefinitely increased. Not so, however, may it be said of the

Aggregate amount. That is fixed, is limited, under every view of the question of origin. If the quantity is definite, as is that of coal, iron ore, gold, silver, and the like, then like them it is exhaustible, not only in special localities but as a whole. If, on the other hand, it is a product of constant evolution, generated deep in the earth's secret laboratory, then is it exhaustible whenever the draft exceeds the production, just as the annual fruits of the earth are exhaustible whenever consumption exceeds production. Neither will it avail here to assume that its production exceeds any assignable amount of consumption. In that event, its accumulation in past ages would, or at least should, have overflowed its rocky reservoirs, and caused an inundation of oil, long geologic eras since. It is a very favorite and fashionable expression with the world, and even with many acute writers on scientific subjects, to say of this or of that mineral, "It is absolutely inexhaustible!" Thus they say of iron, of coal, of the fertility of some soils, etc., etc.; and thus many say and affect to believe of oil. Still it requires no great engineering acumen to demonstrate not only the contrary, but even to show *how many years any given mineral, as coal, will last any specified country, as England for instance.* True, we do not yet know how large a portion of the earth's surface rocks is oil-bearing. For myself, I am persuaded that it will eventually be found about as extensive as coal in territory. Discovery, thus far, seems to cling to the skirts of bituminous coal regions. It may prove that the oil regions and the bituminous coal regions will be found everywhere conterminous. With the present light we have, I do not think geologists would commit a very great blunder should they encourage enterprise to seek for it in all such localities, and stand non-committal with respect to other localities. Still, wherever we have the bituminous coal resting on other strata than the upper Devonian, I confess to some doubts, and I would be slow to commit myself beforehand. The very marked feature of the three "saud

rocks," and the fact that they alone, in this region, are oil-bearing, cannot but make one hesitate. Yet it is difficult to maintain entire silence, for men are everywhere eager to know what their prospects of success may be; and they appeal to the geologist not so much for an honest counsel as for a confirmation of their hopes. That geologist who frankly says "I do not know," is set down as *very verdant*, yet he only is safe. The excitement of speculation is so great, that the rocky bosom of mother earth will undoubtedly be put to the test in many a region now little thought of, whether the geologist speaks or not; and, as the first discovery was made without his knowledge or consent, so is it quite likely to precede him in extending the development of the greasy area. While science pauses to ponder, to systematize, to classify, and to ratiolate, speculative enterprise, eager for the golden harvest, plunges into blind search, strikes out right and left, and is very sure to hit in the right spot sometimes. Science will follow at her slow measured tread, and only corroborate and substantiate the discoveries of the adventurer. This will prove so at least until facts have fertilized the waiting womb of science. Then will she bring forth an illustrious progeny, out of this, as out of other great subjects in natural history.

ORIGIN OF MINERAL OIL.

Absolute certainty on this subject, as on many other kindred subjects, may never be reached. Speculation respecting the origin may be, as yet, entirely premature. Still, as the world is full of guesses, and as conceit is frequently enrobed in the garb of unquestionable principle, it may not be amiss to estimate the value of one or two theories respecting this most recondite subject. Recently, an article appeared in the *Daily Press*, without the authority of a name and without comment of the editor. In such case, the editor must, of course, be held responsible. This was very brief, but the theory was explicit so far as it went. It assumed that oil, as it comes from the pierced bosom of the earth, is the offspring of water and carbonate of lime, mutually decomposed. The words are, "The water descends through the rocky strata, dissolving as it goes, and carrying with it various acids and alkalies; and, on reaching some limestone bed, decomposition takes place, and the elements unite to form different compounds, among which the carbon of the limestone and the hydrogen of the water unite to form oil. Therefore, the supply is inexhaustible as the ocean!" I have not quoted verbatim, but nearly so. The sense, I think, is accurate. It is not an agreeable work to strike an unknown person. But we may hit this theory a blow or two in order to see whether it is merely a hollow shell, or vapid air, or solid substance. First, it lacks completeness. It does not tell us what re-agents are dissolved beforehand in the water, sufficiently effective to cause decomposition. Water, most assuredly, will not. If the carbonate of lime were the carbide of calcium, or carbide of lime, (compounds never found in nature,) then would this theory stand on a very fair foundation. But not now. Again, had the re-agent been named, we might, perhaps, comprehend the operation; but, as it is not named, we grasp at solidity and catch air. If we suppose an acid re-agent, what shall it be? Will we suppose it to be nitric acid, a small amount of which is produced in thunder showers? It is combined with the free ammonia forming nitrate of ammonia. Sup-

pose this substance and carbonate of lime to be brought together in the solution and decomposition effected under the laws of affinity, what do we get? Surely not oil at all; but nitrate of lime and carbonate of ammonia instead. So of any other salt, the elements of which may mutually interchange with carbonate of lime. But suppose the water carry down free acid capable of decomposing carbonate of lime. We now get free carbonic acid, not oil; and, if we can contrive to hypothecise the decomposition of the water so as to liberate the hydrogen, we still have the carbonic acid from the limestone, not carbon. It is really a very difficult affair to make even so clever a guess as this work. But, suppose for argument sake, we admit that this is really the origin of petroleum, and jump the *modus operandi*—What follows? What else but this, viz., carbonate of limestone everywhere should be doing the very same thing? All limestone countries should be greasy countries; and the more the limestone, the more the grease! Limestone regions, with one accord, cry out indignantly against the imputation. Finally, it must have been so from the first; and it is difficult to conceive how carbonate of lime has been able to maintain its existence through such vast cycles of ages, as must have intervened since it was first born of the elements and baptised in water.

Second, the theory that oil is a result of pressure upon coal is maintained by some respectable geologists. In other words, that, as whey is expressed from a cheese curd, or oil from the olive, so is petroleum expressed from the coal beds. This theory supposes coal to have originated from vegetable substances, by a process identical with that operating in the formation of peat and lignite; that a peat bed requires only submergence and burial beneath a mass of rocks, and the elevation of temperature consequent upon increased depth, to convert it into coal. During this process of conversion a slow but sure destructive distillation is quietly at work upon the vegetable substance, converting it into the various hydrocarbons. (They are not carbides of hydrogen, as are the two gaseous compounds, CH and C^2H , although the former of these is an abundant product of vegetable decomposition.) The temperature requisite for obtaining oil must have been reached, maintained sufficiently long to reach the result, and subsided before the coal was reduced to coke. Under the enormous pressure and in compressed water, that coke, if reached in the process, may have very materially differed from anything in that line human art can ever hope to attain, how different from anthracite coal I leave for others to declare. At all events, we can easily perceive that, if this were really the manner in which the oil was originally produced, a temperature would not be difficult to assign which would coke any supposable bed of the primitive coal. Moreover, if the heat did certainly exist in sufficient intensity, it is difficult to see how, under the circumstances of pressure and absence of free oxygen, anything else should transpire than the evolution of the hydrocarbons; and, if continued, of the coke, by means of superheated water and incalculable pressure. Nevertheless, the theory of the formation of anthracite coal from bituminous, through the agency of heat and pressure, is universally conceded by all whose opinions bear much weight on scientific subjects. But, says the skeptical querist, if this be so, why do we not find oil in the anthracite regions? To this my answers are, first, we have but now found it near the bituminous coal, and that, too, without scientific forecast, but rather by a blind inquisition,

groping after a little, a very little "Seneca oil," as one of life's panaceas, propounded by quacks and believed in by ignorance and disease. Secondly, *a priori*, one would say, that, under the high temperature attained in producing anthracite, the oil would become volatilized and sent into the "upper air," there either to ignite and suffer the consequent decomposition, or to be condensed and to float away on the bosom of the primeval ocean; to be driven hither and thither by the turbulent storms, until, finding quiet in some isolated lagoon or land-locked bay, it might ultimately become some bituminous lake of Trinidad—be buried again to be exhumed in the long after eras, as the Albert coal of New Brunswick, or as solidified bitumen amid the mountain rifts of Virginia and North Carolina. Who will say nay?

The temperature around bituminous coal regions not having attained sufficient intensity to produce coking, nor to volatilize the oil, this latter remains in its liquid state to follow the water with which it was associated, sinking as the water sank and rising as the water rose, maintaining its hydrostatic relation of levity, as compared with the greater gravity of its saline associate—salt water.

The fact that the lightest oil is found beneath the "third sand rock," may have reference to the order of distillation, or it may be the sign of a redistillation of the lowest; for it is a known fact, ascertained in the refineries, that the heavy oils may all become converted into light oils by properly managing the distilling process. Thus has God, in his own matchless laboratory, anticipated human research and attainment.

I scarcely need add, that to this theory for explaining the origin of that wondrous product of nature's chemistry, this more than Alladin's lamp, to many a formerly poor peasant, but a now wealthy Croesus, I can discover no very serious objection. It seems perfectly to meet all the requirements of a well grounded hypothesis which will endure the severest tests. It seems to render intelligible the mysterious characters "done in oil," and to bring forth a true interpretation of the mystic symbols traced in nature's own book, and stored away amid the rocky archives of the geologic eras of the mysterious past.

There is one other theory which deserves a notice, though I by no means propose to discuss it in full, neither to refute it, nor to show its plausibilities. It is the only really rival theory to the one last above given.

That theory begins where the other leaves off. It supposes oil to be one of the primitive compounds, in the same manner as water and all the ordinary solids and carbonic acid gas, instead of being a secondary, belonging to the same category as ether, alcohol, chloroform, etc., the result of derivative chemical forces. It says the hydrocarbons were first. By exposure to air and moderate temperature, etc., they became inspissated and are asphaltum, bitumen, and finally coal. It says "all the impressions found in coal are the mere accidents of their day—organic substances embalmed in nature's cerements." Their strong arguments consist in calling for the potash of the plants supposed by the opposite theory to have originally constituted the coal beds, in citing the chemical identity of oil, asphaltum, and bitumen, and in appealing to the existence of these in separate beds, deposits, and reservoirs.

I do not deny the force of all this; but I do conceive that the theory of organic distillation by heat, and under immense pressure, and with

permeating water, is more in exact consonance with what we know from experiment; and that it meets all the reasonable demands upon it as a primary hypothesis. True, every hypothesis should be tried by the severest tests before it is catalogued as a fundamental principle. And no matter what hypothesis one puts forth, only so be he is willing it shall be subjected to the "*experimentum crucis*."

IRA TAYLER.

NATIONAL SAVINGS AND NATIONAL TAXATION.

(Number II.)

THE INCOME TAX AND ITS RESULTS.

WE have already referred to the difficulty there is in attempting to reach any accurate conclusion respecting the national income. In our last article, however, we showed what must have been the annual accumulations during the past ten years, if the census returns are sufficiently accurate to form a basis for the estimate. Taking the assessed valuation of all the property, real and personal, in the United States, in 1850 and 1860, (that is taking an account of stock at each of those periods,) we stated that the increase thus exhibited must be the savings of the country during that period, with certain exceptions. Among those exceptions we mentioned the increased valuation of real estate, which is mostly nominal. It does not represent accumulations, except to the extent of the improvements in the way of houses, fences, etc.; and, as we then said, it makes no difference whether Western farm lands are assessed at their actual cost, \$1 25 per acre, or at their assessed value, \$100 per acre, the real value, which is the profit the farmer gets after supplying his family, is in each case the same. It is only out of that net income that he can pay taxes, whether his farm is assessed at \$1 25 or \$100 per acre.

So, too, in regard to the valuation of personal property, we showed that there were many inaccuracies. Much of it is assessed two or more times. For instance, take the valuation of savings and other banks, and we find the capital of the bank is first assessed, then the deposits, and, again, all that the capital and deposits are invested in—such as real estate, United States bonds, the stocks of goods, etc., merchants and others are able to purchase by means of the loans thus obtained, etc. Hence, therefore, two things it appears to us are evident. First, that the increase in valuation of real estate is not, except to a small extent, accumulations; and second, that the personal valuations are in many cases repeated, and therefore excessive. Balancing, then, this excess in the valuation of personal property against that portion of the real estate which may be considered savings, and we reached the conclusion that the increase in personal property might be taken as the amount of the savings. We claim, of course, no refined accuracy in this estimate, all we expect is an approximation. But that is sufficient for our purposes; for if we can convince our readers of the necessity there is for economy, both national and individual, we shall have accomplished a decidedly good result.

Yet, although an estimate made, as indicated above, could of course lay no claim to refined accuracy, still we now have, in the returns of the Commissioner of Internal Revenue, corroborative evidence that the conclusions reached cannot be far out of the way. The census returns give the personal estate in 1850 at \$2,029,050,213, and in 1860 at \$5,111,553,956; showing an increase of \$3,082,503,743 in ten years, or an average annual increase in the savings of the country of about \$308,000,000 a year, and this we gave in our previous article as the probable *net* income of the United States each year from 1850 to 1860. Turning now to the returns of the income tax we reach similar results. The amount collected on the income tax for the year ending 1863 was \$23,556,084, and this tax being three per cent, the sums thus collected represents a *gross* income of \$785,136,133, which amount, therefore, is thus shown to be the total *gross* income of the United States in 1863 over and above the \$600 exempted. It will be remembered that in our last article we showed the result of this same tax in England, and the conclusions reached then compare with the above figures as follows:

	All incomes over	Gross incomes.	Rate of tax, per ct.	Proceeds.
Great Britain.....	\$484	\$1,471,521,685	3½	\$55,240,740
United States	600	785,136,133	3	23,556,084

Thus the income tax gave very nearly half as much here as in England. It is to be borne in mind, however, that the English tax was levied in the year 1861-62, when general business became very dull because of the outbreak of the war in this country, many of those channels of profit which we pointed out in our last article being under depression. On the other hand, business in the United States was very active and prosperous during the year 1863, under the influence of large Government expenditures, and of the progressive issue of paper money, which resulted in a continuous rise in prices of all commodities during the year, causing old and dead stocks of goods to command unexpected profits, which were calculated in paper money and not in the specie medium of the previous year.

Thus, as all know, the paper income of the year was very largely increased, and yielded a much larger amount of tax than could otherwise have been looked for. Still it should be remembered, on the other hand, that incomes are in many cases understated and never overstated, so that the aggregate returned must be somewhat less than the actual. We cannot, of course, know the extent to which this tax is affected by either of these causes, nor shall we attempt it. To continue, however, our comparison with the returns of Great Britain, it is necessary to reduce the paper income to its specie equivalent, which is (taking the average price of gold in 1863) \$523,424,089. The fact will then remain that, payable in the same currency, the income of the Northern States is rather more than one-third that of Great Britain. Referring now to our last article, we find that out of an income of \$1,471,521,685 per annum in Great Britain, the net surplus (page 434, vol. 51) was placed at \$570,000,000, or about forty per cent of the gross income. At the same rate the net surplus of *those States paying this tax* would be \$209,369,602 per annum. The estimate of savings made in our former article, as stated above, was \$308,000,000 for the whole country, giving about the same result now obtained.

Thus it appears that the annual net income of the whole United States is about three hundred, or certainly cannot exceed four hundred millions of dollars. This represents the total annual net surplus, which heretofore has been applicable to the following purposes :

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

The increase of business and population demands a considerable application of capital every year to each of the above six purposes, so that all of the net surplus clearly cannot hereafter be applied to the payment of taxes. If it were so applied, the further development of the wealth of the country would be impossible. The rapid increase in wealth of the United States hitherto, has been owing, in great part, to the fact that the surplus earnings in almost all business have been applied to extending, improving, facilitating, and therefore cheapening production, while the means of individuals have been free to purchase those productions, thus giving a new stimulus thereto. Should the Government now be compelled to step in and absorb the whole of that portion of this revenue, which has hitherto been applied to facilitating production, one can easily see what the result would be.

We must here remind our readers again that there is no fund out of which taxes can be paid except this net income. The popular boast about our inexhaustible resources is really nothing more nor less than silly and wicked ; silly, because even a thinking child knows better ; and wicked, because it leads to extravagance and carelessness. The resources of the nation are measured by its income. We, as individuals, can pay no more in taxes than we have net income. To point to our gold mines and say there is the means to pay our debt, is no more foolish than to tell the farmer to pay his interest due this year out of crops not yet even put into the ground. The soil and the mines are rich enough, but the gold and the crops must be produced before they can be spent. As we stated on a previous occasion, this same gold and fertility of soil were there when the continental dollar was valueless, and ever since that time we have been producing both gold and crops as fast as we could with the capital and labor we possessed. It is to the annual production alone we can look as a resource, and we can increase that only by the application of more capital and labor. If, therefore, all the surplus earnings are to be applied to taxes, it is clear that the production neither of our mines nor our farms can be increased.

But we will not dwell longer on this point, as we have discussed it at length in previous numbers.* Besides, it is self-evident that the only fund we can look to for payment of our taxes is our income. By economy on the

* *Merchant's Magazine* for 1864.

part of the people, however, the net savings can to a certain extent be increased. It should be remembered, also, that the income estimate we have made, does not include any under \$600. Of course such small incomes, as a general rule, yield no surplus—the full amount being required for consumption. And yet they indirectly pay taxes, and are able to do it by the exercise of greater economy; thus adding to our tax paying abilities. This process of saving, however, of necessity discourages business and production, and if carried to too great an extent, the whole system of production and interchange is thus put under pressure, which soon must undermine the incomes and diminish the surplus.

We have thrown together these few ideas, for the purpose of showing the earnestness of the financial question before the people at the present time. If its importance were only appreciated there would be far less danger in the future. We have no doubt of the ability of the country to finish this war successfully, and to pay the expense of it; but yet it is evident from what we have said that we have no money to waste—that the future growth of the nation depends upon the financial policy pursued now. The hearts of all are full of hope, joy, and thankfulness, on account of the successes obtained in the field; only this one threatening cloud remains. It can be robbed of much of its damaging power by care and wisdom. But if we choose to flatter ourselves with the idea of our wealth, to blind our eyes with false notions of our resources, and act accordingly, the extent of our future suffering must be greatly aggravated. Remember *that not one cent of the expenses of this war has yet been paid*; we have carried it on by simply issuing our promises to pay, so that the war has not proved our resources financially, but only our faith in our Government. The taxes collected have paid nothing because the additional issue of currency has neutralized them, by increasing the expenses each year to more than the amount thus collected. And remember, too, that when we begin to pay, we can spend no more than our net income, and that every cent required for taxes is so much taken from production.

We shall hope hereafter to indicate some of the changes which should be made to increase revenue and decrease expenses.

COMMERCIAL LAW.—NO. 18.

BANKRUPTCY AND INSOLVENCY.

THE HISTORY OF THE LAW OF BANKRUPTCY.

CENTURIES ago, dealers in money, or "exchangers," as they were called in England, sat behind a bench, on which lay heaps of the coin they bought or sold; and some remains of this practice may now be seen in various parts of the old continent. This bench, or "banco," in the Italian language, gave its name to the moneyed institutions of deposit, or of currency, of which the earliest of great importance, if not the first in time, was the "Bank" of Venice. When such a trader became insolvent, or unable to meet his engagements, those who had charge of such things,

whether as a police or as an association or guild of such dealers, broke his bench to pieces, as a symbol that he could carry on that business no longer. In Italian, the words "banco rotto" mean a broken bench; and from this phrase antiquarians suppose that the word "bankrupt" grew.

In this we see nothing of alleged criminality, or of punishment. But the laws of England went to an earlier source than the Italian commerce of the Middle Ages, and found in the Roman law the principle which governed, and perhaps still governs, their system of bankrupt laws. This principle is, that the bankrupt may be presumed to be dishonest and criminal, and treated accordingly.

By the original English common law, the body of a freeman could not be arrested for debt, whether he was a trader or not. And the earliest processes of that law included none for imprisonment for debt. This was of later origin. In the reign of Edward I. a law was passed authorizing an arrest of a defendant in certain cases, for the purpose of more effectually securing the performance of commercial contracts. This was extended in its operation by a law of Edward III., and sundry statutes followed, applying further regulations to this subject, until late in the reign of Henry VIII. (1544) a statute was passed so nearly resembling a modern statute of bankruptcy, that it is generally considered the first bankrupt law. In a statute of the 13th year of Queen Elizabeth, the operation of the law was confined to traders; or, in the words of the law, "to such persons as had used the trade of merchandise in gross or in retail." And thus an important principle was introduced, which has since been adhered to, although somewhat liberally construed.

In those, and in still earlier days, there was perhaps more reason for regarding a mercantile bankrupt as a criminal than there is now. Even at present, many insolvencies are undoubtedly fraudulent, and the innocent bankrupt generally, if not always, owes his failure to guilty intent or guilty imprudence in some quarter. But it is also certain, that, in the vast complications of the commercial world, all who engage in business are subject to casualties, which imply no crime, and which no sagacity could avert. By the Roman law, the merchant who failed in business was expelled from the college (or guild) of merchants, and never suffered to trade again; if that law prevailed here, many of our most eminent and useful merchants would have lost the opportunity of retrieving their affairs by ultimate success, and paying off, by the fruits of a later industry, the debts of an early insolvency.

The community are now sensible of this. And to this conviction we owe the gradual, but of late years rapid, change in the spirit of our laws for the collection of debt. Now the endeavor is made to discriminate carefully between an innocent and a wrongful insolvency; and to treat the latter only as criminal. That our laws do not yet effect this purpose perfectly, and without any injurious result, may be true; but the purpose and the principle are certainly right.

The Constitution of the United States authorizes Congress to pass a bankrupt law. But not until eleven years after the adoption of the Constitution was a bankrupt law passed, in 1800, which, by its own terms, was limited to five years, but was in fact repealed after it had been in operation two years and eight months. Sundry attempts were made from time to time for a new one; and whenever the vicissitudes of trade press-

ed more heavily than usual on the community, these efforts were more urgent. And to the general decay of trade in the country, or rather the wide prevalence of actual insolvency, was due the law which was passed in 1841, after an earnest but unsuccessful endeavor in the year previous.

If the amount or number of applications for the law is a true measure of its need or its utility, this law was not passed too soon. In Massachusetts, for example, there were 3,389 applicants for relief, and the creditors numbered 99,619, more than a third of the adult male population of the State, and the amount of their claims exceeded thirty millions of dollars, averaging about three hundred and fifty dollars to a creditor.

This law was repealed March 3, 1843, one year six months and fourteen days after it was enacted; and in this short period it affected more property, and gave rise to more numerous and more difficult questions, than any other law has ever done, in the same period. It was repealed because it had done its work. The people demanded it, that it might settle claims and remove encumbrances and liens and sweep away an indebtedness that lay as an intolerable burden on the community. When it had done this, it began, or was thought to have begun, to favor the payment of debt by insolvency too much, and the people demanded its repeal.

We have no national bankrupt law now. The present Congress may pass one: yet the State insolvent laws are now so well constructed and systematized, that they effect, though not quite so well, nearly all the purposes of a national law.

But these State laws are entirely independent of each other; and their provisions are so different, that it is difficult, or indeed impossible, to present a view of the bankrupt law of the United States which can have the unity and system of such a view of the laws of any nation, in which these laws are made by one legislature for the whole people, as in England, for example. But there is enough of system and of similarity, and enough of principle running through the whole, to make it expedient to endeavor to present a general view of the generally admitted principles, without attempting to exhibit merely local details and peculiarities. Should a national law be passed, it would undoubtedly embody these same general principles.

THE DIFFERENCE BETWEEN BANKRUPTCY AND INSOLVENCY.

This difference was not perhaps perfectly clear in its beginning, and has gradually grown dim with time, until now, in this country at least, it has become almost obliterated. But from it arose, and upon it, in some measure, depends, our present American law of insolvency.

The earliest difference between these was, that bankrupt laws applied only to those "who used the trade of merchandise," while insolvent laws applied not only to traders, but to all who were indebted and unable to pay their debts. The more prominent distinction, however, was this, that the process under the bankrupt law was *against the will of the bankrupt*, by his creditors, in order to obtain a sequestration of his effects, (by sequestration is meant the taking them out of his possession and control,) and prevent a further waste or fraudulent or unequal misapplication of them, and secure the payment of their debts as far as these effects would go. But the insolvent laws were intended for the relief of debtors who sought to be protected, by the delivery of all their property, from further

molestation. This distinction is now so far lost sight of, that the last national bankrupt law, and most of the State insolvent laws, provide separately for a process *against* a party, and also for one on the application and request of the insolvent himself. It has also been supposed that another ground of distinction lay in the fact, that the bankrupt law discharged the debt, while the insolvent law left the debt in full force, but protected the debtor himself from arrest or imprisonment. But this distinction has also faded away.

For a long time, in England, these two systems of law—Bankruptcy Statutes and Insolvency Statutes—ran along together, those of Insolvency being the more numerous, but the two subjects were kept quite apart. At length they began to assimilate, and in the recent legislation, especially by the latest, they have continued to approach nearer and nearer together, until there is now scarcely any discrimination between them.

In this country, there has not been any very clear distinction between them, at any time; but one consequence from the nominal distinction was important. These colonies, from the earliest times, enacted insolvent laws, but not bankrupt laws. And when the Constitution of the United States gave to Congress the power to pass a bankrupt law, it seems to have been thought that this in no wise affected the rights which the States continued to possess, of enacting what insolvent laws they chose to. This right they have continued to exercise to the present day; and always under the name of insolvent laws. But, so far as we may affirm with much positiveness any conclusions on this obscure subject, we may say that the distinction between insolvent laws and bankrupt laws is now, in this respect at least, nothing, and that a State can pass no law calling it an insolvent law, which it could not pass under the name of a bankrupt law; and that the power given to Congress to pass a bankrupt law does not take it away from the States, who may pass what bankrupt laws they will for their own citizens, whenever there is no general bankrupt law enacted by Congress. And even if there be such a law, any State may, perhaps, pass any bankrupt law which in no way interferes with or contravenes the statute of the United States.

This last remark, even if admitted to be true, cannot have much practical value; for it can hardly be supposed that Congress will pass any general bankrupt law which would be so inadequate or incomplete that a State could pass an insolvent law, of any importance, which should not interfere with it. Where cases had been commenced under the State insolvency laws, before the bankrupt law went into force, it was decided that they might go on to maturity, and were not superseded by this national law.

At present, we have no general bankrupt law, but a great variety of State insolvent laws. Of their special provisions we do not propose to say much; but shall confine our remarks, principally at least, to those general principles which may be supposed common to them all, where not specifically excluded. And of these, what may be called the fundamental principle is an equal division of the assets (or property applicable to debts) of an insolvent among his creditors.

At common law, any person, whether a trader or otherwise, may pay any debt at his own pleasure, whether he be insolvent or not; and if such payment exhaust his means, so that he can pay no other creditor, the

common law makes no objection. In other words, it permits a preference among creditors, to any extent and in any form. Nor does the English Statute of Fraudulent Conveyance affect this question. This statute was passed in the reign of Queen Elizabeth, and has been considered as brought over to this country; so that it is now a part of our common law. By its provisions, any transaction is void, because fraudulent, if intended to "hinder, delay, or defraud a creditor." But it is not considered that a debtor does this by paying one more than another, or paying to some of his creditors all of their debts, and to others nothing, provided his reason for paying to these last nothing is that he had nothing left for them after paying the others.

At this right of preference, the bankrupt system was directly aimed. Since the reign of Elizabeth, it has been restrained and almost suppressed in England. But in this country, where, as has been said, the English bankruptcy system was never introduced, and this whole matter was regulated by common law, a system of voluntary assignment, with preferences of all kinds, prevailed extensively. The frauds and mischiefs resulting from this, gradually produced a conviction that both expediency and justice imperatively demanded an equal distribution of the assets of an insolvent among all his creditors. In Maine, New Hampshire, Massachusetts, Connecticut, New Jersey, Delaware, Pennsylvania, Ohio, Missouri, Georgia, and Louisiana, special assignments, with preferences are no longer permitted. In other States, particularly in New York, there seems to be a growing disposition to encourage an equal division, by providing not only, as is now generally done, that the insolvent shall be discharged only when his effects are equally divided, but that all preferences shall be void. This system is found to operate well wherever it is tried, and we cannot doubt that it will be, at no distant day, universal. We are not aware that any State which has suppressed special assignments with preferences, has ever returned to them. In some of the States, however, preferences of debts due as wages of labor, to a certain amount, are permitted.

THE TRIBUNAL AND JURISDICTION.

The bankrupt law of the United States gave the jurisdiction of (or right to hear and determine) all cases of bankruptcy to the District Courts of the United States; and the reasons for this are so obvious, that it would undoubtedly be so provided in every future law. The State insolvent laws, for the most part, provide commissioners of insolvency, and among these the judges of probate are sometimes placed *ex officio*; but there is no uniformity on this point. There is, certainly in general, and we think always, a supervisory power in the Supreme Court, or in the Court of Chancery, of each State.

If a creditor's claim be doubted, the assignees may have the question decided by a jury,—and so may the creditor, if his claim be disallowed,—by the provisions of many States.

As to the manner of initiating the proceedings in bankruptcy, the national law contained some provisions copied substantially from the English laws; and in the short time during which the law was in force, various rules were made by the courts, or resulted from adjudication and usage. At present, each board of commissioners, or each commissioner,

seems to have the power of framing its own rules of practice, always, however, subordinate to the principles, first, that each case shall begin with an application, either from the creditor (where that is permitted) or the debtor, under oath, and then full notice, by advertisement or otherwise, to all interested, with sufficient delay, and convenient arrangement as to time and place. And, secondly, all the facts material to any party are to be proved before the proper tribunal, by proper evidence, verified by oath, and subject to cross-examination, and generally governed by the common principles of the law of evidence.

There is also introduced into most of these codes a rule derived from equity practice, by which the debtor may be compelled to answer, under oath, upon the interrogatories put to him by the commissioners, or by one or more creditors; especially upon matters bearing on the question whether he has made any fraudulent or favoring assignments of property, with a view to bankruptcy, or while actually insolvent. But the common-law privilege would in most cases still be allowed him, of refusing to answer any question, if the answer could expose him to punishment for a crime.

The power to compel an answer is given to the commissioners, by authorizing them to issue a writ or warrant, and commit a recusant to jail for contempt, as a common-law court could do.

At common law, any kind or amount of preference of one or more creditors over others was, as we have seen, valid. That is, the law required of a debtor to pay his debts; but permitted him to pay any debt at his own election, although by such an appropriation of his means he could pay no part of any other. As, however, the general purpose of the insolvent laws is to secure an equal division of all the assets among all the creditors, for this purpose they avoid any payment, assignment, or transfer which would have, or was intended to have, the effect of favoring a part of the creditors at the expense of the others.

There is, however, an obvious difficulty in applying this rule. If a trader, as is usually the case, passes gradually into a state of insolvency, almost any creditor, who has the good fortune to be paid in full, gains an advantage over the rest, and reduces the means of the insolvent, to their injury. A line, however, must be drawn somewhere. If any transfer or appropriation of property be made with fraudulent intent at any time, and this fraud is known to the transferee, the transfer itself is void at common law. But, as was said, the mere intention of giving to a creditor priority or preference is not fraudulent. And the national law contained, and most, if not all, our insolvent laws contain, a provision defining a period of time *prior* to which any transfer of property from a bankrupt, provided there was no fraud on his part with the knowledge and connivance of the assignee, is valid; but any assignment or transfer or payment after that period, if made by the bankrupt in contemplation of bankruptcy or insolvency, is void, however innocent or ignorant the assignee. In the national law this period was two months; it differs in the different States, but is about the same time generally.

In computing this time, it is said that the day on which the transaction took place, or the day on which the petition is filed, must be excluded. In legal computations of time, generally, the law knows no fractions of a day. But in the application of the insolvent laws, the very hour is in-

quired into. The reason of this, or at least its justice, is obvious. If one's rights depend upon whether he has lain in prison two months, or whether a certain thing was done more or less than two months before another, or whether a petition was filed under a law before that law was repealed or not, it is as proper to ascertain the exact time, as it is when there is a question whether an attachment of land or a record of a conveyance was first made. This has been denied in some cases, but not, we think, on good grounds.

It would seem that this question of fraudulent preference should stand upon the same footing as questions of fraud generally. It is a mixed question of fact and of law; and so far as it depends upon law, or upon construction, the court may decide it, and the parties have a right to have it decided by the court. But so far as it rests upon proof, or is to be inferred from evidence direct or circumstantial, it would seem to be a question of fact, upon which a jury might pass.

It may be remarked in this connection, although also true without reference to the laws of bankruptcy or insolvency, that if one purchases of another property, either real or personal, for its full value, and pays the price in money, it is still a fraudulent and void transaction, *if* the purchaser did it with intent to aid the seller in defrauding his creditors. And in this case the sale is wholly void, and the assignee of the seller, if he goes into bankruptcy, will recover the property, although the sale take place before the limited period above referred to.

The very important influence of bankruptcy or insolvency in extending the lien of a seller, so that he may reclaim his goods, unless they have come into the actual possession of the insolvent, or, in other words, the right which insolvency gives to the seller of stopping the goods *in transitu*, was fully considered in the article on Stoppage in Transitu. This right depends of course upon insolvency, but not necessarily upon legal and formal, or, as it is sometimes called, notorious insolvency.

THE BANK OF THE NETHERLANDS.*

EVERY one who has read ADAM SMITH'S *Inquiry* knows something about the Bank of Amsterdam, an establishment which stopped payment in 1795. With the present state of banking in Holland, however, scarcely any one in this country is fully acquainted. A little information on this subject may therefore prove acceptable to our readers.

The Bank of Amsterdam was simply a bank of deposit, and for this reason did not issue any notes. In fact, no bank in Holland ever issued notes before the year 1814, when the so-called "Bank of the Netherlands" was established by Royal Charter, with a capital of £416,666, divided into 5,000 shares of £83 each.

Small as this capital was, and though the Dutch Government alone took one thousand shares, a year after the Bank had commenced its

* See the *London Economist*, January 7, 1865.

operations no more than £200,000 had been subscribed, and it lasted another year before the subscriptions amounted to the £416,666 required. This disinclination on the part of the public to invest their money in the Bank is easily explained. Bank notes at that time were quite unknown in Holland, and the only knowledge people could get on the subject was rather unfavorable than otherwise. It is to be remembered that in 1814 the Bank of England had not resumed payment in gold. So the notes of the new establishment were not readily taken by the public, and, as a matter of course, capitalists were unwilling to invest their money in a concern which was not trusted by the public. Besides, there is another reason why it was very long before the Bank could issue a large number of notes. At that time no Dutch firm of high standing would have thought of discounting a bill. Discount was considered as the last means by which a man, when hard up, could avoid bankruptcy. Accordingly, the Bank had very little to do, and could only gradually increase its business.

The capital being small and all transactions being conducted in a very prudent way, the Bank succeeded, however, in making some profits. In 1815, a dividend was declared of 5.84 per cent. on 2,445 shares, in 1816, of 6 per cent. on 5,000 shares, and in 1819, 10.39 per cent. was paid to the shareholders. Owing to this circumstance the Bank could increase its capital by £416,666, which was at once subscribed by the public. The circulation of notes then amounted (31st of January) to £833,333.

Of course our readers do not want us to trace the history of the Bank in all particulars up to the present date. The few details we gave may be sufficient. The distrust with which the bank notes were received by the public compelled the Directors to be as prudent as possible. Looking more to the future than to high profits at once, they constantly kept a large metallic reserve, very often equal to 100, and very seldom under 70 or 80 per cent. of their cash liabilities. Even in the midst of the crisis of 1857, their proportion never fell below 59 per cent. The following figures may give an account of the progress of the Bank:—

Date.	Capital, including Reserve.	Deposits.	Circulation.	Bullion.
March 31, 1815.....	£203,333	£905,000	£150,000	£835,833
" 1825.....	875,000	1,100,833	1,205,000	1,666,666
" 1835.....	891,666	1,425,000	2,022,500	2,145,000
" 1845.....	1,487,500	1,645,833	3,087,500	3,585,833
" 1855.....	1,432,500	1,327,500	7,713,333	8,564,166
May 9, 1864.....	1,533,333	2,620,000	9,941,866	7,196,666

The original charter of the Bank had been given for 25 years, and consequently expired on the 31st of March, 1839. A second charter was then granted, rather similar to the old one, though a little more liberal. So, for instance, the curious restriction which did not allow the Directors to raise the rate of discount beyond 5 per cent. was removed. It was also permitted them by this charter to discount promissory notes and to advance money on foreign stocks, which they had never done before. On the other hand, the Bank was ordered to establish a branch at Rotterdam. It is very odd that this order has never been carried out till this year. It has been constantly deferred, and nobody seems to have made any objection.

This second charter was granted for twenty-five years, and, as the first one, simply by a Royal ordinance, without any interference of Parliament. Very little was said in the newspapers on the subject. Everybody seemed to be perfectly satisfied with the management of the Bank, and nobody wished to adopt any other system than that which existed.

When, however, the Bank Charter expired again, all this had changed a little. A good many people were dissatisfied with the Bank. They taxed the Directors with over-prudence, and with not rendering all those services to the public which they might render. They professed not to know why free competition should be admitted in every department of trade, and not in banking. Indeed, competition had never been excluded even there *in theory*; there existed no law or ordinance preventing any bank or private person from issuing notes. Yet, *practically*, the Bank did possess a monopoly, because all other notes, except their own, were required to be stamped. Now, this monopoly, it was argued, ought to be done away with. So, in order to give fair play to discussion, the Government decided upon having the question settled by Parliament. A Bill was introduced, by which it was proposed that no Company or private individual should henceforth be permitted to issue notes, unless authorised to do so by a special Act. At the same time this permission was proposed to be granted to the Bank of the Netherlands. This Bill was strongly opposed. It was said that such a regulation would practically strengthen the monopoly of the Bank, instead of abolishing it. Still, after a very warm debate, the Bill was passed by both Houses by a large majority. Since then a year has elapsed, and no other permission to issue notes has yet been granted, nor would any one think of making a request for that purpose, because the Dutch Parliament would be sure to refuse. The general feeling in Holland is very much opposed to free competition in this matter.

Nor is it unnatural that this feeling should exist. The Bank of the Netherlands may be charged with over-prudence; it is admitted by all parties that this is about the only fault it ever committed. The large metallic reserve it keeps may be detrimental to the interests of shareholders; but it cannot be denied that in bad times this very reserve always enabled the Bank to give every sort of facilities to trade. To this it must be ascribed in part, that most commercial crises have nowhere made so few victims as in Holland. Every merchant always knew, that however large the drain of bullion might be, there always was money to be had on good security,—either of bills, stocks, or merchandise,—at the Bank. Every reader of this journal knows how the Bank of England managed before and during the crisis of 1847. After having kept the rate of discount as low as 3 and 3½ per cent. till the beginning of 1847, they raised it to 5 per cent. in April, 6 per cent. in August, and 8 per cent. in October, whilst in the beginning of that month no other but 14 days' bills were discounted, and all advances on stocks absolutely refused. This state of things lasted till the Act of 1844 was suspended. Everybody knows that. Well, how did the Bank of Holland act during the same period? It raised its discount to 4 per cent. as early as September, 1845, and in November of that same year to 5½ per cent. This rate was maintained, with few alterations, till April, 1847, when it was lowered to 4½ per cent., though in November it had to be raised again to 6 per cent.

This, however, was the highest rate charged, and during the crisis all sorts of facilities were granted to the public, as usual, still more so than in ordinary times. The same thing happened once more in 1857. The discount was raised before the crisis commenced, and during that year the highest rates were 7 per cent. for bills of exchange and $7\frac{1}{2}$ per cent. for promissory notes. In fact, as long as the Bank has existed, $7\frac{1}{2}$ per cent. has been the highest rate of discount.

We give these details merely to account for the strong feeling which exists in Holland in favor of maintaining the monopoly, not as an argument to prove that this feeling is right.

As to the operations of the Bank, they are very simple :

1st. The Bank keeps the deposits of the Government. These are nearly all the deposits it receives, for it is not the custom in Holland to keep an account with a bank. Everybody keeps his money in his own safe. This is explained by the circumstance that the Bank allows no interest whatever on deposits, and would probably charge a commission for collecting bills, &c.

2nd. The Bank discounts bills and promissory notes. For the latter, $\frac{1}{2}$ per cent. per annum is charged extra, as a rule.

3rd. The Bank advances money on securities, either of stock or merchandise. For the former the minimum, for the latter the maximum, rate is usually charged.

The first of January, 1865, the account of the Bank stood thus :

LIABILITIES.		ASSETS.	
Capital	£1,333,333	Bills discounted	£4,066,956
Reserve	200,000	Loans on merchandise and stock	2,623,989
Circulation	8,173,113	Bullion	6,307,406
Deposits	3,255,495	Sundry accounts	44,195
Sundry accounts	259,218	Invested reserve	178,613
	<hr/>		<hr/>
	£13,221,159		£13,221,159

The legal proportion between the bullion and the cash liabilities of the Bank is not regulated by Act of Parliament. It is fixed by a Royal ordinance and may be changed any moment, if necessary. It is at present 2 to 5. According to this the Bank might issue now about £12,500,000. Having issued only £8,166,666, the present stock of notes is about £4,333,333, which is called rather a low figure, as in April it amounted to £6,375,000. Still it is a great deal better than two or three months ago, when it fell to £3,333,333. The rate of discount was then raised to 7 per cent. It has since been lowered to 6 per cent. for bills of exchange and $6\frac{1}{2}$ per cent. for promissory notes.

As stated before, the Bank has no branches anywhere. By the law of December, 1863, however, it is bound to have one in Rotterdam (which was to be opened on the 1st of January, 1865), and to establish agencies in all the principal places in the country. This measure has been taken in order to avoid the blame that the Bank only serves for Amsterdam, and does nothing for the provinces.

COMMERCIAL CHRONICLE AND REVIEW.

STRINGENCY IN MONEY MARKET AND THE CAUSES—RECEIPTS OF THE TREASURY DURING DECEMBER—INTERNAL REVENUE—MEANS AT THE DISPOSAL OF THE TREASURER—THE TEN-FORTY LOAN—ABILITY OF GOVERNMENT TO PAY INTEREST IN GOLD—THE TARIFF MUST BE MODIFIED—CUSTOMS, TAXES, REVENUE AND LOANS THE PAST YEAR—INTEREST TO JULY AND CERTAIN RECEIPTS—THE TARIFF PROHIBITORY—FAILURES THE PAST YEAR—GOLD MARKET—EXPORTS OF PRODUCE, AND THE EFFECT OF TAXES AND PAPER PRICES—IMPORTS AND EXPORTS FOR NINE MONTHS.

THERE has been a continued stringency in the money market during the past month, mostly due to the necessities of the Treasury Department, which, with large arrears outstanding, due to the public creditors, has been a large borrower upon gold stocks, thus absorbing a considerable amount of capital at a time when there is a demand for capital to put into new National Banks, and when the State Banks, which are mostly making preparations to merge into the National system, are more chary of loans. The close of the year, bringing with it a settlement of general accounts, also conduces to greater stringency. These leading, with many minor causes, have sufficed to maintain the price for money fully up to the legal rate. It is very apparent that while the Government continues to be a borrower of capital at the rate of \$2,500,000 per day, for non-productive purposes, that the rate of interest must continue to increase, unless temporarily checked by the dilution of the currency through greater issues of legal-tender and National Bank notes. This process enables the Government to get a greater amount of money, on seemingly easier terms, but it gets less capital, or purchasing power, for the same ultimate payment. It, in fact, pays more for capital, by engaging to pay gold for paper borrowed. The operations of the Treasury, for the month of December, were as follows :

Received from five-twenty bonds	\$25,000,000 00
Received from temporary loan.....	2,836,533 27
Received from ten-forty bonds.....	33,042,250 00
Received from seven-thirties	16,581,550 00
Received from internal revenue.....	20,249,983 10
Received from hospital money, etc.....	22,000 00
Received from fractional currency issued.....	108,902 45
Total Receipts, December.....	\$97,841,218 82

Thus the sales of gold interest stock formed a large item in the amount obtained, and the 7.30 bonds, although not immediately bearing interest in gold, are convertible after three years into gold-bearing stock. The receipts from the internal revenue were at the rate of \$240,000,000 per annum, but this amount included a considerable part of the extra 5 per cent tax on the income of 1863. The negotiation of the 5 per cent 10 40 bonds was kept open until the 7th of January, up to which time \$80,000,000 additional had been negotiated, leaving about \$40,000,000 of the authorized amount (\$200,000,000) unsold. There also remains about \$140,000,000 of the gold stock authorized by the act of June, 1864, unsold. This, with a sum of \$60,000,000, still unissued, of the 7.30 paper

loan, constitute all the means at the disposal of the Treasury, with the exception of the one year certificates, to which there is no limit. In the early part of December, the National Banks and Treasury agents took about \$40,000,000 of the 10-40 5 per cent stock. It was then urged upon the Secretary to stop the sale by the Treasury until the public had absorbed that amount. This he hesitated about doing until the close of the month, when the following notice appeared :

“TREASURY DEPARTMENT, December 23, 1864.

“Notice is hereby given that the ten-forty loan will be withdrawn on the 7th day of January next. No subscriptions, therefore, will be received after that date.

“W. P. FESSENDEN, Secretary of the Treasury.”

The stringency of the money market, no doubt, prevented the rapid absorption of the stock, and the time for the payment by instalments was extended to facilitate the operation. To hold these stocks required a good deal of capital, and some of the National Banks adopted the plan of lending on the stock. It is apparent that the working capital of the country is finding its way out of productive employments by realization of effects in paper, and a reinvestment in the Government gold stocks. It is very apparent, however, that the ability to pay those stocks in gold is approaching a limit, unless some change is made. The dependence of the Treasury for gold, to meet the interest, is upon the gold derived from customs. The amount which may be so derived, it is evident, is the limit of the amount of interest which can be paid, unless the Government comes into the market as a purchaser. Under these circumstances, the clear necessity exists to make the revenue the sole object in levying duties. This, unfortunately, has not been the case. On the contrary, the tax seems to have been imposed far more with a view to protection of home manufacturers than to benefit the National Treasury. The result has been that while the amount of interest due on the debt has been increasing, the revenue from customs has been decreasing, mostly for the reason that the rates being doubled last May, at a time when the price of gold began to rise, they became prohibitory in their character.

The report of the Assistant Treasurer for this port for the past year gives the following leading heads of revenue :

	Loans.	Internal Revenue.	Customs.
January.....	\$37,463,896	\$2,275,409	\$6,179,605
February.....	15,696,350	1,438,578	7,483,511
March.....	7,878,037	1,452,522	7,670,092
April.....	6,947,933	1,764,305	14,658,573
May.....	5,184,612	1,179,966	3,908,058
June.....	60,582,650	865,851	3,348,010
July.....	8,243,736	972,734	3,641,382
August.....	6,091,422	1,022,969	6,272,002
September.....	8,292,261	1,220,966	4,113,210
October.....	14,465,967	774,144	3,697,335
November.....	10,300,614	733,552	3,487,561
December.....	28,598,253	924,461	3,467,369
Total.....	\$209,655,531	\$14,625,397	*\$67,926,708

* These returns of the customs receipts do not agree with the later returns which we give in our review of the Trade and Commerce of New York.

The column of customs is the most important. It will be remembered that last year the imports were considerable, and the entries were large, under threats of higher duties; and when the law passed for the duties to be doubled in May, the quantities taken out of bond were very large, making receipts of \$35,991,781 from January 1 to May 1. Those duties represent a very large amount of goods taken out of bond and put upon the market at lower rates of duties, and these goods have been supplying the market ever since. The amount of duties in the last eight months has been only \$31,035,927, or about 90 per cent of the revenue of the first four months.

The duties of the last eight months being at much higher rates, represent a much smaller amount of goods. The supplies have been less to meet the demand, and the quantities now in bond are inconsiderable. The imports at the same time will be small, and it is not probable that more than one-third as much gold will be taken for customs this year as last, up to May. The amount of gold now in the Treasury is small. The interest payable between this and July is as follows:

	Amount.	Interest.
March 1, 10-40s.....	\$200,000,000	\$5,000,000
May 1, 5-20s.....	575,833,500	17,275,655
July 1, 5-20s.....	335,232,290	10,000,000
Total.....	\$1,111,170,792	\$32,275,655

Thus, between now and July as much must be paid for interest as has been collected in duties during the past eight months.

The receipts of gold at this port in six months, from January to July, and from July to January, as compared with the rest of the Union, are as follows:

	New York.	Other Ports.	Total.
January to July.....	\$43,147,849	\$10,978,620	\$54,126,469
July to January.....	24,778,859	6,120,210	30,899,069
Total.....	\$67,926,708	\$17,098,830	\$85,025,538

Thus, in the last six months, the receipts for the whole Union are less than the interest that accrued in that time. The balance of gold left over from the large revenue of last Spring was in great part thrown away by Mr. CHASE in the mad policy of putting down the price of gold.

The interest on the public debt has increased as follows:

May to November, 1864.....	\$28,110,000
November to May, 1865.....	33,000,000

This comprises only the amount of debt payable at this time, and does not include the issue of the remaining amounts authorized, nor the conversion of outstanding paper bonds into gold stocks. To maintain the amount of revenue it is apparently necessary to reduce the rate of taxation in order that the present prohibitory operation of the duties may be modified, and so permit of greater receipts. The effect of the duty upon the cost of goods is greatly exaggerated by the depreciation of the currency. Thus a certain description of woollens pay sixty per cent tax in gold, and the same article of home manufacture pays five per cent in paper. The effect is as follows:

Premium cost.....		\$1.00
Premium on exchange.....	127	
Gold duty.....	60	
Gold duty premium.....	76	
	<hr/>	
Total tax.....		2.68
		<hr/>
Cost imported goods.....		\$3.63

The tax on the home made article of the same description is only five cents per dollar. As soon, therefore, as the duty becomes prohibitory the Treasury loses 60 cents gold due to the public creditors, and gets only five cents in paper. The national credit demands the prompt revision of this system, under which business of all kinds is languishing, and the substitution of one which will give the greatest amount of revenue with the least obstruction to commerce.

The prices of the leading Government stocks are as follows :

PRICES UNITED STATES PAPER.

	—6's, 1881.—		5's, 1874.	6 per ct. 5-20's.	5 per ct. 10-40's.	6 per ct. 1 year certit.	Gold. price.
	Reg.	Coup.					
Dec. 31,....	111½	110½	100	108½	101½	96½	229½ a 229½
Jan. 7,....	111½	111¼	100	109	102	96½	227 a 227½
" 14,....	112½	112½	102	110	102¾	98	217½ a 221
" 21,....	111	110	99	108¾	101½	97½	197½ a 206
" 23,....	110½	109½	98½	108½	100½	98	118½ a 220

The last quotation in London, January 14, for the 5-20's was 45½ a 45½. The highest quotation during the month was 46. In addition to other causes for diminished business activity, or rather non-revival of the usual spring trade, has been the conviction that Mr. FESSENDEN would return to the Senate. What policy a new Secretary might pursue it is impossible to surmise, since the administration has no decided policy. The conduct of the department hitherto has been one of daily shifts and expedients. Frequently at variance with well settled principles of economical science, and therefore entirely outside the calculations of the most sagacious.

The effect of the unstable paper currency in checking the credit system, and forcing cash transactions upon the business community, is very apparent in the returns made of the number of failures, and the amount of their liabilities, in the past few years, as follows :

	Number.	Liabilities.		Number.	Liabilities.
1857.....	4,257	\$265,818,000	1861.....	5,935	\$178,632,170
1858.....	3,113	73,608,747	1862.....	1,652	23,049,300
1859.....	2,059	51,314,000	1863.....	495	7,899,000
1860.....	2,733	61,730,477	1864.....	510	3,579,700

The year 1857 was the panic year, and in 1861 the war, by cutting off resources, caused a considerable amount of distress, but the curtailment of credits has since given a very effectual check to that class of mercantile evils. The gold market during the month has been very unsettled. The taking of Savannah caused a temporary fall in the price from 236 to 211½, but the rate at once recovered under the demand for export and the purchases of those who had operated for a fall. Since then the success at Fort Fisher and the various peace rumors which have been current, have caused continued fluctuations.

The exports of general merchandise from the port are on a very limited scale as compared with former years. The exports of breadstuffs to Great Britain and the Continent this year since September 1, are as follows :

	Flour.	Wheat.	Corn.
1861	1,232,585	16,710,383	4,985,430
1862	394,923	12,399,804	3,273,813
1863	402,650	4,937,981	239,459
1864	54,995	1,228,333	56,938

In this return we have the exact figures to indicate the ratio of decline in our foreign trade. The value of these exports for the four months embraced in the figures, according to the Liverpool price in gold, is as follows :

1861	\$42,500,000	1863	\$8,909,042
1862	27,842,090	1864	1,850,819

Thus the trade is nearly extinguished. This is due, no doubt, as well to the good harvests of England and Western Europe as to the deranged state of our currency here. The latter cause will, however, continue to act with ever increasing force, because the cost of producing wheat here is enhanced by the higher prices of all the farmer consumes. For instance, it adds to the cost of labor, the cost of transportation, the amount of commissions and interest, and above all, to the taxes, local, State, and federal. These are all no doubt paid in paper, but they enhance the cost upon the exported wheat in proportion to the price of gold. Breadstuffs are not articles of monopoly, like cotton, for which the American article commands the markets of the world ; but is one in which the sharpest competition exists, and that of the United States having further to go at greater cost of transportation, maintains its footing only with difficulty while it is not subjected to taxation.

The following table shows the quarters of wheat imported into Great Britain for the past nine months of 1864, with the value in pounds sterling. Wheat is now entered in Great Britain by the hundredweight, instead of measure. The quantity bought of the United States, including California, was about 40 per cent of the whole purchase, at prices rather less than those paid other countries. Thus the cost of Prussian wheat was 10s. 4d. per cwt., while that of the United States was 9s. 4d. :

Wheat—From	Quantity, cwt.	Value.
Russia	2,825,463	£1,214,911
Prussia	3,616,145	1,886,523
Denmark	853,056	373,223
Mecklenburg	466,392	295,635
Hanse Towns	465,647	208,451
France	481,073	233,499
Turkey and Wallachia.....	377,646	162,632
Egypt	366,860	153,324
United States	7,100,042	3,342,849
British North America.....	824,806	363,547
Other countries.....	346,203	159,223
Total.....	17,723,333	£8,335,552

It follows that if the United States wheat is to go loaded with taxes and extra

expenses; that of other countries will have the entire market, and that the unfaxed crops of Canada will successfully compete with those of the United States.

This reduction in the quantities exported, as a matter of course, reduces the supply of bills, and those who are required to remit for sugar and other merchandise avail themselves of a fall in gold to make those remittances, and the fall is thereby checked. On the other hand, much of the gold paid out by the Government is sold, and the Banks also, which are making arrangements to convert their business from State to federal authority, are also selling gold. Dealing in gold, both buying and selling, has become a very important institution in this country. The amount collected by the Federal Government last year through the purchase of importers was \$102,316,152, or very nearly \$2,000,000 per week. One-half of that amount was paid out for interest, and found its way again to the brokers, and the other half was sold by the Treasury in the open market. Thus the Government operation, in collecting, paying, and selling, amounts to \$200,000,000 per annum, at the same time the importers bought in addition \$50,000,000 to remit in payment of goods, and about \$12,000,000 arrived from California. It is evident from these facts that gold dealing is a leading business, and employs a great number of brokers. It was, however, of a troublesome and hazardous nature, since the gold in bags had to be passed from hand to hand, at more or less risk. For this reason it was determined to make a common depository at the Bank of New York of the gold held, and to transfer it from hand to hand by orders. The amount of gold so deposited was in the first week of January about \$1,200,000. There was beside a good deal of gold deposited with other Banks by customers for safe keeping, and in some cases did not enter into the returns of the Banks. The gold movement was comparatively as follows :

Specie in banks and Sub-Treasury December 1.....	\$28,961,263
Received from California in December.....	2,205,619
Imported from foreign ports in December.....	114,976
Gathered in from hoards in December.....	4,876,964
Supply.....	\$36,158,827
Exported in December.....	6,104,377
Leaves in banks and Sub-Treasury, January 1, 1865.....	\$30,054,450

The demand for gold for the payment of goods has been less because of the diminished imports. It will be borne in mind, however, that a large amount of goods was taken out of bond in April last to avoid the double duties imposed in May. Those goods have gradually found their way to the shelves of jobbers and retailers, and have been remitted for by the importers. There has also been more demand for remittance, in consequence of the purchases by the Bank of France during the recent stringency strain. The imports and exports of gold and silver to and from Great Britain during the first ten months of 1862, 1863, and 1864, compare as follows :

	IMPORTS.		
	1862.	1863.	1864.
Gold.....	£16,164,465	£16,272,909	£13,847,154
Silver.....	8,616,611	8,481,084	9,515,538
Specie imports.....	£24,781,076	£24,753,993	£23,362,690

EXPORTS.			
Gold	£12,208,069	£12,999,087	£10,438,672
Silver	9,782,415	8,941,354	8,676,842
Specie imports	£21,990,434	£21,340,431	£19,115,514
Imports exceed exports	2,790,592	3,413,562	4,247,176

The production of gold in California has been in the past year scant on account of the great drouth which has prevailed there. That has now passed away, and copious rains give promise of the greatest abundance.

The Custom-House has at last succeeded in bringing up its statement of imports and exports to the conclusion of September. The following are the imports at New York from foreign ports, for July, August, and September, 1864 :

	July.	August.	September.
Entered for consumption	\$6,382,928	\$6,603,653	\$4,390,114
Entered for warehouse	14,954,635	10,437,478	5,258,568
Free goods	917,684	936,474	832,557
Specie and bullion	128,052	246,858	58,220
Total entered at port	\$22,383,299	\$18,223,463	\$10,539,459
Withdrawn from warehouse	3,386,873	7,967,843	6,852,329

The following comparison shows the imports of foreign merchandise at this port for the first nine months of the last four years :

	1861.	1862.	1863.	1864.
January	\$26,827,411	\$12,020,829	\$15,739,576	\$18,977,394
February	16,341,707	18,872,140	12,027,846	21,643,937
March	18,204,351	18,719,866	18,930,895	23,667,119
April	14,886,393	13,252,822	17,385,315	26,168,681
May	14,949,281	14,248,521	14,324,923	23,975,144
June	12,649,733	12,836,195	12,597,516	20,926,314
July	14,938,851	20,353,202	16,003,677	22,333,299
August	8,885,928	14,304,843	15,038,129	18,223,463
September	7,305,461	18,147,917	15,499,940	10,539,459
Total	\$134,989,116	\$137,856,395	\$137,547,817	\$189,504,760
Cus. revenue same period	15,856,132	42,276,832	42,323,075	56,370,920

It is to be remembered that the imports are represented in gold figures ; while the exports are entered in currency figures. The following are the exports from New York for the months of July, August, and September, 1864 :

	July.	August.	September.
Domestic produce	\$26,261,673	\$26,617,850	\$15,595,548
Foreign free	249,404	126,537	848,742
Foreign dutiable	5,137,460	2,231,782	2,460,138
Specie and bullion	1,947,329	1,001,813	2,835,393
Total exports	\$33,585,866	\$29,977,982	\$21,739,826
Total export of specie	31,638,537	28,976,169	18,904,428

The following will show the exports, quarterly, exclusive of specie, for the first nine months of each of the last four years :

	1861.	1862.	1863.	1864.
First quarter	\$33,477,742	\$32,075,568	\$50,615,908	\$41,429,756
Second quarter	33,123,489	29,798,344	41,046,726	43,446,686
Third quarter	30,175,918	45,313,299	38,825,587	79,519,134
Nine months	\$96,777,149	\$107,187,211	\$130,487,221	\$169,395,576

The re-exports of foreign goods for the nine months of 1864, included in the above total, amount to \$1,582,348 of free, and \$13,961,235 of dutiable, making a total of \$15,543,583 reshipped to a foreign market, three times the quantity reshipped for the same period of the previous years.

The following comparison gives the total imports and exports for the first nine months of the last four years :

Nine months of	Total imports.	Total exports.
1861	\$134,989,116	\$99,956,963
1862.....	137,856,395	150,030,350
1863.....	137,547,817	163,333,715
1864.....	189,504,760	204,332,237

TRADE AND COMMERCE OF THE PORT OF NEW-YORK.

RECEIPTS AND EXPORTS OF DOMESTIC PRODUCE—EXPORTS OF DOMESTIC COTTONS—REVIEW OF PETROLEUM TRADE—WHOLESALE PRICES AT NEW-YORK FOR SIX YEARS—IMPORTS OF MERCHANTIZE OTHER THAN DRY GOODS—IMPORTS OF DRY GOODS—RECEIPTS OF CUSTOMS.

We have prepared the following review of the Trade and Commerce of New-York, for 1864, giving also, for comparison, the figures for previous years :

MOVEMENTS OF DOMESTIC PRODUCE.

The table we give below, showing the receipts of domestic produce, exhibits the same features as last year—a falling off in most cereals, oats in fact being about the only exception. In 1863 the arrivals of oats doubled in quantity, and again, this year, there is a further increase of nearly two million bushels, while the receipts of Indian corn have fallen off from 20,725,166 bushels in 1861 to 7,164,895 in 1864. Nor has this been made up in meat provisions, as might have been, and was by many, expected.

The table of exports, which will be studied with even greater interest, shows still less encouraging results. Our wheat and corn exports, in 1861, compare as follows with 1864 :

	1861.	1864.
Wheat, bush., exported.....	23,889,914	12,193,433
“ flour, bbls. “	3,110,646	1,918,693
Corn, bush. “	12,456,265	846,831

To the table of exports, however, should be added Petroleum, of which 34,792,972 gallons have been shipped from the United States, the past year, against 28,250,721 gallons in 1863, as will appear from the review of the trade given in another part of this article. The following are the receipts and exports of domestic produce referred to above :

RECEIPTS OF CERTAIN ARTICLES OF DOMESTIC PRODUCE AT THE PORT OF NEW YORK FOR FOUR YEARS.

	1861.	1862.	1863.	1864.
Ashes	19,983	19,287	17,181	15,778
Breadstuffs—				
Wheat flour.....	4,968,971	5,384,872	4,574,059	3,967,717

	1861.	1862.	1863.	1864.
Corn meal.....	98,519	251,319	252,729	267,759
Wheat.....bush.	28,429,135	29,280,629	17,937,856	13,453,135
Rye.....	775,665	957,729	439,567	491,915
Oats.....	4,852,009	5,435,016	11,076,035	12,952,233
Barley.....	1,854,301	1,865,615	2,143,435	2,544,891
Peas.....	310,398	211,140	267,490	231,562
Corn.....	20,725,166	18,548,799	14,243,599	7,164,895
Cotton.....bales	243,122	103,585	129,611	190,911
Naval stores—				
Crude Turpentine.....bbls.	32,254	3,404	3,547	6,760
Spirits turpentine.....	46,097	8,950	4,663	4,139
Rosin.....	198,772	38,978	11,187	19,128
Tar.....	49,506	7,345	11,795	6,964
Pitch.....	2,367	2,938	1,087	3,000
Provisions—				
Pork.....pkgs.	138,770	377,819	426,981	332,454
Beef.....	119,028	276,346	206,519	209,664
Cut meats.....	105,835	329,265	463,995	268,417
Butter.....	539,234	668,842	518,537	551,153
Cheese.....	983,718	853,655	798,070	756,372
Lard.....tcs. and bbls.	126,942	397,431	400,923	186,000
Lard.....kegs.	60,305	89,838	41,144	16,104
Whisky.....bbls.	311,019	364,791	261,814	289,481

EXPORTS FROM NEW YORK TO FOREIGN PORTS OF CERTAIN LEADING ARTICLES OF DOMESTIC PRODUCE FOR FOUR YEARS.

	1861.	1862.	1863.	1864.
Ashes—pots.....bbls.	13,608	9,503	9,146	8,847
Ashes—pearls.....	3,507	1,580	1,264	1,593
Beeswax.....lbs.	238,553	122,349	170,230	465,667
Breadstuffs—				
Wheat flour.....bbls.	3,110,646	2,961,518	2,527,338	1,918,593
Rye flour.....	11,807	8,397	5,461	2,840
Corn meal.....	108,385	132,606	140,561	105,142
Wheat.....bush.	28,889,914	25,564,755	15,424,839	12,193,433
Rye.....	1,000,405	1,104,549	416,369	588
Oats.....	160,825	210,669	126,536	42,135
Barley.....	3,927	42,061	52,439	150
Peas.....	139,284	113,819	110,911	186,154
Corn.....	12,456,265	12,020,848	7,533,431	846,831
Candles.....bxes.	93,315	138,595	125,587	121,742
Coal.....tous	36,536	80,884	53,713	53,417
Cotton.....bales	152,562	24,400	13,945	26,765
Hay.....	15,776	48,674	19,986	40,325
Hops.....	28,377	33,409	25,409	22,077
Naval Stores—				
Crude turpentine.....bbls.	21,571	17	22	770
Spirits turpentine.....	18,825	788	884	433
Rosin.....	208,061	18,200	4,172	2,207
Tar.....	26,646	4,601	8,184	1,771
Pitch.....	3,080	906	1,634	2,955
Oils—whale.....galls.	1,196,468	1,554,359	269,634	421,931
Oils—perm.....	1,030,328	756,173	510,648	1,366,159
Oils—lard.....	110,401	710,885	803,469	129,529
Oils—linseed.....	35,626	35,640	17,344	79,244
Provisions—				
Pork.....bbls.	116,654	171,302	192,903	130,672
Beef.....	29,013	32,977	41,632	36,548
Beef.....tcs.	33,924	27,765	62,868	49,299
Cut meats.....lbs.	50,565,732	145,102,768	133,519,060	93,800,258

	1861.	1862.	1863.	1864.
Butter.....	23,159,391	30,603,235	23,060,799	14,174,861
Cheese.....	40,041,225	39,200,439	40,781,168	49,755,842
Lard.....	47,290,409	126,651,091	120,881,862	53,436,128
Rice... ..tes.	15,867	701	182	4
Rice... ..bbls.	15,527	12,143	12,044	20,673
Tallow... ..lbs.	25,820,335	43,866,920	43,437,731	31,987,976
Tobacco—crude... ..pkgs.	116,598	115,575	107,439	161,404
Tobacco—manufactured... ..lbs.	3,152,484	1,598,044	3,542,210	5,250,014
Whalebone.....	975,075	1,191,907	259,185	509,646

EXPORTS OF DOMESTIC COTTON.

The following table giving the exports of domestic cottons for the year, with the destination of the various shipments, will be found very useful. At the close we have added the total clearances from Boston to foreign ports during the same period. It will be seen that the exports for the last year have been very small. This of course must continue so long as prices are so high. More than two-thirds of the shipments for the year have gone to Mexico :

EXPORTS OF DOMESTIC COTTONS FROM THE PORT OF NEW YORK TO FOREIGN PORTS.

	1859.	1860.	1861.	1862.	1863.	1864.
Mexico.....pkgs.	2,475	4,873	2,766	2,427	1,886	849
Dutch West Indies.....	531	664	569	84	9	2
Swedish West Indies.....	..	47	38	..	..	..
Danish West Indies.....	696	952	522	316	29	1
British West Indies.....	227	497	537	165	149	24
Spanish West Indies.....	366	193	374	140	66	86
St. Domingo.....	977	2,196	1,257	484	63	12
British North America....	78	10	60	23	16	..
New Granada.....	967	1,331	2,005	609	350	83
Brazil.....	3,637	8,103	5,400	953	86	4
Venezuela.....	919	1,328	1,421	141	32	9
Argentine Republic.....	903	1,111	480	145	13	2
Cisplatine Republic.....	..	..	..	..	19	8
Central America.....	55	53	23	1	1	6
West Coast South America	6,806	13,294	5,299	1	..	2
Honduras.....	259	889	245	12	5	4
Africa.....	323	1,406	876	49	11	24
Australia.....	135	323	180	3	..	..
East Indies and China....	53,663	47,785	31,911	137	5	7
All others.....	1,793	1,792	1,823	47	30	8
Total.....	74,549	86,318	55,736	5,977	2,776	1,132
“ from Boston....	32,661	33,538	18,146	4,238	422	264

PETROLEUM.

Notwithstanding the Petroleum interest has apparently attracted a very large amount of capital during the past year, still the quantity produced has not increased. For instance the total amount taken for consumption at New York, and exported from New York, Boston, &c., during 1863 and 1864, was as follows :

	1863.	1864.
Exported from New York.....bbls.	488,690	533,394
Taken for consumption in New York.....	314,481	242,187
Total—New York.....	803,171	775,587

Boston—exported.....	51,235	42,307
Philadelphia “	134,893	194,003
Baltimore “	22,806	23,249
Portland “	8,552	1,769
Total.....	1,026,747	1,036,915

We thus see no material change. There are several reasons for this. In the first place it should be remembered that the increase of capital, the past year, actually employed in producing Petroleum, is not so great as at first sight might be supposed. Very many companies, to be sure, have been formed, and of large nominal capital, but very few of them have their stock all taken up, and much of the money that has been paid in, has been given to those organizing the companies for the land they have purchased, while another large portion of it is paid out in commissions. But, besides this, very little of the land upon which the new companies are based has, as yet, been developed. It requires time to accomplish much in that way. The coming year, however, must show the effect of these new investments. Thus far, production has not kept pace with the growing demand, and prices, therefore, have ruled high.

The following table, from the *Shipping List*, shows the exports of Petroleum during the past three years :

EXPORT OF CRUDE AND REFINED (INCLUDING NAPHTHA, ETC.), FROM NEW YORK, FOR THE YEARS 1864, 1863 AND 1862.

	1864. Gallons.	1863. Gallons.	1862. Gallons.
To Liverpool	734,755	2,156,851	1,781,377
London	1,430,710	2,576,381	1,133,999
Glasgow, &c.	368,402	414,943	24,181
Bristol.....	29,124	71,912	—
Falmouth, E.....	316,402	626,176	—
Grangemouth, E.....	—	425,334	—
Cork, &c.....	3,310,362	1,532,257	299,356
Bowling, E.....	87,164	—	195
Havre.....	2,324,017	1,774,890	791,221
Marseilles.....	1,982,075	1,167,893	135,765
Cettee.....	4,800	—	200
Dunkirk	232,803	—	2,700
Dieppe.....	79,581	46,000	61,693
Rouen	—	143,646	—
Antwerp.....	4,149,821	2,692,974	823,090
Bremen.....	971,905	903,004	452,522
Amsterdam	77,041	436	—
Hamburg	1,186,080	1,486,155	229,384
Rotterdam.....	532,926	757,249	16,938
Gottenburg.....	33,813	—	81,960
Cronstadt.....	400,376	88,060	—
Cadiz and Malaga.....	58,474	33,284	—
Tarragona and Alicante.....	16,823	33,000	—
Barcelona.....	25,500	—	—
Gibraltar.....	89,181	308,450	157
Oporto.....	17,474	2,239	—
Palermo	7,983	57,115	3,990
Genoa and Leghorn.....	679,603	399,674	21,000
Trieste	165,175	3,000	—
Alexandria, Egypt.....	4,000	—	—
Lisbon.....	167,195	64,662	—

	1864. Gallons.	1863. Gallons.	1862. Gallons
Canary Islands.....	3,368	5,125	1,295
Madeira.....	—	490	430
Bilboa.....	2,500	—	—
China and East Indies	34,333	36,942	3,970
Africa	25,195	12,230	655
Australia	377,384	304,165	233,622
Otago, N. Z.	10,810	5,500	7,850
Sydney, N. S. W.	97,880	48,013	113,750
Brazil	149,676	160,152	54,967
Mexico.....	112,986	69,481	18,616
Cuba	418,034	356,436	213,680
Argentine Republic.....	20,260	24,470	7,390
Cisplatine Republic.....	78,552	117,626	13,217
Chile	92,550	66,550	17,898
Peru	169,061	256,407	56,011
British Honduras.....	6,072	440	—
British Guiana.....	7,881	15,104	9,396
British West Indies.....	70,976	60,931	18,888
British North America Colonies.....	28,902	16,995	2,943
Danish West Indies	8,463	31,503	4,102
Dutch West Indies	26,638	12,148	7,117
French West Indies.....	16,020	9,104	2,382
Hayti	7,088	12,064	4,856
Central America	993	456	1,764
Venezuela.....	28,583	15,455	1,094
New Grenada.....	57,490	107,837	37,053
Porto Rico.....	20,026	59,439	25,244
Total.....	21,335,784	19,547,604	6,720,213

TOTAL EXPORT IN 1864, 1863 AND 1862.

	1864.	1863.	1862.
From New York,..... gallons	21,335,784	19,547,604	6,720,273
From Boston	1,696,307	2,049,431	1,071,100
From Philadelphia	7,760,148	5,395,738	2,800,972
From Baltimore.....	929,971	915,866	174,830
From Portland.....	70,762	342,082	120,250
Total export from the United States..	31,792,972	28,250,721	10,387,701

There was also exported, from Cleveland direct to Liverpool, 80,000 gallons refined.

WHOLESALE PRICES OF FOREIGN AND DOMESTIC PRODUCE AT NEW YORK.

We also present our annual comparative statement of the wholesale prices at this port of the leading articles of foreign and domestic produce. There are few, even of those who are engaged in the trade, who can remember the changes in price from year to year, and this table will, therefore, be found very useful for reference.

We give the prices, January 3d, of each of the last six years:

	1860.	1861.	1862.	1863.	1864.	1865.
Ashes, pots.....100 lbs.	\$5 12½	\$5 00	\$6 25	\$8 50	\$8 50	\$11 75
Pearls.....	5 37½	5 00	6 25	8 25	9 75	13 00
Breadstuffs—						
Wheat flour, State ... bbl.	4 30	5 35	5 50	6 05	7 00	10 00
Wheat, best extra Genesee	7 50	7 50	7 50	8 75	11 00	12 00

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	1860.	1861.	1862.	1863.	1864.	1865.
Rye flour, ".....	4 00	4 00	3 87½	5 45	6 65	9 00
Corn meal, Jersey.....	3 90	3 15	3 00	4 00	5 65	8 80
Wheat, white Gen...bush	1 50	1 45	1 50	1 60	1 80	2 60
White Michigan.....	1 50	1 45	1 50	1 53	1 83	2 70
White Ohio.....	1 45	1 45	1 48	1 53	1 83	2 60
White Southern.....	1 45	1 45	1 52	....	....	2 75
Red Western.....	1 30	1 38	1 42	1 48	1 57	2 45
Chicago Spring.....	....	1 18	1 30	1 33	1 48	2 22
Rye, Northern.....bush.	92	75	83	96	1 30	1 75
Oats, State.....	46½	37	42	71	93	1 06
Corn, old Western.....	90	72	64	82	1 30	1 90
Corn, new Southern.....	80	72½	68	86	....	....
Cotton, mid. upland....lb.	11	12½	35½	68½	82	1 20
Mid. New Orleans.....	11½	12½	36	68	..	1 21
Fish, dry cod.....qtl.	4 50	3 50	3 50	4 50	6 75	9 00
Fruit, bunch raisins....box	2 52	1 75	3 20	3 50	4 00	5 85
Currants.....	6	4½	9	13 a 13½	15	21
Hay, shipping.....100 lbs.	1 00	90	77½	85	1 45	1 55
Hops.....lb.	16	25	20	23	33	40
Iron, Scotch pig.....ton	24 50	21 00	23 00	33 50	45 00	63 00
English bars.....	53 00	52 00	57 00	77 50	90 00	190 00
Laths...per M.	2 00	1 30	1 25	1 45	1 50	2 40
Lead, Spanish.....ton	5 65	5 25	7 00	8 00	10 50	15 00
Galena.....	5 77½	5 50	7 12½	8 00	10 50	16 00
Leather, hemlock, sole...lb.	30	10½	20½	27	30	42
Oak.....	30	27	28	33	42	52
Lime, com. Rockland....bbl.	75	75	65	85	1 35	1 15
Liquors, brandy, cognac.gal.	2 26	2 00	4 00	5 25	..	....
Domestic whisky.....	26	19½	20½	39	94	2 24
Molasses, New Orleans.gal.	53	37	53	55	70	1 43
Naval stores, crude turp. bbl.	3 43¾	2 75	10 00	..	..	....
Spirits turpentine....gal.	44½	35	1 47½	2 60	2 95	2 10
Common rosin, N. C...bbl.	1 65	1 25	6 00	10 50	30 00	28 00
Oils, crude, whale.....gal.	52	51	48	83	1 10	1 48
Crude, sperm.....	1 40	1 40	1 40	1 75	1 60	2 13
Linseed.....	57	50	86	1 27	1 47	1 50
Provisions—						
Pork, old mess.....bbl.	16 37½	16 00	12 00	14 50	19 50	43 00
Pork, old prime.....	11 75	10 50	8 50	12 50	14 50	36 25
Beef, city mess.....	9 00	6 00	5 50	12 00	14 00	20 50
Beef, repacked Chicago..	9 50	9 00	11 00	13 00	15 00	23 00
Beef hams, extra.....	14 50	14 00	14 50	15 50	18 30	27 00
Hams, pickled.....lb.	9½	8	6	8	11	20
Shoulders, pickled.....	6½	5½	4¾	5¾	8½	18
Lard.....	10½	10¾	8¾	10	13	23
Butter, Ohio.....	16	14	15	22	24	45
Butter, State.....	20	18	19	22	29	55
Butter, Orange County...	24	22	22	25	32	63
Cheese.....	11	10	7	12	15½	20
Rice, good.....100 lbs.	4 20	4 00	7 00	8 75	10 00	13 00
Salt, Liverpool, ground.sack	1 15	65	86	1 25	1 85	2 27
Liverpool, fine, Ashton's..	1 95	1 60	1 70	2 15	2 80	4 75
Seeds, clover.....lb.	8½	8¾	7½	10¾	12½	27
Sugar, Cuba, good.....	7¾	6½	8½	10	12	19
Tallow.....	10½	9¾	9¾	10¾	12	18
Whalebone, polar.....	90	88	76	1 65	1 60	2 25
Wool, common fleece.....	40	30	50	60	75	95

The rise in prices, as compared with last year, extends to every article upon the list, except some productions of the Southern States, and is very strongly

marked with regard to all articles of food. If we make the comparison with the year 1860, there will be found to be a rise of about one hundred and fifty per cent.

IMPORTS OF MERCHANDISE OTHER THAN DRY GOODS.

The following is our usual table showing the quantities and values (invoiced specie values) of foreign imports (other than dry goods and specie) the past year. The figures for 1862 and 1863 may be found in volume 50, page 136:—

FOREIGN IMPORTS AT NEW YORK FOR 1864.

[The quantity is given in packages when not otherwise specified.]

	Quantity.	Value.		Quantity.	Value.
Alabaster ornaments	459	\$6,914	Brimstone	7,946	224,218
Baskets	7,969	116,485	Barytes	110	408
Bags	..	179,422	Castor oil	550	6,690
Boxes	12	22,968	Camphor	4,377	114,818
Bricks	..	4,452	Camomile	..	1,572
Buttons	1,649	415,863	Cantharides	10	5,749
Building stone	3	17,496	Cardamoms	..	3,419
Burr stones	..	17,773	Carmine	12	3,988
Clay	..	51,533	Chalk	22	1,895
Cheese	1,728	59,207	Cream tartar	674	150,437
China, Glass and Earthenware—			Chicory	5,555	88,746
Bottles	..	24,856	Cochineal	1,430	243,430
China	6,509	348,737	Cubebs	333	19,234
Earthenware	37,341	1,205,473	Cudbear	1,117	91,186
Glass	191,462	382,109	Cutch	711	3,306
Glassware	9,647	181,540	Divi Divi	..	3,533
Glassplate	3,224	425,524	Dye stuffs	..	1,233
Graphite	..	834	Flor sulphur	..	8,011
Cigars	..	788,237	Gentian root	..	1,585
Coal	tons 245,361	693,268	Gambier	30,906	246,244
Corks	..	230,159	Gum arabic	4,503	223,221
Chronographs	2	837	Gum crude	9,422	198,732
Gotton	bales 76,085	11,157,449	Gum copaiva	1,369	61,567
Clocks	..	14,107	Gum coroni	4,611	85,413
Cocoa	bags 8,103	155,966	Gum copal	303	4,782
Coffee	bags 764,983	14,543,955	Gum gedda	50	1,174
Drugs, &c.—			Gum tra'canth	38	522
Acids	2,401	14,107	Glue	4	230
Alkali	563	8,598	Indigo	4,056	706,806
Aloes	72	7,493	Iodine	106	23,684
Alum	382	8,077	Iodine pot	181	22,088
Aluminous cake	90	4,279	Ipecac	162	49,696
Ammonia carb	9	881	Insect powder	..	2,228
Ammonia	847	46,645	Isinglass	..	1,183
Ammonia sal	235	19,697	Jalap	90	12,331
Ammonia sulph	61	5,127	Lac dye	340	15,220
Annatto	2,040	17,755	Leeches	124	6,761
Aniline colors	..	137,238	Licorice root	11,372	48,433
Arrowroot	1,062	12,464	Licorice paste	11,246	363,393
Asphaltum	189	2,976	Madder	4,516	810,066
Argols	1,645	220,386	Magnesia	693	12,037
Assafœtida	..	4,134	Manna	121	3,902
Arsenic	214	2,811	Morphine	..	1,427
Bark, Peruvian	6,238	267,525	Muriate potash	..	1,273
Balsam Tolu	421	3,197	Nutgalls	..	1,642
Bismuth	22	12,578	Nitrate soda	..	298,904
Blea powders	29,271	433,090	Nitrate silver	..	1,323

	Quantity.	Value.		Quantity.	Value.
Oils, unspec.....	993	89,798	Furs	4,966	2,053,780
Oil, cod.....	81	4,275	Fruits—		
Oil, coconut.....	137	8,716	Bananas .....	..	41,963
Oil, ess.....	2,277	170,830	Citron.....	..	70,911
Oil, linseed.....	1,956	161,128	Currants.....	..	139,772
Oil, olive.....	50,069	202,851	Dried fruits.....	..	15,510
Oil palm.....	593	33,923	Dates.....	..	3,178
Oil sperm.....	700	5,740	Figs.....	..	24,462
Opium.....	557	311,087	Lemons.....	..	199,579
Orchilla weed.....	97	16,746	Nuts.....	..	637,127
Orange peel.....	..	4,327	Oranges.....	..	437,043
Paints.....	..	435,763	Pine-apples.....	..	61,503
Paris white.....	421	1,925	Plums.....	..	60,078
Potash bitch.....	14	2,236	Prunes.....	..	58,196
Persian berries.....	..	3,112	Raisins.....	..	373,244
Potash chlo.....	518	17,473	Sauces and pres.....	..	158,417
Potash hyd.....	76	7,577	Grapes.....	..	2,440
Phosphorus.....	415	20,079	Furniture.....	153	16,736
Plumbago.....	..	97,928	Grain.....	..	155,936
Pruss. potash.....	51	8,090	Grindstones.....	..	16,004
Quinine.....	440	65,032	Gunny cloth.....	2,342	51,562
Quicksilver.....	1,295	134,198	Guttapercha.....	7,089	47,016
Reg. antimony.....	1,162	70,947	Guano.....	920	7,218
Rhubarb.....	142	8,844	Hair.....	2,686	379,598
Safflower.....	15	4,632	Hair cloth.....	279	131,517
Safflower ext.....	13	3,744	Hemp.....	113,830	1,533,949
Saltpetre.....	..	122,091	Honey.....	3,752	127,798
Sarsaparilla.....	1,553	35,929	Hops.....	..	17,443
Scammony.....	4	7,203	India rubber.....	27,742	1,196,781
Senna.....	25	2,587	Ivory.....	148	37,637
Shellac.....	2,006	87,392	Instruments—		
Soda, bicarb.....	68,959	206,323	Chemical.....	25	1,943
Soda, sal.....	21,552	109,874	Mathematical.....	32	9,695
Soda, caustic.....	7,176	151,949	Musical.....	1,733	229,224
Soda, ash.....	26,398	680,056	Nautical.....	6	835
Soda, hyd. sulph.....	..	817	Optical.....	263	95,975
Sponges.....	950	47,468	Surgical.....	30	7,575
Sugar of lead.....	572	31,640	Jewelry, &c.—		
Sulph. morphia.....	..	1,290	Jewelry.....	621	726,949
Sumac.....	34,430	151,087	Watches.....	798	1,450,166
Velonia.....	..	791	Leather, Hides, &c.—		
Tonqua beans.....	83	11,070	Boots and shoes.....	213	25,506
Ultramarine.....	..	1,776	Bristles.....	695	181,312
Vanilla beans.....	78	29,485	Hides, dressed.....	3,504	1,157,663
Verdigris.....	..	5,320	Hides, undressed.....	..	5,829,337
Vermillion.....	530	48,395	Horns.....	..	12,412
Worm seed.....	..	4,041	Leather, pat.....	65	34,347
Yellow ochre.....	4,271	14,634	Liquors, Wines, &c.—		
Yellow berries.....	..	7,455	Ale.....	6,976	68,445
Drugs, unspec.....	..	217,939	Brandy.....	16,202	574,878
Emery.....	1,070	15,202	Beer.....	1,752	14,610
Fancy goods.....	..	1,749,028	Cordials.....	2,212	17,192
Fans.....	..	12,613	Gin.....	7,018	81,315
Feathers.....	..	284,601	Porter.....	4,166	35,088
Fire crackers.....	..	41,847	Rum.....	1,260	60,958
Fish.....	..	502,472	Whisky.....	875	58,020
Flax.....	2,698	115,016	Wine.....	255,001	1,615,365
Flour.....	..	5,074	Champagne.....	102,744	656,965
Furs, &c.—			Metals, &c.—		
Felting.....	564	21,308	Brass goods.....	277	41,471
Hatters' goods.....	1	746	Bronze metal.....	..	50,754

	Quantity.	Value.		Quantity.	Value.
Bronzes	34	9,934	Seeds unspc'd .....	..	145,457
Chains and A ...	8,428	531,772	Castor seed	13,384	40,817
Copper .....	..	689,048	Linseed	217,959	914,447
Copper ore .....	..	355,563	Soap	58,856	150,676
Cutlery	3,025	1,157,424	Spices—		
Gas fixtures	48	4,402	Cassia .....	..	12,254
Guns	3,927	219,756	Cinnamon .....	..	2,678
Hardware	4,464	578,094	Cloves .....	..	78,170
Iron, hoop, .. tns	4,197	228,464	Ginger .....	..	53,972
Iron, pig	50,050	803,788	Mustard .....	..	12,140
Iron, railroad bars	579,148	3,687,970	Nutmegs .....	..	78,617
Iron, sheet	5,451	383,975	Pepper .....	..	286,394
Iron tubes	47,440	148,403	Pimento .....	..	39,090
Iron, oth. tons	64,022	3,427,850	Stationery, &c.—		
Lead, pigs	474,437	2,682,319	Books	3,040	327,716
Lead ore .....	..	32,595	Engravings	292	89,309
Metal goods	4,338	474,116	Paper	3,755	236,790
Nails	2,871	57,919	Other stationery ..	1,526	181,640
Needles	347	147,335	Statuary .....	..	85,074
Nickel	284	124,168	Sugar, hds, bbls & tcs	203,517	12,988,667
Old metal .....	..	392,050	Sugar, boxes & bags	279,627	2,950,089
Plated ware	47	14,079	Tar	19,326	106,278
Platina	33	96,554	Tapioca	3,209	17,824
Percussion caps ..	302	64,261	Teazles	40	2,240
Saddlery	172	53,383	Trees and plants ..	..	24,946
Steel	107,946	2,012,197	Thistles .....	..	1,377
Spelter	lbs. 7,422,486	336,540	Tea	604,972	8,172,072
Silver ware	22	8,097	Twine	775	24,842
Tin plates	bxs. 440,635	2,904,646	Toys	8,348	427,246
Tin slabs, lbs	2,367,441	556,778	Tobacco	23,932	625,472
Wire	2,634	49,332	Tomatoes .....	..	2,823
Zinc	lbs. 7,296,435	370,675	Turpentine	297	2,431
Lith. stone .....	..	3,639	Turpentine spirits ..	4,118	294,324
Machinery	2,222	213,836	Waste	15,379	586,808
Lamps .....	..	2,285	Whalebone .....	..	61,844
Marble & mfd. do ..	..	94,269	Wax .....	..	23,159
Matches	67	1,895	Woods—		
Macaroni	11,314	17,346	Box wood .....	..	1,886
Molasses	117,236	3,496,790	Brazil wood .....	..	6,406
Oil paintings	466	209,482	Camwood .....	..	240
Oakum	210	2,455	Cedar .....	..	211,067
Onions .....	..	10,167	Cork .....	..	68,148
Paper hangings	313	80,455	Ebony .....	..	5,817
Pearl shells .....	..	5,342	Fustic	1,862	32,332
Perfumery	919	103,756	Lima wood .....	..	16,635
Personal effects	21	202,602	Lignumvitae	76	12,836
Plaster .....	..	20,709	Logwood	54,829	330,937
Pitch	60	560	Mahogany .....	..	84,356
Pipes .....	..	208,047	Palm leaf .....	..	79,508
Potatoes .....	..	90,080	Ratan .....	..	91,542
Provisions .....	..	215,289	Rosewood .....	..	139,532
Rags	27,261	648,054	Sapan wood .....	..	2,960
Rice .....	..	591,775	Spruce .....	..	8,608
Rope .....	..	42,137	Willow .....	..	25,309
Quartz rock .....	..	3,750	Other woods .....	..	103,456
Rosin	1,767	56,788	Wool, bales	115,724	9,428,409
Sago	355	2,616	Other miscellan .....	..	52,533
Salt .....	..	448,199			
Shells .....	..	1,501	Grand total	\$133,472,764	

We repeat the above values, for 1864, of a few of the leading articles, for

the sake of showing the comparative imports during each of the last four years.

IMPORTS OF A FEW LEADING ARTICLES OF GENERAL MERCHANDISE AT NEW YORK, FROM FOREIGN PORTS, FOR THE YEARS 1861, 1862, 1863, 1864.

	1861.	1862.	1863.	1864.
Books.....	\$346,279	\$376,607	\$371,430	\$327,716
Buttons.....	88,557	162,452	176,448	415,863
Cheese.....	56,152	60,155	47,957	59,207
Chinaware.....	190,511	210,963	263,218	348,737
Cigars.....	1,064,228	1,012,162	608,403	788,237
Coal.....	964,527	901,311	808,456	693,268
Coffee.....	11,865,082	8,517,284	7,796,635	14,543,955
Earthenware.....	587,574	887,322	1,067,477	1,205,473
Furs.....	771,889	1,435,518	1,912,166	2,053,780
Glass plate.....	277,623	176,512	363,459	425,524
India rubber.....	705,732	992,348	1,407,536	1,196,781
Indigo.....	1,449,990	2,083,180	713,730	706,806
Leather and dressed skins.....	943,355	1,278,688	1,087,266	1,157,663
Undressed skins.....	3,379,271	5,134,345	5,966,395	5,829,337
Liquors—				
Brandy.....	514,949	477,213	261,234	574,878
Metals—				
Copper.....	903,966	670,478	574,286	689,048
Iron, bars.....	1,054,718	1,301,010	2,457,575	3,427,850
Iron, pigs.....	378,058	203,375	397,916	803,788
Iron, railroad.....	398,536	500,419	1,484,973	3,687,970
Iron, sheet.....	127,631	329,461	270,576	383,975
Lead.....	534,584	3,075,313	1,520,519	2,682,319
Spelter.....	30,079	135,195	204,710	336,540
Steel.....	1,125,014	1,602,391	2,063,842	2,012,197
Tin and tin plates.....	2,334,766	4,174,651	3,975,605	3,461,424
Zinc.....	64,408	228,332	228,210	370,675
Molasses.....	1,136,094	1,562,904	1,928,598	3,496,790
Rags.....	374,075	285,926	1,288,431	648,054
Salt.....	511,156	550,161	373,725	448,199
Saltpetre.....	381,370	336,439	392,349	122,091
Sugar.....	14,847,000	14,727,598	14,534,579	15,938,756
Tea.....	6,455,408	8,676,245	6,796,102	8,172,072
Watches.....	576,971	861,710	920,522	1,450,166
Wines.....	739,080	860,710	1,198,283	2,272,330
Wool and waste.....	2,330,941	6,860,609	9,035,557	10,015,217

IMPORTS OF DRY GOODS.

We also give below the imports of dry goods the past year. These values are likewise the invoice specie values. To know the cost to the country in our currency it is necessary to add the freight and duty (payable in gold,) and then double the whole :

IMPORTS OF DRY GOODS AT NEW YORK.

Description of goods.	1860.	1861.	1862.	1863.	1864.
Manufactures—					
Wool.....	\$34,975,011	\$16,720,931	\$25,718,592	\$29,703,956	\$31,411,965
Cotton.....	18,415,258	7,192,524	8,501,512	7,913,957	8,405,246
Silk.....	35,582,035	13,334,411	11,568,807	15,534,469	16,194,080
Flax.....	8,952,812	3,580,803	7,666,946	10,381,059	11,621,831
Miscellan. dry goods.....	6,501,984	2,308,520	2,665,370	3,731,106	3,956,630
Total imports.	\$103,927,100	\$43,636,689	\$56,121,227	\$67,274,547	\$71,589,752

We annex a summary of the imports of dry goods, by months, in each of the last five years :

TOTAL IMPORTS OF DRY GOODS AT NEW YORK.

Months.	1860.	1861.	1862.	1863.	1864.
January.....	\$11,770,005	\$10,956,857	\$2,965,952	\$5,269,181	\$3,184,314
February.....	13,880,683	6,782,936	5,344,514	5,027,857	9,437,454
March.....	9,022,403	5,836,076	6,471,901	9,204,581	12,635,127
April.....	4,865,743	2,767,645	3,296,498	4,384,007	5,220,245
May.....	5,581,598	2,489,823	2,944,483	3,612,511	6,081,136
June	5,535,042	1,205,382	3,535,102	2,901,423	4,801,703
July.....	12,707,213	1,476,887	5,628,014	4,713,365	6,762,750
August	14,989,044	3,536,333	8,707,710	8,316,878	7,529,800
September ...	6,740,185	2,102,064	6,185,193	5,892,712	4,147,449
October	5,327,907	1,971,541	3,865,798	6,509,783	2,996,100
November	5,797,556	2,506,926	3,710,357	6,071,208	2,235,107
December.....	7,709,721	2,004,219	3,466,405	5,371,041	1,558,567
Total	\$103,927,100	\$43,636,689	\$56,121,227	\$67,274,547	\$71,589,752

The imports of dry goods for each year since 1849, may be seen by the following table :

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK.

	Invoiced value.		Invoiced value.		Invoiced value.
1849.....	\$44,435,575	1855.....	\$64,974,062	1861.....	\$43,636,689
1850.....	60,106,371	1856.....	93,862,893	1862.....	56,121,227
1851.....	62,846,731	1857.....	90,534,129	1863.....	67,274,547
1852.....	61,654,144	1858.....	60,154,509	1864.....	71,589,752
1853.....	93,704,211	1859.....	113,152,624		
1854.....	80,842,936	1860.....	103,927,100		

RECEIPTS OF CUSTOMS AT NEW YORK.

The revenue at the port for 1864 shows a gain of about eight millions over the corresponding figures for the previous year. The following is a comparative summary :

	1860.	1861.	1862.	1863.	1864.
Jan ...	\$3,899,166 17	\$2,059,202 33	\$3,351,657 22	\$4,127,906 82	\$6,180,536 09
Feb ...	3,378,043 28	2,528,736 33	3,565,063 83	3,590,713 97	7,474,027 93
March..	3,477,545 74	2,489,026 25	4,626,862 86	4,554,460 13	7,659,770 47
April..	2,444,267 96	1,643,261 99	4,149,952 36	3,957,197 57	13,982,555 60
May...	2,466,462 76	979,145 14	4,704,914 62	3,873,865 42	3,855,186 46
June ..	2,024,193 39	885,062 41	4,664,927 19	3,738,934 06	3,311,148 43
July...	4,504,066 04	2,069,590 86	7,211,317 68	4,912,713 49	3,585,843 44
August.	4,496,243 10	1,558,824 11	4,762,581 54	6,206,735 58	6,237,364 17
Sept ..	3,038,803 28	1,642,382 43	5,239,045 50	7,270,543 65	4,084,492 54
Oct. ...	2,632,073 38	1,672,616 84	4,309,419 87	6,233,943 46	3,670,188 38
Nov...	1,794,748 67	1,851,384 73	3,003,270 23	5,075,846 24	3,455,156 53
Dec ...	1,171,362 74	2,334,847 38	2,664,593 82	5,248,189 03	3,440,352 67
Total..	36,027,481 51	21,714,931 30	52,254,116 72	58,886,054 42	66,937,127 71

We would refer our readers to the Commercial Chronicle and Review of last month for the movements in specie, prices of United States paper and of gold, and the rates of exchange for the year 1864. Those tables, together with the foregoing, will afford a complete summary of the commercial movements at the port of New York the past twelve months. The official returns showing the total imports and exports have not yet been made up. We give, however, the figures for the first nine months in the Commercial Chronicle and Review of this month.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

CONVERSION OF STATE BANKS INTO NATIONAL—FURTHER OPPOSITION TO NATIONAL BANKS USELESS—SHOULD BE ADMITTED INTO THE CLEARING-HOUSE—CIRCULATION AND CONDITION OF BANKS OF THE THREE CITIES AT END OF THE YEAR—BANKS OF THE STATE OF MAINE.

WE referred in previous numbers to the inevitable conversion of the great majority of the State Banks into National Banks, and this process is now going rapidly on. The official reports of Massachusetts show that of 181 Banks in this State, 52 have become national associations, 47 more have filed papers, and the remainder are looking forward to change, while 25 new ones have been started. In New York the same process is being developed, and an act has been introduced in the Legislature to authorize and facilitate the conversion. The desire for change seems to seize the stockholders strongest where the existing Banks hold the most gold and have the most surplus. These two items to be divided up, hold out a tempting bonus, and in many cases will allow the stockholder his shares in the new institutions as profits. These shares in the new Banks, however, will probably not be very valuable, since all cannot have the Government deposits, or do a large business in loaning to the Government, and general business is by far too much reduced from the old credit system to allow a large share to multiplied Banks. It is also the case that many of the old Banks are large holders of Government stocks, bought with their depositors' money, and which, in case the latter should demand it, they would find it difficult to pay off under the State system. Under the national system, however, they can deposit the stock with the Comptroller, and obtain as many notes as will pay the depositors without disturbing their investments. It is true these national notes are not legal tender generally, but are so between the public and the Government, and, as at present, almost all business is done with the Government, that faculty will suffice. The Banks are not required to pay specie in any event, and there will therefore be no incentive to require the notes to be paid in legal tender. These considerations are the leading ones in bringing about the change that is being made, and it is very apparent that it is only another stage on the road to insolvency. The New York Bank Superintendent in his report states in relation to the national law, "its essential features are," as he expresses it, "transcripts from the banking laws of New York applied to a wider theatre of operations."

This seems to be a strange misconstruction of the law. The constitution of the State of New York, (art. viii., sec. 5.) declares that—

"The Legislature shall have no power to pass any law sanctioning in any manner, directly or indirectly, the suspension of specie payments by any person, association, or corporation issuing bank notes of any description."

Under this provision the Banks are required to deposit New York State stocks to an amount which will always bring sufficient to pay the notes issued in *specie*. The national law requires only that the notes shall be paid in *paper*. When a Bank obtains notes on pledge of stock, and fails, the New York law requires the stock to be sold for *specie*, with which the notes shall be redeemed. The

United States law only requires the stock to be sold for the *dishonored notes* themselves. The Comptroller has, however, a clear sense of the evils at hand. He remarks :

"The system has in some measure the attraction of novelty, and is buoyed up by the gratuitous bestowment of currency, the receipt and payment of these notes in all governmental operations, and the prospect of deposits by the collectors and disbursers of public revenue. Few seems to take cognizance of the fact that it comes into existence on a wave of public expenditure such as has never been witnessed in this, and, with a single exception, in no other country ; that it is floated upon an ocean of irredeemable paper, whose ebb and flow no human intellect can regulate, or whose currents and quicksands no intelligence can fully determine. Without waiting for the return of the business of the country to its normal condition—ignoring the lessons taught by the great revulsion which followed the war of 1812-15, and which has crowned every inordinate expansion of paper credit—our people, having arrived at the conclusion that the congressional system of banking promises profitable results, rush into it with all the impetuosity inherent in our national character."

Some of the best of the State institutions will not adopt the new system, and the public will one day see the wisdom of their course, and thank them for it. Often have we stated in these pages the perils that attend this new banking experiment. Not a word would we now change. We firmly believe that the result will be a disastrous failure, and yet we cannot conceive that any good will be accomplished by further opposing it. Let it now be tried without opposition from any quarter. From time to time we shall notice its defects, especially as they are more clearly developed, and hope to see them modified. The right to flood the country with their circulation, at the present time, will, we trust, be taken away from them and from the State institutions ; then let them run their course. There is much discussion just now about their being admitted into the New York Clearing-house. This would necessitate a change in its constitution, but should not, in our opinion, be delayed. Let every applicant stand on its own merits, and, if on examination of its affairs it be found a safe associate, let it be admitted. There are objections to this course to be sure ; but we must come to it sooner or later—so why longer hold out ?

With the conversion of the State Banks into National Banks, it will be borne in mind that the State stocks held will be sold. Nearly all the New York debt is held by the Banks, and will be put upon the market. The New York State Bank capital has been reduced \$1,951,199 in the past year, and the circulation as follows :

The total number of circulating notes issued and outstanding on the 30th of September, 1863, was	\$42,192,645
On the 30th of September, 1864, it was	40,118,635
Decrease of circulation within the year.	\$2,074,010

The circulation of the National Banks has considerably increased the outstanding amount of notes. The weekly returns will show the general movement of all the Banks. The loans have fluctuated with the movements of the Government transactions, and the specie has generally declined to the amount owned by the Banks, which has been about \$20,000,000 since July. Latterly, however, many of the Banks have begun to dispose of their specie, while the Bank of New York, (having become a common depository for the gold dealers,) has to

some extent, increased the amount it holds. The deposits of the Banks were at their lowest point in January last year, when money was very dear and the Treasury had not begun to issue its new legal tender notes; after that event the deposits rose to over \$174,000,000 in June, and subsequently fell to \$144,000,000 in September. They are now low, under a state of affairs, as connected with the Treasury, similar to that of last year. We are compelled to omit the previous returns for the year; but they will be found in the January number:

NEW YORK BANKS.

NEW YORK BANKS. (<i>Capital, Jan., 1864, \$—</i> ; <i>Jan., 1865, \$69,658,737.</i>)						
Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.	
Dec. 24, ..	\$203,512,093	\$20,600,441	\$3,383,346	\$153,805,909	\$593,336,137	
" 31, ..	199,444,969	19,662,211	3,283,832	147,442,071	471,039,253	
Jan. 7, ..	195,044,687	20,152,892	3,183,526	147,821,891	535,055,671	
" 14, ..	189,686,750	21,357,608	3,074,029	148,931,299	538,780,682	
" 21, ..	187,060,586	20,211,569	2,979,851	146,068,355	611,194,907	
" 28, ..	169,502,630	18,174,316	2,906,194	143,842,230	656,828,378	

The returns of the Philadelphia Banks show a line of loans \$10,000,000 higher than in January last year. The increase has taken place mostly since their determination to merge into the new law. The specie also declined from \$4,153,000 to \$1,803,000, that not being requisite. The deposits of the new Banks have greatly increased since their adhesion to the national system. The returns are as follows:

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (<i>Capital, Jan., 1863, \$11,740,080; 1862, \$13,318,880.</i>)						
Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Dec. 17, ..	\$46,460,087	\$1,943,143	\$2,371,579	\$39,168,580	.....	.....
" 24, ..	47,406,491	1,830,635	2,516,063	39,643,010	.....	.....
" 31, ..	48,059,403	1,803,583	2,793,463	39,845,963	\$7,462,222	\$3,786,553

The returns of the Boston Banks show the most remarkable fluctuation. There has been a steady contraction since the beginning of the year, under preparations for merging in the new law. The results of the State Banks are as follows:

BOSTON BANKS.

BOSTON BANKS. (<i>Capital, Jan., 1863, \$33,231,700; Jan., 1865, \$22,350,000.</i>)						
Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Dec. 17, ..	\$45,092,121	\$3,601,228	\$7,397,227	\$23,124,821	\$5,470,000	\$11,306,500
" 24, ..	45,746,230	3,936,311	7,731,931	23,222,391	5,470,000	11,431,291
" 31, ..	46,312,700	3,434,300	7,767,000	23,086,800	5,689,000	11,452,800

The State Banks of Maine report as follows their business for the years 1863 and 1864:

LIABILITIES.

	1863.	1864.		
Capital	\$8,008,000	\$6,785,000	dec.	\$1,222,400
Circulation	6,019,156	7,042,093	inc.	1,032,937
Deposits	6,421,005	5,120,762	dec.	1,310,243
Bank balances	118,020	258,042	inc.	140,022
Profits	759,859	965,566	inc.	205,707
Immediate liabilities	2,558,181	12,430,897	dec.	127,284

RESOURCES.

Loans	\$14,983,609	\$15,167,320	inc.	\$183,711
Real estate	245,846	195,222	dec.	50,624
Bills of other banks and checks	1,047,979	1,281,413	inc.	233,434
Bank balances	4,370,562	3,015,961	dec.	1,351,601
Specie	678,043	522,146	dec.	155,897
Immediate resources	6,096,584	4,819,520	dec.	1,277,064
Number of banks	69	50	dec.	19
Overdue paper	761,492	612,249	dec.	149,243
Estimated loss on same	111,356	95,146	dec.	16,210

The savings institutions report as follows :

In 1860 the deposits were	\$1,466,457	56
In 1861 " "	1,620,270	26
In 1862 " "	1,876,165	18
In 1863 " "	2,641,476	41
In 1864 " "	3,672,975	85

The current of money which set towards Paris and London, on the raising of the rate of interest by those institutions, had continued to fill the reservoirs up to the latest dates, and had been followed by further reductions in the Bank rates. The leading cause that underlies the money difficulties of the Paris, as well as the London markets, is the Indian cotton, the value of which, imported into Great Britain in nine months of the year, has been as follows :

	1862.	1863.	1864.
Value	\$58,603,825	£126,293,450	\$205,809,975

This doubling process is going on without any corresponding increase in exports to meet it. The strain upon silver and gold is, therefore, steadily augmenting, and must be felt here, where the supply is reduced, with great force.

In December, this operating cause lost much of its vigor, by reason of accounts from this side leading to the conviction that, in consequence of the steady march of events in America, the destruction of the Confederate Government may within a comparatively short space of time take place, control the disposition to speculate in cotton, and prevent the employment of any materially greater sum of money in its purchase abroad.

This feeling induced a diminished operation in cotton, and less demand for remittances to Asia, and therefore helped to strengthen the Bank. The returns of which are as follows :

THE BANK OF ENGLAND RETURNS.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 7,...	20,118,116	6,468,544	12,666,764	28,726,674	13,840,691	7 per ct.
" 14,...	19,669,832	7,161,719	12,267,474	28,301,608	14,122,711	6 "
" 21,...	19,669,007	7,694,616	12,927,807	29,326,027	14,307,760	6 "
" 28,...	19,810,455	8,601,125	13,040,643	30,708,083	14,100,974	6 "

The increase of specie in the Banking Department has been steady. The reduction of the rate of interest was, however, more rapid in Paris than in London. Although the Bank of France has put down the rate in order to mitigate the pressure upon French merchants, she does not in any degree remit the close scrutiny upon all kinds of bills or the rigor with which are rejected all such as are likely to send money out of France.

The influence of the price of money upon the flow of the metals is very marked. The rate of interest was put up to 8 per cent October 20, and was again lowered November 30. The effect upon the Bank returns was as follows :

	Loans.	Specie.
October 20 francs	621,458,240	250,423,737
November 30	564,370,793	327,718,612
Reduction	57,087,447	
Increase		77,295,075

Thus the loans were contracted \$11,000,000, and the specie increased nearly \$16,000,000. A portion of this increase was due to the purchases by the Bank, said to have been \$10,000 000 or 50,000,000 francs, of which a considerable portion was sent hence. This is a system which is, in effect, borrowing in London. Thus, if the agent of the Messrs. ROTHSCHILD here draws upon the London house at sight, and sells for gold what is shipped to France, it is, in fact, London which has lent the money to Paris, and, on the maturity of the bills, Paris must pay London, and she expects to do so when the spring business shall have turned the current of exchange.

From November 30th the specie continued to accumulate to December 22d, when it stood at \$364,000,000 francs, a rise of 50 per cent in 60 days, without any increase in the loans, which were kept down notwithstanding the low price of money by the severe rule applied to the paper to be passed. The returns are as follows :

BANK OF FRANCE.

	Loans.	Specie.	Circulation.	Deposits.	Interest.
December 8	fr.566,921,053	fr.355,640,597	fr.722,291,475	fr.178,968,028	5
" 15	586,521,733	351,562,024	739,383,125	161,270,492	5
" 22	561,603,376	364,008,378	721,487,475	153,193,515	4½
" 29	597,157,830	359,969,767	726,212,275	171,321,867	.

The contest which has been some time in progress in relation to the Bank of Savoy, which claimed the right under its new organization to issue circulating notes, has been decided against that institution. The exclusive power to issue notes being confined to the Bank of France.

GRAIN TRADE OF THE UPPER LAKES.

THE grain trade of the upper lakes is of such magnitude as to challenge the attention of commercial men and statesmen, and they will be glad to obtain, through your pages, the leading items of this trade for the year 1864, just passed.

The three leading ports which gather in and export most of the bread-stuffs of the great interior plain that seek a market eastward, are Chicago, Toledo, and Milwaukee.

The following table, taken from the reports of the several boards of trade of the cities named, will be found substantially reliable :

RECEIPTS OF FLOUR AND GRAIN AT THREE LAKE PORTS, FOR THE YEAR 1864.

	Flour, bbls.	Wheat, bu.	Corn, bu.	Oats, bu.	Rye, bu.	Flour reduced to wheat, bu.
Chicago ...	1,141,791	11,257,196	13,623,087	13,653,941	1,709,562	45,952,741
Toledo ...	1,052,479	6,907,243	1,035,222	441,417	110,333	13,757,115
Milwaukee.	280,374	9,120,255	473,309	1,051,953	287,490	12,337,697
	2,475,144	27,284,694	15,131,618	15,147,311	2,107,390	72,047,553

AT THE SAME PORTS THE RECEIPTS FOR THE YEAR 1863 WERE AS FOLLOWS:

	Flour, bbls.	Wheat, bu.	Corn, bu.	Oats, bu.	Rye, bu.	Flour reduced to wheat, bu.
Chicago ...	1,474,282	11,180,344	24,459,508	9,139,525	1,968,106	56,079,903
Toledo ...	1,126,260	6,194,180	1,705,096	733,796	62,137	14,326,459
Milwaukee.	428,747	13,024,323	359,052	949,570	369,019	16,845,699
	3,029,289	30,398,797	26,523,656	10,822,891	2,399,262	87,252,061

From these tables it will be seen that the receipts of these three ports the past year, compared with those of the year 1863, show an aggregate decrease of 15,203,458 bushels; of which 10,127,162 are chargeable to Chicago; 4,507,002 was the loss of Milwaukee, and 569,294 bushels the deficit of Toledo. The deficient and badly ripened corn crop of the year 1863, occasioned the chief reduction of receipts at Chicago and Toledo. The loss of Milwaukee, it will be seen, was principally in wheat. The commerce of Chicago and Toledo, in articles other than breadstuffs, for the past year, was much in advance of that of any other preceding year.—Yours, &c., J. W. S.

STATISTICS OF TRADE AND COMMERCE.

COMMERCE BETWEEN BRAZIL AND UNITED STATES—THE WHALE FISHERY FOR 1864—RAILROAD AND STEAMBOAT ACCIDENTS—COMMERCE OF UNITED STATES.

COMMERCE BETWEEN BRAZIL AND UNITED STATES.

THE following, prepared for the *Merchants' Magazine* by L. H. F. D'AGUIAR, Brazilian Consul at New York, will be found particularly valuable in the absence of the commerce and navigation report. It presents the trade of Brazil with the United States for the past three years:

EXPORTS TO BRAZIL.

	Vessels.	Tons.	Value reduced from greenback currency.
1863-64....American vessels.....	46	19,304	£293,899
....Foreign vessels.....	203	46,314	945,450
Total.....	249	65,618	1,239,349
1862-63....American vessels.....	144	46,441	753,793
....Foreign vessels.....	76	17,629	475,996
Total.....	220	64,070	1,129,789
1861-62....American vessels.....	183	54,904	743,043
....Foreign vessels.....	37	7,987	166,842
Total.....	220	62,891	909,885

IMPORTS FROM BRAZIL.

	Vessels	Tons.	Value reduced from gold.
1863-64.... American vessels.....	41	14,219	£374,717
.... Foreign vessels.....	282	66,459	2,684,469
Total.....	323	80,678	3,059,186
1862-63.... American vessels.....	150	45,960	1,139,496
.... Foreign vessels.....	107	27,149	1,299,734
Total.....	257	73,109	2,439,230
1861-62.... American vessels.....	191	65,598	1,216,736
.... Foreign vessels.....	105	30,376	1,560,225
Total.....	296	95,974	2,776,961
		Articles exported.—	
		Flour, bbls.	Dry goods, vol.
1863-64.....		410,862	88
1862-63.....		410,094	242
1861-62.....		376,315	5,187
Imports.	1863-64.	1862-63.	1861-62.
Coffee.....bags	574,182	366,908	567,146
Hides.....numb.	352,226	343,282	157,884
Sugar.....vol.	76,415	93,947	97,250
India rubber.....arobes of 32lbs.	96,623	78,612	45,602

ANNUAL STATEMENT OF THE WHALE FISHERY FOR 1864.

THE year 1864 has witnessed a further decline in the number of vessels employed in the business, and the number now thus employed is less than at any time within the last twenty-five years, being 276, with an aggregate of 79,692 tons. The greatest number within the above-named period employed in the whaling business was in 1846, which was 735, amounting to 233,189 tons. The present number of vessels, however, is as large as the business will warrant.

The success of the fleet in the Arctic Ocean in 1863, induced many of those engaged in sperm whaling, to abandon the latter and try their fortune North, but with one or two exceptions the change was not successful. The whole number of American ships that cruised in the Arctic Ocean in 1864, was 63. Of this number, all but one, the William Gifford, have arrived in at different ports. These have taken an aggregate of 29,440 bbls. whale oil, and 439,250 lbs. bone—an average of 475 bbls. oil and 7,084 lbs. bone. Add to these nine foreign vessels also cruising in the Arctic, which took 4,220 bbls. whale oil and 66,600 lbs. bone, and the whole Arctic fleet numbers 71 ships, with an aggregate catch of 33,660 bbls. oil and 505,250 lbs. bone, or an average of 474 bbls. oil and 7,116 lbs. bone each.

The Ochotsk fleet consisted of six American and four foreign vessels. All the American ships but the Hercules have arrived in port, and taking her last report—500 bbls.—will give an aggregate catch of 6,050 bbls. oil and 87,800 lbs. bone, or an average of 1,008 bbls. oil and 14,633 lbs. bone each. The four foreign

ships took 3,675 bbls. oil and 49,000 lbs. bone, or an average of 919 bbls. oil and 12,250 lbs. bone. These added together make the whole Ochotsk fleet ten ships, with an aggregate catch of 9,725 bbls. whale oil and 136,800 lbs. bone, averaging 972 bbls. oil and 13,680 lbs. bone each. Thus the whole number of vessels comprising the North Pacific fleet in 1864 is 81 (exclusive of the William Gifford, to hear from) with an aggregate catch of 43,385 bbls. whale oil and 642,050 lbs. bone, or an average of 535 bbls. oil and 7,926 lbs. bone each.

On the whole the success of the Northern fleet has not been very encouraging, for although oil and bone are commanding apparently high prices, yet almost every article of merchandise has advanced more than our staples, and the enormous expenses attending a whaling voyage in these times, will require a much larger catch to make any favorable compensation to owners of these vessels.

Although the weather in the Arctic and Ochotsk has been very boisterous, there have been only two vessels lost the last season—the Henry Kneeland, in the Arctic, and the Mary in the Ochotsk, both belonging to this port.

The success in the Hudson's Bay whaling, did not come up to our expectations the past year. The great difficulty appears to be the short time between the breaking up of the ice and the closing up of the same, rendering the season available for whaling extremely short. Whales seem to be plenty, but they are very shy and difficult to capture. There were four arrivals from Hudson's Bay in 1864—three into New Bedford, and one into New London, bringing 3,454 bbls. whale oil and 55,000 lbs. bone. There are now wintering in Hudson's Bay and Cumberland Inlet 12 American whalers—the Antelope, Ansel Gibbs, Black Eagle, Glacier, Morning Star, and Orray Taft, of this port; Cornelia, George and Mary, Helen F. Monticello, and Pioneer, of New London, and Concordia, of Sag Harbor, all of which will probably arrive home next fall.

Of the American whalers from the North twenty-three arrived at San Francisco, forty-two at the Sandwich Islands, one at Monterey, and one at Panama. All the foreign whalers arrived at the Sandwich Islands.

Of the 81 whalers which sailed from home ports in 1864, 19 were bound to the North Pacific, 15 to Cumberland Inlet and Hudson's Bay, 5 to Desolation and Hurd's Island, and the balance sperm whaling to the Atlantic, Indian, and Pacific Oceans.

From present appearances the import of sperm oil will be considerably less this year than in 1864. The fleet on the Pacific coast is very small, and doing very little, with one or two exceptions. The South Pacific fleet is also much reduced, and have done poorly; very few ships are in the Indian Ocean. The fleet in the Atlantic have done better, although whaling has been much interrupted about the Western Islands, the "Two Forties," and other grounds, by uncommon rough weather. The quantity of oil landed at Fayal in 1864 by whalers is 4,862 bbls. sperm, 883 bbls. whale; also 1,395 lbs. bone. All the oil but about 300 bbls. has arrived home.

The import of sperm oil for the year is 64,372 bbls., 683 bbls. less than in 1863; of whale oil, 71,863 bbls., an excess of 8,889 bbls. over the preceding year; of whalebone, 760,450 lbs.—271,700 lbs. more than in 1863.

The exports exceed those of 1863 by 28,634 bbls. sperm, 703 bbls. whale oil, and 250,600 lbs. bone.

The average prices for the year are : Sperm oil, \$1 78 per gallon ; whale oil, \$1 28 per gallon, and whalebone, \$1 80 per pound, exceeding that of the previous year, 17 cents for sperm, 33 cents for whale oil, and 27 cents for bone.

The stock of sperm oil on hand January 1, 1865, is 10,818 bbls. less, and that of whale oil 2,665 bbls. less than the corresponding period in 1864. Whalebone is in excess 21,170 lbs.

We refer our readers to the following tables of statistics :

EXPORTS OF SPERM OIL, WHALE OIL, AND WHALEBONE FROM THE UNITED STATES.

	Bbls. sp.	Bbls. wh.	Lbs. bone.
1864 - - - - -	45,000	12,000	530,000
1863 - - - - -	18,866	11,297	279,394
1862 - - - - -	27,976	68,583	2,004,981
1861 - - - - -	37,547	49,969	1,145,013
1860 - - - - -	32,792	13,007	911,226
1859 - - - - -	52,207	8,179	1,707,929

IMPORTS FROM 1846 TO 1865.

	Bbls. sp.	Bbls. wh.	Lbs. bone.
1864 - - - - -	64,372	71,863	760,450
1863 - - - - -	65,055	62,974	488,750
1862 - - - - -	55,641	100,478	763,500
1861 - - - - -	68,932	133,717	1,038,450
1860 - - - - -	73,708	140,005	1,337,650
1859 - - - - -	91,408	190,411	1,923,850
1858 - - - - -	81,941	182,223	1,540,600
1857 - - - - -	78,440	230,941	2,058,900
1856 - - - - -	80,941	197,890	2,592,700
1855 - - - - -	72,649	184,015	2,707,500
1854 - - - - -	76,696	319,837	3,445,200
1853 - - - - -	103,077	260,114	5,652,300
1852 - - - - -	78,872	84,211	1,259,900
1851 - - - - -	99,591	328,483	3,966,500
1850 - - - - -	92,892	200,608	2,869,200
1849 - - - - -	100,944	248,492	2,281,100
1848 - - - - -	107,976	280,656	2,003,000
1847 - - - - -	120,753	313,150	3,341,680
1846 - - - - -	95,217	207,493	2,276,930
1845 - - - - -	157,917	272,730	3,167,142

IMPORTATIONS OF SPERM OIL, WHALE OIL, AND WHALEBONE INTO THE UNITED STATES IN 1864.

	Bbls. sp.	Bbls. wh.	Lbs. bone.
New Bedford - - - - -	48,172	35,883	224,250
Fairhaven - - - - -	1,278	711	600
Westport - - - - -	2,241	32	—
Dartmouth - - - - -	500	525	—
Mattapoisett - - - - -	881	4	700
Sippican - - - - -	155	9	—
District of New Bedford - - - - -	57,227	37,164	225,550
New London - - - - -	915	8,091	149,600
Nantucket - - - - -	78	18	—
Provincetown - - - - -	1,850	1,742	2,600

Salem	90	20	—
Edgartown	153	1,525	15,650
Falmouth	931	232	1,700
Sag Harbor	1,133	505	3,700
Boston	3,894	9,611	159,000
New York	2,101	12,955	202,650
Total	64,372	71,863	760,450

STOCK OF OIL AND BONE ON HAND ON THE FIRST OF JANUARY IN THE LAST SEVEN YEARS.

	Bbls. sp.	Bbls. wh.	Lbs. bone.
1865	20,382	6,679	170,150
1864	31,200	9,344	148,980
1863	16,038	23,019	91,500
1862	16,132	58,378	295,600
1861	15,838	80,469	438,700
1860	13,429	96,480	380,600
1859	17,176	82,376	400,000

AVERAGE PRICES OF OIL AND BONE.

	Sperm.	Whale.	Bone.
1864	178	128	180
1863	161	95½	153
1862	142½	59½	82
1861	131½	44½	66
1860	141½	49½	80

RAILROAD AND STEAMBOAT ACCIDENTS.

THESE figures give the result of the railroad and steamboat accidents in the United States the past year :

RAILROAD ACCIDENTS.

Number of accidents and the killed and wounded in 1864 and the ten preceding years :—

	1864.			1863.		
	Accidents.	Killed.	Wounded.	Accidents.	Killed.	Wounded.
January	15	27	28	11	14	75
February	7	17	28	9	102	57
March	11	37	37	10	14	64
April	8	7	26	9	4	41
May	12	42	166	4	4	23
June	10	19	106	8	26	62
July	9	74	145	6	11	49
August	17	37	194	10	14	33
September	15	47	105	10	30	103
October	13	59	177	7	24	76
November	15	23	111	2	13	66
December	8	15	110	3	8	17
Total	140	404	1,486	89	264	671

The above figures do not include accidents where no lives were lost, accidents to individuals which were caused by their own carelessness or design, or deaths

or injuries resulting from the recklessness of persons in crossing or standing upon railroad tracks where trains were in motion.

The following table exhibits the number of accidents, with the number of persons killed and injured, during the last eleven years :

	Accidents.	Killed.	Wounded.
1854.....	193	186	589
1855.....	142	110	529
1856.....	143	105	629
1857.....	126	130	536
1858.....	82	119	417
1859.....	79	129	411
1860.....	74	57	315
1861.....	63	101	459
1862.....	99	264	877
1863.....	89	264	674
1864.....	140	404	1,846
Total.....	1,230	1,869	7,289

STEAMBOAT ACCIDENTS.

Number of accidents and the killed and wounded in 1864 and the ten preceding years :—

	1864.			1863.		
	Accidents.	Killed.	Wounded.	Accidents.	Killed.	Wounded.
January.....	.	..	..	2	5	1
February.....	2	13	..	2	6	5
March.....	1	2	..	1	5	2
April.....	.	..	..	3	43	20
May.....	1	7	15	2	4	6
June.....	2	45	..	1	..	14
July.....	2	72	4	.	..	..
August.....	1	8	..	3	65	10
September.....	6	72	60	2	31	..
October.....	6	28	22	2	71	3
November.....	3	86	10	1	13	18
December.....	2	25	32	1	12	6
Total.....	26	358	143	20	255	85

The above table does not include accidents where no lives were lost, the killed and wounded by accidents occurring at sea, or those who lost their lives or received injury on board of steam vessels during engagements.

The following table shows the number of accidents and the killed and wounded during the last eleven years :

	Accidents.	Killed.	Wounded.
1854.....	48	587	225
1855.....	27	176	107
1856.....	29	353	127
1857.....	30	322	82
1858.....	27	300	107
1859.....	21	342	146
1860.....	29	597	134
1861.....	19	69	88
1862.....	16	220	70
1863.....	20	255	85
1864.....	26	358	143
Total.....	292	3,584	1,314

COMMERCE OF THE UNITED STATES.

The Commerce and Navigation Report, for 1862, which is just issued, has been delayed so long that the returns have lost much of their interest. Their value, however, for future reference and comparison, is the same. We give, this month, simply the exports.

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

	1860.		1861.		1862.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
PRODUCTS OF THE SEA—						
Oil—sperm.....galls.	1,335,736	\$1,789,089	1,518,457	\$2,110,823	739,477	\$962,603
Do.—whale and other fish.....do.	939,872	537,547	1,069,468	581,264	2,599,316	1,280,697
Whalebone.....lbs.	1,068,895	896,293	979,231	786,552	796,884	556,795
Spermaceti and sperm candles.....do.	157,783	51,829	456,408	143,907	280,526	64,481
Fish, dried or smoked.....cwt.	219,628	690,088	219,324	634,941	250,819	712,584
Do. pickled.....bbls.	33,815	191,684	48,352	244,028	67,575	410,188
Do. do.....kegs.	2,433		2,662		8,538	
Total product of the Sea.....		\$4,156,480		\$4,451,515		\$3,987,298
PRODUCTS OF THE FOREST—						
Staves and headings.....M.	75,800	\$2,365,516	73,408	\$1,959,392	69,965	\$2,590,649
Shingles.....M.	41,601	169,546	30,078	108,610	20,118	67,356
Boards, planks, &c.....M. ft.	170,922	2,777,919	132,332	2,092,949	129,243	2,015,982
Hewn timber.....tons	32,376	231,668	8,821	97,875	4,391	138,521
Other lumber.....		705,119		441,979		1,162,163
Oak bark and other dye.....		164,260		189,476		186,363
Manufactures of wood.....		2,703,095		2,344,079		1,755,793
Tar and pitch.....bbls.	60,623	151,404	55,057	143,280	9,765	55,884
Rosin and turpentine.....bbls.	770,652	1,818,238	536,207	1,060,257	65,441	293,400
Ashes—pots and pearls.....cwt.	271,949	822,820	99,701	651,547	74,895	457,049
Ginseng.....lbs.	395,909	295,766	347,577	292,899	630,714	408,590
Skins and furs.....		1,533,208		878,466		794,407
Total product of the Forest.....		\$13,738,559		\$10,260,809		\$9,926,157

PRODUCT OF AGRICULTURE—
(Animals.)

	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Beef.....tcs.	78,674	\$2,674,324	41,822	\$1,675,773	57,234	\$2,017,077
Do.....bbls.	76,288		65,468		50,171	
Tallow.....lbs.	15,269,535	1,598,176	29,718,364	2,942,370	46,773,768	4,026,113
Hides.....	.....	1,036,260	.....	673,818	.....	518,687
Horned cattle.....No.	27,501	1,052,426	8,885	223,246	3,634	197,019
Butter.....lbs.	7,640,914	1,144,321	15,531,381	2,355,985	26,691,247	4,164,344
Cheese.....lbs.	15,515,799	1,565,630	32,361,428	3,321,631	34,052,673	2,715,892
Pork.....tcs.	1,616	3,132,313	1,632	2,609,818	2,102	3,980,153
Do.....bbls.	202,319		153,964		305,949	
Hams and bacon.....lbs.	25,844,610	2,273,768	50,264,267	4,848,339	141,212,786	10,290,572
Lard.....lbs.	40,289,519	4,545,831	49,908,911	4,729,297	118,573,307	10,004,521
Hogs.....No.	48,355	377,604	463	3,267	3,306	23,562
Horses.....No.	1,635	233,368	1,469	193,420	1,534	157,442
Mules.....No.	1,435	158,080	1,799	191,873	3,237	212,187
Sheep.....No.	.....	33,613	.....	28,417	.....	34,600
Wool.....lbs.	1,055,923	389,512	847,301	237,846	1,153,388	296,225

\$20,215,226

\$24,035,100

\$38,638,394

(Vegetable Food)—

Wheat.....bush.	4,155,153	\$4,076,704	31,238,057	\$38,313,624	37,239,572	\$42,573,295
Flour.....bbls.	2,611,596	15,448,507	4,323,726	24,645,849	4,882,033	27,534,677
Indian corn.....bush.	3,314,155	2,399,308	10,678,244	6,890,865	18,904,898	10,387,383
Corn meal.....bbls.	233,709	912,075	203,313	692,003	253,570	778,344
Rye meal.....bbls.	11,432	48,172	14,143	55,761	14,463	54,488
Rye, oats, &c.....	.....	1,058,304	.....	1,124,556	.....	2,364,625
Biscuit.....bbls.	119,236	478,740	110,690	429,703	128,846	490,942
Do.....kegs and boxes	46,543		36,847			
Potatoes.....bush.	330,372	284,673	413,091	235,503	417,133	300,599
Onions.....	.....	109,861	.....	102,578	.....	90,412
Apples.....bbls.	78,809	206,055	112,523	269,363	66,767	238,923
Rice.....tcs.	84,163	2,567,399	39,162	1,382,178	2,146	156,899
Do.....bbls.	77,837		50,033		7,335	

\$27,590,298

\$74,191,933

\$84,970,537

	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Cotton, Sea Island.....lbs.	15,598,698	\$191,806,555	6,170,321	\$84,051,483	66,443	\$1,180,113
Do. other.....lbs.	1,752,087,640		301,345,778		4,998,121	
Tobacco, unmanufactured.....hhds.	167,274	15,906,547	160,816	13,784,710	107,233	12,325,356
Do.....cases	15,035		18,815		31,962	
Do.....bales	17,817		19,450		15,489	
Flaxseed.....bush.	2,715	3,810	28,540	49,609	15	59
Cloverseed.....bush.	116,574	596,919	200,417	1,063,141	66,064	295,255
Hemp.....tons	186	9,531	136	8,608	43	8,300
Brown sugar.....lbs.	1,133,986	103,244	3,275,024	301,329	1,284,849	90,022
Hops.....lbs.	273,257	32,866	8,835,837	2,006,053	4,850,046	663,898
Total produce of Agriculture.....		<u>\$256,264,996</u>		<u>\$149,492,026</u>		<u>\$138,171,984</u>

MANUFACTURES—

Wax.....lbs.	362,474	\$131,803	270,425	\$94,495	142,312	\$47,383
Refined Sugar.....lbs.	3,332,045	301,674	3,236,110	237,881	1,470,403	147,397
Chocolate.....lbs.	17,194	2,593	9,906	2,157	18,822	4,288
Spirits (from grain).....galls.	748,135	311,595	2,994,181	867,954	768,295	328,834
Do (from molasses).....do	2,855,952	930,644	2,885,869	850,546	2,496,220	715,694
Do (from other materials).....do	494,643	219,199	1,362,414	593,185	3,956,359	1,577,909
Molasses.....do	70,439	35,292	91,593	39,138	45,009	21,914
Vinegar.....do	304,257	41,368	315,994	38,262	263,927	29,701
Beer, ale, porter and cider.....do	160,887	31,371	136,032	25,876	201,672	45,464
Do do.....doz. bottles	13,043	22,202	7,477	13,604	25,062	20,893
Linseed oil.....galls.	37,309	26,799	42,638	27,982	43,507	54,691
Spirits of turpentine.....do	4,072,023	1,916,289	2,941,855	1,192,737	.....	.....
Household furniture.....	.....	1,079,114	.....	838,049	.....	942,454
Carriages, cars, &c.....	.....	816,973	.....	472,080	.....	519,175
Hats.....	.....	211,602	.....	156,956	.....	132,727
Saddlery.....	.....	71,332	.....	61,469	.....	67,759
Candles, adamantine, &c.....lbs.	4,875,552	708,699	4,569,259	633,048	5,819,503	836,849
Soap.....do	6,852,485	494,405	7,202,130	455,648	9,936,934	636,049
Snuff.....do	39,923	11,354	81,465	17,703	38,839	7,914
Tobacco, manufactured.....do	17,697,309	3,372,074	17,783,363	2,742,823	4,071,963	1,068,730

1865.]

Statistics of Trade and Commerce.

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	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Leather.....lbs.	2,946,633	\$674,309	2,714,466	\$555,202	1,775,556	\$389,007
Boots and shoes.....pairs	678,136	782,525	655,808	779,876	679,594	721,241
Cables and cordage.....cwt.	26,053	246,572	28,422	255,274	19,690	199,669
Gunpowder.....lbs.	3,276,411	467,772	2,319,641	347,103	649,002	101,803
Salt.....bush.	475,445	129,717	537,401	144,046	397,506	228,109
Lead.....lbs.	903,468	50,446	103,023	6,241	79,237	7,334
Iron—pig.....cwt.	7,097	19,143	14,056	25,826	27,868	38,412
Bar.....do	5,901	38,257	6,941	15,411	16,478	45,584
Nails.....do	5,005,694	188,754	5,345,536	270,084	4,578,807	175,856
Castings.....do	55,726	282,848	26,400	76,750	11,790	54,671
Other manufactures of.....		5,174,040		5,536,576		4,212,448
Copper, brass, &c.....		1,664,122		2,375,629		1,098,546
Medical drugs.....		1,115,455		1,149,433		1,490,336
Cottons—Printed and colored.....		3,356,449		2,215,032		587,500
Do white other than duck.....		1,403,506		1,076,959		508,005
Do duck.....		332,089		300,668		221,685
Do other manufactures.....		5,792,752		4,364,379		1,629,274
Hemp thread.....		430		30		
Hemp bags, &c.....		27,384		39,490		31,940
Wearing apparel.....		525,175		462,554		472,924
Earthenware, &c.....		65,086		40,524		32,108
Combs and buttons.....		23,345		32,792		14,221
Brushes and brooms.....		61,377		62,360		99,166
Billiard apparatus.....		15,979		8,910		19,884
Umbrellas and parasols.....		4,862		1,271		553
Morocco, &c.....		19,011		7,507		13,049
Fire engines.....		9,948		7,940		36,280
Printing materials.....		157,124		106,562		169,147
Musical instruments.....		129,653		150,974		152,026
Books and maps.....		278,268		250,365		215,231
Stationery.....		285,798		347,915		399,793
Paints and varnish.....		223,809		240,923		264,114
Glassware.....		277,948		394,731		523,906
Tinware.....		39,064		30,229		62,286

	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Manufactures of pewter and lead.....	.....	\$46,081	.....	\$30,534	.....	\$23,832
Marble and stone.....	.....	176,289	.....	185,267	.....	195,442
India rubber boots and shoes.....pairs	107,693	58,826	62,729	33,603	35,116	35,903
Do other manufactures of.....	.....	182,015	.....	160,088	.....	107,953
Gold and silver leaf.....	.....	140,187	.....	53,372	.....	63,078
Jewelry, &c.....	.....	24,659	.....	48,740	.....	67,750
Artificial flowers.....	.....	207	.....	1,459	.....	130
Trunks and valises.....	.....	50,184	.....	40,622	.....	50,771
Lard oil.....galls.	60,209	55,783	85,676	81,783	239,608	148,056
Oil cake.....	.....	1,609,328	.....	1,386,691	.....	875,841
Bricks, lime and cement.....	.....	154,045	.....	93,292	.....	83,385
Unenumerated manufactures.....	.....	2,397,445	.....	2,530,689	.....	1,986,976
Total Manufactures.....		<u>\$89,544,398</u>		<u>\$35,786,804</u>		<u>\$25,066,000</u>
Coal.....tons	187,059	\$740,783	153,171	\$577,386	213,046	\$837,117
Ice.....tons	49,153	183,134	44,753	172,263	48,390	182,667
Petroleum, crude and refined.....galls.	.....	.....	.....	.....	5,828,129	1,539,027
Quicksilver.....	.....	258,682	.....	631,450	.. ..	1,237,643
Gold and Silver Bullion.....	.....	30,913,173	.....	13,311,230	.....	13,267,739
Gold and Silver Coin.....	.....	26,033,678	.....	10,488,590	.....	17,776,912
Raw Produce not specified.....	.....	1,355,391	.....	2,794,046	.....	1,067,703
Total Exports of Domestic Products... 		<u>\$373,189,274</u>		<u>\$227,966,169</u>		<u>\$213,060,247</u>

1865.]

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RAILWAY NEWS.

RAILWAYS IN SPAIN—THE PYRENEES TO BE TUNNELLED.

A few years ago Spain was as innocent of railroad conveniences as she was in the days when Don Quixotte bestrode his Rosinante and set forth in search of adventures for the honor of Dulcinea del Toboso. The Dons had heard of the the modern invention, and thought, doubtless, that the devil had much to do with it; but the muleteers, as they toiled over the sunny vine-clad hills, whistled in stolid indifference, and with full confidence that their business was not to be broken in upon by the tireless industry and force of the iron horse. The dream, however, has passed; and now the city of Madrid is connected by railroad with all the frontiers of the kingdom—with the Mediterranean by way of Alicante, Valencia, and Barcelona; with the ocean by way of Cadiz to the south and of Santander to the north; with Portugal by way of Estremadura and Badajoz, famed in war-like story, and with France by way of the Basque provinces and Irun.

The length of the lines conceded, according to returns published in 1864, was 3,781 miles; that worked, 2,230 miles. The concessions were made to as many as 37 different companies. The capital raised by shares was about £24,000,000 sterling; and by the issue of debentures, rather more than £25,000,000. The subventions which the government undertook to allow were £12,600,000; but only about half of them were actually paid. The average receipts per mile are not clearly stated, but they were slightly less than in 1852. In the first six months of 1864, compared with the corresponding period of 1863, some of the principal lines, however, showed a marked advance—in the north of Spain, of as much as 23 per cent; Seville, 20; Pampeluna, 12; Barcelona, 4. French capital, as is known, is very largely invested in Spanish lines; and the French now see that, in order to enable them to prosper, it is absolutely necessary that a radical reform should be made in the customs system of Spain—a reform which by abolishing many of the import duties and reducing the rest, shall permit the introduction of foreign merchandise in considerable quantities. Unfortunately, however, Spanish cabinets show no disposition to reform the commercial *regime*; and so little inclination is there in Spain to befriend railways, that a tax of 10 per cent of the receipts of express trains has just been imposed.

The companies enjoy the privilege of importing the materials for the work free of duty. The construction of the line to the French frontier necessitates the construction of a tunnel through the Pyrenees—almost as great a work as that of tunnelling the Alps. The elevation is to be six feet in one hundred.

PACIFIC RAILROAD TO BE COMPLETED—ISSUE OF BONDS BY ST. LOUIS.

THE County Court of St. Louis, at its session December 18th, ordered the issue to the President and Directors of the Pacific Railroad Company, bonds to the amount of \$700,000, being the same that the County Court was authorized to issue by the recent act of the Legislature. This loan of the county credit is

upon what is regarded as ample security, and for an amount sufficient to carry the road through to Kansas City we believe.

In anticipation of this issue, the *St. Louis Republican* says that work had been commenced upon the section from Kansas City to Independence, where some bridges destroyed by the rebels, are being rebuilt. Soon it will be resumed along other portions of the line, and it is hoped that by midsummer, the last rail will be laid and the last spike driven, so that by that time the communication will be perfected between St. Louis and the interior of Kansas.

BRIDGE OVER THE MISSISSIPPI AT FULTON.

The *Chicago Tribune* contains an elaborate account of the completion of a massive bridge spanning the Mississippi River, between Fulton, Illinois, and Clinton, Iowa, forming a connecting link in the railroad communication between the Lake City and the North-Western Trans-Mississippi States. The river, at this point, has been crossed hitherto by the vexatious and inadequate medium of a ferry-boat transporting three cars at once, and obviously subject to great detentions and annoyance, notwithstanding which, the business of the route has largely increased each year. It has cost the railway company, hitherto, more than one dollar per ton to take freight over the Mississippi River by ferry boats. Hereafter it will cost no more than to run their trains upon other portions of the road, per mile, except the trifling expense of watching it and turning the draw of the bridge. Such was the nature of the stream and its banks, that it has been found impossible, heretofore, to take across all freight offered at that point. Hereafter, no such difficulty will be experienced, and an immense increase in freight is inevitable. This route, which is called the Dixon and Air Line Road, will connect the nearest points of the Missouri and Mississippi rivers to Chicago, following very nearly the forty-second parallel of latitude, and destined to give us connection with the great Platte Valley, the great highway of empire Westward.

THE EXTINGUISHMENT OF THE SCHELDT DUES.

THE President has issued a proclamation declaring that the treaty between the United States and the King of the Belgians for the extinguishment of the Scheldt dues has been duly ratified on both sides, and also another proclamation announcing the exchange of ratifications of the convention between these same nations, completing by new stipulations the treaty of commerce and navigation of July, 1858.

By these arrangements the United States, in view of the propositions made by Belgium to regulate by a common accord the capitalization of the Scheldt dues, consents, to contribute to this capitalization, under certain conditions, an amount not exceeding 2,000,780 francs. The tariff of import duties resulting from the treaty of the 1st of May, 1861, between Belgium and France, is extended to goods imported from the United States on the same conditions with which it was extended to Great Britain by the treaty of July 23, 1862.

The reduction made by the treaties entered into by Belgium with Switzerland on the 15th of December, 1862, with Italy on the 9th of April, 1863, with the Netherlands on the 12th May, 1863, and also with France on the 12th of May, 1863, is to be equally applied to goods imported from the United States.

It is agreed that Belgium shall also extend to the United States the reductions of import duties which may result from her subsequent treaties with other powers.

In derogation to the ninth article of the treaty of the 7th of July, 1858, the flag of the United States is to be assimilated to that of Belgium for the transportation of salt.

THE COMMERCIAL FAILURES IN 1864.

Office of the Mercantile Agency, 293 and 295 Broadway, }
New York, January 2, 1865. }

To SUBSCRIBERS.—In our annual review of the condition of the mercantile, manufacturing, and trading interests of the country, we are warranted in congratulating subscribers and friends upon the general existent healthy state of affairs. Our record, during the past year, shows only five hundred and ten failures, with liabilities amounting to \$8,579,700, which, by comparison, exhibits a remarkably healthy state of the trading community. The number and liabilities of failures for the past eight years are as follows :

Northern States.	Number.	Liabilities.	Northern States.	Number.	Liabilities.
1857.....	4,257	\$265,818,000	1861.....	5,935	\$178,632,170
1858.....	3,113	73,608,747	1862.....	1,652	23,049,300
1859.....	2,959	51,314,000	1863.....	495	7,899,000
1860.....	2,733	61,739,474	1864.....	510	8,579,700

In submitting these figures we call attention to the fact of a large diminution in the amount of annual failures since the rebellion broke out. This we attribute mainly to that rigid caution which has obtained in our business community in dispensing credits, and to the increased values of stocks on hand.

The immense and general prosperity of all branches of agriculture has augmented the wealth of the trading classes, and the scarcity of labor, suitable to the requirements of the mechanical interests, has tended to increased wages, and enhanced receipts of the operating classes. These, the principal consuming interests, on account of their vast number, and constituting, as they do, the material wealth of the country, have created an unusually large expenditure through the channel of the retail trade, and yielded returns that enabled this class of merchants to meet their obligations promptly to the jobber. The latter has, therefore, been prompt with the importer and commission merchant. Hence the natural conclusion must be that each, acting in harmony with the other, has produced a more satisfactory result than could have been anticipated by even the most sanguine.

Satisfactory as trade for the past few years has proved itself to be, we cannot but think that merchants should continue to rigidly follow out the course they have of late adopted, and thus avert any impending crisis that even the most conservative of our merchants think may yet be in store for us. We make this

suggestion from the statistics furnished by our records, which clearly prove that whenever merchants have deviated from the strict rules of a conservative system of credit, based upon a well founded pecuniary security, and the closest scrutiny as to character and business experience, they have been the sufferers.

The deep interest we have felt in arriving at correct statistics, to submit to the judgment of our subscribers, has induced us to make the most rigid and careful research of our records, at this particular juncture, in order to present to them, at a glance, an estimate of the wealth of the mercantile, manufacturing, and trading interests in the loyal States. This estimate is not obtained by averaging the whole number of traders, but by a specific examination of each name or firm. It has been the work of months, both with us and our associate officers throughout the country, and the result is shown in the appended table, arranged by States and the principal cities. The States of Missouri, Kentucky, Louisiana, and Kansas having been made the theatre of war, thereby disorganizing trade, are consequently not fully represented in this estimate; and California, as it will be observed, is entirely omitted. Still, without them, the aggregate shows 168,925 business houses, representing a wealth of \$4,944,766,000 mostly invested in personal property. It is generally conceded that the average profits of trade range from twelve to fifteen per cent; but assuming the low figures of ten per cent, we have \$494,476,000 as the accrued gain the past year on the business interests spoken of. This, in view of the unprecedented expenditure necessarily incurred, both by heavy taxation and in otherwise sustaining the Government, exhibits the self-supporting character of our people, and but one element of the strength of the country, which, when added to the other immense resources not brought into our estimate, such as real estate, agricultural, mining, and other interests, should inspire the most hopeful confidence in our future growth and permanent prosperity.

Faithfully, yours,

R. G. DUN & Co.

R. G. DUN AND CO.'S STATISTICAL TABLE, SHOWING THE ESTIMATED WEALTH OF THE MERCHANTS, MANUFACTURERS, AND TRADERS THROUGHOUT THE NORTHERN STATES.

States and principal cities.	Business houses.	Wealth.	States and principal cities.	Business houses.	Wealth.
Connecticut...	5,832	\$145,588,000	Michigan.....	5,934	\$83,943,000
Delaware.....	1,150	24,701,000	Missouri*....	3,263	81,334,000
Dis't. Columbia	1,282	17,448,000	Minnesota....	979	7,602,000
Illinois.....	12,215	207,508,000	N. Hampshire..	2,851	38,685,000
Indiana.....	8,512	134,240,000	New Jersey..	5,910	90,250,000
Iowa.....	5,052	38,532,000	New York....	36,932	1,677,204,000
Kansas*.....	438	3,357,000	Ohio.....	17,005	310,725,000
Kentucky*....	1,528	39,559,000	Pennsylvania..	22,941	733,296,000
Louisiana* (N. O. only)....	802	50,794,000	Rhode Island..	2,487	115,704,000
Maine.....	4,982	99,293,000	Vermont.....	2,494	19,989,000
Maryland....	3,665	102,359,000	Wisconsin....	5,369	53,775,000
Massachusetts.	17,302	868,815,000	Total.....	168,925	\$4,944,766,000

* These States, in consequence of the disorganized state of trade caused by the rebellion, are not fully represented.

REPORT OF THE SECRETARY OF THE TREASURY.

IN our last issue we noticed some of the suggestions contained in the Report of the Secretary of the Treasury. We now give the more important facts and figures. The report for the previous year will be found in vol. 50, p. 39, of the *Merchants' Magazine*.

RECEIPTS AND EXPENDITURES FOR 1863.

The following is a statement of the receipts and expenditures, estimated and actual, for the year ending June 30, 1863, including balance for the preceeding year :

Receipts.

	Estimated.	Actual.
From customs	\$72,562,018	\$102,316,152
Lands	436,183	588,333
Miscellaneous	5,641,542	47,511,488
Direct tax		475,648
Internal revenue	77,599,713	109,741,184
Total	\$156,239,456	\$260,632,717
Add balance July 1, 1863.....	5,329,044	5,329,044
Aggregate	\$161,568,500	\$265,961,761
Estimated receipts from loans	594,000,000	618,114,884
Total	\$755,568,500	\$884,076,646

Expenditures.

	Estimated.	Actual.
For civil service	\$34,267,811	\$2,755,599
Pensions and Indians	7,840,314	7,517,930
War Department	885,479,511	690,791,842
Navy Department	112,799,186	85,733,292
Interest on debt	59,165,136	53,685,421
Total	\$1,099,731,960	\$865,234,087
Deduct estimated	350,000,000	
Total	\$749,731,960	
Estimated balance	5,836,539	18,842,558
From actual receipts from loans		618,114,884
Deduct balance on hand July 1, 1864		18,842,558
It shows the amount received from loans applied to the service of the year ending June 30, 1864		959,272,326

The statement may be more intelligible in another form, as follows :

Actual expenditures for the fiscal year	\$865,234,087
Deduct receipts from ordinary sources and balance from preceding year	265,961,761
Balance provided from loans applied to the service of the year	599,272,316

The amount derived from loans specifically stated, is as follows :

Five-twenty bonds, act February 25, 1862	321,557,283
Fractional currency exceeding amount redeemed	2,702,421
Six per cent bonds, act July 17, 1861	30,565,875
Ten-forty bonds, act March 3, 1864	73,337,600
Twenty years six per cents, act March 3, 1863	42,141,771

United States notes, act February 25, 1862.....	43,869,821
One year five per cent notes, act March 3, 1863.....	44,520,000
Two year five per cent notes, act March 3, 1863.....	152,864,800
Three year six per cent compound interest notes.....	15,000,000
Certificates of indebtedness exceeding amount redeemed.....	4,098,758
Whole amount	\$730,642,410
Of which amount there was applied to repayment of public debt....	112,527,526
Which deducted, it leaves applicable to expenditures.....	618,114,884
Deduct balance July 1, 1864.....	18,842,558
Balance applied to the service of the year	\$599,272,326

National Debt.

The public debt, as stated by my predecessor in his report of December 10, 1863, was.....	\$1,098,793,181
To this amount should be added amounts paid into the Treasury previous to July 1, 1863, for which evidences of debt were subsequently issued.....	23,782,423
Amount of debt July 1, 1863	1,122,575,604
Add amount of loans applied to actual expenditures, as above, and balance in the Treasury July 1, 1864.....	618,114,884
It gives the amount of public debt July 1, 1864.....	1,740,690,489

RECEIPTS FROM MISCELLANEOUS SOURCES.

The very large comparative receipts from miscellaneous sources require explanation. They are accounted for as follows, viz.:

From captured and abandoned property	\$2,146,715
Premium on gold shipped from San Francisco to London.....	2,799,920
Sales of prizes due to captors	4,088,111
Internal and coastwise intercourse fees	5,809,287
Premium for sales of gold coin	16,498,975
Commutation money.....	12,451,896
All other sources.....	3,716,542
Total.....	\$47,511,448

The Secretary is of the opinion that not over \$25,000,000 can be safely calculated upon as likely to accrue from similar sources during the current year.

FINANCIAL OPERATIONS ABROAD.

The item of "premium on gold shipped from San Francisco to London" may also require further explanation. In March, 1863, it became necessary to transmit a considerable amount of funds to London for a special purpose, for which an appropriation had been made by Congress; and it was thought advisable to deposit a certain amount of our securities with an eminent London banker, against which bills might be drawn. Five-twenty bonds to the amount of ten millions were accordingly placed in the hands of two distinguished citizens, to whose care the negotiation was committed. The negotiation failed, and the ten millions were returned to the Treasury and disposed of. It was thought advisable that the amount of four millions should remain, and that exchange should be drawn against it and the bonds disposed of abroad if a favorable market should be found. It appears, however, that very nearly this amount of issue is in excess of the five hundred and eleven millions authorized by existing laws, \$510,756,900 having been disposed of. It is at least questionable whether by this clause power is conferred to dispose of an amount beyond that fixed by existing laws. Additional legislation may remove that doubt, should Congress think it advisable, otherwise they may be cancelled. Exchange having been drawn, it became necessary to provide funds to meet the bills at maturity, which was accomplished by shipments of gold from California.

ESTIMATED EXPENSES OF THE CURRENT FISCAL YEAR.

The expenditures for the current fiscal year were estimated in the last report of the Secretary as follows, viz.:

Estimated balance of former appropriations.....	\$350,000,000
For the civil service	27,973,194
For pensions and Indians.....	9,631,303
For the War Department	536,204,127
For the Navy Department.....	142,618,785
For interest on the public debt.....	85,387,677
Aggregate.....	\$1,151,815,089
Deducting as likely to remain unexpended on the 30th June, 1864	\$400,000,000
Leaving to be provided for.....	751,815,089
And the receipts from ordinary sources were estimated in the aggregate at	206,836,539
Leaving to be provided by loans.....	544,978,549

This estimate, like all others of a similar character, was necessarily based on past experience with regard to unexpended balances, and upon estimates from the different departments, which, in a time of war, must be liable to great uncertainty. Additional information enables me to state the probable expenditures with a near approach to accuracy, as corrected, by including so much of the actual balance of former appropriations as is liable to be used during the year, those made at the last session of Congress, the additional amounts called for to meet probable deficiencies, and reducing the balance of unexpended appropriations at the end of the year, as from amounts expended during the first quarter, would seem necessary. The estimate is as follows, viz.:

Actual unexpended balances as above	\$380,387,050
For the War Department.....	625,945,741
For the Navy Department.....	110,047,459
For the civil service	21,796,572
For pensions and Indians.....	6,550,089
Indefinite appropriations	9,152,007
Total.....	\$1,153,918,920
Add interest on public debt	\$91,810,215
Add public debt matured and maturing during the year, viz.:	
Certificates of indebtedness	160,729,000
Texas debt.....	2,149,000
Loan of 1842	196,803
Treasury notes under act of March 2, 1861, and prior thereto ..	278,511
Total.....	\$1,409,082,455

OUTSTANDING CERTIFICATES OF DEBT.

The amount of certificates outstanding on the 1st November, 1864, was \$238,593,000. This being a much larger amount than the market ought to bear, it would not be wise to calculate upon these securities as available for the service of the year beyond \$75,000,000.

THE RESOURCES FOR THE CURRENT YEAR.

The available probable resources for the current year may then be stated as follows:

From customs.....	\$70,271,091
Lands	642,185
Internal revenue	249,562,859
Miscellaneous resources.....	24,020,171

Direct tax.....	16,079
Certificates of indebtedness.....	75,000,000
Total.....	\$419,512,389
To this should be added probably unexpended balances, June 30, 1865.....	350,000,000
Balance of cash July 1, 1864.....	18,842,558
Total resources.....	\$788,354,947
Which, deducted from expenditures, leaves balance to be provided for by loans.....	620,727,508
If, however, an additional sum of fifty millions should be realized, as proposed by the Commissioner, from internal duties, the amount to be raised by loans would be.....	570,727,508
From this should be deducted the public debt redeemed.....	88,353,320
Leaving an increase of public debt at the close of the year....	482,374,188

[*Note.*—In addition to the liabilities before stated, it may be mentioned that the seven-thirty notes, now called the issue of 1861, and the one year five per cent legal tenders, amounting to \$43,585,000, also become payable during the current year. The conversion of the former being provided for, however, by the act of August, 1861, and the latter, by a power of substitution, under the act of June 30, 1864, they have been excluded from this estimate. The amount of seven-thirty notes redeemed in money to November 1, 1864, is only \$63,500, charged to current expenditure, while the whole amount converted to that date is \$125,864,900.]

RECEIPTS AND EXPENDITURES FOR 1864-65.

Stated in the usual form, by taking the actual receipts and expenditures of the first quarter as a distinct basis of calculation, the result is the same, viz. : For the first quarter of the current year, ending September 30, 1864, the actual receipts, as shown by the books of the Treasury, were as follows :

From customs.....	\$49,271,091
From lands.....	342,185
From direct tax.....	16,079
From internal revenue.....	46,562,850
From miscellaneous sources.....	9,020,171
Total receipts.....	\$75,212,389
Add balance in Treasury July 1, 1864.....	18,843,558
Receipts from all sources excepting loans.....	\$94,054,947

For the three remaining quarters, ending on the 30th of June, 1865, the estimates are :

From customs.....	\$51,000,000
Internal revenue.....	203,000,000
Lands.....	30,000,000
Miscellaneous sources.....	15,000,000
Total.....	\$269,000,000
Total receipts from ordinary sources, actual and estimated, with balance on hand July 1, 1864.....	\$363,354,947

The expenditures for the first quarter, ending September 30, 1864, were as follows :

Civil service.....	\$8,712,422
Pensions and Indians.....	4,935,179
War Department.....	286,200,288
Navy Department.....	33,292,916
Interest on public debt.....	19,921,054

Total, exclusive of principal of public debt..... \$853,061,861

For the three remaining quarters the estimated expenditures, based upon appropriations and estimated deficiencies, are :

For the civil service.....	\$26,852,489
For pensions and Indians.....	6,516,595
For War Department.....	677,479,384
For Navy Department.....	109,939,644
For interest on public debt.....	71,889,160

Total of expenditures, actual and estimated..... \$1,245,729,135

These estimates include all unexpended appropriations from former years, and there may be deducted, as a probable unexpended balance at the close of the year, \$350,000,000, leaving the total amount, actual and estimated, for the current year, \$875,729,135. Deducting the receipts from the total of expenditures, actual and estimated, there will remain \$512,374,188.

THE DEFICIENCY.

If Congress should adopt the measures for increasing the internal revenue at an early day, the Secretary believes there may be added to the receipts from that source \$50,000,000, which being deducted, there would remain to be provided \$482,374,188.

THE PUBLIC DEBT.

The public debt, matured and maturing during the year, is, as before stated, \$163,353,320. From this may be deducted, as likely to be provided for by new certificates of indebtedness, \$75,000,000. Add this sum (\$88,353,320) to the balance to be provided for the expenditures of the year, viz. \$482,374,188, and it makes the whole amount to be provided from loans \$570,727,508. But as this would include so much of the existing public debt as would be redeemed, exceeding certificates issued within the year, viz., \$88,353,320, this sum is to be deducted from the amount to be obtained by loans, viz. \$570,727,508, showing the probable increase of the public debt during the year to be \$482,374,188, which, added to \$1,740,690,489, would make the public debt on July 1, 1865, \$2,223,064,677, subject to such increase as may be occasioned should Congress not provide for additional revenue, or should the income from ordinary sources fall short of the estimate submitted.

ESTIMATED RECEIPTS AND EXPENDITURES.

Any estimate which may be made of the probable receipts and expenditures for the next fiscal year must necessarily be liable to still greater uncertainty. This remark applies more particularly to expenditures, for while, if existing laws remain unchanged, the amount of revenue may be calculated with reasonable certainty, it is impossible to anticipate what the exigencies of war may require. On the one hand this may call for increased effort, and on the other, it may be confidently hoped that the great struggle is near its termination, and that, consequently, the estimate now submitted will prove far beyond the wants of the year. While any doubt remains, however, it would be unsafe to assume any other basis of calculation than one predicated upon the existing state of affairs.

The receipts for the year ending June 30, 1866, are estimated as follows :

From customs.....	\$70,000,000
Internal duties.....	300,000,000
Lands.....	1,000,000
Miscellaneous sources.....	25,000,000
Aggregate.....	\$396,000,000

The expenditures are estimated as follows :

Balance of unexpended appropriations.....	\$350,000,000
For the civil service.....	33,082,097
Pensions and Indians.....	14,196,050
The War Department.....	531,758,191
Navy Department.....	112,219,666
Interest on public debt.....	127,000,000
Aggregate.....	\$1,168,266,005
But from this aggregate there may be deducted as likely to remain unexpended at the close of the year.....	350,000,000
Total.....	\$818,266,005

Deduct estimated receipts from ordinary sources, \$396,000,000, there will remain to be provided for by loans \$422,256,005. To this should be added for redemption of excess of certificates of indebtedness \$47,365,000, making the whole amount to be provided for by loans \$469,621,005. Assuming the correctness of these estimates, the whole debt on the first day of July, 1866, would be found by adding the foregoing amount of \$422,256,005 to the estimated debt in July 1, 1865, \$2,223,064,677, giving \$2,645,320,682 as the amount of the debt at the close of the next fiscal year.

This calculation is made on the same basis of receipts as that assumed for the current year. It is quite probable, in the judgment of the Commissioner of Internal Revenue, that \$300,000,000 may be received in another year from that source, without the additional legislation suggested by him. Should this supposition be verified, and the new taxes proposed for this year be laid and continued, an additional \$50,000,000 might be expected from internal revenue. The Secretary has, however, thought it wiser to name \$300,000,000 as all that would probably be realized.

NATIONAL BANKS OF THE UNITED STATES.

From the Annual Report of the Comptroller of the Currency to the Secretary of the Treasury.

SINCE my last annual report two hundred and eighty-two new banks have been organized, and one hundred and sixty-eight State banks have been changed into national ones. Of the one hundred banks last organized, sixty-seven have been conversions of State banks, and nearly all the papers now being filed are for the change of State banks into national associations.

There are now in existence, under the national currency act, five hundred and eighty-four associations, which are located in the following States :

In Maine - - - - -	18	In Ohio - - - - -	84
In New-Hampshire - - - - -	9	In Michigan - - - - -	15
In Vermont - - - - -	10	In Indiana - - - - -	34
In Massachusetts - - - - -	67	In Illinois - - - - -	23
In Rhode Island - - - - -	2	In Wisconsin - - - - -	15
In Connecticut - - - - -	20	In Minnesota - - - - -	4
In New York - - - - -	100	In Iowa - - - - -	20

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In New Jersey	16	In Missouri	7
In Pennsylvania	109	In Kansas	1
In Delaware	1	In Nebraska Territory	1
In Maryland	3	In Kentucky	1
In District of Columbia	2	In Tennessee	3
In Virginia	1	In Louisiana	1
In West Virginia	2		

A detailed statement of the affairs of each bank on the first Monday of October last, with an abstract of the condition of all of them in the aggregate on that day, is herewith submitted, together with the names and compensation of the clerks, and the total expenses of the bureau for the fiscal year.

A large proportion of the circulating notes which have been furnished by the Comptroller was intended to take the place, and is taking the place of the circulation of such State banks as have been converted into national ones, or of those whose notes have been voluntarily retired, or have been returned from those parts of the country in which the notes of the United States and of the national banks are alone current; so that the currency delivered to the national banks is not, and will not, be altogether an addition to the paper money of the country; but rather, to a considerable extent, the substitution of it for that of the State banks.

The paid-in capital of the banks in the respective States and Territories, the currency delivered to them, (a considerable portion of which has not been put in circulation,) and the bonds deposited with the Treasurer to secure their notes, are as follows:

State.	Capital stock paid in.	Circulation.	Bonds.
Maine	\$2,749,800 00	\$1,887,880	\$2,244,500
New Hampshire	1,120,000 00	552,700	944,000
Vermont	1,149,000 00	1,311,800	1,636,000
Rhode Island	700,000 00	414,000	560,000
Massachusetts	25,909,040 00	12,536,850	16,888,650
Connecticut	5,176,638 00	4,084,050	4,525,500
New York	20,599,175 03	12,584,950	14,064,600
Pennsylvania	21,120,148 88	10,183,830	14,964,100
New Jersey	2,141,249 00	1,756,170	2,011,000
Delaware	300,000 00	200,000	250,000
Maryland	1,560,000 00	1,245,000	1,400,000
District of Columbia	600,000 00	477,000	534,000
Virginia	95,025 00	95,000	112,000
West Virginia	206,950 00	140,000	230,000
Ohio	10,035,165 86	7,505,880	8,749,850
Kentucky	200,000 00	162,000	184,000
Indiana	4,201,871 26	3,148,400	3,924,100
Illinois	4,147,837 25	3,396,560	3,794,600
Michigan	1,065,090 00	797,800	943,500
Wisconsin	1,040,277 00	774,500	903,050
Minnesota	690,000 00	442,000	603,000
Iowa	1,215,000 00	945,900	1,092,000
Nebraska Territory	40,000 00	27,000	30,000
Kansas	100,000 00	49,000	55,000
Missouri	1,621,530 00	722,000	865,000
Tennessee	340,000 00	234,380	263,000
Louisiana	500,000 00	180,000	200,000
Total	\$108,964,597 28	\$65,864,650	\$81,961,450

It is, perhaps, to be regretted that so many new banks have been organized in States where, before the passage of the act, there was no deficiency of banking capital. There would have been less cause for apprehension that banking capital in any of the States was being too rapidly increased, if, by suitable legislation

of the States, State banks had been sooner authorized to avail themselves of the benefits of the national currency act, and the managers of banks, where the necessary legislation had been obtained, had more promptly discerned the inevitable tendency of the public sentiment, and co-operated with the government in its efforts to nationalize the bank note circulation of the country. It was not the intention of the originators and friends of the system, nor has it been the policy of the Comptroller, to swell, through the instrumentality of the national banks, the volume of paper money. On the contrary, the system was designed to check over-issues, by requiring ample security for every dollar which should be put into circulation; and it has been the aim of the Comptroller so to administer the law as to prevent, instead of encouraging, an unhealthy and dangerous expansion of credits.

* * * * *

Of course this system depends for its success upon the maintenance of the faith and credit of the nation, which, in their turn, depend upon the preservation of the national integrity. If these fail, the national banking system will fail; but it will go down with all other important interests, and will be but a part of the general wreck. That such a calamity is not in store for us is the confident hope and belief of all true men of the loyal States. The anxieties and apprehensions which have existed heretofore on this point are rapidly disappearing, as the loyal mind of the United States has hardened to the inexorable resolution that the Union shall be preserved, and the public credit shall be maintained, no matter what sacrifices and burdens the execution of this resolution may involve.

It is a common objection to the national banking system, on the part of some who favor a national currency, that it will deprive the government of the privilege it might safely use, and the field it might profitably occupy, by the continued circulation of its own notes. Why, it is asked, should not the government drive out of circulation all bank notes, and continue to issue, as it has done since the commencement of the war, its own notes, and thus save the interest which otherwise will go to the banks? In answer, I would remark:

The banking interest in the United States is an important one; it has grown with the business of the country, and has been largely instrumental in developing the national resources and in increasing the national wealth. Banks of issue, badly and dishonestly as many of them have been managed, and disastrous as have been the failures which bad management and dishonesty have produced, have still been of unquestionable advantage to the people. The capital of the country has been largely, and in good faith, invested in them, and thousands of stockholders depend upon the dividends upon their bank stock for support. It is an interest which has stood by the government in its struggles with a gigantic rebellion; and now, when it is indispensable that the government should control the issues of paper money, there has been created a national banking system, not to destroy the State banks but to absorb them, and that, too, without prejudice to their stockholders.

Governments should not be bankers. None has existed which could be safely trusted with the privilege of permanently issuing its own notes as money. Circulating notes have been issued under peculiar circumstances by other governments, as it 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.

The present issue of United States notes as lawful money, and the decisions of the courts sustaining the constitutionality of the issue, have been justified by the consideration that under a great public necessity, when the nation's life is in peril, policies must be framed and laws must be interpreted with a view to the preservation of the government. This is the paramount consideration to which all others must bend. Whatever opinions may have been, in times past, entertained in regard to United States notes, and the expediency as well as the constitutionality of the law making them a legal tender, there are now, I apprehend, very few intelligent persons who are not persuaded that without these notes, and the character of lawful money given to them by Congress and confirmed by the courts, the credit of the nation would have given way at the very outbreak of the rebellion. When the war has been concluded, and the exigency which made the issue of government notes a necessity has ceased to exist, there will be very few to advocate the continued use of them on the ground of economy.

If, however, there were no objections of the kind alluded to, there are other objections to the permanent issue of circulating notes by the government, which must be apparent to all who have considered the object and uses of a paper currency.

Paper money has been found to be useful, or rather an absolute necessity in all commercial countries for the convenient transaction of business, and as a circulating representative of values too large to be represented by coin. Although the fruitful cause of great evils, by reason of its unregulated use, and of its uncertain and frequently deceptive character, the general utility of it can hardly be questioned. Now, what is needed in a paper circulating medium is, that it should be convertible into coin; that it should be sufficient in amount to answer the purposes of legitimate business; that it should not, on the one hand, by being over-issued, encourage extravagance and speculation, and give an artificial and unreliable value to property; nor, on the other hand, by being reduced below the proper standard, interrupt business and unsettle values. It should be supplied to just the extent of the demands of a healthy trade. It should be increased as the regular business of the country may require its increase, and be diminished as the proper demand for it is diminished.

It is not pretended that banks of issue have furnished this kind of circulation. Bank notes, with few exceptions, have been convertible into coin when there was no demand for coin, and inconvertible when there was. They have, too generally, been issued for the exclusive benefit of the bankers, and not for the convenience of the public, and they have encouraged speculation, when their true mission was to facilitate trade. It has been the bane of a bank-note circulation, that it has been expanded by the avarice of the bankers, and contracted by the distrust that over-issues have created.

Now, this objection to a bank-note circulation applies with much greater force to government issues. There is always inducement enough for banks to keep up a full circulation, and against excessive issues there are the restrictions of law and the liability to redeem. Government notes, in the issue thereof, would be regulated only by the necessities of the government or the interests of the party in power. At one time they might be increased altogether beyond the needs of commerce and trade, thereby enhancing prices and inducing speculation; at another, they might be so reduced as to embarrass business and precipitate financial disasters. They would be incomparably worse in this respect than a bank-note currency, because the power that should control circulation would be the power that furnishes it. Supplied by an authority not in sympathy with trade, they would not be accommodated to the requirements of trade. They might be the fullest in volume when there was the least demand for a full circulation, and the most contracted when there was a healthy demand for an increase. They would eventually become an undesirable circulation, because there would be no way in which the redemption of them could be enforced; they would be a

dangerous circulation, because they would be under the control of political parties; an unreliable circulation, because, having no connection with trade and commerce, they would not be regulated by their necessities.

There are objections to all kinds of paper money; but, in some form, it is a commercial necessity, and no form has yet been contrived so little objectionable as that which is authorized by the national currency act. Under this act the government performs its proper functions by exercising one of its constitutional powers for the regulation of commerce, by fixing the maximum of bank-note circulation, securing its solvency, and giving to it nationality of character and uniformity of value. It takes the promises, which are to go among the people through the national banks, put its seal upon them, and guarantees *their* redemption, as it takes the precious ore from the mines—the property of individuals—coins it into money of the United States and fixes the value thereof. It thus performs the proper offices of government. In doing so it interferes with no State rights, meddles with no man's lawful pursuits. It stands between the bankers and the people, and while it protects the latter from imposition in the use of a bank-note currency, it trespasses upon no privileges of the former. Without becoming a banker, and without, as in the case of the charter of the United States Bank, conferring peculiar if not dangerous privileges upon a single corporation, it provides a national circulation, indispensable for its own use and safety in the collection of its internal revenues, and suited to the circumstances of the country.

But while the national currency act is restrictive in its general provisions, and is expected, when generally adopted, to prevent expansions, there is still danger that too much capital will be invested under it during the suspension of specie payments, and in the existing unsettled condition of our political and financial affairs. When money is plenty, and fortunes are being rapidly acquired, the country is always in a feverish and unhealthy state. This is especially true at the present time. The enormous expenditures of the government, and the great advances in prices since the commencement of the war, have made many persons suddenly rich, and, upon fortunes suddenly acquired, have followed reckless expenditures, extravagance, waste. Speculation is taking the place of sober and persevering industry, and thousands are deluded with the notion that the wealth of the nation is being increased by the increase of its indebtedness. The inauguration of a new system of banking, under such circumstances, is peculiarly hazardous; and I have been, from the time of my appointment, more apprehensive that too many banks would be organized, than that the system would not be sufficiently attractive to induce capitalists to become connected with it. The government is the great borrower. Its obligation compose a large portion of the discount line of the banks, which are making large profits on government securities at little apparent risk, and the danger is, that the national banking system, with all its restrictions, may, during the suspension of specie payments, and the continuance of the war, add to the plethora of paper money; and that, when the war is over, the banks, deprived of the existing means of investment in government obligations, and finding no legitimate use for their capitals, may be tempted to use them in encouraging operations that will eventually prove to be as unprofitable to themselves, as they will be injurious to the country. For the double purpose, therefore, of keeping down the national circulation as far as it has seemed possible to do it, consistently with the establishment of the system throughout the country, and preventing an increase of banking capital that might hereafter be instrumental in keeping up the inflation and retarding the resumption of specie payments, or prove unprofitable to its owners, I have felt it to be my duty to discourage, in many instances, the organization of new banks, and in more instances to refuse my sanction to the increase of the capital of those already organized. In doing so, I may seem to have exercised a power not warranted by the act; but if not sustained by its letter, I have been by its spirit, and I am willing to let the future decide as to the correctness or incorrectness of my course,

* * * * *

Some important amendments are required to the act, in order that it should be fully accommodated to the wants and business of the country.

The provisions in regard to the lawful money reserve, and the distribution of the assets of insolvent banks, require modification.

I am still of the opinion that the rates of interest to be charged by the national banks should be fixed by Congress, and not by the States.

There are too many points at which the banks may redeem their notes. All, with the exception of those in Philadelphia and Boston, should redeem in New-York. The banks ought to be compelled by law to retain a part, if not all the coin received by them, for interest on their gold-bearing bonds, in order that they may be prepared to lend their influence in favor of a return to specie payments; and some provisions should be introduced by which, when specie payments are resumed, excessive importation of goods may be checked, and dangerous exportations of coin may be prevented.

It is of the greatest importance that the national currency system should be independent of politics and freed from political influences. To effect this, and to facilitate the business of the banks with the Comptroller, I am clearly of opinion that the bureau should be made an independent department, and removed from Washington to Philadelphia or New-York.

I do not, however, recommend that any amendments be made by the present Congress. The act will do well enough as it is for another year. When the next Congress assembles, the defects in it will be better understood, by the practical working of the system, than they can be at the present time. The act can then be taken up, and, with the light which the experience of another year has thrown upon it, judiciously amended.

REPORT OF POSTMASTER GENERAL.

THE postal revenues for the year ending the 30th June last were \$12,438,253 78, and the expenditures of this department during the same period were \$12,644,786 20, showing an excess of the latter of \$206,532 42.

The increase of expenditures in 1864, compared with those of 1863 is 11½ per centum, and the increase in the revenues for the same year 11½ per cent.

This exhibit promises an increase of the revenues for 1865 over the estimate submitted in the report of last year.

During the fiscal year 334,054,610 postage stamps, of the value of \$10,177,327 : 26,644,300 stamped envelopes amounting to \$765,512 50 : and 1,574,500 newspaper wrappers amounting to \$31,490, were issued. The total value of these issues was \$10,974,329 50, which compared with the issue of the previous year, (10,338,760) shows an increase of \$635,569 50, or about six and one-eighth per cent. The value of the stamps, and stamped envelopes sold was \$10,776,589 58, and the amount used in the prepayment of postage was \$9,878,155 61.

Notwithstanding the advance of every article used in the manufacture of stamps, and the large increase in the number required by the department, the National Bank Note Company, of New York, have fulfilled, in a satisfactory manner, all their obligations.

The length of routes in operation 30th June last was 139,173 miles, and the service as follows, viz. : Railroad, 22,616 miles; steamboat, 7,278 miles; "celerity, certainty, and security," 109,278 miles—costing \$5,818,469, divided as follows, viz. : Railroad, 23,301.942 miles of transportation at \$2,567,044, about 11 cents a mile; steamboat, 2,112,134 at \$253,274, about 12 cents a mile; "celerity, certainty, and security," 30,901,281 at \$2,998,151, about 9 7-10 cents a mile.

Under an advertisement dated March 22, 1864, inviting proposals for service from Atchison, Kansas, or St. Joseph, Missouri, to Folsom City, California,

JOHN H. HEISTAND, of Lancaster, Pennsylvania, was the lowest bidder, at \$750,000 per annum; but his bid having been subsequently withdrawn, contracts have been made with BEN. HOLLADAY, of New York, for the service between Atchison, or St. Joseph, and Salt Lake City, at \$365,000, and with WM. B. DINSMORE, President of the Overland Mail Company, also of New York, from Salt Lake City to Folsom City, at \$385,000, making an aggregate \$750,000 per annum. These parties are believed to be able to fulfill their obligations. The contracts are from October 1, 1864, to September 30, 1868; the trips to be made in sixteen days eight months in the year, and in twenty days the remaining four months; to convey through letter mails only, mail matter prepaid at letter rates, and all local or way mails.

Paper and document mails for the Pacific coast are to be carried by sea, *via* New York and Panama, temporary arrangements having been made for their conveyance, within the sum named in the law of March 25, 1864, *viz.* : \$160,000 per annum, making the whole expense of territorial and Pacific mails not over \$910,000 per annum, or \$90,000 less than under the former contract.

In this connection it is proper to add that, from information which has recently reached me, I am apprehensive that the postal service in the Pacific States is not in as good condition as should be desired; and I may have occasion to communicate with Congress upon the subject during its approaching session.

Inquiry has been made of Lieutenant-General GRANT relative to the existing arrangements for supplying our armies with mails, with the assurance of my earnest purpose to co-operate with him in carrying into effect any desired improvements of that service; and I am gratified to learn, from his reply, that the system of receiving and forwarding mails now in operation is entirely satisfactory; and that "our soldiers receive their mail matter with as much regularity and promptness as is possible for armies in the field; and with perhaps as much celerity and security as the most favored portions of the country.

The aggregate postage (sea, inland, and foreign) upon the correspondence exchanged with Great Britain, Prussia, France, Hamburg, Bremen, and Belgium, amounted to \$1,399,605 69, being an increase of \$174,930 48, as compared with the last year, and \$21,458 37 in excess of the largest amount realized in any previous fiscal year. The collections in this country amounted to \$881,730 68, and in Europe to \$517,875 01; excess of collections in the United States \$363,855 67. This result is significant and gratifying, showing a largely increased correspondence with Europe, notwithstanding the civil troubles agitating the country, and the interruption of postal communications with the Southern States.

The amount paid by this department for mail steamship service to and from Europe was \$371,740 44—the steamships employed receiving the sea postage on the mails conveyed as compensation for the service. Of this amount the Liverpool and New York and Philadelphia Steamship Company received \$202,914 34 for fifty-two outward and fifty-three inward trips between New York, Queens-town, and Liverpool; the Canadian mail packets, \$77,175 30 for fifty-three round trips between Portland and Liverpool and Quebec and Liverpool; the North German Lloyd Steamship Company, \$46,149 61 for sixteen outward and fifteen inward trips, and the New York and Hamburg Steamship Company, \$45,501 18 for thirteen outward and twelve inward trips, between New York and Southampton.

The total postages on the correspondence exchanged with British North American Provinces during the year amounted to \$307,371 39, being an increase of \$81,628 09 over the amount reported last year, and \$129,618 88 over that for the previous fiscal year.

The total postages on the mails conveyed to and from the West Indies amounted to \$59,990 18, and the cost of transporting the same to and from Havana and other West India ports was \$40,337 03, being \$19,653 15 less than the United States postages on the mails conveyed.

The provisions of the 4th section of the act of June 15, 1860, have not been construed by this department as *requiring* the Postmaster General to allow the

sea and inland postages on the mails conveyed, to all American vessels, but simply as limiting the compensation in any case to that amount.

The United States postages upon the correspondence exchanged with Central and South America, *via* Aspinwall and Panama, amounted to \$14,208 51, all of which was paid to CORNELIUS VANDEBILT for the sea and Isthmus transportation.

The initiatory steps taken to conclude postal arrangements with the colonies of Vancouver's Island and British Columbia, referred to in the last annual report, have not as yet been attended with the success anticipated.

In conformity with the provisions of the act "to authorize the establishment of ocean mail steamship service between the United States and Brazil," approved May 28, 1864, an advertisement was issued inviting proposals for carrying the mails of the United States by a monthly line of first class American sea-going steamships, between a port of the United States north of the Potomac River, and Rio Janeiro, in Brazil, touching at St. Thomas, in the West Indies, and at Pernambuco and Bahia, in Brazil, for a contract term of ten years, to commence on or before the first day of September, 1865, and to date from the day the first steamship of such line shall leave the United States with the mails for Brazil. Three proposals were received for this service, the lowest and the accepted bid being that of the New York, Nuevitas, and Cuba Steamship Company, with THOMAS ASENSIO & Co. and MANUEL J. MORA, of New York, as guarantors for the performance of the required service, at the sum of \$240,000 per annum, to be divided equally between the two governments. The act authorizing the establishment of this line of American steamships was the beginning of a new era in the history of our ocean mail service, which is being performed principally by steamers sailing under foreign flag.

There are other ocean routes besides the one to Brazil, which can be safely and profitably occupied by American lines of mail steamers, among which the route between San Francisco, Japan, and China, at present unoccupied by foreign mail packets, is perhaps the most important in a commercial point of view.

Various considerations render it important that the Pacific routes properly belonging to us, should be occupied by American mail steamers, the profits of which with the addition of a small subsidy for the mail service, would justify the establishment of one or more steamship lines, which would be remunerative to the proprietors.

The number of dead letters of every description received and examined during the year was 3,508,825, being an increase of 958,409 over the preceding year, attributable mainly to the return of large numbers of army and navy letters which it was found impracticable to deliver.

During the year there were registered and remailed to their respective owners, as containing money, 25,752 letters, containing an aggregate of \$131,611 24, of which number 20,059 containing \$104,665 84, were delivered; 4,412 letters, containing \$20,485 49, were returned to the department, being addressed chiefly to soldiers and sailors, and persons transiently at places of mailing or address.

NAVAL ORDNANCE.

The Chief of the Bureau of Ordnance (H. A. WISE) makes an elaborate report to the Secretary of the Navy, setting forth in detail the results of the year and the experiments made with new inventions. The growing demands of the navy have been fully supplied; 1,522 guns of different calibres having been manufactured during the year. The present aggregate is not stated in the report. In the rifled ordnance adopted, no changes have been made, except in the introduction of a 60-pounder among the Parrotts. This, as an intermediate between the 30 and 100-pounder, has been found of great service as a chase gun, fully supplying the place of the 50 pounder of Admiral DAHLGREN's system. It is gener-

ally used as a pivot gun, and, as its bore corresponds with that of the army smooth bore 18-pounder, the round projectile of the latter is always available where high velocities are needed at close range.

Bronze howitzers and rifles have been introduced, as the special armament of many transports of the War Department. As a special gun for long range in chase, the 20-pounder three grooved rifle is preferred, and it now occupies a prominent place in the armament of the double-ender vessels.

ARMAMENTS OF SHIPS OF WAR.

The governing rule in arming our ships of war is to furnish batteries of the very heaviest guns they can bear with safety. Nine-inch guns are generally used for broadside; 10 and 11-inch guns and Parrott rifles on pivot; 15-inch guns for monitors; and bronze howitzers and rifles for boat and deck service in shore. A few of our ships continue to be armed with the 32-pounder and 8-inch gun of the old system, but these will probably give way to the modified guns of similar classes.

The battery of a first-rate ship of war is forty eight cannon and four howitzers, one of the guns being a rifled 150-pounder; that of a second-rate is twenty-four guns, including two rifled 100-pounders and two howitzers; of a third-rate ten guns, including two rifled 100-pounders; of a fourth-rate four guns, including one rifled 20-pounder. The development of the power of ships named in the report as representatives of the several rates is as follows:

	In shot, lbs.	In shell, lbs.
First rate	2,606	2,123
Second rate	1,220	990
Third rate	434	343
Fourth rate	210	183
and	294	255
In the monitors:		
Tonawanda	1,764	1,320
Onondaga	1,180	930
Montauk	606	465
In the Western gunboat:		
Carondelet	583	480

These figures express the weight of metal thrown for breaching purposes by the guns at a single broadside in solid shot or shells. Conjoined with these, however, are the destructive agencies of grape, canister, and shrapnel, available at all times in the general course of naval warfare, but especially when used against uncovered masses of men. The effective power of a ship is therefore increased in a very great degree by these auxiliaries, which are common to both rifle and smooth bores, excepting grape, which is not used in the rifles.

PIVOT GUNS.

The decisive power of the heavy pivot gun, strikingly exemplified in the fight between the *Kearsarge* and *Alabama*, is dwelt upon in the report, and the following comment is added:

"There can be no question with regard to the superiority of the 11-inch guns over the Blakely 120-pounder and the 68-pounder of the English pivot system, either in penetration, smashing effect of the shot, or explosive power of the shells. Hence, although the vessels were nearly equally matched as to tonnage, motive power, and number of men and guns, yet the prepondering influence of calibre, properly disposed in pivot, and coolly and deliberately handled by American seamen, was sufficient to settle the question briefly and most conclu-

sively. For the Alabama was sunk in a little more than an hour after the Kearsarge began firing, and the English and French navies were thus taught a lesson in practical gunnery and seamanship, which they will not soon forget.

"The result of this action may therefore be taken as proving, beyond doubt, the wisdom of arming our ships with a mixed battery of pivot and broadside guns, taking due care to place on board of each ship the heaviest and most powerful guns that she can safely carry and manage with ease in all weathers."

QUALITY OF GUNS.

The report claims that it is no idle boast that the cannon of our navy, made exclusively from American iron, are not surpassed by those of any other nation; and this, it is added, "will continue to be the case so long as the enterprise of our citizens is left untrammelled, and full opportunities are afforded for the exercise of their skill in this most important art."

The Fort Pitt foundry, and two others, in South Boston, and Reading, Pennsylvania, have taken contracts for making 15-inch guns. Several other foundries are engaged in making guns of lighter calibre.

EXPERIMENTS.

During the past year experiments have been systematically made, with both shells and shot, from smooth bores and rifles, of all the heavier calibres. The power of the guns belonging to our navy, and in common use in the batteries of our ships, have been fairly tested against both solid and built up plates, and the conclusion reached is wholly in favor of the guns and their solid projectiles—the spherical shot for smooth bores being, however, immeasurably superior to the elongated rifle shot in every form. No manner or thickness of iron or steel armor that could be carried on the hulls of sea-going ships will resist the impact of solid spherical shot, fired from the heaviest calibres of the navy, at close range, with appropriate charges of cannon powder. It was generally accepted as an established fact that it was impossible to cast a spherical shot of large diameter which would be solid throughout. It is now known, however, that it is easy to cast a 15-inch or 20-inch shell which will be perfectly sound and solid from circumference to center of figure, and one of the former has resisted, without breaking, two hundred and twenty-two continuous blows of an eight ton steam hammer.

GUNPOWDER AND NITRE.

The consumption of gunpowder by our squadrons in service, and for experimental practice during the year, required a supply of 1,325,000 pounds of powder and 575 tons of nitre, 500 tons of the latter being domestic, and supplied entirely from the New Haven Chemical Works, the only establishment that has yet undertaken its manufacture for the navy.

The number of mills engaged in the fabrication of powder for the navy has been diminished by one since the last report, so that the only present sources of supply are the works of Messrs. DUPONT and those of the Schaghticoke, Hazard and Union Powder companies. Their product has been quite sufficient to supply the demand, although frequent explosions have occurred to retard their operations.

Congress is earnestly urged to make special provision for the encouragement of the production of nitre.

The establishment and maintenance of a thoroughly organized gunnery ship, for the training of officers and men in all the details of gunnery, is earnestly recommended by the bureau.

COMMERCIAL REGULATIONS.

DECISIONS OF THE TREASURY DEPARTMENT UNDER THE TARIFF ACTS.

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

ORGANZINE SILK, NOT IN THE GUM.

Treasury Department, October 5, 1864.

SIR :

Your appeal, dated September 20, 1864, (No. 2,369.) from the decision of the collector at New York, assessing duty, at the rate of 50 per cent ad valorem, on certain organzine silk imported by you, is received.

You claim "that the article is subject to only 35 per cent duty ad valorem, as being an unmanufactured article." "The organzine silk in question has been washed only, and is in nowise a manufactured article."

The experts of the customs report, in substance, as follows: The article referred to is organzine silk not in the gum; it is a manufacture of silk, and is therefore properly classified as a manufacture of silk not otherwise provided for, and liable, under the 8th section of the act of June 30, 1864, to 50 per cent ad valorem duty.

The decision of the collector is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,
Secretary of the Treasury.

To B. G. WAINWRIGHT, Esq.,
Post Office Box, 747 New York City.

KRUPPT'S CAST-STEEL TIRES, AXLES, SHAFTS, &c.

Treasury Department, October 6, 1864.

SIR :

Messrs. THOMAS PROSSER & SON have appealed from your decision assessing duty, at the rate of 45 per cent ad valorem, under the 43d subdivision of section 3 of the act approved June 30, 1864, on certain articles designated as "Kruppt's cast-steel tires, axles, shafts, and other fogings in the rough."

The appellants claim to enter them as "steel in any form, not otherwise provided for, thirty per cent ad valorem," as provided for by the 33d subdivision of section 3, act approved June 30, 1864.

For the reasons given in the decision of this Department under date of December 23, 1863, on the appeal of Messrs. PAGE, RICHARDSON & Co., I am of the opinion that your decision in assessing duty on the importation of Kruppt's cast-steel tires, &c., at the rate of 45 per cent, was proper, and it is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,
Secretary of the Treasury.

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

LOOMS AND SHUTTLES.

Treasury Department, October 10, 1864.

SIR :

JOHN W. STEARNS has appealed from your decision assessing duty, at the rate of 45 per cent ad valorem, on certain Looms and Shuttles imported by him in the steamer "Hecla," from Liverpool, and claims that, whilst the latter are properly assessed—being composed partly of steel—at 45 per cent, the former, being iron, are liable to only 35 per cent under the provision in the 3d section of act approved June 30, 1864, as follows: "On all manufactures of iron not otherwise provided for, thirty-five per centum ad valorem."

The appraisers report as follows: "We regard the steel portion (the shuttles) as an indispensable appendage to the loom, which is the machinery referred to; and therefore, although contained in separate packages, or, as in the present case, contained in the same package with the loom, but separately charged for on the invoice, must be deemed a component part of the manufacture, clearly rendering the manufacture of the machine complete, subject to the provision of the existing tariff above quoted, viz: 'On all manufactures of steel, or of which steel shall be a component part, not otherwise provided for.'"

I do not concur with the appraisers in their special report, in which they claim that although the machine known as a loom is not a manufacture of which steel is a component part, yet the shuttle, which is an accessory machine, a machine *per se*, being composed partly of steel, renders the whole importation a manufacture of steel in part, and subjects it to 45 per cent. duty.

The Department, in analogous cases, where the classification of different articles in the same package could be easily determined, has directed that the rate of duty applicable to each *per se* should be separately levied.

I am advised that the opinion here expressed is in accordance with the views entertained by you on the subject.

You will please have the entry adjusted accordingly.

I am, very respectfully,

W. P. FESSENDEN,
Secretary of the Treasury.

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

STAVES, ETC.

Treasury Department, October 11, 1864.

SIR:—Messrs. Sherman & Wibirt have appealed from your decision assessing duty, at the rate of 10 per cent. ad valorem, under section 6, Act of July 14, 1862, "as staves for pipes, hogsheads, or other casks," on certain rough staves imported by them from Canada.

The appellants claim "that these staves are exempt from duty under the reciprocity treaty with Great Britain, being included in 'schedule of articles free of duty,' in article 3 of said treaty, under the head of timber and lumber of all kinds, round, hewed, and sawed, unmanufactured in whole or in part."

In the regulations (article 921) under the reciprocity treaty between the United States and Great Britain, concluded June 5, 1854, it is provided that "articles of wood entered under these (timber and lumber) or any other designations, remain liable to duty under the existing tariff, if manufactured in whole or in part by planing, shaving, turning, *splitting*, or riving, or any process of manufacture other than rough-hewing or sawing."

It is admitted by the appellants that the articles in question are *split*, and consequently they are clearly embraced in the provision just quoted. Similar appeals have been made to the Department, and the action of the Collectors has been uniformly affirmed. I see no reason for changing the practice.

Your decision is affirmed in the cases of Sherman & Wibrich as presented in their appeals dated and numbered respectively September 9 and October 4, 1864, (Nos. 2,362 and 2,377.)

I am, very respectfully,

W. P. FESSENDEN,

Secretary of the Treasury.

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

CAMERA TUBES—MANUFACTURES OF GLASS.

Treasury Department, October 17, 1864.

SIR:

Messrs. B. FRENCH & Co. have appealed (No. 2,387) from your decision assessing duty at the rate of 40 per cent ad valorem, under the last subdivision of section 9 of the act approved June 30, 1864, on certain "Camera tubes" imported by them,—as a manufacture of which glass is a component material.

The article is a brass tube, fitted with lenses, and an adjusting screw, and is part of a photographer's camera.

The appellants contend that the article in question is provided for under the clause of 13th section of tariff act of July 14, 1862, imposing a duty of 35 per cent ad valorem on "manufactures, &c., not otherwise provided for, of * * * brass * * * or other metal, or of which either of these metals, or any other metal, is the component material of chief value."

This provision is not a specific provision for "camera tubes;" they are still non-enumerated. As the tariff stands, the article is as well described by the language of one section as the other; the classification is therefore determined by the provisions of the 20th section of act of 1842, assessing duty on non-enumerated articles at the highest rate of any of their component parts.

Your decision is hereby affirmed.

I am, very respectfully,

GEO. HARRINGTON,

Acting Secretary of the Treasury.

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

OLIVE OIL, IN CASKS.

Treasury Department, October 18, 1864.

SIR:

Messrs. MAGUIN, GUEDIN & Co. have appealed (No. 2,384) from your decision assessing a duty of one dollar per gallon on certain "olive oil in casks" imported by them per ship "Romaine" from Marseilles, and claim that olive oil in casks should not be returned as salad oil, unless it is a very superior and costly article, such as is sent in bottles or flasks, exclusively for salad use, and further claim that their importation in question is liable to only 25 cents per gallon under the 5th section act July 14, 1862, which imposes that duty on "olive oil, not salad."

In the act approved June 30, 1864, 11th section, a duty of one dollar per gallon is imposed on olive oil in flasks or bottles, and salad oil.

The experts of the customs, to whom the subject was referred, report substantially as follows:

Whether olive oil is salad oil or not, depends upon the quality, and not whether it is imported in casks, or in any other manner. The olive oil in question is of such a quality, which, in our judgment, clearly renders it salad oil, and liable to the duty of one dollar per gallon under section 11 of the act of 1864.

Your decision is hereby affirmed.

I am, very respectfully,

GEO. HARRINGTON,

Acting Secretary of the Treasury.

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

CLAY PIPES.

Treasury Department, October 19, 1864.

SIR :

Messrs. I. HAMBURGER & Co. have appealed (No. 2,389) from your decision assessing duty, at the rate of 75 per cent ad valorem, and \$1⁵⁰/₁₀₀ per gross on certain clay pipes imported by them per ship "Victoria" from London, and claim that they should be admitted at 35 per cent ad valorem, under the clause in section 13, act June 30, 1864 viz.: "on pipes, clay, common or white."

The articles in question are *colored* clay pipes, and white clay pipes, *with India rubber bands at the tip*, and are not the articles known and commercially recognized as "common" or "white clay" pipes, being advanced beyond the "common" condition by quality and coloring, and by the addition of India rubber bands, which the "common or white clay pipe" does not exhibit.

The article is therefore provided for in the same section (13) of the act of June 30, 1864, in the clause "on meerschaum, wood, porcelain, lava, and *all other tobacco smoking pipes*, and pipe bowls, not herein otherwise provided for, one dollar and fifty cents per gross, and in addition thereto seventy-five per centum ad valorem."

Your decision is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,
Secretary of the Treasury.

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

THE MARINE INSURANCE COMPANIES FOR 1864.

THE success of insurance business the past year is almost beyond precedent. With regard to marine insurance, one, knowing the effect of the war on our commerce, would have anticipated a very different statement, since small business and large losses would naturally follow in the wake of the rebel privateers. Just the contrary of this, however, has been the result, for never have the earnings and dividends been larger. If, for instance, we take the returns of the following leading marine companies in this city, (we omit those also taking fire risks,) to wit, the Atlantic, Great Western, Columbian, Mercantile, Commercial, Sun, Orient, New York, Mutual, and three others, we will find that the aggregate amount of premiums received during the year by these companies doing marine business alone to have been about \$29,000,000—a large sum even in these days of large figures. This interest, too, has increased immensely within a few years. It seems but a day since the Columbian advertised a capital of only \$500,000, while now its assets are about \$6,000,000, and steps are being taken to add a million and a-half more to its capital. The Great Western has also met with wonderful success, increasing its assets largely, and making a statement of its business for the past year, which certainly shows unusual prosperity. As to the Atlantic, it holds its old place. Probably there is no marine office in the world which transacts the business every year that is done there.

But besides these companies doing only marine business, there are others which issue both fire and marine policies, as, for instance, the Metropolitan and Harmony. More than a million dollars have been received in marine and fire premiums by the Metropolitan during the past year, and it has just declared a dividend of ten per cent to its stockholders, and a scrip dividend of fifty per cent to its profit sharing patrons. By enterprising and judicious management it has been enabled during the twelve months just past to double its business and largely increase its assets.

We think our merchants may truly congratulate themselves on their continually improving facilities for marine insurance.

THE BOOK TRADE.

Diary of Mrs. Kitty Trevvlyan: 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.

WE are rejoiced that the authoress of the Schonberg-Cotta Family is adding a new luster to her reputation by this last work. The whole reading world gave a sigh of disappointment when the "Early Dawn" succeeded the inimitable "Chronicles," not because it lacked merit or interest, but because it fell so far short of its predecessor in these two qualities. The "Diary of Mrs. KITTY," however, is fully equal to that of ELSIE and FRITZ in all that is natural, simple, and charming. The period in which it is written, too, is one of hardly less interest than that of the reformation, being a time of great religious controversy and change, when the preaching of WHITFIELD and the WESLEYS stirred all England to its hearts core. The style is exceedingly pleasant, and the characters most life-like, but the chief power of the book, after all, lies in the exquisite humor with which the religious eccentricities of doctrines and people are shown up, and in that higher attribute which discerns and reveres a pure religious faith, in whatever nation or age or sect it may be found. Men would be wise to remember what this little book so beautifully teaches, that while names divide and doctrines repel, the one hope and one faith of every truly Christian heart forms a tie that is drawing them all together into a closer brotherhood, and welding them more surely into a unity that is indissoluble and eternal.

We give below two extracts from the "Diary," not as the best that can be gleaned from it, but as fair specimens of its style and spirit. Aunt HENDERSON is a follower of JOHN WESLEY, and a stout champion for his doctrine of perfection, which, perhaps becomes somewhat exaggerated, like other doctrines, as it travels the further from the original source. Having combatted in vain Scotch Aunt JEANIE and English Mrs. TREVVLYAN, she suddenly makes a master stroke, and holds up her two opponents as the proofs of her argument:

"KITTY, my dear, your mother and aunt JEANIE are the best women I know. They are as good examples of perfection as I ever wish to see. They may argue against the doctrine as much as they like, but they prove it every day of their lives. You understand, my dear, the WESLEY only argues for *Christian*, not for *Adamic* or *Angelic* perfection. He admits that even the perfect are liable to errors of judgment, which your poor mother also proves no doubt, by her little bigotry about the church, and aunt JEANIE by two or three little Presbyterian crotchets."

We cannot refrain from giving our readers a piece of BETTY's mind, for BETTY is the character of the book, a faithful old tyrant, as trenchant as she is trusty, and not to be slighted for fear of unpleasant results. She declares herself to be quite above all superstitions, but at the same time she is brim full of the most doleful signs and tokens, and quite disgusted because events dont carry them out. At last, however,

BETTY coming down in the dusk, and going into the dairy, fell over the stable-bucket, which ROGER had left in the way, and broke her leg. The Falmouth doctor came at once and set it, and says it is not at all a difficult or serious case.

But BETTY, never having had an illness which prevented her from moving about, in her life, grimly sets the cheery doctor at defiance, and takes it for granted that she is dying.

"And its a comfort to me Mrs. KITTY," she said to me this evening, "to think I am,

It'll be a warning to ROGER as long as he lives, that's one thing; for if I've told him once about leaving that bucket in the way, and said it would be the death of some one, I've told him so scores of times; and now he'll see that I told him the truth. That is one thing Mrs. KITTY; and another is the signs and the tokens. They'll all be made plain." * * * * *

"But BETTY," I said at last, "it is no better than the heathens to heed such fancies. We must open our hearts wide to the Bible, and let the light of the truth and the breath of the spirit shine and search through every corner. What are all the forebodings in the world to one hour of hearty prayer? Remember, prayer was stronger even than Sr. PAUL's forebodings; for he said he perceived that the voyage would be with much hurt and damage, not only of the ship, but also of their lives. Yet, afterwards, when he had fasted and prayed, he stood forth and said that *God had given him the lives of all that were in the ship; and though the ship was wrecked, not one life was lost.*"

"There *be* some prayers," said BETTY, "that can move heaven and earth."

"And prayer was stronger than prophecy once," I said, "not the prayer of an apostle, BETTY, but of a poor sinful heathen city. Ninevah was saved, let JONAH be disappointed as he might at his words being set aside."

"Well Mrs. KITTY," said BETTY dryly, "I hardly take it kind of you to put me down with that poor selfish old Jew. I've thought, many a time, it was as wonderful the Almighty should speak by him as by Balaam's ass—running away from his work, nearly sinking the ship and the sailors, and then sulking and creusing like a spoilt child, because the Lord was more pitiful than he, and the poor sinful men and women of that great city, and the poor harmless dumb beasts were spared. I can't say but I do feel hurt to be likened to him."

"BETTY," said I, "you know I never meant to compare you to the prophet JONAH. * * * I want you to hope BETTY, because the more we hope the better I think we pray."

"Well my dear," said BETTY relaxing, "young folks most times find it easy enough to hope. If the sun shines for an hour, they think there'll never be winter again; and if old folks don't keep their wits about them, where'll the fire wood be when winter comes?"

"And Mrs. KITTY my dear, I meant no disrespect to the Prophet JONAH; poor fearful soul he had his troubles sure; and if I'd been in his place I won't say I mightn't have been worse than he, although I do hope the Almighty would have kept me from caring for some poor bits of leaves, that grew up like mushrooms in a night, just because they made me cool, more than all the people in that great town, especially the innocent babes and the dumb beasts."

We might, indeed, fill pages with pieces of Mrs. BETTY's mind, but we refrain, feeling sure that our readers will be satisfied with nothing less than the whole of the "Diary of Mrs. KITTY TRAVELLYAN."

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