



W. G. Jackson.

*W. G. Jackson*

Engraved by Mark Matthews, Boston.

THE  
MERCHANTS' MAGAZINE

AND  
COMMERCIAL REVIEW.

JUNE, 1865.

FRASER & BIDDLE.

112 NASSAU ST. N. Y.

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MR. LARNAC'S GREAT DAY.

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JACOB LITTLE.

BY MATTHEW HALE SMITH.

HEATED, throbbing, excited New York found time to stop one half hour and adopt resolutions to the memory of JACOB LITTLE. Perhaps it may find time to profit by the lessons that life teaches. A few years ago Mr. LITTLE was the autocrat of Wall Street. He was king of the Stock Board. Men took off their hats as he passed. They would have bowed down to him if he had desired it, as the faithful did to the golden image on the Plain of Dura. He originated the bold and dashing style of business by which fortunes are made and lost in a day. He was known as the *Ursa Major*, the Great Bear of Wall Street. He held on to it till it led him to an untold fortune, and hurled him down at the last, as it has hurled down before many a strong man. No one has brought to that line of business more ability; no one has followed it with different results.

MR. LITTLE'S EARLY HOME.

Newburyport, in the State of Massachusetts, was the birth-place of JACOB LITTLE. He descended from the line founded by GEORGE LITTLE, who in 1640 came from England and cast his lot with the infant colony of Newbury, and who obtained a grant of land which still remains in the family. Members of the household in a direct line have ploughed, sowed, and reaped the same hardy soil till the present time. The old homestead in which JACOB LITTLE was born is still standing. Here resides the only remaining member of the family, Miss HANNAH LITTLE, a lady noted in her circle for her intellectual culture and her religious worth. Thrift, forecast, and industry distinguished the ancestry of Mr. LITTLE. The archives of the family are stored with precious relics of the patriotism of the founders of the line. Among the bravest and truest of those who offered treasure and blood to give America a place among the nations, the LITTLE'S were found. The times demanded courage, sacrifice, and

lofty patriotism. The inmates of the Newbury homestead responded to the call, and laid all that they held dear on the national altar. Those able to bear arms fought at Lexington, Bunker Hill, Trenton, and Princeton. The velvet coat worn at the battle of Bunker Hill, June, '75, sprinkled with the blood of the wounded and dying in that terrible struggle, is preserved in the family to this day.

JACOB LITTLE was born in the year 1797. His father, JACOB LITTLE, was a man of large wealth and distinction. But disaster, that comes sooner or later to nearly every mercantile house, swept away his property, and the war of 1812 nearly completed his financial ruin. JACOB inherited from his ancestry a sound constitution, good principles, and indomitable energy. His native place was too limited a field for his enterprise, and he looked abroad for some spot on which he could plant himself and make his mark.

#### THE GREAT CITY.

The old adage that "God made the country and man made the town," is as false as it is trite. The city no less than the country was made by the Almighty. The talent, the wealth, and the ability of the nation concentrates in the city. The fountains of benevolence and religion that send out their blessed streams to fertilize the arid plains and cause the wilderness to blossom as the rose, are located among the habitations of men, "whose merchants are princes, whose traffickers are the honorable of the earth." The most elegant churches, richest congregations, learned and eloquent preachers, the ablest lawyers, shrewd, energetic, far-seeing, and talented merchants, are attracted to the city, and find scope for their ability. A city is bad only because men are bad. Evil men bring their talent and ability to the city, and find scope and security in the multitude of its people. The larger the city the more desperate is crime. In it, it locates its head-quarters, and reduces vice to a system,—marshals its talent and sends out its ramifications to all parts of the land and over the seas. The crime of England is concentrated in London. Barracades in Paris touch public security and personal safety in the remotest provinces of France. Crime committed in Turkey, and in distant islands of the sea, often has its origin in the dark recesses and hidden chambers of London or New York. But no man need be ruined in the city any more than in the country. All depends upon one's-self—on the motives that bring him to the city—the style of business he chooses to adopt—and the spirit that distinguishes him in his calling. Take the case of a young man, who is the son of a New England farmer. The great lesson of his life has been, that idleness is a sin, and that the chief end of man is hard work. The maxims of FRANKLIN that "time is money," that he "must either hold or drive the plough," that "a pin a day is a groat a year," has been drilled into him from his earliest slumbers. He has known toil and seen toil from his earliest childhood. All flowers, paintings, recreations, were driven from the homestead like famine. His father bent his back to daily toil like a beast of burden. His mother drudged her life away like a galley slave. His sisters were hewers of wood and drawers of water. The only prospect before him was the long dreary and beaten path of toil, till he should reach the turn when the weary are at rest. Such an one is visited by a country cousin from the city, who with his fine clothes and brass

jewelry, white hands and glib tongue, quite unsettles the plough boy—disgusts him with farming—haunts his sleep with the gain to be had in a city—makes him resolve that he will delve no longer, but will seek his fortune amid the attractions of the city; and, having secured wealth, will return, buy the old homestead, give his father and mother a green old age, and make them glad that one child had enterprise enough to lift the mortgage from the farm and the burden from their backs. One of the most touching incidents in the life of Mr. WEBSTER is the conversation between him and his father, held in the hay field south of the old homestead at Salsbury. DANIEL and his father were getting in the crop of hay. While at work, a well dressed man on horseback rode into the field and held some conversation with DANIEL's father. On his departure, Mr. WEBSTER said to his son, "DANIEL, that man was once a hard-working farmer. He is now a member of Congress. If I had been educated, as he has been, I should have gone to Congress in his place, and been saved this hard work. You shall have an education. We are poor, my son, but your mother and I have decided to mortgage our farm and send you to college. We shall never be the poorer for it, and you and EZEKIEL will take care of us when we are old." That touching sacrifice was never forgotten. Nobly did the boys repay that confidence in after years.

It was not to escape toil that Mr. LITTLE sought the great city of New York. He knew something of the city. His father as a merchant had transacted business with the leading men of New York. He was well acquainted with the renowned JACOB BARKER, then one of the leading merchants of the city, and it was easy for him to put his son in connection with the great merchant. In the year 1817 JACOB took leave of his native town and entered the counting house of JACOB BARKER on South Street, where his business career commenced. He at once became a favorite with that shrewd and successful merchant. Under his vigilant eye, Mr. LITTLE laid well and truly the foundation of his great career. He was shrewd, intelligent, industrious, energetic, and honest. He had great tact, and the quick eye of Mr. BARKER detected and brought out his talent and aptitude for business. His home culture, and the tuition under Mr. BARKER, enabled him to escape the two great sources of commercial ruin—an insane haste to be rich, and the mistake in the selection of business. Many shipwreck their prospects by the notion that they have a fortune to make, and must be about it. They look upon the few who have been made suddenly rich, and heed not the thousands who have missed the prize, who, like petrified Lor's wives, stud the pathway along which the eager runners press toward the goal. By such, business is selected for immediate gain. To one seeking a fortune in the city, two kinds of business are presented, the bad and the good. The one pays well at the start, the other pays nothing. It is difficult to get into a bank or insurance office—into a first-class mercantile or mechanical house. If an opening exists, the pay is small; perhaps a bonus is demanded for the position. One must enter, if he enters at all, as a menial. Do the low and servile work, climb up the narrow and dusty height with struggle and toil, working hard on small pay, with a hope, at some future time, of taking a place among the merchants of the land. On the other hand, bad, disreputable, doubtful business is open to a frank, honest lad. Pay is immediate and generous, and if he has a dash of piety it is all the better. If one goes into a city to

obtain reputation and character he will select the business that will be permanent, and give him enduring success. But if he has a fortune to make and must be about it, if he takes the first thing that offers until something better turns up, he will find himself tainted for life. He has touched pitch and is defiled. Neither the dazzling glitter of sudden fortune, nor the temptation of wayward business led Mr. LITTLE astray. He entered as a subordinate into the office of Mr. BARKER, and remained five years in his service. The heart of his employer confided in him. He made himself master of the business in all its detail, gained the confidence of the community, and by his integrity and ability laid the foundation for his permanent success.

MR. LITTLE AS A BROKER.

Having completed his financial education with Mr. BARKER, in 1822, he selected a small basement office in Wall Street, and commenced business on his own account as an exchange specie broker. Caution, industry, and self-reliance were his characteristics. Those who look at Mr. LITTLE as the great speculator—walking as king on change, and rolling up a fortune counted by hundreds of thousands, and even millions—overlook the years of patient toil and endurance through which he passed to obtain his great elevation and make his name famous in the land. They omit the twelve years of devotion to business, when unknown to fame he struggled for a foremost place in the mercantile world—working eighteen hours a day in his little office—devoting his evenings to the purchase from retail houses of uncurrent money which they could spare—earning the reputation of an energetic, honest, business man—promptly and shrewdly executing all orders—carrying on a correspondence reaching from Boston to New Orleans—and by indomitable industry and talent rising gradually to be the great rival of the leading financiers of Wall Street.

Mr. LITTLE's career is another illustration of the truth that permanent business success attends only on indomitable industry and unswerving integrity. Our national and mercantile character has been molded on these two principles joined with religion. Men who barter the solid ground for the mirage, substantial business for the glittering morass, are men who allow the hands on the dial plate to stand still while they grasp at shadows. WASHINGTON the surveyor, HANCOCK the successful merchant, SHERMAN the shoemaker, HAMILTON and ADAMS the lawyers, and FRANKLIN the printer, came from honest and successful business to mould the nation. And those who would take the places of the fathers must catch their spirit. Early in life usually, the bent of a lad will be seen. In a family of several boys the taste and talent will develop themselves. If a boy is shrewd in trading knives and marbles, he is regarded as fit to be a merchant. If he is sharp, and outwits his playmates, he is sent to the bar. If he is restless and hard to control, he will probably run away and go to sea. If he is good, and not available for anything else, he will be sent to college and make a minister. In a country like ours, it is hard to keep a boy of energy down. WEST, in a family of Quakers, who considered the fine arts a sin, became an artist, taking his brush from the tail of a favorite cat, his paint from the soot of the chimney, and, drawing like life the baby gem of the family, extorted a kiss of praise from his Quaker mother. FERGUSON mapped out the heavens on a side of leather,

on which he was working, with his awl. A small tray, a watch glass, a pair of cheap balances, and a blow pipe was the laboratory in which commenced the labors of the great philosopher Dr. WOOLSTON. A barn-door and a stick were the canvas and brush which laid the foundation of the great fame of WILKIE. A kite, a bit of thread, two sticks and a silk handkerchief enabled FRANKLIN to make a discovery which has since given us the telegraph. WATTS blew up his mother's silver tea-kettle, on the table, in his attempts to make a miniature steam-engine, and an old syringe was his first steam-boiler.

No man can doubt that Mr. LITTLE made the right selection when he commenced his business as a financier. His success was due no less to his integrity than to his talent. He did not adopt the motto that "all is fair in trade," or that he was as "honest as the times will allow." Had he done so, he would long ago have been bankrupt in fortune and character. The morality of such maxims I will not discuss. All history shows that they are fatal to success. A man might as well steer his bark in a dark and stormy night, in a dangerous and treacherous sea, by a lantern on his bowsprit, as to guide his commercial bark by anything but the unerring index of integrity, or the fixed lighthouse of commercial principle. I do not deny a measure of success to men who take their chances in business without regard to character or principle. But permanent success attends only on high moral principle. Shysters and knaves at the bar are not trusted with the lucrative practice of the profession. Quack doctors, with few exceptions, and men whose "sands of life are almost run out," dwell in portions of the city where reputable people do not choose to call. Men who have reached the age of thirty years can count on their fingers successful names which have outrode the commercial disasters for a quarter of a century. The few permanent houses are as well distinguished for their honor as for mercantile success. The man who began business in a little shanty on Broadway, and lived in chambers on Hudson Street, has risen to be the autocrat of merchants, and to count his fortune at the high figure of thirty million. The simple rule he adopted was to attend personally to his own business, and to give the purchaser the exact article that he bought. If he paid for a first rate or a second rate article he would find the exact purchase upon getting home. Around the business portions of New York, on any fair day, can be seen a man doing a little brokerage, who once represented the most respectable house in the country, and whose social and financial position was unequalled. He inherited the name and fortune of a house which America delighted to honor. That house was founded by two lads, who left their country home with their worldly effects tied in a handkerchief, but with the rich boon of a mother's blessing and prayers on their heads. They began business in the smallest way. They laid deep the foundation of commercial integrity. They rose slowly but surely on that solid foundation, till their names were known and honored in all portions of the civilized world, and their credit was as extensive as our commerce. They poured out their wealth in donations large as the seas. Education, humanity, and religion blessed them for their munificence. The poor and lowly were never turned empty away. They died, leaving a colossal fortune, and a name without a stain. They died and left their repute and wealth to another who accepted the legacy, but did not heed the principles on which it had been

gathered. In a short period he stained the name that for fifty years had been untarnished. He fled from his home under an assumed name. He dragged down the innocent with him in his fall. He skulked about from place to place, till at length he ventured back. Men were too kind to harm him. Those whom he had befriended in the days of his prosperity help him in the little brokerage that gives him bread. It is a sad sight to see the wreck of a man in the prime of life. But it teaches the lesson that integrity and success, like mercy and truth, walk hand in hand.

A granite store was built in Boston and filled with goods from the cellar to the rafters. It had a strong fair show—was full of valuable merchandise, and the builder said it "would stand if filled with pig lead." One day, in the midst of business, the floors gave way, carrying everything down into the cellar, the inmates barely escaping with their lives. Deep down among the foundations, under an important pillar, an unfaithful workman had put an imperfect stone. The exact pressure came; it gave way; and the wreck was complete. So it is with character. No matter how fair the outside, if the foundations are not strong, the exact temptation will come, and ruin will follow. No man understood this better than Mr. LITTLE. He was an honest man. Integrity was the polar star of his business life, quickening him while he acted, cheering him in his decline, leaving an inheritance better than rubies to those who shall bear, or cherish, his name.

#### SUCCESS AS A FINANCIER.

In 1834, Mr. LITTLE stood at the head of the leading financiers and bankers of the city. His office was in the old Exchange Building in Wall Street. His reputation as an honest, energetic, and successful broker was firmly established. For more than a quarter of a century, in stocks and money, his tread was that of a king. He could sway and agitate the whole street at his pleasure. His dealings were rapid, prompt, and made with good judgment. He devoted more hours to his business than any other man in the city. His gains at times were vast, reaching in some years the high point of two hundred thousand dollars. He moved steadily on to a position among the millionaires. He controlled large amounts of stock and money, and was known as the "NAPOLEON of the Board." His foresight induced him early to turn his attention to railroads. The capitalists of the city did not at that time comprehend the raising of funds for their construction. He placed himself at the head of the railroad movement. Fortune attended him, and he was known as the "Railway King." When this business was overdone, he was among the first to discover it, and changed his course. One incident will illustrate his tact. The Erie Railroad stock was a favorite investment, and, at that time, was selling at par. He threw himself against the street. He contracted to sell short a large amount of Erie to be delivered at a future day. The brokers and bankers, envious at Mr. LITTLE's success, determined to floor him. They entered into a combination. They took all the contracts he offered, and, by compact, agreed not to sell a share. All the loose stock was tied up by the conspirators and out of his reach. His ruin seemed inevitable. His enemies had both his contracts and the stock. Mr. LITTLE saw the plot and his way out of it. He kept his own secrets. The day of delivery arrived, and before two o'clock he must deliver or break. His

dilemma was generally known, and the public waited anxiously for the results. He came down to his office on that morning apparently more self-reliant and calm than usual. His aspect was cool. His greetings pleasant. One hour before the fatal two o'clock arrived, Mr. LITTLE presented himself at the office of the Erie Railroad Company, holding in his hands certain certificates of indebtedness issued by the corporation. He demanded the new stock which by those certificates they had covenanted to issue in exchange. The covenant was unequivocal. The scrip was made out—the stock delivered in due time—the conspiritors overwhelmed, and Mr. LITTLE triumphed.

#### BUSINESS REVERSES.

Nothing is more striking or more sad than the commercial reverses that are so common in the great marts of trade. Reverses and failures come like tempests and hail storms which threaten every man's home, and cut down the harvest ready for the sickle. One mercantile house in this city is a sort of hospital for reduced merchants. Over twenty men are employed as salesmen on a salary, who a few years ago commanded a fortune—whose families lived in style, and gave law to fashion. The treacherous sea of mercantile life engulfed their vessels with the richly laden freights, they escaping by the masts and spars thrown to them by more fortunate adventurers. One of the rocks on which men strike is joining outside speculation with legitimate business. Because a man is successful as a dry goods merchant, he imagines that he can be equally successful in stocks. One is at the head of the bar, he aspires to lead the stock board. A broker dabbles a little in real estate. Hundreds of men who have made a fortune by tact, diligence, and shrewdness, not content to go along well, have dashed into speculation and became penniless. However wise or prudent, shrewd or gifted with forecast, a man may be, however large his fortune or well invested, if he is a speculator he cannot be sure that commercial disaster will not overtake him. In the staid and careful city of Boston it is estimated, on good authority, that ninety-nine out of every hundred fail wholly, or suspend business. It is said that property there has never, or rarely ever, descended to the third generation. Mr. LITTLE did not escape. Many times, before reverse overtook him, or his credit was in any manner shaken, he could have retired a millionaire. He could have enjoyed the honor of having been the architect of his own fortune, and of raising himself from a penniless boy to be a prince among monied men. By observing the law of success he had reached the high pinnacle on which he stood. He ventured all on the treacherous sea of speculation, and more than once all was swept away. To gain wealth is one thing; to keep it is another. A man may climb to the main truck, who cannot keep his footing after he has gained that giddy elevation. Many a ship, through the skillfulness of her pilots, has weathered the gale, and then rolled her masts overboard in a calm. Travelers have returned, unscathed, from the home of the plague, and, by imprudence, have died amid the bracing air of their mountain home. If one would see how fortunes are lost in New York, let him walk down where bankers and brokers most do congregate, and look at the wild, desperate, and reckless spirit that marks the transactions in stocks and gold. Once this business was in the hands of the most reputable and substantial of our citizens.

The present mode of doing things has thrown to the surface a new set of men, who know no hours and no rules—who fill up the streets till it is impassable for teams. Who yell and scream like mad men, and can be heard for blocks. A reckless style of living, extravagance, and dissipation is the handmaid of wild speculation. No gamblers are more desperate than many dealers in stocks, or more suddenly destroyed. Romance cannot equal the reality of reverses in New York. One afternoon, Mr. LITTLE was walking through Union Square. He casually remarked: "I have lost money enough to-day to buy this whole Square. Yes," he added, "and half the people in it." He gained hundreds of thousands, and then lost hundreds of thousands in a day. It is no uncommon thing for a millionaire to leave his palatial home in the morning, and return at night crushed and ruined. His elegant equipage, in which his bejeweled wife and proud daughters whirled the dust of the Park in the eyes of well-to-do citizens, is sold. The lordly mansion is abandoned to a more fortunate speculator. The gay family disappear from the fashionable soiree. The lofty merchant with a fallen crest appears on the outskirts of the Curbstone Board, and borrows a few dollars to commence anew the struggle for position and fortune. Men who sow to the wind must reap the whirlwind. Thrice Mr. LITTLE was carried down, but he never was dishonored. He recovered himself, paid up his contracts to the full, so that it was a common saying among monied men that "JACOB LITTLE'S suspended paper was better than the checks of most merchants." He closed his long career without a stain upon his mercantile reputation.

#### MR. LITTLE AND THE TELEGRAPH.

In 1847, Prof. MORSE sought to form a stock company, and to open a telegraph line between New York and Boston. Few capitalists had confidence in the new system. Mr. LITTLE was asked to take stock, as the telegraph lines would soon become the great opposition to the United States mail. Not a dollar would Mr. LITTLE invest, though he offered a donation of a \$100. It is not singular that he had so little confidence in the telegraph. When the line between Baltimore and Washington was in working order, a gentleman from New York called upon Mr. SPENCER, the Secretary of the Treasury. In speaking of the new system of communication, Mr. SPENCER asked the gentleman "how large a bundle could be sent over the wires to Baltimore." Intimating that if successful the mail would be sent on that line. The intelligent Secretary not having the least idea of the manner in which the messages were sent from one point to another. Many years after the application to invest had been refused by Mr. LITTLE, he admitted that had he accepted the proposition he would have owned nearly all the telegraph lines of the country.

#### PERSONAL HABITS.

Mr. LITTLE was married in 1844. His home was peculiarly happy. However the storm might beat without, he found a warm welcome and genial spirits at his own fireside. His personal appearance was commanding. He was tall, with a clear, expressive eye, a genial expression, with a face that indicated talent, and inspired confidence. He was reserved in his manner, but it was the reserve of strength and not of diffidence. As a creditor he was most liberal. His settlements were generous. If a man

could not meet his contracts, and Mr. LITTLE was satisfied of his honesty, he discharged the debt. With himself he was severe. On his first suspension, though legally free from liability, he disbursed nearly a million of dollars—paying every creditor in full with interest. His charities were discriminating and large, though unostentatious. He was a true patriot. The Southern rebellion swept away much of his fortune. Yet, without a murmur, he laid it on the altar of his country. He loved the home of his childhood, and wished to close his eyes amid the scenes so familiar to his youth. In private life he was social and hospitable. He had a humane and liberal heart. A devout member of the Episcopal Church, his Christian charity was bounded by the limits of no sect.

#### HIS DEATH.

His last hours were characterized by a gentle and patient spirit. His sufferings were severe. No murmur or complaint escaped his lips. He cast himself on God, and waited patiently for the great change. He retained his cheerfulness and consciousness to the last. An hour before his death he took an affectionate leave of those he loved best on earth—threw up his hands exclaiming, "I am going up, who will go with me?" He closed his eyes. He fell gently asleep to awake not till the heavens be no more. The news of his death startled the great city. He had been long one of its most remarkable men. Merchants congregated to do him honor. Resolutions of enduring respect were adopted, and the Stock Board adjourned to attend his funeral. He was borne to his burial with all honor. The solemn ceremonies of the Episcopal Church were performed over his body. The noblest men of our city honored his memory with their presence. After the services at Grace Church, while the pealing organ sent forth the plaintive strains of the Dead March in Saul, the body was conveyed to the hearse, thence to Greenwood, where it was committed to the tomb—"Earth to earth, ashes to ashes, dust to dust—to repose till death shall be swallowed up in victory."

## NATIONAL DEBT AND RESOURCES.

BY T. M.

THE mighty struggle which our people have maintained for four years, for the re-establishment of the Union, having gloriously ended in complete success, the time has come when we may safely relax that absorbing attention to the actual conflict which has so long kept us from watching, with sufficient care, the question of ways and means connected with it. Hitherto it has mattered very little how things went, so long as the issue of the war was in the least degree doubtful. Every consideration of prudence was held of little value, so long as the Union was imperilled. But the great blow has been struck; the bogus Confederacy is no more; our soldiers are marching homeward; and as it was our duty to provide for them while in the field, so now it is our duty to pay regard to their welfare when they have returned home.

If during the progress of the struggle, there were hearts which felt faint at the prospect of success, if there were doubters who saw in the many petty checks we met, auguries of ultimate defeat, and if to make success doubly assured, even such pecuniary aid as they could contribute was desirable; then to throw upon the question of public finance such a *colour de rose* that the Treasury might be always kept filled, and the public expenditures always promptly met, were but a venial fault. The most severe casuist will admit that to encourage the hopeless, by over estimating their ability to conquer difficulties, is a sin which may well be pardoned. The fallibility of human confidence in ultimate results excuses its commission. It is characteristic of the non-mechanical nature of our impulses that they should find their main-spring less in reason than in hope.

But a time must arrive when the excuse no longer holds good; when the struggle, having ended, it becomes a duty to know how much it has cost, and what train of consequences it has evoked. In regard to the struggle in which we have been engaged, this time has arrived. The fight is done: it now becomes our duty to scrutinize with every possible severity, not only what it has cost, but what it may yet cost. In regard to the social and political changes occasioned by the war, and which may yet grow out of the war, we have nothing here to say. We propose to occupy ourselves solely with the question of ways and means.

## CAN THE WAR DEBT BE PAID?

First of all is the question of the war debt. People fancy that the war debt is a sum representing an expenditure which it is in our power either to pay now or to saddle upon posterity. The war debt *is* paid. The Government owes nothing for the war. The entire cost of the war has been defrayed; just as much so as when, having paid for this volume with a bank note, the cost of the volume has been defrayed, provided the seller is satisfied with the note when he takes it, no matter if afterwards the bank note should prove to be good or bad. In plain words, the entire waste occasioned by the war, the material destroyed, the Government clothing,

and the Government food consumed by the soldiers and sailors, the bounties and wages paid to them, even to the cities burned, the vessels destroyed, and the farms trodden down—all this has already come out of the public capital of the whole country, which was saved up before the war, and never can come out of it again. And it could not be otherwise. No war can be supported any longer than this capital lasts, (unless through international loans,) and when this capital is exhausted, war must stop.

But as this capital, in our case, has not been contributed in equal proportions by every member of the community—as some, for instance, contributed more than others—the result is that a large number of our people are in debt; not in debt to the Government, but in debt to those who contributed *more* than their due share of the waste occasioned by war. To say that this debt cannot be paid is absurd. Unless through international loans, which are now-a-days happily in little repute, no people can possibly contract a debt which they cannot pay, any more than any number of parts can aggregate more than the whole from which they were taken.

#### IN FREEDOM DO WE FIND SECURITY.

But to pay a national debt it is necessary, first, that the nation should hold together; and, next, that those who owe the debt shall be compelled to pay it to those to whom it is owing. It is the interest of the creditor class to maintain both a united government and a strong government; and, as we shall presently see, the best way to attain these ends is to remove restriction and promote the greatest amount of freedom.

#### HOW THE DEBT MAY BE PAID.

The debt may be paid either at once, or by instalments, or by means of a perpetual annuity. The first plan would necessitate the immediate and entire impoverishment of every person of moderate means in the country. The amount of money, merchandise, lands, and even food and clothing, which would have to be paid alike by every one, would fall but lightly upon those who had plenty to spare, but would plunge the poor, who form the large majority of the people, into instant and severe distress. This plan is, therefore, clearly impracticable. To pay by instalments would be almost as bad, provided the last instalment fell within any reasonable period of time, because not only the instalments, but interest too, would have to be regularly met. If we regard the social consequences which flow from interminable indebtedness, to pay by instalments would seem to be the best plan after all. But we are here merely looking at the question of ways and means.

To pay by means of a perpetual annuity is the easiest way of all, and this is the shape in which the Government has seen fit to place the debt. The whole people are required to pay every year so much per head in the form of taxes. These yearly taxes are then paid over to the creditor class as yearly instalments of the perpetual annuity due to them. Next year, and so on following, the same plan is pursued over and over. Thus, by paying a little in the shape of taxes every year, the debtors escape paying the principal of the debt to the creditors, and the latter enjoy what to them is even more desirable than the payment of the principal—namely,

a yearly income; in other words, an interest annuity, which is due once a year for ever.

#### HOW MUCH IS THE DEBT?

So much by way of preliminary. We have seen what a national debt is—that it is a sum which, if engendered by war, represents more or less the amount of material destroyed, and which material was contributed by a creditor class, who by means of taxation are to be repaid by a debtor class. The sum of this debt is, in our case, represented in a statement lately made by Mr. JAY COOKE, to be altogether about \$3,000,000,000. Assuming this statement to be correct, let us see what Mr. COOKE says about it.

#### SHALL THE DEBTORS PAY SEVEN PER CENT PER ANNUM TO THE CREDITORS?

Mr. COOKE, after assuming that the entire debt is \$3,000,000,000, which sum, he believes, covers all the diminution of the national capital occasioned by the war, contends that the national capital, through the profits made since 1860, is greater now than it was then. Consequently, the debtor class can fully afford to pay the debt to the creditor class; and not only this, but that they can afford to pay at the rate of seven per cent per annum. And to support this view, he adduces column upon column of figures representing resources of taxation, comparative wealth, yearly profits, etc., etc.

If those whose toil and sweat will in future years have to yield the taxes from which this seven per cent per annum is to be raised, could come forward and subscribe to the seven-thirty loan to an extent which would counterbalance their share of the general indebtedness, we should cordially second Mr. COOKE's efforts to place the loan; and, indeed, we do so to the extent that it falls into the hands of the people, and trust that the masses will take all of it that they can afford to take without unduly cramping their scanty resources. But we fear that the right to demand sufficient of the annual produce of this country to pay seven-thirty per cent per annum on the six or seven hundred millions of dollars lately thrown on the market, will be monopolized by the rich, by shoddy contractors, by purveyors and suttlers, and army followers, and the legion of knaves who have suddenly grown rich by the war, and fattened upon the general distress which it entailed. For this reason we oppose a high rate of interest, and favor a low one. If Mr. COOKE's figures were correct, it would matter very little what rate of interest we paid, since, according to his showing, we are abundantly able to pay almost any rate of interest; but we think that he has rested his case too much upon mere figures, and that he has lost sight of the true foundation upon which rests the accumulation of national wealth. Consequently, though by his figures he shows that we are netting profits enough every year not only to pay the high rate of interest he names, but to pay even a higher one, we still think that this is not the case, and shall proceed to expose what we deem to be his error.

#### HOW WE STOOD BEFORE THE WAR.

In 1850, according to the census figures, the total capital employed in this country was \$7,135,780,228. In 1860 it was \$16,159,616,068. The

increase in ten years was therefore \$8,925,481,101, or  $126\frac{4\frac{5}{6}}{100}$  per cent. This is equal to about  $8\frac{1}{2}$  per cent per annum, compounded. If this capital had remained untouched, and the same rate of profit continued to be earned, the following would have been the aggregate capital remaining in the country in 1900. The figures are roughly calculated:

Year.	Rate of decennial increase.	Capital.
1860.....	126 45 per cent	\$16,159,616,068
1870.....	“ “	36,000,000,000
1880.....	“ “	85,000,000,000
1890.....	“ “	200,000,000,000
1900.....	“ “	550,000,000,000

#### HAS THE CAPITAL REMAINED UNTOUCHED.

But the capital has *not* remained untouched. In the first place, \$6,000,000,000 has been sunk by the war. Thus:

The amount of our debt, according to official estimates, is.....	\$3,000,000,000
Of this, probably not over two-thirds represents capital destroyed or put into unproductive shape, as into arms, cannon, men-of-war, etc. —the remainder has only changed owners, therefore deduct $\frac{1}{3}$ , or,	1,000,000,000
Total destruction of capital in the North.....	\$2,000,000,000
Say an equal amount in the South.....	\$2,000,000,000
Add for cities, ships, and other improvements burned or otherwise destroyed by act of war, an equal amount, or .....	2,000,000,000
We thus have a grand total decrease of capital from the figures of 1860 of.....	\$6,000,000,000

This is only our private estimate, it is true, and we wish, to satisfy the reader, that it could be verified by official figures, but this is at least, for the present, impossible. We consider the estimate low—very low; but every reader must judge for himself. The havoc that four years of continued warfare has produced in this country, can only be appreciated when the evidences of it which yet remain can be seen with the observer's own eyes. This sum of \$6,000,000,000 of capital, taken from the capital invested in this country in 1860, would leave but \$10,150,616,068, but as it was not taken in 1860, but was taken from time to time during the four years and a-half following, we are disposed to believe that another thousand millions would be but fair as representing the saving which resulted from a gradual, instead of an immediate, destruction of the \$6,000,000,000. This would leave, as a basis of calculation, a capital in 1860 of \$11,159,616,068.

#### FOREIGN CAPITAL WITHDRAWN.

But how much of this has remained in the country during the war? A large portion of it was owned abroad, and when the war broke out, an enormous mass of wealth was sent to the rich countries of Europe, the capitalists of which owned it, and who, being fearful of its security, withdrew it. The withdrawal of this capital was manifested in the large exports from this country of gold and merchandise, the return of stocks, bonds, mortgages, notes, bills of exchange, and other evidences of indebtedness, and the great depreciation of the latter as well as of merchandise

and every description of property in our own markets. Precisely the same thing occurred in the South. The entire railways of the country are largely owned in England.

To what extent, then, was foreign capital withdrawn from the whole country? This question it is impossible to answer. Did we know the exact imports and exports of the whole country during the war, it were an easy task to do so; but this is unfortunately not the case. We are ignorant of the facts; we are also ignorant of the foreign business transacted at the South both on private and government account. Finally, we are ignorant of the value of the importations made even at the North on government account. The Government has no more seen fit to vouchsafe us that information, than the rebel government has seen fit to do the same thing at the South. Therefore, all answer to this important question is, at least for the present, left entirely in the dark.

#### FOREIGN CAPITAL ADDED.

It is undoubtedly the fact that enormous amounts of foreign capital were withdrawn in the first dark and trying days of 1861 and 1862. But it is no less the fact that in the latter part of 1863, and in 1864 and 1865, other amounts equally, perhaps more enormous, have been added. Some \$500,000,000 to \$800,000,000 in United States bonds are now held by European capital, and, in addition to this, large amounts are invested in railway, bank, canal, insurance, telegraph, steamship, and manufacturing and mining companies' stocks, or granted by way of commercial credit. It is utterly impossible for any one to say what the aggregate is—so we shall not make the attempt, but it must be something enormous.

#### A THEOREM COOLY SOLVED.

Mr. JAY COOKE is, therefore, not quite correct when he assumes that "we have for June, 1865, a wealth of \$16,112,000,000."

#### HAS THE SAME RATE OF PROFIT CONTINUED?

The annual net profits during the decade ending in 1860, were, as we have seen, about  $8\frac{1}{2}$  per cent per annum. Has this rate continued the same? Mr. COOKE assumes that it has, and that it will continue the same, with slight diminution, until the year 1881, and perhaps even longer. But this calculation is as entirely unwarranted as the other. The rate of profit depends upon the competition of capital, and this again depends upon freedom and security. Why does so much British capital come here for investment? Because it brings more profit here than in England. But why does it not all flow to Turkey, to China, to Africa, to South America, where the rate of profit is even higher than it is here? Because, under the governments prevailing in those countries, it is not so secure; and under the tyranny of despotic rulers, or that of anarchy, its freedom of action is circumscribed. Insecurity and restriction, therefore, drive it towards a lower rate of interest, and it comes to the United States. So sensitive is capital to the action of restrictive laws, that the least change in governmental measures will cause it, like the sensitive plant, either to expand or contract in a moment. If the rate of profit in this country, previous to the war, was  $8\frac{1}{2}$  per cent per annum, it is very easy to ascertain

what it has been since that date, by comparing the amount of political and commercial freedom and security which prevailed then, and that which has prevailed since. If we have enjoyed the same freedom as before, then the rate has remained the same. If we have enjoyed less, the rate has increased. But it should be remembered that an increased rate of accumulation is incompatible with new accessions of capital. Either no foreign capital must be added to our capital, or the estimated future rate of accumulation to our capital must be lowered.

Mr. JAY COOKE'S statements concerning the rate of profit are, therefore, not quite reliable, and we shall not be worth \$550,000,000,000 in the year 1900.

#### A GUESS.

But some people like figures. They are better satisfied with a column of figures, even though they are told that the figures may be quite hypothetical, than they are with an argument well based. Reduced to figures, arguments are convincing because they are short. Let us, therefore, take a hint from Mr. COOKE, and see what figures will come of an argument based upon due consideration of all the facts in the case, as compared with those which he has adduced from the contemplation, a mere isolated phenomenon. Let us premise that but a very short time, say three years, will suffice for the people of this country to discover the real nature and bearing of the odious restrictions now placed upon finance and commerce, the insecurity of property occasioned by over-legislation, and the shackles placed upon enterprise by the many forms of monopoly which now prevail. From the time of making this discovery, let us suppose it takes twenty years of continued peace to effect the work of reform, and that there shall be, during that time, no marked change in the legislation of other countries. On this basis we may venture to make a rough guess as to the resources of the whole Union; not of the Northern States alone, as Mr. COOKE has done.

In 1860, the entire capital in the country was \$16,000,000,000, of which say \$2,000,000,000 was in slaves. The previous rate of increase was about 6 per cent per annum, reckoning the slaves as free men, or  $8\frac{1}{2}$  per cent, *reckoning them*, as Mr. JAY COOKE does, *as merchandise*. Counting the slaves free, this leaves the aggregate capital, in 1860, at \$14,000,000,000. In that year, foreign capital began to take alarm and disappear from the country at a gradually accelerating rate, which culminated in 1863. Then it began to decrease until 1864, when it stopped. By the beginning of the present year, the movement was strongly the other way, and is still in progress. Its culminating point is difficult to determine, but if it has not already been reached, it probably soon will be, under the prevailing state of affairs. The rate of profit has meanwhile been larger than ever. During the early part of the war, it was probably as high as 10 or 12 per cent. It is now not over six. From 1861, to the present time, the war has continued to sink capital at the rate of about \$1,250,000,000 per annum. Taking into consideration the deduction for the slave valuation of 1860, the double movement of capital, the sinking of capital by the war, and the varying rate of profit, we conclude that the entire capital invested in the thirty-five United States is, to-day, about \$14,000,000,000, or precisely what it was in 1860, less the slave valuation.

## RESOURCES OF THE UNITED STATES, NO. 1.

[All the following sums are stated in millions, except the per centages.]

Period.	Capital.	Average yearly accession of foreign capital.	Average yearly rate of net accumulation.	Increase of capital and profit at end of period.	Remarks.
1865-68....	14,000	2 per cent.	6 per cent.	3,630	Over Legislation.
1868-78....	17,630	3 "	5 "	22,130	Reform
1878-88....	39,760	3 "	4 "	39,240	Continued reform.
1888-98....	79,000	2 "	3 "	52,600	} Stationary state of freedom and security, same being a little more perfect than elsewhere.
1898-1900..	131,600	1 "	2 "	43,866	
1900.....	175,466				

In the year 1900 the amount of capital invested in this country would thus be \$175,466,000,000, or a sum so large that the payment of the interest on the national debt, by the debtor class to the creditor class, would be an insignificant bagatelle.

But we are here presuming upon many things which may not come to happen.

The tempest of over-legislation which is now upturning the very foundations of security in this country, the rage for protection, for oppressive taxes, for class privileges, for confiscation, for power—all this may *not* blow over by the time we have calculated—namely, 1868.

Reform may *not* be inaugurated. And, if inaugurated, it may be a feeble and spasmodic species of reform, which would take longer than ten years to bring us up to, and enable us to overtake, that condition of freedom and security which the foremost nations of the world have meanwhile attained.

Let us reverse the picture. Let us say that the condition of affairs today is continued; that men with a minimum allowance of brains are continued to be appointed to public office; that passion and injustice shall rule the country; that five-and-thirty years hence our form of government, no matter what it may be in name, shall be as strong and as despotic as that of Turkey; that the very name of free trade shall be abhorred; and that commercial intercourse between this and Albany shall be as thoroughly tied up and *protected* as that between this and Europe now is. What then will be our condition?

Though California should yield mountains of pure gold, though petroleum should spout up from the earth in volumes that would shame Niagara itself, though coined money rained from the clouds as manna rained upon the Hebrews, though wealth of every kind sprang up upon every side to feast the greedy eye and water the longing lip, the nation will grow poorer and poorer, and finally lapse into a state, which, if compared to the progress made by other nations in the meantime, will closely resemble that which we now call barbarism.

Mr. JAY COOKE, before inserting in his statement a long account of the gold mines in California, and the petroleum wells in Pennsylvania, should have remembered that there are gold mines in Mexico and petroleum wells in India. Both these sources of wealth have been worked for hundreds of years; in the latter case for thousands. Yet are Mexico and India rich and powerful countries? Oh! Mr. COOKE, something more is wanted besides wealth to make men rich, and that something is freedom—freedom from injustice, freedom from restriction, and freedom from Government! But to the figures.

## RESOURCES OF THE UNITED STATES, NO. 2.

[All the following sums are stated in millions, except the per centages.]

Period.	Capital.	Average yearly accession of foreign capital.	Average yearly rate of net accumulation.	Increase of capital and profit at end of period.	Remarks.
1865-68..	14,000	2 per cent.	6 per cent.	3,630	Over Legislation.
1868-78..	17,630	None.	7 "	17,000	Continued do.
1878-88..	35,000	Capital yearly sent abroad. 5 per cent.	8 "	12,000	Worse and worse.
1888-98..	47,000	10 "	9 "	12,000	Insecurity.
1898-1900	35,000	15 "	10 "	24,000	War, &c.
1900 .....	11,000.				

Thus, in the year 1900, the amount of capital invested in the country would only be \$11,000,000,000, or \$3,000,000,000 less than it amounts to at the present time, and in spite of an increasing rate of net accumulation for every decade.

Alongside of the two statements, which are based respectively upon increased freedom and increased restraint, let us place Mr. JAY COOKE'S statement, which takes no account of these little inducements to the accretion of national wealth, or its contrary condition of dispersion towards countries where its use and possession is more unrestricted and more secure. Mr. COOKE bases his figures upon the assumption that capital has been, during the last five years, and is now, employed in this country with the same security—no more, no less—and the same freedom—no more, no less—that existed from 1850 to 1860, and that it will continue to enjoy the same security and freedom up to the year 1870. No allowance is made for the four years of war through which we have passed; of the present condition of the Southern States; of the terrorism which has prevailed in the North from time to time, and frightened capital to such an extent that gun-boats had to be stationed at the foot of Wall Street to protect the banks of this city; of the expatriation, voluntary and involuntary, of American citizens, from both North and South, and the removal of their wealth to other countries; of the many odious forms of monopoly generated by the legislation which has been introduced under the color of war necessity; and of the tabooing of capital from competition in the manufacture of wood screws, horse shoes, cut nails, cutlery, ironmongery, cotton textures, wooden ware, prepared food, spirits, cigars, and a thousand other departments of industry. No mention is made of those things, but the affairs of the country are figured up as though they went by clock-work, and the clock always pointed to just the time wanted.

## MR. JAY COOKE'S STATEMENT.

[All the figures of the table express millions of dollars, except the column of dates and that of per centages.]

Year.	Wealth.	Annual product.	Annual interest.	Annual Revenue required.	An. Peace expenditures.	Per cent of annual Revenue to annual Product.
1865 ...	16,112	4,318	126	325	199	7.55 per cent.
1866 ...	17,428	4,635	148	348	200	7.42 per cent.
1867 ...	18,939	5,067	165	365	210	7.23 per cent.
1868 ...	20,516	5,498	165	365	200	6.63 per cent.
1869 ...	22,260	5,965	165	365	200	6.11 per cent.
1870 ...	24,226	6,492	165	365	200	5.62 per cent.

Further comment upon these figures is useless. They bear about as much relation to truth as the day of the month does to the Chinese budget.

But from these various estimates the calculating reader will draw a conclusion which, more than any other, would appear to concern him most. Whether Mr. COOKE be right or wrong, whether the people of this country enjoy increasing freedom or suffer increasing restraint, it appears to be conceded in any event, unless war or some other unforeseen calamity happens during the next ten years, that at least, for that period, the debtor class will be in a condition to pay the creditor class—in other words, that the National debt will be paid. True; but as to the value of this conclusion to the reader, much depends upon whether he belongs to the creditor or the debtor class. If to the former, the country may become another Turkey for all he cares, so long as he gets his seven-thirty per cent; if to the latter, he will be careful to reckon up the difference between the interest at seven-thirty on the one or two hundred dollar bond he is hoarding up, and the overplus which he will have to pay, in the shape of taxes, for ten years, in order to gratify the present inordinate whim of Government to pay seven-thirty per cent when any amount of money can be borrowed at six.

#### CONCLUSION.

As an evidence that the possible evils we have foreshadowed are not only not entirely groundless, but are, on the contrary, imminently threatening, we present our readers with two extracts, one from the Constitution of the United States (the bond of agreement between the governors and the governed), and the other from the very statement of Mr. COOKE which we have had under review.

Says the Constitution, Art. I., sec. ix., clause 5: "No tax or duty shall be laid on articles exported from any State."

Says Mr. COOKE: "*Additional Sources of Revenue—Export Duties.—An export duty upon the cotton, tobacco, and other staples of the reconstructed Union, for which we have the command of the world's markets, is not only an ultimate reliance but a near probability, and can be made to pay from \$60,000,000 to \$100,000,000 a year, without detriment to any American interest.*"

## THE RECIPROCITY QUESTION.

## TRADE BETWEEN CANADA AND THE UNITED STATES.

BY WILLIAM J. PATTERSON, SECRETARY OF THE BOARD OF TRADE,  
ETC., OF MONTREAL.\*

THE intent of the Reciprocity Treaty was not to increase the revenue of governments, on one side or another; as expressed in the preamble, the objects were, to settle a "misunderstanding" in regard to the extent of the right of fishing on the coasts of British North America, and to regulate trade and commerce, so as to be reciprocally beneficial and satisfactory. The terms of the Treaty are clear and specific. Vague generalities have been indulged in, about the unequal and invidious working of the measure. On the merits of the case, however, the argument of the Finance Minister (Hon. A. T. GALT,) published three years ago, is, in our opinion, unanswerable.

A table given on page 13 of the "Report of the Trade and Commerce of Montreal for 1863," showed that the business between Canada and the United States increased from \$24,182,103 in 1854, to \$40,236,887 in 1862, or 66½ per cent in eight years. In 1854, 38½ per cent of the whole imports of Canada were from the United States; the proportion having increased to 51½ per cent in 1862. In 1862, Canada purchased goods valued at \$25,173,157 from the United States; while the purchases by the United States from this Province amounted to only \$15,063,730—turning the so-called "balance of trade" against Canada to the extent of \$10,109,427. In that year, the United States bought \$774,761 worth of dutiable goods from Canada; while Canada bought \$6,128,783 worth of dutiable goods from the United States—a plain indication of the relative liberality of the tariffs of the two countries.

A table is given below, which shows that the average annual value of imports into Canada from the United States, during fourteen and a-half years, was 47¼ per cent of the entire imports into the Province from all parts of the world; the rate for nine years and a-half being 51½ per cent.

But, to be more explicit. The following table shows the values of free goods purchased in the markets of the United States and imported into Canada, during fourteen years and a-half—the figures for 1864 being for first six months of that year. The last column indicates the proportion made free by the Reciprocity Treaty:

Calendar years.	Produce of United States.	Produce of other countries.	Totals.	Free, under Reciprocity Treaty.
1850.....	.....	.....	\$791,129	.....
1851.....	.....	.....	1,384,030	.....
1852.....	.....	.....	864,690	.....
1853.....	.....	.....	1,125,565	.....
1854.....	\$2,043,717	\$40,040	2,083,757	.....
1855.....	8,829,472	549,732	9,379,204	\$7,725,572
1856.....	10,190,336	131,591	10,321,935	8,082,821

\* We received this article previous to its appearance in the Report of the Board of Trade of Montreal, but was unable to make room for it before—Ed. *Hunt's Merchants' Magazine*.

1857.....	10,231,013	27,219	10,258,220	8,642,044
1858.....	6,920,239	212,797	7,133,036	5,564,615
1859.....	8,040,225	516,320	8,556,545	7,106,116
1860.....	8,197,374	549,425	8,746,799	7,069,098
1861.....	*11,052,718	806,729	*11,859,447	9,980,937
1862.....	*15,630,701	883,376	*16,514,077	14,430,626
1863.....	*13,517,376	965,911	*14,483,287	12,339,367
1864( $\frac{1}{2}$ year).....	*5,393,236	385,231	*5,778,467	4,875,630
			\$109,280,188	\$85,816,826

In this table, the items with an asterisk (\*) prefixed do not include the coin and bullion imported; the amounts of which were: in 1861, \$863,308; in 1862, \$2,530,297; in 1863, \$4,651,679; in first six months of 1864, \$2,474,171.

The subjoined table gives the values of dutiable goods purchased in the markets of the United States, and imported into Canada, during fourteen and a-half years. The last column shows the value of dutiable goods coming into the Province through the United States, *in bond*; the amounts are not, of course, included in the column of totals:

Calendar years.	Produce of United States.	Produce of other countries.	Totals.	Passing through United States in bond.
1850.....	.....	.....	\$5,803,732	.....
1851.....	.....	.....	6,981,735	.....
1852.....	.....	.....	7,613,000	.....
1853.....	.....	.....	10,656,532	.....
1854.....	\$9,298,335	\$4,150,956	13,449,341	\$5,347,081
1855.....	7,438,428	4,017,044	11,449,472	4,463,774
1856.....	7,981,284	4,987,520	12,968,804	4,926,922
1857.....	6,203,313	3,763,118	9,966,431	5,582,644
1858.....	4,524,503	3,634,365	8,473,607	2,057,024
1859.....	4,200,826	4,835,545	9,036,371	4,546,491
1860.....	4,431,315	4,101,229	8,532,544	3,041,877
1861.....	4,225,400	4,121,233	8,346,633	5,688,952
1862.....	2,967,079	3,161,704	6,128,783	5,508,427
1863.....	2,118,706	1,855,690	3,974,396	6,172,453
1864( $\frac{1}{2}$ year).....	1,073,136	1,103,867	2,177,003	7,925,177
			\$125,558,433	

The two preceding tables were collated from the trade and navigation reports of the Province, and show to how great an extent Canada has been a consumer of United States' goods.

An assertion has been made, that the effect of the Reciprocity Treaty has been to diminish the general volume of domestic exports from the United States to Canada. The importation into this Province of dutiable and free goods, the produce and manufacture of the United States, since the treaty came into operation, was as follows:

Calendar years.	Free goods.	Dutiable goods.	Total.
1855.....	\$8,829,472	\$7,438,428	\$16,267,900
1856.....	10,190,336	7,981,284	18,171,620
1857.....	10,231,013	6,203,313	16,434,326
1858.....	6,920,239	4,524,503	11,444,742
1859.....	8,040,225	4,200,826	12,241,051
1860.....	8,197,374	4,431,315	12,628,689
1861.....	11,052,718	4,225,400	15,278,118
1862.....	15,630,701	2,967,079	18,597,780
1863.....	13,517,376	2,118,706	15,636,082
1864[ $\frac{1}{2}$ year].....	7,867,407	1,070,067	8,937,474

Any person who looks candidly into these figures cannot fail to perceive the sudden decrease in 1858, and to attribute it to its real cause—the financial crisis of 1857; this view of the matter being confirmed by the fact that in 1858 the value of dutiable goods brought into Canada in bond through the United States, showed a decrease of 63 per cent as contrasted with the year preceding. The influence of that disastrous period was being recovered from, when civil war broke out in the United States—after and in consequence of which, an average increase in the importation of bonded goods into Canada commenced, stimulated by high tariffs and internal revenue imposts, which had become a necessity in the United States to meet its enormous war expenditure. It would, however, be most unreasonable to expect the trade of this Province with the United States to continue to be as great as heretofore, in view of this increased taxation, which has necessarily enhanced the prices of all commodities; the natural consequence has been to constrain Canadian merchants, for a time, to seek other, because cheaper, markets.

The following table is compiled from Canadian Trade and Navigation Reports,\* and indicates the entire volume of trade between the two countries, specifying dutiable and free goods, and including coin and bullion in 1861 to 1864, omitted in a preceding table. It may be stated also, that the exports, both dutiable and free, were the produce and manufacture of Canada—the official returns not including grain or flour, the growth or produce of the United States :

Calendar years.	---Duty-paying goods.---		---Free goods.---	
	Imported from United States.	Exported to United States.	Imported from United States.	Exported to United States.
1850 .....	\$5,803,732	\$3,950,401	\$791,129	\$1,000,758
1851 .....	6,981,735	3,316,983	1,384,030	754,559
1852 .....	7,613,000	5,222,203	864,690	1,062,319
1853 .....	10,656,582	7,620,172	1,125,565	1,316,210
1854 .....	13,449,341	489,802	2,083,757	8,159,200
1855 .....	11,449,472	327,710	9,379,204	16,409,567
1856 .....	12,968,804	575,564	10,321,935	17,404,190
1857 .....	9,966,431	639,714	10,258,220	12,566,722
1858 .....	8,473,607	456,191	7,133,036	11,463,903
1859 .....	9,036,371	651,725	8,556,545	13,270,589
1860 .....	8,532,544	574,959	8,746,799	17,853,009
1861 .....	8,346,633	519,517	12,722,755	13,866,910
1862 .....	6,128,733	774,761	19,044,374	14,288,969
1863 .....	3,974,396	1,393,171	19,134,966	18,657,261
1864 [ $\frac{1}{2}$ -year].....	2,177,003	389,507	8,252,638	7,332,890
	\$125,558,434	\$26,912,383	\$119,799,643	\$155,407,056

The whole trade of these fourteen and a-half years between the two countries may be thus summarised :

Canada imported dutiable goods from United States..	\$125,558,434
United States imported dutiable goods from Canada..	26,912,383
Excess of dutiable importations by Canada .....	\$98,646,051

\* The exports in the provincial reports here referred to, are not separated into *free* and *dutiable*. The figures in the two columns of exports in the following table, therefore, are approximates. The aggregates—*i. e.*, dutiable and free exports added together—are, however, precisely those of the Canadian official returns.

United States imported free goods from Canada.....	\$155,407,056
Canada imported free goods from United States. ....	119,799,643
Excess of free importations by United States.....	\$35,607,413
Balance against Canada, in fourteen and a-half years.....	\$63,038,638

According to the figures in the foregoing table, the volume of trade between Canada and the United States, from 1850 to first half of 1864 inclusive, amounted in value to \$427,677,516—Canada paying 14 $\frac{3}{4}$  per cent of the whole amount in cash (\$63,038,638;) the value of her exports being \$182,319,439, against \$245,358,077, the value of dutiable and free goods imported by her.

If the analysis of the table be limited to the time the Reciprocity Treaty has been in operation, the volume of trade between the United States and Canada is shown to have amounted in value to \$344,031,345—this Province paying 13 $\frac{1}{2}$  per cent of the whole amount in cash, (\$45,177,687,) the value of her exports being \$149,426,829, against \$194,604,516, the value of goods imported.

This view of the case is sustained by a statement reported to have been made to the United States Congress in February, 1864, by Hon. Mr. CHASE, then Secretary of the Treasury, showing, that during ten years ending in 1863, the exports from the United States to Canada amounted to \$170,635,000; while the imports from Canada were \$18,584,000 less, namely, \$152,051,000.

But there is much stronger confirmation to be found in a special report, entitled "Statistics of the Foreign and Domestic Commerce of the United States," presented by Mr. CHASE to the United States Senate, under date June 25th, 1864. It is shown, on page 92 of that document, that, in 1855, Canada took from the United States dutiable goods valued at over \$11,000,000—the amount having decreased, in 1862, to about \$6,000,000. On the other hand, in 1854, the United States took from Canada dutiable goods valued at over \$5,300,000—the amount, in 1862, having fallen as low as \$227,000. The tables here referred to are for eight years, 1855 to 1863, and may be thus concisely stated :

United States goods paying duty in Canada [average of 8 years]. p. annum	\$8,401,481
Canadian goods paying duty in U. States [average of 8 years]. p. annum	467,238
Average annual over-importation by Canada.....	\$7,934,243

Upon which, Mr. CHASE remarks: "Under the Reciprocity Treaty, therefore, duty is paid on goods of the United States entering Canada of the average annual value of \$7,934,243 more than the values of duty-paying goods entering the United States from Canada." This shows that, so far as dutiable goods are concerned, Canada imported to the extent of \$63,473,944 more than she exported in eight years; the figures from provincial documents showing a difference, in fourteen years and a-half, of \$98,646,051.\*

\* That this reference to the report of Mr. CHASE, the late Secretary of the Treasury, may be better understood, we publish the following extract from pages 92 and 93 of the report—Ed. *Hunt's Merchants' Magazine*:

The imports from Canada show an average value of \$16,643,825 for the last eight fiscal years, of which an average of \$467,238 only paid duty on entering the United

The Secretary of the United States Treasury goes on to show, at page 93, that the "Reciprocity imports into Canada from the United States," in eight years, 1856 to 1863, inclusive, were \$42,333,257 less than the "Reciprocity imports into the United States from Canada." The Canadian returns, however, indicate that "other free goods" (which seem for a moment to have escaped the notice of Mr. CHASE) reduce that particular difference by \$16,310,354—making a balance, so far as free goods are con-

States. The average sum of \$16,176,337 entered free of duty, of which \$14,443,000 was under the Reciprocity Treaty, and \$1,732,725 was free under other laws. The following are the values admitted free to each country, respectively, contrasted for each year:

PAYING DUTY IN CANADA.			
Calendar years.	Amount.	Calendar years.	Amount.
1856.....	\$11,449,472	1861.....	\$8,338,620
1856.....	12,770,923	1862.....	6,128,783
1857.....	9,966,430	1863.....	3,974,396
1858.....	8,473,607		
1859.....	9,032,861	Average of 8 years..	\$8,401,431
1860.....	8,526,230		

PAYING DUTY IN THE UNITED STATES.			
Fiscal years.	Amount.	Fiscal years.	Amount.
1854-55.....	\$5,305,818	1860-61.....	358,240
1855-56.....	640,375	1861-62.....	227,059
1856-57.....	691,097	1862-63.....	567,677
1857-58.....	313,953		
1858-59.....	504,969	Average of 8 years...	\$467,238
1859-60.....	434,532		

Under the Reciprocity Treaty, therefore, duty is paid on goods of the United States entering Canada of the average annual value of \$7,934,211 more than the value of duty-paying goods entering the United States from Canada.

The respective values made free by the Reciprocity Treaty were, from 1856 to 1861, nearly twice as great from Canada, or of Canadian produce, as from the United States, or of United States produce. In 1862 and 1863, in consequence of the enormous increase in the shipments of wheat, flour, and grain nominally to Canada, but really through Canada to other markets, the values became nearly equal.

RECIPROCITY IMPORTS INTO CANADA FROM THE UNITED STATES.			
Calendar years.	Amount.	Calendar years.	Amount.
1856.....	\$8,082,820	1861.....	\$9,980,937
1857.....	8,642,044	1862.....	14,430,626
1858.....	5,564,615	1863.....	12,339,367
1859.....	7,106,116		
1860.....	7,069,098	Total, 8 years.....	\$73,215,623

RECIPROCITY IMPORTS INTO THE UNITED STATES FROM CANADA.			
Fiscal years.	Amount.	Fiscal years.	Amount.
1855-56.....	\$15,959,850	1860-61.....	\$16,327,824
1856-57.....	16,731,934	1861-62.....	14,295,562
1857-58.....	10,900,168	1862-63.....	12,807,354
1858-59.....	12,307,371		
1859-60.....	16,218,767	Total, 8 years.....	\$115,548,880

The treaty has, therefore, released from duty a total sum of \$42,333,257 in value of goods of Canada more than of goods the produce of the United States. The decline in value of American and foreign goods paying duty on entering Canada from the United States, in 1862 and 1863, is due to the decline of trade in all fabrics and manufactures, not to any change in the proportions of free and dutiable, through which our exports are relieved from taxation.—Report on Foreign and Domestic Commerce of the United States, 1864. Pages 92 and 93.

cerned, against the United States of only \$26,022,903. Assuming, however, for a moment, that his figures fully and fairly represent the state of the case, (which they certainly do not,) he still shows that, taking dutiable and free goods together, Canada had over-imported in the period to the extent of \$21,140,687—or, by suggested correction, \$37,451,041.

Mr. CHASE asserts, on page 104, that the decline in dutiable goods exported from the United States to Canada is wholly due to the levying of *ad valorem* duties in this Province. He declares that kind of taxation to be a practical discrimination against purchasing in United States markets; for, in consequence of increase in price of fabrics caused by enhanced tariffs, and by internal duties levied, “a duty of 20 per cent on invoices made in England, can scarcely fail now to amount to two such percentages when the same or similar goods are purchased in the United States, simply through the duplication of prices attained here. Efforts have been made in Canada to obviate the difficulty in some measure by admitting United States invoices at a reduction to gold values, but nothing has been settled on.” To this most extraordinary averment, there is a very brief reply: An order of the Governor General in council, issued on 31st October, 1862, provided for the levying of duties on all goods imported from the United States according to their value in gold; this regulation was therefore in force nearly two years prior to the date of Mr. CHASE'S report, and has continued ever since to be acted upon by the Canadian customs' authorities.

On page 91 of his report, Mr. CHASE gives certain totals, showing a decline in the “foreign exports” of the United States; and remarks: “It is obvious, that the Canadian supply of foreign goods is no longer purchased in the importing cities of the United States, as before the treaty; and the statistics of goods entering Canada, through the United States, under bond, show that to be the mode of receipt substituted for the former.” His allegation about the effect of *ad valorem* duties is set up to account for the decline of trade, from what it is supposed to have been before 1855. A table, and some remarks, given on page 32, establish that the decrease in dutiable goods was not coincident with the Reciprocity Treaty, and, when it did occur, was the effect of other causes. In addition to what was there stated, it is shown by the following table, that the effect of the treaty was to *increase* importations from the United States into Canada, and very materially to *decrease* importations from Great Britain. The proportions of the yearly values of imports into Canada from the United States, to the imports from all parts of the world, (the annual importations from Great Britain being also shown,) during a period of fourteen years and a-half, were as follows:

Calendar years.	Imports from Great Britain.	Imports from United States.	Imports from all parts of the world.	Per cent- age from U. States
1850.....	\$9,631,921	\$6,594,861	\$16,982,069	39
1851.....	12,048,133	8,365,765	21,434,791	40
1852.....	10,671,133	8,477,693	20,286,493	41½
1853.....	18,489,121	11,782,147	31,981,436	36½
1854.....	22,963,330	15,533,101	40,529,325	38½
1855.....	13,303,460	20,828,676	36,086,169	57½
1856.....	18,212,934	22,704,601	43,584,387	52
1857.....	17,559,025	20,224,651	39,430,598	51½
1858.....	12,287,053	15,635,565	29,078,527	53½

1859.....	14,786,084	17,592,916	83,555,161	52½
1860.....	15,859,980	17,273,029	34,447,935	50½
1861.....	20,386,937	21,069,338	43,054,836	49
1862.....	21,179,312	25,173,157	48,600,633	51¾
1863.....	20,177,572	23,109,362	45,964,493	50½
1864[½-year].....	11,880,240	10,426,572	23,882,216	43¾
	\$239,436,235	\$244,791,484	\$508,899,069	

The averages give a mean of  $47\frac{1}{4}$  per cent, as the proportion of imports annually, during the whole period, from the United States—the mean from 1855 being  $51\frac{1}{4}$  per cent, or an average increase of four per cent, attributable to the treaty. The aggregate value of imports from Great Britain was less by \$5,355,249 than the total from the United States. Reckoning from 1855, the value of imports from Great Britain was \$165,632,597; from the United States, \$194,037,917; a difference of \$28,405,320, or  $17\frac{1}{8}$  per cent. The importations from the two countries, during the first five years referred to in the table, speak for themselves.

The foregoing glance at the current of trade between the neighboring Republic and this Province should be satisfactory to the most fastidious protectionist in the United States. Had the conclusions been of an opposite character, the so-called "balance of trade" being reversed, it would not therefore have followed, that the people of the United States had not been greatly benefited by their excessive importations from the British North American Provinces. The people of these Provinces buy so much more from the United States than they sell to them, simply because it is profitable so to do; and the people of the United States will buy more in the provincial markets than they do at present just as soon as their tariff and taxation are modified, so as to make the transactions remunerative. If the Reciprocity Treaty were abrogated, and discriminative duties against Canada imposed in its stead, neither the Government nor the people of the United States would be advantaged. Take an illustration from a report on the subject by the Detroit Board of Trade:

"In 1863, we imported at Detroit 300,000 bushels of Canadian white wheat, on which we received the following sums for labor, freight, insurance, elevating charges, and commission:

Elevating and shipping charge on 300,000 bushels, 2c.....	\$6,000 00
Fire insurance on value here, \$450,000, ¼c.....	1,125 00
Freight to Buffalo on 300,000 bushels, 6c.....	18,000 00
Transfer at Buffalo, 1c.....	3,000 00
Canal freight to New York, 20c.....	60,000 00
Measuring at New York, 1c.....	3,000 00
Lake insurance on \$584,250, at ½ per cent premium.....	2,921 25
Commission on value at New York, at \$1 90 per bushel, \$584,250, 2½ per cent premium.....	14,250 00
Total charge paid citizens of the United States.....	\$108,296 25

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

On canal and lake freight, \$78,000, at $2\frac{1}{2}$ per cent.....	\$1,950 00
On gross sales, \$584,250, at one-eighth of 1 per cent.....	730 30
On stamps for time drafts for \$400,000, at 50 cents per \$1,000.....	200 00
Assuming that all parties interested netted the moderate sum of \$10,000 on this property, it added just that amount to the net in-	

comes of the various parties interested ; so that, with a five per cent income tax, the Government would get another sum out of the transaction, of .....

500 00

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

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

It must not be overlooked that Mr. CHASE'S Report speaks of the trade in breadstuffs between Canada and the United States as, to a great extent, merely a transit business; and figures are given on pages 80 and 81 to illustrate that view of the case—hence the allegation that "the volume imported at all parts of the border does not differ much from the volume exported." The *quantities* in the examples differ materially; exports in three years from United States to Canada are shown to be equal to 15,657,244 bushels, while imports from Canada to United States are only equal to 11,308,515 bushels, the difference being about 27½ per cent. The wheat and flour forming these imports, as before remarked, were the produce or manufacture of this Province. The *values*, too, when closely examined, make the connection between the premises and the conclusion much less obvious than at first sight it appears to be.

The facts of the case are these. The bulk of the flour imported into Canada from the Western States and Oswego, for a number of years past, has been for local consumption and for export to Great Britain—very little indeed finding its way back to the United States. A great proportion of the wheat imported into the Province from the West is manufactured on the Welland Canal and in Montreal. The flour is largely consumed at Quebec and in the lower provinces; shipments being also made to England. This flour could not be sent into the United States in any considerable quantity, in consequence of the customs' regulations; for, notwithstanding Mr. CHASE'S affirmation that such flour finds *free* entrance into the United States, the experience of merchants and millers in the Province is that it *does not*, there being a special Treasury order in force which contradicts the allegation. Moreover, that description of flour could not compete in the Eastern market with the kind produced by the millers of Oswego and Rochester. On the other hand, the demand in the United States for Canadian flour is for a high-classed quality from white wheat—the spring wheat of this Province also yielding a strong flour, which is much inquired for. The trade in breadstuffs, therefore, is not merely a transit trade, but a reciprocal and mutually beneficial one. In illustration of this view, it may be further stated that the receipts of flour by lake at

Oswego, "foreign and coastwise," in 1864, were 51,650 barrels—of which, 39,999 barrels (or 77½ per cent) were Canadian. The receipts of wheat by lake at that port, in the same year, were 5,657,778 bushels—of which 1,004,917 (or 17¾ per cent) were Canadian.

THE "UNILATERAL" HYPOTHESIS.

One of the opponents of the Reciprocity Treaty, (Hon. CHARLES SUMNER.) has made an effort to show that it is "unilateral" in its operation, and very disadvantageous to his country's commerce. A leading commercial newspaper, however, proved that his theory was fallacious—and it is believed that the figures in the foregoing pages destroy his conclusions. But they do more than this; for, from the protectionist standpoint, they demonstrate that the treaty is one-sided in the very opposite sense from that in which he views it. This will be further evident, when it is stated that the Reciprocity Treaty conferred no special advantages upon the British North American Provinces in general, or Canada in particular—the goods admitted free into the United States from the Provinces (under Article III. of the Treaty,) *being also admitted free from all other countries.* Further, the navigation of the River St. Lawrence and of the provincial canals was secured to United States' craft on the same terms as provincial vessels; Canadian craft being excluded from the canals of the United States, notwithstanding the third clause of Article IV. of the treaty.

TRADE OF THE UNITED STATES WITH THE LOWER PROVINCES.

The Reciprocity Treaty has been frequently spoken of as if the parties to it were—Canada exclusively on the one hand, and the United States on the other. It is worthy of remark, however, that United States authorities point to the existence of a very extensive trade between that country and Nova Scotia, New Brunswick, Newfoundland, and Prince Edward Island—much of which is the direct result of that treaty. The following table shows the value of the trade:

Years ending June 30.	—Exported to lower Provinces by U. S.—			—Imported from lower Provinces by U. S.—		
	Domes. goods.	Foreign goods.	Totals.	Free goods.	Dutiable goods.	Totals.
1850	\$3,116,840	\$501,374	\$3,618,214	\$151,145	\$1,207,847	\$1,358,992
1851.	3,224,553	861,230	4,085,783	160,367	1,576,284	1,736,650
1852.	2,650,134	1,141,822	3,791,956	218,718	1,301,612	1,520,330
1853.	3,398,575	1,912,968	5,311,543	238,568	2,034,034	2,672,602
1854.	4,693,771	2,572,383	7,266,154	259,102	1,946,919	2,206,021
1855.	5,855,878	3,229,798	9,085,676	1,227,627	1,726,793	2,954,420
1856.	7,519,909	626,199	8,146,108	3,640,875	181,349	3,822,224
1857.	6,911,405	776,182	7,687,587	3,695,815	136,647	3,832,462
1858.	5,975,494	644,979	6,622,473	4,047,169	177,779	4,224,948
1859.	8,329,960	883,422	9,213,382	5,290,088	223,746	5,513,834
1860.	7,502,839	1,120,375	8,623,214	4,753,830	235,878	4,989,708
1861.	7,133,734	1,250,021	8,383,755	4,255,305	162,171	4,417,476
1862.	7,369,905	866,706	8,236,611	3,744,644	302,199	4,046,843
1863.	10,198,505	1,183,807	11,382,312	4,797,814	409,610	5,207,424
			\$101,405,218			\$48,508,934

According to these figures, (from Mr. CHASE'S Report,) the exports from United States to the maritime Provinces exceeded the value of the imports from the Provinces by \$52,896,284. The free and dutiable goods

sold to the Provinces are not particularized; but the quantities of flour, wheat, etc., are noted below:

Years ending June 30.	Flour. Brls.	Wheat. Bush.	Maize. Bush.	Meal (Corn & rye.) Brls.	Total value.
1850 .....	214,934	198,319	96,552	142,832	\$1,744,768
1851 .....	200,664	216,971	101,169	92,341	1,521,365
1852 .....	166,117	189,672	141,185	42,121	1,078,001
1853 .....	171,640	204,717	158,885	40,224	1,233,898
1854 .....	145,590	148,882	188,134	95,485	1,699,733
1855 .....	198,122	98,323	160,444	139,795	2,792,427
1856 .....	397,616	147,925	183,372	145,409	4,158,479
1857 .....	436,231	142,568	140,618	101,896	3,572,777
1858 .....	491,802	103,943	109,841	66,255	3,084,730
1859 .....	549,088	74,676	110,692	53,440	3,365,257
1860 .....	578,133	68,621	117,204	52,941	3,427,088
1861 .....	569,356	19,886	61,804	59,789	3,330,636
1862 .....	605,826	13,748	113,077	82,835	3,535,330
1863 .....	732,384	70,894	171,984	74,478	4,948,871

\$39,493,410

The favorable influence of the Reciprocity Treaty upon the trade in breadstuffs will be seen at a glance. The value of the whole "domestic" exports from the United States to the lower Provinces in the period was \$83,881,502.

#### RECAPITULATION.

The foregoing statements clearly show how important and valuable the British North American market is to the United States. They may be briefly recapitulated thus:

Canada over-imported, since 1850, to the extent of .....	\$63,038,638
Lower Provinces over-imported, in same period .....	52,896,294
Paid United States, to balance accounts .....	\$115,934,932

These advantages of this profitable traffic which accrue to the United States, are entirely independent of the benefits arising from the free use of the British North American fisheries, the free navigation of the St. Lawrence, etc.

#### SHOULD THE TREATY BE REPEALED?

Since the foregoing remarks were penned, notice has been given to the Government of Great Britain that the United States Government desire the termination of the present Treaty. It may have been suggested by the American Minister that a new treaty should be negotiated. It is doubtful whether an addition to the schedule of free goods would be considered beneficial to the United States, if the views which appear to be extensively accepted in that country are taken into account. On the other hand, if the people and Government are resolved upon the abrogation of the Treaty, it would be needless for the people of these Provinces to ask for its continuance or even revision; they could only regret that a great nation, whose commercial interests are so identified with their own, should be impelled to such a retrogressive and suicidal policy, and, when the treaty expired, the business community would endeavor to adapt themselves to the altered circumstances.

## A CONVENTION OF MERCHANTS.

## PROPOSED MEETING AT DETROIT.

THE importance of sustaining an efficient Board of Trade or Chamber of Commerce in each of our principal cities has long been acknowledged. Such organizations are of evident use to the community where they exist, and also to the country at large. But could not their usefulness be decidedly increased if there was a central head uniting these different bodies, and making them one in purpose? We now have, for instance, trade reports of many cities, published under the direction of these different boards. Some of them are intelligible, some of them are full, while others are meager and of little use. Could not a report of all the States be made up each year, under the supervision of a central organization, with the assistance of these local bodies, which would possess the greatest value? We are persuaded that a little money spent in thus compiling a volume, would give us a work of rare usefulness.

Then, too, would not an annual convention of delegates from each of these boards be a meeting of decided interest and influence? Commercial questions have assumed far greater importance to us as a nation than formerly. They must be the study of every man. Our prosperity in the future depends upon our wisdom now. At a convention such as we suggest, all commercial questions agitating the country could be fully discussed, and the voice of the convention when expressed would carry far greater weight with it than does the separate action of these different bodies. Besides, the comparing of views held by our leading merchants in different sections of the country would be more likely to lead us to correct conclusions, than where each makes its decision separately, influenced perhaps by local prejudices.

Last year there was a meeting at Portland of invited delegations from prominent boards of trade at the West, and this year we see that Boston is planning for a similar meeting early in June. The visit at Boston is to extend over three days, and is simply designed to bring New England and the West into more intimate commercial relations. Such assemblages are unobjectionable and of value for the purpose of advancing particular interests, but of no further use. They are not national, but sectional. The Detroit Board of Trade, however, has proposed a convention, out of which good may come if supported with spirit by other similar organizations. We gladly give place to the preliminary letter which has been mailed to each Board of Trade and Chamber of Commerce throughout the country, hoping it may serve to increase the interest felt in the measure. Mr. R. HAWLEY, of Detroit, in sending us this letter, says:

“It has occurred to me that it would be well if you would publish this preliminary letter, and then, if any board has been inadvertently overlooked, notice will probably reach it in time for the appointment of the requisite number of delegates. Very many of the Chambers of Commerce have already signified their acceptance of the invitation, not only as to time and place, but as to the subjects to be discussed and acted upon. You will no doubt agree with me that it will be a most important assemblage, and if men of enlarged views and wide experience, who can rise above

narrow prejudices and selfish interests, are generally sent, its influence upon the future well-being of our country cannot well be over-estimated."

The following is a copy of the letter referred to, which has been mailed, as already stated, to each Board of Trade and Chamber of Commerce throughout the country :

" BOARD OF TRADE ROOMS, DETROIT, MICH.,  
March 28, 1865.

" At a meeting of this Association, on the 6th inst.—following resolutions, after full discussion, were unanimously adopted :

" *Resolved*, That the President be requested to address circular letters to the presiding officers of the several Boards of Trade in the loyal States and British Provinces, asking the appointment of delegates to attend a convention to be held during the approaching summer, for the consideration of the following subjects, viz : Commerce, Finances, Communications of Transit from the West to the seaboard ; Reciprocal Trade between the United States and the British Provinces, and such other business as may come before the Convention, not of a purely local or political character.

" *Resolved*, That Detroit is a central and convenient place for the Convention to meet, and we hereby tender the Board of Trade Rooms for its accommodation.

" In conformity with the foregoing resolutions calling a Convention, the objects being therein stated, I shall simply ask for them your careful consideration, if approved of, that your association will cordially co-operate by sending a suitable number of its members to the proposed Convention, to assist in discussing the various and important commercial questions which may properly come before it.

" It is believed that this is eminently a proper time for the business men of this country, through their several Boards of Trade and Chambers of Commerce, to meet in council, to discuss matters of finance and commerce, and thus give to the people at large the life-long experience of men devoted to commercial affairs. Such discussion cannot produce evil, and may result in material good.

" I would beg leave to name the second Tuesday in July, proximo, for the Convention to meet in Detroit. If any other time or place should be thought more desirable by a majority of the Boards their views will be adopted. When we hear from the several Boards of Trade on the subject this Association will communicate their action to you.

" Hoping to hear from you at your earliest convenience,

" Your obedient servant,

" JOSEPH ASPINALL, President."

We trust that the convention referred to in the above letter will not only meet, but that it will be composed of earnest men alive to their country's true interests ; that a permanent organization will be effected, and that hereafter we shall have a regular annual convention of delegates from every Board of Trade in the land, meeting together to discuss and act upon the prominent commercial measures and questions of the day. The voice of our merchants would thus be heard, and exert the influence it should on all matters affecting the great mercantile interests of our country.

This invitation is very properly, we see, extended to the British Provinces. It is not expected, of course, that we shall ask Canada what shall be the commercial policy of the United States, nor that we shall mark

out or dictate what shall be her legislation affecting us. Yet our interests are so similar and dependant, it is well for us to consult together, and endeavor to recommend some policy to our respective governments which shall make us closer and firmer friends.

The relative representation of the different Boards in such a convention might be a matter of some difficulty. In case, however, each Board or Chamber of Commerce was required to vote as a unit, there would be no question of representation. This plan, we presume, will be adopted, as it avoids this difficulty of representation, and is otherwise desirable, in that it would thus be readily seen from whence came the approval of, or opposition to, every measure, and the different organizations preserving their individuality, would carry with their vote their due influence.

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## COMMERCIAL LAW.—NO. 22.

### THE LAW OF SHIPPING.

#### THE OWNERSHIP AND TRANSFER OF SHIPS.

The law of shipping may be considered under three divisions. First, as to ownership and transfer of ships. Second, as to the employment of ships as carriers of goods, or of passengers, or both. Third, as to the navigation of ships. We begin with the first topic.

Ships are personal property; or, in other words, a ship is a chattel; and yet its ownership and transfer are regulated in this country by rules quite analogous to those which apply to real property.

The Constitution of the United States gives to Congress the power to enact laws for the regulation of commerce. In execution of this power, acts were passed in 1792, and immediately after, which followed substantially (with one important exception, to be hereafter noticed) the Registry and Navigation Laws of England, one of which had been in force about a century and a half. The English laws were intended to secure English commerce to Englishmen and English ships; and it was supposed that the commercial prosperity of England was in a great measure due to them.

To secure the evidence of the American character of a vessel, the statute of 1792 provides for an exact system of registration in the custom house. There is no *requirement* of registration. The law does not say that a ship shall or must be registered, but that certain ships or vessels may be; and if they are registered, they shall have certain privileges. And the disadvantage of being without registry operates as effectually as positive requirement with a heavy penalty could do.

The ships which may be registered are those already registered, 31 December, 1792, under the act of September, 1789; those built within the United States, and owned wholly by citizens thereof; and those captured and condemned as prizes, or adjudged forfeited by violation of law, if at the time of registry they are owned wholly by citizens of this country. No ship can be registered, if an owner or part-owner usually reside abroad,

although he is a citizen, unless he is a consul of the United States, or agent for, and a partner in, a mercantile house established and doing business here; nor if the master be not a citizen of the United States; nor if the owner or part-owner be a naturalized citizen, and reside in the country whence he came more than a year, or in any foreign country more than two years, unless he be consul or public agent of the United States. But a ship which has lost the benefits of registry by the non-residence of an owner, in such a case may be registered anew if she become the property of a resident citizen, by *bona fide* purchase; nor can a ship be registered which has been, at any time, the property of an alien, unless she becomes the property of the original owner or his representative.

Sometimes Congress, by special acts, permits the registration, as an American ship, of a vessel which has become, by purchase, American property. If a registered American ship be sold or transferred, in whole or in part, to an alien, the certificate of registry must be delivered up, or the vessel forfeited; but if, in case of a sale in part, it can be shown that any owner of a part not so sold was ignorant of the sale, his share shall not be subject to such forfeiture. And as soon as a registered vessel arrives from a foreign port, her documents must be deposited with the collector of the port of arrival, and the owner, or, if he does not reside within the district, the master, must make oath that the register contains the names of all persons who are at that time owners of the ship, and at the same time report any transfer of the ship, or of any part, that has been made within his knowledge since the registry; and also declare that no foreigner has any interest in the ship. If a register be issued fraudulently, or with the knowledge of the owners, for a ship not entitled to one, the register is not only void, but the ship is forfeited. If a new register is issued, the old one must be given up; but where there is a sale by process of law, and the former owners withhold the register, the Secretary of the Treasury may authorize the collector to issue a new one. If a ship be transferred while at sea, or abroad, the old register must be given up, and all the requirements of law, as to registry, &c., must be complied with, within three days after her arrival at the home port.

Exclusive privileges have at various times been granted to registered vessels of the United States. By the statute of 1817, it is provided, that no merchandise shall be brought from any foreign country to this, except in American vessels, or in vessels belonging to that country of which the merchandise is the growth. Also, that no merchandise shall be carried from port to port in the United States, by any foreign vessel, unless it formed a part of its original cargo. A ship that is of twenty tons burden, to be employed in the fisheries, or in the coasting trade, need not be registered, but must be enrolled and licensed accordingly. If under twenty tons burden, she need only be licensed. If licensed for the fisheries, she may visit and return from foreign ports, having stated her intention of doing so, and being permitted by the collector. And if registered, she may engage in the coasting trade or fishery, and if licensed and enrolled, she may become a registered ship, subject to the regulations provided for such cases.

A ship that is neither registered nor licensed and enrolled, can sail on no voyage with the privilege or protection of a national character or national papers. If she engages in foreign trade, or the coasting trade, or

fisheries, she is liable to forfeiture; and if she have foreign goods on board, must at all events pay the tonnage duties leviable on foreign ships. In these days, no ship engaged in honest business, and belonging to a civilized people, is met with on the ocean, without having the regular papers which attest her nationality, unless she has lost them by some accident.

#### THE TRANSFER OF PROPERTY IN A SHIP.

The Statute of Registration provides, that, "in every case of sale or transfer, there shall be some instrument in writing, in the nature of a bill of sale, which shall recite at length the said certificate; otherwise the said ship or vessel shall be incapable of being registered anew." It follows, therefore, that a merely oral transfer, although for valuable consideration, and followed by possession, gives the transferee no right to claim a new register setting forth his ownership. But this is all. There is nothing in this statute to prevent the property from passing to and vesting in such transferee. It is, however, unquestionably a principle of the maritime law generally, that property in a ship should pass by a written instrument. And as this principle seems to be adopted by the statute, the courts have sometimes almost denied the validity of a merely parol transfer. The weight of authority and of reason is, however, undoubtedly in favor of the conclusion stated by Judge STORX, that "the registry acts have not, in any degree, changed the common law as to the manner of transferring this species of property." It would follow, therefore, that such transfer would be valid, and would pass the property.

The English Registry Act provides, that "when the property in any ship, or in any part thereof, shall, after registry, be sold, the same shall be transferred by bill of sale, or other instrument in writing, containing a recital of the certificate of registry, or the principal contents thereof; otherwise, such transfer shall not be valid or effectual for any purpose whatever, either in law or in equity." Our Registry Act contained no such provision. Perhaps this important omission arose from a doubt whether legislating concerning the transfer of ships at home, as property, could be considered as a regulation of commerce; for if not, it was not within their constitutional power.

In 1850, Congress, however, passed an act, "to provide for recording the conveyances of vessels, and for other purposes." By this statute it was provided "that no bill of sale, mortgage, hypothecation, or conveyance of any vessel or part of any vessel of the United States, shall be valid against any person other than the grantor or mortgagor, his heirs and devisees, and persons having actual notice thereof; unless such bill of sale, mortgage, hypothecation, or conveyance be recorded in the office of the collector of the customs where such vessel is registered or enrolled." Then follows an exception in favor of liens by bottomry, and in subsequent sections are provisions for recording by the collector, and giving certificates, &c.

This statute has no effect, that we perceive, upon oral transfers, excepting that, as they cannot be recorded, their operation is limited to the grantors and those who have actual notice. Where the transfer is by bill of sale, the record of this, under the late statute, is, perhaps, notice to all the world. But in most of our States there are already provisions for the record of mortgages of personal property, and it may be a difficult ques-

tion how these are affected by this statute of the United States. For example, if there be such a record as is required by the State law, is this sufficient, without a custom house record, either because it is a public notice, which is the equivalent of actual notice to everybody, or because the State has the right to regulate this matter; or, if there be a record in the custom-house and none which conforms to the State requirements, is this sufficient against all the world? If we suppose this statute to be constitutional, of which we do not, however, feel certain, we should say that it controlled and superseded the State statute, so as to make that unnecessary and ineffectual; and therefore a record in the custom-house only would be sufficient, and a record under the State law would affect only those who had actual knowledge of it.

As a ship is a chattel, a transfer of it should be accompanied by a delivery of possession. Actual delivery is sometimes impossible where a ship is at sea; and perhaps the statute of 1850 makes the record of the transfer equivalent to change of possession. If there be no record, possession should be taken as soon as possible; and prudence would still require the same course, we think, in case of transfer by writing and record.

There have been cases which have been supposed to intimate that, as between two innocent purchasers, he that gets actual possession first completes his title as against the other. We doubt the correctness of this in all cases. We say rather, that if A becomes in good faith the purchaser of a vessel, and has taken *constructive* possession, (as by having a bill of sale indorsed on the register and recorded in the custom-house, and taking an order to the master or other person in possession to deliver her up,) he has no right to delay unnecessarily the taking *actual* possession, for this may deceive and injure other persons. And if B, a second purchaser, in ignorance of the first purchase, during such delay or neglect gets actual possession, he would hold the vessel; unless, indeed, prevented by the record. But if B gets actual possession before A, but while A was so prevented that his want of actual possession cannot be imputed to him as neglect, A will get a better title than B, if he (A) takes actual possession as soon as he can.

By the word "ship," and still more by the phrase "ship and her appurtenances," or "apparel," or "furniture," everything would pass which was distinctly connected with the ship, and is on board of her, and fastened to her if that be usual, and needed for her navigation or for her safety. Kentledge, a valuable kind of permanent ballast, has been held to pass with the ship; so have a rudder and cordage prepared for a vessel, but not yet attached to her, and not quite finished; and so would a boat, anchors, &c., generally. But the answer to the question, What is part of the ship? must always depend somewhat upon the words of the instrument, and upon the circumstances of the case and the intention of the parties.

Sometimes, when a ship is built, she is paid for in instalments. If these are regulated by the progress in building, so that, when so much is done, a sum deemed equivalent to the labor and materials used shall be paid, and when more is done, another sum in due proportion, and so on, it is held that each payment purchases the ship as she lies; and if she be lost after any such payments, the loss is the loss of the purchaser. But if

paid for, so much down, and so much at a certain time, so much at another, &c., without reference to the state of the ship at these times, these are only payments on account, and the ship does not belong to the purchaser until completed and delivered.

A sale by the decree of any regular court of admiralty, with due notice to all parties, and with proper precautions to protect the interests of all, and guard against fraud or precipitancy, would undoubtedly be acknowledged by courts of admiralty of every other nation as transferring the property effectually.

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## COMMERCIAL CHRONICLE AND REVIEW.

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OPENING OF THE SOUTHERN PORTS TO TRADE—THE OLD CONDITION OF AFFAIRS BEING RAPIDLY RESTORED—THE PRESIDENT'S PROCLAMATIONS—A REVIVAL OF FOREIGN COMMERCE AT HAND—CAPITAL DESTINED TO FLOW INTO THE COUNTRY IF WISE MEASURES PREVAIL—DECREE OF THE EMPEROR MAXIMILLIAN—COLOSSAL SUBSCRIPTIONS TO THE SEVEN-THIRTY LOAN—MONEY MARKET—PRICES OF MERCHANDISE—CONGRESS OF THE BOARDS OF TRADE TO RESTORE RECIPROCITY TREATY—IMPORTS OF DRY GOODS—SPECIE MOVEMENT—COURSE OF EXCHANGE—PRICES UNITED STATES PAPER—RAILWAY SHARES—IMPORTANT DECISION OF JUDGE NELSON IN THE UNITED STATES CIRCUIT COURT ON CONFISCATION, ETC., ETC.

PRESIDENT JOHNSON appears to be sincerely desirous of pacifying the late insurgent parts of the country, and reopening them to the healing influences of commerce and private enterprise as soon as possible. Various edicts have already emanated from the Government opening the Southern ports to trade, and permitting commercial intercourse to re-establish itself under certain restrictions. None but those who have carefully considered the great part that commerce has always played in burying national animosities, and in ever advancing the true interests of civilization and progress, can fully appreciate the wisdom of these measures at this time. Some of the most interesting indications of the new condition of affairs, which will inevitably flow from renewed traffic with the South, are furnished by the long columns of advertisements which now appear in the daily press concerning lines of steamers to Charleston, Savannah, and other Southern ports, express companies to all points South, railroads once more in running order, and telegraph lines just delivered from military control.

The two proclamations of May 29th, the one extending amnesty to the rank and file of the rebellion, and the other, re-establishing civil government in North Carolina, are additional indications that President JOHNSON will go as far as public opinion will permit him in restoring peace and harmony to the ruined South.

A great revival of foreign commerce is also undoubtedly at hand. Steam lines are announced to run between California and China, touching at the Sandwich Islands, California, and Japan; New York and Brazil; and New York and Italy, touching at the port of Cadiz in Spain. But we have woefully impaired our

former means of prosecuting foreign commerce by the restrictions which, still in the form of tariffs and penalties, chain us to that retrogression which the war necessitated. Let these be once removed and peace prevail, and the immense fields for the employment of capital in this vast country will invite accretions of capital from all parts of the world for investment; let them remain, and the hope that now inspires the commercial classes in the United States will flicker and die out, and the activity it has already promoted will be so much wasted effort.

The Emperor MAXIMILIAN has published a decree increasing the duty on foreign tobacco, which, in addition to the municipal taxes, will have to pay duty as follows :

Leaf tobacco, gross weight.....	25 cents per pound.
Chewing tobacco, ".....	50 " "
Snuff tobacco, ".....	75 " "
Cigarettes, net weight.....	75 " "
Segars, ".....	150 " "

Tobacco, entered with a final destination to interior custom-houses, will pay as a counter-registry duty the following rates :

Leaf tobacco, gross.....	25 cents per pound.
Chewing tobacco, gross.....	50 " "
Snuff tobacco, gross.....	50 " "
Cigarettes, net.....	50 " "
Segars, net.....	100 " "

In leaf tobacco no deduction will be allowed in weight from the original packages. Segars will include the ties, but the boxes will be deducted from the weight. The decree is to take effect in forty days from the date of publication—April 6th.

The great event of the month has been the colossal subscriptions to the seventy loan. With gold oscillating about 130, interest at seven and three-tenths per cent has proved, as might be expected, inviting enough to attract great sums of capital from all parts of the country—indeed, was the true welfare of the people, who will have to pay the interest on these sums in the form of taxes, consulted, it will be seen that the money has been borrowed at altogether too attractive a rate. The withdrawal of so much capital from industrial pursuits is a matter of small regret, because foreign capital will be sure to flow in ultimately and replace it; but the rate of interest is decidedly objectionable.

The steady flow of the immense sums attracted by this loan has had an all-absorbing effect upon the money market and the price of gold. On the 30th of June, 1863, the amount of loans to the Government at 7-30 was \$52,725,350. On the 31st October, 1864, it was \$76,668,550. But on the 31st March, 1865, it had grown to \$300,812,800. Since the latter date the subscriptions to this loan have been incessant, amounting, in one particular day alone, to \$40,000,000, and during the month ending May 14, to \$300,000,000. Two series of about \$300,000,000 having been disposed of, the Government offered a third series of nearly the same amount, but with the option reserved of making the interest six per cent in case specie payments were resumed. This sort of tinkering soon affected the receipts, and they have now subsided to an average of about a million per day. Of course with such movements as these going on, other influences are

scarcely discernable. Yet, as in the end, the regular motion of the tides gradually overcomes the great upheavals occasioned by storms, so the movements of commerce are now gradually making themselves felt where lately nothing but the transactions of the Treasury had any effect whatever. Gold from a premium of 28½ per cent on May 11th, has gradually made its way up to 38 on May 30th, and with an export movement in full tide may yet strike some level considerably higher. The Treasury, though, in the disposal it sees fit to make of its receipts, whether it pays them all to the soldiers and other Government creditors, or uses them in curtailing the currency, has everything in its own hands, and for some time to come may make the price of gold whatever it pleases.

If we are not mistaken, however, Mr. McCULLOCH belongs to the *laissez faire* school of political economists. Should this surmise be true, Treasury interferences with the National course of events will be less and less frequent in future.

The money market has been kept pretty easy by the Treasury during the pendency of the enormous operations we have noted, the price of money on call having been from 5 to 6 per cent; but towards the end of the month a sharp contraction occurred consequent upon the partial withdrawal of the Treasury deposits in the National Banks, and the rate stands at the end of the month at 6 to 7 per cent.

The prices of general merchandise have not fallen in harmony with gold. This is partially owing to the fact that sufficient time has not yet elapsed for the full effect of the fall, which occurred in April, to be felt; partly because taxes on production have not yet been equalized, and must, in any event, bear heavily on all classes; and partly to the still uncertain condition of the currency.

The following comparative table of the prices of several leading articles of general merchandise will exhibit the present state of the markets:

	March 23.	April 29.	May 27.
Ashes, pots, 1st sort. ....	Nominal.	\$8 00 a 8 12½	\$7 25 a 7 62
Coffee, Rio, prime. ....	20½ a 21	a 21½	a 23½
Cotton, mid., fair, upland. ....	55 a 58	a 58	a 54
Flour, State, superfine. ....	9 20 a 9 40	6 90 a 7 10	6 10 a 6 50
Hay, N. R. shipping. ....	1 60 a	1 00 a 1 05	1 .. a 1 05
Nails, cut. ....	a 7 50	7 00 a	5 75 a 6 ..
Petroleum, crude 40a47 gravity	33 a	39 a 40	.. a 35
Pork, prime mess, new. ....	26 00 a 27 00	26 50 a 27 50	17 00 a 18 00
Tobacco, Kentucky lugs. ....	8 a 10	8 a 10	6 a 9
Leather, oak (Sl.) light. ....	47 a 51	44 a 46	44 a 46
Lumber, spruce, Eastern. ....	Nominal.	22 a 25	14 a 18
Corn, white Southern. ....	1 70 a 1 80	1 30 a 1 40	0 80 a 0 90
Wheat, white Genessee. ....	2 25 a 2 40	2 20 a 2 35	2 00 a 2 20
Sheetings, brown, standard. ...	25 a	31 a 32½	37

The Board of Trade of Detroit has issued invitations to the Boards of Trade all over the United States and British America to meet together, in general convention, at Detroit, on the second Tuesday in July. This invitation will be found in another part of this number. The main object of the call is undoubtedly to influence Congress to reconsider its late unwise recession of the Reciprocity Treaty with the British American Provinces.

The following table shows the import of dry goods into the port for the past month:

## VALUE OF DRY GOODS ENTERED FOR CONSUMPTION IN MAY, 1865.

		1864.	1865.
May	4.....	\$876,758	\$623,337
"	11.....	880,827	659,797
"	18.....	508,925	556,935
"	25.....	517,762	528,882
Total .....		\$2,784,272	\$2,368,951

## WITHDRAWN FROM WAREHOUSE.

May	4.....	\$529,328	\$586,327
"	11.....	918,076	1,260,631
"	18.....	914,943	775,803
"	25.....	582,540	695,867
Total .....		\$2,944,887	\$3,318,628

## ENTERED FOR WAREHOUSING.

May	4.....	\$101,374	\$590,657
"	11.....	793,617	76,842
"	18.....	516,187	93,268
"	25.....	734,465	368,503
Total.....		\$2,143,643	\$1,129,270

		1864.	1865.
Total entered for consumption.....		\$2,784,272	\$2,368,951
Add withdrawn from warehouse.....		2,944,887	3,318,628
Total thrown on the market.....		\$5,729,159	\$5,687,579
Total entered for warehousing.....		\$2,145,643	\$1,129,270
Add entered for consumption.....		2,784,272	2,368,951
Total entered at the port.....		\$4,929,915	\$3,498,221

The specie movement has been as follows :

## SPECIE RECEIPTS, SHIPMENTS, &amp;C.

		1864.		1865.		Gold in Bank.	
		Received.	Exported.	Received from California.	Received Foreign.		Exported.
Jan.	2,.....	\$254,239	\$590,262	\$1,147,745	.....	\$594,353	\$20,152,892
"	9,.....	.....	1,216,204	983,519	\$8,171	1,046,251	21,357,608
"	16,.....	279,801	1,985,067	511,088	25,517	329,833	20,211,569
"	23,.....	365,608	1,000,000	.....	5,125	997,136	18,996,085
"	30,.....	324,864	668,747	.....	12,605	.....	.....
Feb.	6,.....	.....	662,616	631,760	19,952	478,777	19,682,308
"	13,.....	363,198	1,219,808	264,322	18,739	370,753	20,297,346
"	20,.....	.....	325,632	448,132	22,900	100,882	20,682,319
"	27,.....	407,067	531,700	794,149	38,696	148,536	20,092,388
March	4,.....	512,358	629,803	.....	48,317	33,393	19,830,183
"	11,.....	.....	465,920	431,163	75,993	181,648	20,737,838
"	18,.....	281,304	83,881	.....	55,221	108,157	22,256,596
"	25,.....	375,101	273,900	.....	50,000	164,440	22,006,524
April	1,.....	273,429	168,912	.....	20,978	79,308	20,584,668
"	8,.....	302,344	345,471	1,463,437	60,769	400,735	20,045,976
"	15,.....	269,522	1,002,384	632,521	31,945	188,900	19,533,734
"	22,.....	.....	3,226,000	.....	71,229	83,922	19,122,288
"	29,.....	282,376	1,271,836	.....	.....	217,192	19,049,913
May	6,.....	282,776	1,174,241	664,281	.....	587,848	20,088,399
"	13,.....	.....	2,452,668	225,376	.....	649,885	23,553,231
"	20,.....	383,423	1,884,195	367,993	.....	3,044,258	23,184,402
"	27,.....	.....	580,820	.....	.....	2,079,215	23,063,929

The rates of exchange have ruled as follows :

RATES OF EXCHANGE IN GOLD.

	London, 60 days.	Paris, 60 days.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 7	108½ a 109½	5.18½ a 5.15	41½ a 41½	41½ a 41½	36½ a 36½	72 a 72½
" 14	108½ a 109½	5.18½ a 5.13½	41½ a 41½	41 a 41½	36½ a 36½	72½ a 72½
" 21	108½ a 109½	5.18½ a 5.13½	41½ a 41½	41½ a 41½	36½ a 36½	73 a 72½
" 28	108½ a 109½	5.20 a 5.13½	41 a 41½	41 a 41½	36½ a 36½	72 a 72½
Feb. 4	108 a 109½	5.21½ a 5.15	41 a 41½	41 a 41½	36 a 36½	71½ a 72
" 11	108½ a 109	5.23½ a 5.15	40½ a 41½	40½ a 41½	35½ a 36½	71½ a 72½
" 18	107 a 108½	5.27½ a 5.20	40½ a 41½	40½ a 41	35½ a 36½	71½ a 72
" 25	108 a 108½	5.27½ a 5.18½	40½ a 40½	40½ a 41	35½ a 36½	71½ a 72
Mch. 4	108 a 108½	5.27½ a 5.21½	40½ a 41½	40½ a 40½	36½ a 36½	71½ a 71½
" 11	107½ a 108½	5.27½ a 5.22½	40½ a 41½	40½ a 40½	35½ a 36½	70½ a 71½
" 18	109½ a 109½	5.21½ a 5.13½	41 a 41½	41 a 41½	36 a 36½	71½ a 72
" 25	109 a 109½	5.20 a 5.15	41 a 41½	40½ a 41½	36 a 36½	71½ a 72
April 1	109½ a 109½	5.20 a 5.15	40½ a 41½	40½ a 41	36 a 36½	71½ a 71½
" 8	108½ a 109½	5.22½ a 5.15	40½ a 41½	40½ a 41½	35½ a 36½	72½ a 71½
" 15	108½ a 109½	5.22½ a 5.16½	40½ a 41½	40½ a 41	35½ a 36½	72 a 71½
" 22	109½ a 109½	5.20 a 5.12½	41 a 41½	40½ a 41½	36½ a 36½	71½ a 72½
" 29	109 a 109½	5.20 a 5.12½	41 a 41½	40½ a 41½	36 a 36½	71½ a 72
May 5	108½ a 109½	5.18½ a 5.13½	41½ a 41½	41 a 41½	36½ a 36½	71½ a 72½
" 12	109½ a 109½	5.16½ a 5.12½	41½ a 41½	41½ a 41½	36½ a 36½	72½ a 72½
" 19	108½ a 109½	5.17½ a 5.12½	41½ a 41½	41 a 41½	36½ a 36½	72 a 72½
" 26	108½ a 109½	5.16½ a 5.12½	41½ a 41½	41½ a 41½	36½ a 36½	72½ a 72½

PRICES OF UNITED STATES PAPER.

	—6's, 1881.—		—5-20's.—		10-40's.	1 year certif.	Gold price.
	Reg.	Coup.	Reg.	Coup.			
Jan. 7,....	111½	111½	100	109	102	96½	227 a 227½
" 14,....	112½	112½	102	110	102½	93	217½ a 221
" 21,....	111	110	99	108½	101½	97½	197½ a 206
" 28,....	110½	109½	98½	108½	100½	98	213½ a 220
Feb. 4,....	109½	109½	109½	99½	101½	97½	209 a 214½
" 11,....	110½	110½	102	109½	102½	98½	204½ a 209
" 18,....	111½	111½	103	111½	102½	98½	204 a 205½
" 25,....	111½	111	102	111½	102½	98½	198½ a 199½
March 1,....	111	110½	105	110½	102½	98½	199½ a 200½
" 8,....	111	111½	....	110½	97½	98½	196½ a 197½
" 15,....	110	110	100	109½	97	98½	174½ a 177½
" 22,....	105	105	....	105	91½	97	156½ a 158½
" 29,....	105	105	....	105	91½	97	151½ a 152½
April 5,....	106½	....	104½	107½	92	98	148 a 153½
" 12,....	107½	107½	102½	108½	93½	93½	145½ a 149½
" 19,....	....	....	....	....	....	....	No quotations.*
" 26,....	109	108½	102½	108½	97	99½	147½ a 149
May 3,....	110½	110	105	105½	97	..	141½ a 141½
" 10,....	110½	110	105	105½	96½	99½	131½ a 133½
" 17,....	109½	109	103	103½	95	99	124½ a 131½
" 24,....	110	109½	103½	103½	95	99½	132½ a 135½

PRICES OF RAILWAY SHARES.

	March 29.	April 3.	April 27.	May 29.
New York Central .....	84	101½	103	89
Hudson River .....	46	107	115½	97
Erie .....	45	69½	85½	72½
Reading .....	89½	...	110½	91½
Mich. So. and N. I. ....	50	62	74	58
Illinois Central .....	93½	112½	117½	117
Cleveland and Pittsburg .....	52	74	83½	61
Chicago and N. W. ....	21½	31½	34	21½
Chicago and R. I. ....	85½	96½	105	93½
Fort Wayne .....	76½	93½	103	92½

In the case of the United States *vs.* 1,756 shares of the capital stock of the Great Western Railroad Company, Judge NELSON of the United States Circuit Court rendered a most important decision touching the question of confiscation. The following is a summary :

In this case the shares in question, valued at half a million dollars, were seized and libelled by United States District Attorney SMITH. Their condemnation was claimed as being the property of LEROY M. WILEY, a resident of the South, and who, it was claimed, was an alien enemy. Mr. WILEY put in an answer and prepared to defend the claim. His answer was stricken out by Judge BETTS, on the ground that Mr. WILEY was an enemy, and therefore, had no standing in court, and the property was, therefore, declared forfeited to the United States. An appeal was taken to this court, and the plea was reversed, because, among other things, the property, being stock of an Illinois corporation, was not within the jurisdiction of a court of this district, and because Mr. WILEY, the claimant, even if an "*alien enemy*," had a right to be heard.

## JOURNAL OF BANKING, CURRENCY, AND FINANCE.

SURRENDER OF KIRBY SMITH AND THE TRANS-MISSISSIPPI—EMIGRATION OF CAPITAL TO THE SOUTH—WEST—GOVERNMENT INTERFERENCE WITH FINANCIAL MATTERS—CERTIFIED CHECKS, ARE THEY MONEY?—RETURNS OF THE BANKS OF NEW YORK—OF THE PHILADELPHIA BANKS—OF THE BANKS OF THE STATE OF NEW YORK—OF THE BOSTON BANKS—OF THE OHIO BANKS—OF THE NATIONAL BANKS—TREASURY CIRCULAR—ESTIMATE OF SPECIE ON DEPOSIT IN UNITED STATES—RETURNS OF BANKS OF ENGLAND AND FRANCE, ETC., ETC.

THE surrender of KIRBY SMITH and the organized insurgent forces west of the Mississippi, consummates the close of the war, and were the vexed questions of reconstruction, negro status, etc., disposed of, and a state of security inaugurated in those regions, nothing could prevent a large emigration of capital to the South and southwest for employment. Some time, however, will necessarily have to elapse before our old relations with these sections of the country can be re-established. Meanwhile a good deal of lawlessness will prevail, and capital will be frightened away. The Texans and Western Louisianians, too, owe considerable sums to Northern merchants, especially in Galveston, Houston, San Antonio, etc., and the latter will be apt to keep themselves on the alert for settlements. New credits, if given at all, will hardly exceed in the aggregate the amounts now due to the North ; so that any new movement of capital from the Northern States into those regions, beyond exchanges of credits to and fro, is probably a remote occurrence.

Our greenback currency, though, must make its way there, and supplant the miserable stuff which the Confederate Government once imposed upon them ; and to this extent must prevent its redundancy from being felt here. In view of the daily increasing volume of National Bank circulation, this question of redundant currency is destined never to leave its hold upon the interests of the people of

this country until those institutions have stood the test of a panic in United States stocks; and even then it will only be shelved until such a reform is effected in banking legislation, that Government shall have no more power to legislate on the subject of banks than it now has on the subject of insurance companies.

This tendency of our Government to interfere in these matters makes it neglect its most important function—that of the administration of justice. In no country in the world where people are so intelligent and so public-spirited, where, in former times, at least, political freedom was so jealously guarded, where material progress has such a brilliant record, is the rate of interest so high as it is in the United States. And this results solely from the notorious mal-administration of justice which prevails here. Not to speak of the arbitrary code which prevailed during the war, we have Lynch law in all the Western and Southern States, and sometimes within hail of the Circuit Courts in the most populous States. The laws for the collection of debt vary in every State; and are very bad in most of them. Suits, before civil justices even in this State, (where their jurisdiction extends to all cases involving \$250 or under,) are decided more through good-fellowship, political affinity, or even worse motives, than by virtue of law and evidence. Suits against corporations are hardly ever to be won in any part of the country, except, perhaps, in New England and the rural parts of the Middle States. Indeed, the dispensation of justice is so wretched, that merchants and bankers are afraid to litigate.

If Government, then, instead of doctoring banking systems and printing bank notes, turned its attention to doctoring the laws, and printing the Statutes at Large, it would find much more useful and profitable employment.

The Commissioner of Internal Revenue has decided that certified checks are money, and has notified the Banks that the amount of these instruments issued by them shall be returned to the department to be taxed as a portion of their circulation. According to the letter of the law the Commissioner is right, for it includes all "certified checks calculated or intended to circulate, or to be used as money." But the writer of the law was evidently in a fog when he framed it, and Congress not on the alert when they passed it; for it is difficult to conceive wherein a certified check differs, in respect to its circulation or use as money, from a check which is not certified. The truth is, neither a check which is certified, nor one which is not certified, is intended to "circulate, or to be used as money," in the common acceptance of the term money. Nor are they. Generally but one and rarely more than two persons use any check before presenting it at Bank for redemption. Scientifically, checks are money; but so are promissary notes and book credits. In the meaning of the law, though, they are not money, and the Commissioner has decided wrongly. The evident intention of the law was to prevent any evasion of the tax on bank notes by the circulation of instruments which might be drawn in the form of certified checks, but which would really constitute circulating bank notes. This trick has, as yet, only been attempted by a Bank in New Brunswick anxious to circulate its paper in this country; but none of our State Banks have resorted to it; and their certified check system could only be disturbed through a most arbitrary construction of the law. But this question will probably be settled by all the State Banks going over to the national system.

The following are the returns of the New York City Banks during the past month :

## NEW YORK CITY BANKS.

(Capital, Jan., 1864, \$69,494,577; Jan., 1865, \$69,658,737; April, \$76,658,737.)

Date.	Loans.	Specie.	Legal tender.	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
Feb. 4,	185,639,790	19,682,308	.....	2,868,646	152,703,316	663,814,434
" 11,	185,515,904	20,297,346	.....	2,821,996	156,711,166	584,179,409
" 18,	186,365,126	20,682,319	.....	2,855,982	156,150,634	518,305,222
" 25,	183,534,735	20,092,378	.....	2,739,333	153,948,481	481,028,121
Mar. 4,	186,569,665	19,830,183	.....	2,720,666	153,009,588	511,861,337
" 11,	188,120,890	20,737,838	26,713,408	2,741,684	152,134,448	412,302,453
" 18,	211,486,651	22,256,596	33,645,014	4,662,505	174,479,367	635,736,233
" 25,	207,677,503	22,066,524	35,295,156	4,457,162	166,965,508	604,796,725
Apr. 1,	204,458,355	20,584,668	42,989,332	4,888,980	173,350,491	509,148,691
" 8,	204,153,839	20,045,976	46,424,957	4,773,528	174,850,185	483,653,634
" 15,	206,508,095	19,533,734	51,061,462	4,757,862	177,815,945	427,761,675
" 22,	204,723,195	19,122,288	57,954,937	4,700,210	184,244,399	272,740,215
" 29,	204,277,573	19,049,913	66,096,274	4,660,659	196,188,733	359,950,814
May 6,	213,172,277	20,088,399	66,258,349	4,886,937	200,466,735	508,899,215
" 13,	218,502,980	23,553,231	61,052,537	4,889,562	203,369,886	511,914,441
" 20,	219,810,780	23,194,402	55,625,517	5,032,944	203,854,725	510,767,355
" 27,	212,445,121	23,063,929	54,524,078	5,068,693	197,081,017	429,221,799

The deposit and discount lines are seen to have dropped six or seven millions since May 22d. This is due to the withdrawal of Government deposits in such of the institutions as are doing business under the National Banking Law.

The money market has, in consequence, rather tightened up. The rate of interest having advanced, within the last week of the month, from five per cent to 6 a 7 on call loans.

The following are the returns of the Philadelphia banks :

## PHILADELPHIA BANKS.

(Capital, Jan., 1863, \$11,740,080; 1865, \$13,315,720; Feb., 1865, \$14,485,450.)

Date. 1865.	Loans.	Specie.	Circulation.	Deposits.	Legal tenders
Jan. 2,...	\$48,059,403	\$1,803,583	\$2,793,463	\$39,845,963	\$14,524,175
" 9,...	49,250,629	1,781,108	2,978,035	41,001,803	15,297,223
" 16,...	49,833,799	1,750,669	3,228,785	43,121,208	17,003,905
" 23,...	49,755,716	1,792,891	3,606,051	40,186,513	15,939,593
" 30,...	50,056,684	1,773,266	4,010,192	59,822,860	15,572,893
Feb. 6,...	50,269,473	1,702,776	4,393,173	38,496,337	14,000,852
" 13,...	49,511,683	1,629,957	4,660,697	37,340,531	14,295,547
" 20,...	48,639,886	1,569,223	4,866,771	37,141,900	13,922,954
" 27,...	48,992,272	1,498,644	5,077,436	39,011,100	15,398,502
Mar. 6,...	49,228,540	1,339,264	5,446,021	38,391,622	15,200,287
" 13,...	49,297,223	1,422,736	5,906,791	38,655,903	15,487,835
" 20,...	48,976,280	1,323,274	5,609,276	38,673,804	15,796,783
" 27,...	50,255,294	1,350,963	5,736,660	39,117,258	16,366,146
April 4,...	50,268,729	1,314,223	5,893,626	33,316,847	17,087,645
" 11,...	50,225,821	1,249,282	6,133,397	39,366,445	17,312,697
" 17,...	50,810,519	1,236,333	6,232,343	41,187,764	17,991,294
" 24,...	50,819,031	1,223,798	6,313,889	42,591,060	19,188,676
May 8,...	51,172,347	1,297,558	6,430,742	45,158,284	19,576,916
" 16,...	52,678,146	1,286,404	6,447,961	47,695,971	20,300,826
" 23,...	52,978,259	1,261,618	6,585,003	44,881,378	20,919,610

The annexed quarterly statement of the Banks of the State of New York is from the *Albany Evening Journal*:

RESOURCES.		
	Dec. 31, 1864.	March 25, 1865.
Loans and discounts.....	\$196,649,246	\$159,665,827
Overdrafts .....	866,154	709,265
Due from banks .....	22,916,031	18,628,244
Due from directors.....	9,226,712	8,182,724
Due from brokers.....	11,042,835	6,897,650
Real estate.....	8,142,807	7,070,085
Specie .....	20,239,286	19,490,230
Cash items.....	92,514,882	89,862,155
Stocks, promissory and U. States 7 3-10 notes and indebtedness certificates .....	120,459,776	92,088,059
Bonds and mortgages .....	4,073,797	3,710,775
Bills of solvent banks and U. S. demand notes.	20,261,810	27,957,014
Bills of suspended banks .....	2,643	2,718
Loss and expense account .....	2,260,786	1,208,900
Add for cents .....	877	827
<b>Total.....</b>	<b>\$488,888,125</b>	<b>\$420,344,099</b>
LIABILITIES.		
Capital.....	\$106,690,761	\$90,492,828
Circulation.....	31,180,546	27,550,203
Profits .....	28,345,347	22,085,269
Due banks .....	45,205,682	36,211,772
Due individuals and corporations other than banks and depositors .....	2,107,764	1,141,628
Due Treasurer State of New York.....	3,144,210	3,547,917
Due depositors on demand.....	269,042,097	236,961,586
Due others not included in above heads.....	2,671,197	2,282,763
Add for cents.....	521	445
<b>Total .....</b>	<b>\$488,338,125</b>	<b>\$420,274,411</b>

Two hundred and eighty-nine banks reported; fourteen banks, which had organized as National Banks, prior to the 25th of March last, did not report. Up to and including the 15th inst., seventy eight banks of the two hundred and eighty-nine reporting, have given notice to the Bank Department of their intention to close their affairs as State Banks. It will be noticed, perhaps, that the liabilities in the above statement exceed the resources by a small amount. This is occasioned by two closing banks, which had also become National Banks, merely reporting the securities in hand in the Department and their outstanding circulation. The fourteen banks which did not report have securities, (according to the books of the Department,) deposited with the Superintendent amounting to \$1,807,882, against which is charged—circulation, \$1,740,633.

The following are the returns of the banks of Boston, except those which have reorganized under the National Law. They make no returns. Their circulation is, however, included in these figures. With the other National Banks, they number about thirty institutions:

## BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$38,231,700; Jan., 1865, \$22,350,000.*)

Date. 1865.	Loans.	Specie.	Circulation.	Deposits.
January 2.....	\$46,312,701	\$3,424,323	\$7,766,888	\$23,086,775
" 9.....	33,707,472	2,903,469	7,803,528	16,772,600
" 16.....	33,444,460	2,862,939	7,529,229	15,926,720
" 23.....	33,160,490	2,797,093	7,126,253	16,058,310
" 30.....	33,025,868	2,659,568	6,792,950	16,343,192
February 6.....	25,609,695	2,245,510	6,581,880	12,641,033
" 13.....	23,609,664	2,087,995	6,345,912	11,031,733
" 20.....	23,533,879	2,039,669	5,094,370	10,621,322
" 27.....	22,872,774	1,932,769	6,278,194	9,789,000
March 7.....	22,825,217	1,877,323	5,843,974	9,961,545
" 14.....	21,224,401	1,700,714	5,580,219	9,435,578
" 21.....	21,206,180	1,524,401	5,435,928	9,393,224
" 28.....	20,952,000	1,426,700	5,279,700	8,958,800
April 3.....	20,749,643	1,385,954	5,099,538	9,264,451
" 10.....	19,047,885	1,258,019	5,898,609	9,036,604
" 17.....	19,222,460	1,178,336	4,738,295	9,185,149
May 23.....	5,929,000	610,900	3,612,000	3,021,000
" 30.....	5,726,428	626,584	2,975,173	2,731,794

From the wholesale change of State Banks into National Banks these returns now scarcely possess any value. The capital of the Banks of Boston is now reduced to \$3,100,000 from \$22,350,000 in January last. Very soon there will be no State banking institutions in the city.

Quarterly statement of the Banks of Ohio, exhibiting the condition of the several incorporated banking institutions of the State of Ohio, on the first Monday of May, 1865, as shown by their returns made, under oath, to the Auditor of State. The leading items compare with the last report, that of February 1 last, and the 1st of May, 1864, as follows:

	May 1, 1865.	Feb. 1, 1865.	May 1, 1864.
Specie.....	\$369,690	\$582,870	\$1,370,804
Loans.....	5,527,160	8,294,302	11,456,954
Capital.....	2,692,800	3,808,650	4,640,825
Circulation.....	2,693,912	3,762,918	5,941,679
Individual deposits.....	7,324,093	8,754,887	11,167,217
Eastern deposits.....	1,577,508	1,375,522	2,648,462

The changes in the capital and run of individual deposits are, in great part, attributable to the transfers to the national system, and these are most prominent in the State Bank.

The following table exhibits the aggregate National Bank circulation:

## NATIONAL BANKS.

Number, capital, and circulation quarterly to the end of 1864, and periodically to date in 1865.

Date.	Banks.	Capital.	Circulation.
October, 1863.....	94	\$7,184,715	.....
January, 1864.....	137	14,523,721	\$29,155
April, 1864.....	357	42,204,474	12,144,650
July, 1864.....	469	75,213,945	25,825,665
October, 1864.....	524	89,339,400	51,394,150
January, 1865.....	681	143,641,400	76,309,890
January 7, 1865.....	685	145,524,560	78,724,520
" 21,.....	736	169,099,296	83,058,200

February 4, .....	782	179,121,296	87,288,300
" 18, .....	815	186,041,726	93,666,380
March 4, .....	855	192,049,736	99,325,600
" 18, .....	908	202,944,486	104,750,540
April 1, .....	973	225,246,300	111,634,670
" 8, .....	993	232,064,150	114,524,000
" 22, .....	1,041	246,054,170	119,961,800
May 6, .....	1,116	264,954,170	126,360,330

The following circular has been issued by the Hon. FREEMAN CLARK, for the purpose of adjusting the circulation of the National Banks :

TREASURY DEPARTMENT, OFFICE OF COMPTROLLER }  
OF THE CURRENCY, WASHINGTON, May 6, 1865 }

SIR : You are requested to make a statement, as indicated in the inclosed form, exhibiting—

First, The amount of your circulation as a State Bank outstanding, at the date of the conversion of your bank to the national system.

Second, The amount of such circulating notes outstanding May 15, 1865. You are also requested to specify, as a separate item, in your regular monthly report, the amount of State Bank circulation outstanding at the date of such statement. This information is necessary in order to determine the amount of national currency that may be issued to your Bank without exceeding the ratio prescribed by the amendment to section 21 of the currency act, passed March 3, 1865. In future it will be requisite, in order to avoid confusion or misunderstanding, to send with each order for national currency, a statement of the amount of notes of your old Bank outstanding at the date of the order.

F. CLARK, Comptroller of Currency.

The following is the estimated stock of gold on deposit in the various banking institutions in the city :

New York banks and Sub Treasury on May 1.....	\$39,897,087
Deduct for exports about.....	6,500,000
Balance.....	<u>\$33,397,187</u>
Specie in Boston banks.....	2,500,000
Specie in Philadelphia banks.....	1,285,000
Specie in Wisconsin banks.....	1,300,000
Specie in Illinois banks.....	1,800,000
Specie in other banks in the loyal States.....	<u>5,900,000</u>
Total.....	<u>\$46,182,187</u>

The following are the returns of the Bank of England :

THE BANK OF ENGLAND RETURNS (IN POUNDS STERLING).

Date, 1865.	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	30,708,033	14,100,974	6 "
Jan. 4,...	21,007,215	8,500,269	13,874,977	32,832,904	13,933,592	6 "
" 11,...	21,012,778	4,445,535	16,174,166	30,957,380	14,097,390	5½ "
" 18,...	21,223,848	4,186,614	14,653,015	29,292,273	14,168,227	5½ "
" 25,...	20,614,794	4,386,799	14,553,933	29,178,458	14,317,215	5 "

Feb. 1,...	20,998,478	5,541,452	14,447,994	30,040,983	14,461,224	5	"
" 8,...	20,743,805	6,252,892	13,814,063	29,908,102	14,511,611	5	"
" 15,...	20,899,763	6,572,512	13,969,659	30,007,199	14,553,871	5	"
" 22,...	20,101,978	6,665,364	14,140,885	29,910,491	14,600,233	4 $\frac{1}{2}$	"
Mar. 1,...	20,381,080	6,854,409	14,158,331	30,424,108	14,801,267	4 $\frac{1}{2}$	"
" 8,...	20,281,455	7,677,728	13,904,702	30,949,096	14,758,607	4 $\frac{1}{2}$	"
" 15,...	20,095,563	8,348,481	13,785,825	31,204,694	14,882,258	4 $\frac{1}{2}$	"
" 22,...	20,028,891	10,198,989	13,551,794	32,384,622	15,308,636	4 $\frac{1}{2}$	"
" 29,...	20,388,744	9,839,430	13,478,242	32,271,054	15,358,999	4	"
April 5,...	21,352,503	9,331,615	14,172,353	32,723,269	15,255,433	4	"
" 12,...	21,750,643	5,826,354	15,414,509	31,226,403	14,937,379	4	"
" 19,...	21,428,519	6,020,989	14,700,220	30,358,910	14,974,010	4	"
" 26, ..	21,438,377	6,298,382	13,965,270	30,139,400	14,754,795	4	"
May 3,...	22,072,011	6,712,465	14,059,280	31,356,348	14,679,974	4 $\frac{1}{2}$	"
" 10,...	21,701,380	7,349,114	13,760,032	31,149,978	14,862,102	4 $\frac{1}{2}$	"

The following are the returns of the Bank of France :

## BANK OF FRANCE.

	Loans.	Cash and Bullion.	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	4 $\frac{1}{2}$
" 29	597,157,830	359,969,767	726,212,275	171,321,867	.
January 5	690,129,259	330,071,913	790,526,625	190,488,131	4 $\frac{1}{2}$
" 12	677,690,909	314,771,593	806,325,675	153,188,384	4 $\frac{1}{2}$
" 19	667,121,414	318,170,064	817,443,275	142,120,960	4 $\frac{1}{2}$
" 26	642,779,237	322,119,477	808,283,925	139,123,008	4 $\frac{1}{2}$
February 2	651,375,290	318,454,492	812,425,252	143,430,627	4 $\frac{1}{2}$
" 9	636,303,905	339,240,543	805,966,575	153,039,752	4
" 16	604,140,057	354,573,163	801,601,175	139,995,788	4
" 23	584,895,098	371,630,673	785,025,125	150,235,334	4
March 2	569,812,574	381,455,854	772,377,175	192,866,298	4
" 9	544,367,920	410,774,986	773,343,825	166,985,971	3 $\frac{1}{2}$
" 16	514,175,658	424,981,230	777,523,125	153,467,097	3 $\frac{1}{2}$
" 23	509,473,256	445,864,708	774,556,625	148,899,173	3 $\frac{1}{2}$
" 30	533,202,250	456,899,812	764,783,125	158,286,600	3 $\frac{1}{2}$
April 6	520,398,578	454,945,361	786,434,775	167,028,900	3 $\frac{1}{2}$
" 13	522,800,231	432,776,299	806,557,975	130,834,687	3 $\frac{1}{2}$
" 20	533,509,141	430,925,270	811,751,175	132,941,333	3 $\frac{1}{2}$
" 27	532,804,786	422,621,703	808,818,275	151,124,075	3 $\frac{1}{2}$
May 4	541,445,768	451,698,249	812,077,975	172,371,532	3 $\frac{1}{2}$
" 11	523,453,076	460,963,977	817,660,875	168,213,664	3 $\frac{1}{2}$

The Bank of France returns, though favorable in a purely banking point of view, are unfavorable to commerce. They show a constant accretion of coin and bullion, a heaping up of deposits, and a falling off in loans.

## STATISTICS OF TRADE AND COMMERCE.

### COMMERCE OF THE SANDWICH ISLANDS.

THE annual commercial statistics, prepared by the Collector General of Customs, show that the commerce of the Sandwich Islands has made an enormous stride during the year 1864, having increased about *fifty* per cent. in the foreign imports and *sixty* per cent. in the exports over the previous year. This increase is mainly attributable to the rapid and extraordinary development of the *sugar interests*. It will be remembered that in the November number of last year of the *Merchant's Magazine*, we gave a very able paper on "The Sandwich Islands and their Sugar Crop," showing that there was no reason why the Hawaiian group should not assume in the Pacific Ocean the same relative position to the markets of the Western coast of America, which Cuba bears to those of the Eastern and Mauritius to Great Britain. We now see that under the stimulus of high prices decided progress is being made, and with fertile soil, cheap land, labor at moderate prices, and a ready sale, we trust that we may be able another year to record even greater progress. The following table, prepared by the editor of the Honolulu *Commercial Advertiser*, will show the comparative exports of sugar and other principal articles the past three years:

#### EXPORTS OF LEADING ARTICLES FROM SANDWICH ISLANDS.

	1862.	1863.	1864.
Sugar, lbs. ....	3,005,608	5,292,121	10,414,441
Molasses, galls. ....	113,977	89,764	331,922
Rice, lbs. ....	111,008	128,451	319,835
Paddy, lbs. ....	801,699	598,291	105,320
Hides, lbs. ....	582,758	477,422	355,651
Goat skins. ....	53,076	43,646	32,333
Coffee, lbs. ....	146,463	133,171	50,083
Cotton, lbs. ....	None.	3,122	2,518
Pulu, lbs. ....	738,064	425,081	643,437
Tallow, lbs. ....	242,942	282,640	189,700
Fungus, lbs. ....	301,417	279,158	368,835
Wool, lbs. ....	119,927	233,163	196,667

From the above it will be seen that the exports of sugar have doubled the past year, and the total crop, for 1864, is estimated at from eleven to twelve million pounds. The coming year it is thought that it will reach as high as twenty million pounds. Molasses also shows a gain. The cultivation of cotton, however, does not appear to have succeeded. Rice from the Sandwich Islands always commands a high price in California, and, in fact, in all foreign markets it is acknowledged as equal to any offered for sale; the cultivation of it, therefore, must, we think, increase.

The total value of exports, imports, &c., the past three years, are given in the *Commercial Advertiser* of Honolulu, as follows. The figures for previous years

may be found in the April number, 1864, of the *Merchant's Magazine*, page 321, (Vol. 50, page 321).

## COMMERCE OF SANDWICH ISLANDS.

Year.	Total Imports.	Total Exports.	Domestic Produce Exported.	Foreign Merchandize Re exported.	Total Custom House Receipts.
1864..	\$1,712,241 61	\$1,662,181 49	\$1,113,328 81	\$548,852 66	\$159,116 72
1863..	1,175,493 25	1,025,852 74	744,413 54	281,439 20	122,752 68
1862..	998,239 67	888,424 61	586,541 87	251,382 74	107,490 42

Year.	Oil and Bone Transhipped.			Number National Vessels.	Merchant Vessels.		Number Entries Whalers	Gallons Spirits Consumed
	Galls. Sperm.	Galls. Whale.	Lbs. Bone.		No.	Tonnage.		
1864..	33,860	608,502	339,331	9	116	75,339	140	10,237
1863..	56,687	675,344	337,043	7	88	42,030	102	7,862
1862..	12,522	460,407	193,920	7	113	48,687	73	8,940

The figures giving the number of Custom House entries of whalers, at various ports, include all the entries at different ports of any and all whalers. Some of the vessels enter at several different ports during the year, and each entry, is counted in making up the above total. The actual number of different whalers arriving during the Spring of 1864, was fifty vessels, and during the Fall was fifty-seven, making a total of one hundred and seven.

## MICHIGAN CENSUS RETURNS OF 1864.

## POPULATION AND PRODUCTIONS.

THE State census of Michigan for 1864 is just published, and we are indebted to the Hon. GEO. H. HOUSE, Deputy-Secretary of State, for a copy of the report. There is in population a gain of 54,632 since 1860, the returns for 1860 giving the number at 749,113, and those for 1864 at 803,745; but whether the returns for 1864 include the soldiers now in the army, the published volume does not state.

We give below a table showing the production of grain and wool of each country according to the census of 1864, and the population in 1854, 1860, and 1864:

Counties.	Population.			No. bushels of wheat raised 1863.	No. bushels of all other kinds grain raised 1863.	No. lbs. of wool sheared 1863.
	1864.	1860.	1854.			
Allegan.....	18,831	16,089	7,804	210,484	79,882	65,515
Alpena.....	674	290	New	.....	.....	.....
Antrim.....	382	179	Not Or	676	268	.....
Barry.....	14,483	14,020	7,821	272,306	88,127	130,719
Bay.....	5,307	3,164	.....	1,291	1,591	302
Berrien.....	25,856	22,323	13,847	341,363	110,657	53,421
Branch.....	22,458	20,410	15,724	407,949	69,057	259,817
Calhoun.....	30,488	31,409	22,768	835,583	119,359	448,459
Cass.....	17,776	17,720	13,124	397,741	110,278	114,827
Cheboygan.....	483	517	272	1,261	1,657	.....
Chippewa.....	1,158	1,603	1,962	1,081	4,204	4,980
Clinton.....	14,739	13,926	7,926	98,903	117,482	125,931

Delta.....	561	1,172	New	15	1,900	.....
Eaton.....	16,497	15,895	10,965	165,454	108,019	202,438
Emmet.....	1,325	1,149	4,977	750	1,677	8
Genesee.....	22,776	22,600	15,676	117,826	180,665	289,018
Grand Traverse.	2,017	1,286	517	12,154	4,000	191
Gratiot.....	5,831	4,042	116	18,871	21,243	11,434
Hillsdale.....	27,324	25,376	19,188	479,869	111,318	366,628
Houghton.....	8,225	5,599	543	.....	2,470	.....
Huron.....	3,961	3,165	702	13,784	7,796	1,266
Ingham.....	17,128	17,521	11,222	181,302	110,063	206,540
Ionia.....	17,984	16,682	10,727	214,562	103,443	189,639
Iosco.....	395	175	New	.....	.....	.....
Isabella.....	1,844	1,443	New	3,261	3,266	366
Jackson.....	25,905	26,671	21,855	733,558	101,912	596,117
Kalamazoo.....	25,842	24,651	16,893	682,032	126,585	274,390
Kent.....	33,458	30,721	17,869	336,374	119,210	163,105
Keweenaw.....	5,180	3,653	2,873	80	900	44
Lapeer.....	15,247	14,754	9,704	168,715	120,551	176,113
Leelanaw.....	2,389	2,158	With	2,975	4,495	9
Lenawee.....	40,202	38,582	31,148	477,825	210,622	489,268
Livingston.....	16,174	16,851	14,185	290,734	120,346	358,586
Mackinac.....	1,335	1,938	1,373	30	685	.....
Macomb.....	22,404	22,843	18,114	220,732	275,163	300,588
Manistee.....	1,673	975	394	950	737	5
Manitou.....	.....	1,043	New	.....	.....	.....
Marquette.....	3,724	2,821	.....	.....	6	263
Mason.....	844	831	.....	572	1,512	500
Mecosta.....	1,332	880	New	4,877	7,688	304
Menominee.....	496	.....	.....	150	1,100	65
Midland.....	1,244	787	.....	2,812	4,351	361
Monroe.....	22,221	21,596	18,122	179,606	132,764	124,596
Montcalm.....	5,619	3,968	2,060	56,525	19,248	18,653
Muskegon.....	5,812	3,947	1,355	16,678	10,077	2,175
Newaygo.....	3,481	2,760	979	19,317	15,596	2,741
Oakland.....	33,735	37,720	31,884	605,590	349,616	696,987
Oceana.....	2,379	1,316	.....	7,459	2,611	187
Ononagon.....	5,406	3,973	3,662	26	1,245	1
Ottawa.....	15,156	13,215	7,137	87,835	56,207	25,726
Saginaw.....	19,681	12,693	1,053	20,542	54,204	10,480
Sauilac.....	8,853	7,599	3,529	39,211	55,187	11,297
Shiawassee.....	13,465	12,359	7,419	109,301	76,236	134,188
St. Clair.....	27,591	26,750	16,897	102,207	211,464	68,730
St. Joseph.....	21,796	21,108	15,087	517,495	72,612	168,641
Tuscola.....	6,983	4,886	1,504	36,335	27,763	9,735
Van Buren.....	17,830	15,224	8,300	295,135	77,447	56,588
Washtenaw.....	34,048	35,659	28,836	714,909	259,054	897,509
Wayne.....	83,326	74,727	65,778	181,145	317,240	196,421
Unorga'd count's	1,195	330	.....	1,319	1,398	19
Total.....	805,379	748,645	513,893	9,687,627	4,195,244	7,249,934

## SALT.—PROGRESS IN THE MANUFACTURE.

The progress made in the manufacture of salt has been very rapid. This is made particularly evident when compared with the production of the Onondaga and Virginia Salt Springs.

The manufacture of salt was commenced at the Onondaga Salt Springs, in New York, June 20, 1797.

Salt made 1st year .....	5,095 barrels.
“ 20th “ 1816.....	69,733 “
“ 40th “ 1836.....	382,572 “
“ 41st “ 1837.....	433,455 “
“ 66th “ 1862.....	1,810,775 “

At Kanawha, Virginia, salt was manufactured as early as 1804.

Made in 1829 .....	barrels	130,000
“ 1860 .....		700,000

SALT MADE IN SAGINAW, MICHIGAN.

1st year, 1860.....	barrels	4,000
2d “ 1861.....		125,000
3d “ 1862.....		243,000
4th “ 1863.....		466,356
5th “ 1864.....		529,073

The first investment in the salt business on Saginaw River, was by the East Saginaw Salt Manufacturing Company, at East Saginaw, in 1859. Present value of the salt investment in the Saginaw River district, nearly two and a-half million dollars—about the same value it was estimated all the salt works in the Onondaga district would hold at the end of the year 1860. [Report Supt. Onondaga Salt Springs for 1859, p. 15.]

Fifty years of progress in the manufacture of salt in the Kanawha Valley, did not equal the progress made in four years in Saginaw Valley; and forty-two years of progress at the Onondaga Salt Springs, the leading salt producing locality in the United States since 1797, did not equal the progress made there in five years.

SALT BUSINESS OF 1864.

The following is a summary of the salt business in Michigan for the year 1864 :

Number of companies in operation.....	67
“ of blocks.....	118
“ of kettles.....	4,210
“ of solar covers.....	4,949
“ of acres land.....	9,475½
Investment.....	\$2,269,500
Salt made in 1864.....	barrels 529,078
Men employed.....	892
Cords of wood consumed.....	109,368
Aggregate value of wood.....	\$286,545
Value of barrels used.....	\$238,074
Aggregate value of salt at shipping point.....	\$1,190,410

The disproportion between the aggregate value of wood and the number of cords given, is explained by the fact that many works where mill fuel is used, have given the value without any estimate as to number of cords. As at present carried on, the demand for wood for salt manufacture in the Saginaw Valley will require each year the timber off from about 3,000 acres of land.

MANUFACTURES.

We are told in the published report that the State census has always been very incomplete in its returns with respect to its manufactures. Hundreds of

manufactories, of various classes, have either made but partial returns, or none whatever. Additional legislation, and a better appreciation of the importance of correct statistical information, is required to insure full and accurate returns hereafter. We give, however, the following table from the Report :

## MANUFACTORIES NOT HEREAFTER ENUMERATED.

	Census of 1854.	Census of 1864.	Aggregate increase.	Per ct. increase.
Steam power .....	Not returned	303	.....	....
Water power .....	Not returned	139	.....	....
Persons employed .....	5,769	8,142	2,373	41.1
Capital invested.....	\$2,832,965	\$5,532,619	\$2,899,654	84.7
Value of products past year.....	\$3,604,712	\$9,326,795	\$5,722,083	158.7

## FLOURING MILLS.

Number of mills.....	254	398	144	56.7
Steam power .....	25	74	49	196.0
Water power .....	220	323	103	46.8
Runs of stone .....	618	975	357	57.8
Persons employed.....	604	1,040	436	72.2
Barrels of flour past year.....	998,503	1,319,923	321,420	32.2
Capital invested.....	\$1,828,006	\$2,840,925	\$1,012,919	55.4
Value of products past year.....	3,567,978	\$6,572,136	\$3,004,158	84.2

## SAW MILLS.

Number of mills.....	922	1,073	151	16.4
Steam power.....	271	531	260	95.9
Water power.....	618	521	*95	*15.4
Persons employed.....	4,579	7,747	3,168	69.2
Feet of lumber sawed past year..	392,920,714	621,477,904	228,557,190	58.2
Capital invested.....	\$2,442,578	\$6,109,070	\$3,666,492	150.1
Value of products past year....	\$3,273,036	\$8,363,550	\$5,090,514	155.5

## BREWERIES.

Number of breweries.....	23	95	67	239.3
Barrels beer made preceding year	36,392	54,926	18,534	50.9

## DISTILLERIES.

Number of distilleries.....	13	11	*2	15.4
Gallons liquor made preced'g year	260,340	284,334	23,992	9.2
Gallons wine made preceding year	1,216	5,551	4,336	356.9
Barrels cider made preced'g year.	2,830	64,816	61,986	2186.7

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\* Decrease.

## COMMERCIAL REGULATIONS.

## DECISIONS OF THE COMMISSIONER OF INTERNAL REVENUE.

THE following are official copies of the decisions of the Commissioner of Internal Revenue the past month :

[Circular No. 29.]

## REGULATIONS WITH REGARD TO THE DUTIES ON WINES AND MANUFACTURED LIQUORS.

Treasury Department, Office of Internal Revenue,  
Washington, April 6, 1865.

The act of June 30, 1864, provides that on wine made of grapes a duty of 5 cents per gallon shall be levied, collected and paid.

On all other wines, or liquors known or denominated as wine, not made from currants, rhubarb, or berries, produced by being rectified or mixed with other spirits, or into which any matter whatever may be infused, to be sold as wine, or by any other name, and not otherwise provided for in this act, a duty of 50 cents per gallon.

Under these provisions, all wines made or produced from grapes, and sold, or removed for consumption or sale, or for delivery to others than agents of the manufacturers or producers, were liable to a duty, under the act of June 30, 1864, of five cents per gallon. All wines made from currants, rhubarb, or berries, without the mixture or infusion of any other spirits, were liable to an ad valorem duty of 5 per centum. All other wines, or liquors known or denominated as wine, whether sold under the name of "wine," or by any other name, were liable to a duty of fifty cents per gallon.

The same regulations for the return, assessment, and collection of the duties on manufactures in general, under the 94th section, were and are applicable to wines made dutiable under said section, and will be observed as though made specially in reference to such wines.

By the act of amendment of March 3, 1865, on and after the first day of April the duty on wine made of grapes will be 6 cents per gallon; on wine made from currants, rhubarb, or berries, &c., 6 per cent ad valorem; and on all other wines, &c., 60 cents per gallon.

Monthly returns will be required by the assessor from the manufacturer or producer of wines, whether the same are the product of the vintage and the garden, or made by any process of mixing, rectifying, or refining, and the taxes must be assessed thereon according to the above rates, and collectors will make the collection of all such duties so assessed upon wines, in all respects, as upon other manufactured products taxable under section 94.

In addition to the distilled spirits, wines, and imitations of wine, especially provided for and taxed under the 55th and 94th sections of the act of June 30, 1864, as amended by the act of March 3, 1865, there is another class of liquors manufactured and sold as imitations of Bourbon whiskey, brandy, gin, &c., for which the law has made no special provisions. These liquors are made from domestic whiskey after the same has been rectified, by leaching through tubs containing charcoal, or by redistillation, and afterwards reducing the proof of the pure spirits, and adding essences, flavoring extracts, and coloring matter. The leaching or redistillation of raw spirits in its ordinary state does not make the product liable to any additional excise tax; but every distiller, rectifier,

brewer, or other person or persons, who, by the processes named, or by any other processes, manufactures liquors for sale under the name of brandy, gin, rum, Bourbon, or any other assumed name, or fancy brand, is liable to pay thereon an ad valorem duty of 6 per centum, under the general provisions of the 94th section, as manufactures not otherwise provided for.

It will be the duty of the assessor to require every distiller, rectifier, brewer, or other person engaged in the manufacture or production of any spirituous liquors, or imitations as above, to make monthly returns in the same manner, and at the same time, as provided for other manufactures taxable under the 94th section.

If it is at any time ascertained that any articles of the character herein described have been heretofore manufactured and sold, or removed for consumption or sale, without being regularly returned for taxation, the assessor will take immediate steps for obtaining the proper returns, or assessing the same; and in case of neglect or refusal, or of fraudulent evasion, will assess the appropriate penalties.

JOSEPH J. LEWIS,  
Commissioner.

[Circular No. 30.]

REGULATIONS FOR THE PURCHASE OF SUPPLIES FOR THE USE OF THE UNITED STATES, FREE OF TAX.

Treasury Department, Office of Internal Revenue,  
Washington, April 7, 1865.

The following regulations, prescribed by the Secretary of the Treasury, are herewith published for the information of all officers of Internal Revenue.

JOSEPH J. LEWIS,  
Commissioner.

Treasury Department, Washington, April 7, 1865.

REGULATIONS.

The seventeenth section of the act of March 3, 1865, provides that the privilege of purchasing supplies of goods imported from foreign countries for the use of the United States, duty free, which now does, or hereafter shall, exist by provision of law, shall be extended, under such regulations as the Secretary of the Treasury may prescribe, to all articles of domestic production which are subject to tax by the provisions of this act. Under this section the following regulations will be observed:

1. *Articles Stored in Bonded Warehouse.*—When any goods which are stored in bonded warehouse are purchased for the use of the United States, under a contract entered into subsequently to the first day of April, A. D. 1865, the officer purchasing the same will, in his official capacity, make a certificate setting forth the fact of such purchase and the date of the same, and embodying a descriptive schedule of the articles, in which they shall be described with sufficient minuteness to allow of their identification and to determine their quantity.

This certificate will be forwarded to the bureau or department on behalf of which the purchase is made; and if the head of such bureau or department shall approve the contract and request a remission of the tax, he will transmit the certificate to the Secretary of the Treasury, with a request for such remission of tax.

If the certificate is found to be in proper form and to set forth the quantity and description of the goods with sufficient clearness to allow of their identification, a permit will be issued for their removal from the warehouse and delivery

to the officer making the purchase. This permit will be delivered to the Collector of Internal Revenue having charge of the warehouse, and will be by him transmitted to the Office of Internal Revenue as his voucher for the cancellation of the warehouse bond under which the goods were stored.

2. *Articles not Stored in Bonded Warehouse.*—When any articles which are subject to an excise tax, and which are not stored in a bonded warehouse, are purchased for the use of the United States directly from the producer or manufacturer of such goods, under a contract entered into subsequently to the first day of April, A. D. 1865, the officer making such purchase will furnish to the manufacturer or producer a certificate similar to that required in the case of bonded articles, but setting forth in addition the price paid under the contract, and the fact that there was a mutual understanding at the time of making the contract that the goods were to be free of tax.

This certificate will be forwarded to the bureau or department on behalf of which the purchase is made; and if the head of such bureau or department shall approve the terms of the purchase, he will transmit the certificate to the Secretary of the Treasury, with a request for the remission of the tax.

If the certificate is found to be in proper form, and to set forth the quantity and description of the goods with sufficient clearness to allow of their identification, a permit will be issued for their delivery to the officer making the purchase without payment of duty. This permit will be accepted by the assessor of the district in which the goods were manufactured, in full discharge of any liability of the manufacturer to an excise tax on account of the manufacture and sale of the articles so purchased for the use of the United States, and in making any assessment against such manufacturer, he will omit the value and quantity of such goods.

H. McCULLOCH,  
Secretary of the Treasury.

[Circular No. 31.]

REGULATIONS FOR THE INSPECTION OF TOBACCO, SNUFF AND CIGARS.

Treasury Department, Office of Internal Revenue,  
Washington, April 21, 1865.

As it was found that stamps of a suitable character to be used on boxes and packages of cigars could not be conveniently provided prior to the first day of April, it was determined that the alternative mode of marking allowed by the statute should be adopted as a temporary measure. It is now ascertained with reasonable certainty that a sufficient supply of stamps calculated to answer the purposes intended can be had by the first day of June next. It is therefore deemed expedient to apprise revenue officers and manufacturers of cigars that from and after that date these revised regulations, prepared specially in reference to the use of stamps, but adapted to the requirements of the law relating to snuff and tobacco, will take effect, and the regulations heretofore issued, so far as they differ from these, or are inconsistent with them, are to be considered as rescinded. Until the first of June, however, the regulations of the thirtieth of March will continue to be observed.

*Tobacco.*

Section 91 of the act of June 30, 1864, as amended by the act of March 3, 1865, provides that all manufactured tobacco, snuff, or cigars, whether of domestic manufacture or imported, shall, before the same is used or removed for consumption, be inspected and weighed by an Inspector, who shall mark or affix a stamp upon the box or other package containing such tobacco, snuff or cigars in a manner to be prescribed by the Commissioner of Internal Revenue, denoting

the kind or form of tobacco, and the weight of such package, with the date of inspection and the name of the inspector.

1. By virtue of this section, plug, twist and all other kinds of manufactured tobacco, including cut and granulated tobacco, whether designed for chewing or smoking, snuff and all substitutes for such manufactured tobacco or snuff shall be inspected in the boxes, casks, barrels, bundles or packages in which they are intended to be sold or offered for sale by the manufacturer.

2. Tobacco twisted by hand or reduced from leaf into condition to be consumed without the use of any machine or instrument, and not pressed, sweetened or otherwise prepared will be subject to inspection in the same manner.

3. Where tobacco of any kind is placed in bond it must be presented to the inspector packed in such boxes, barrels or cases as will enable him to brand or mark each box, barrel, or case as required.

4. The inspector will mark with a stencil or branding iron on each box, cask, barrel, bundle or other package of tobacco or snuff inspected by him, the weight and kind of tobacco or snuff contained in each, with the date of the inspection and his name and official designation.

5. The inspector will keep an accurate account of all tobacco and snuff inspected by him, and on the first day of each month return to the assessor of his district a separate and distinct account of the weight and kind of all tobacco and snuff inspected by him during the preceding month, with the dates of such inspections and the names of the persons, firms or companies for whom the same were so inspected.

6. Any Inspector who shall knowingly put upon any box, cask or package, any false or fraudulent mark, is liable to a penalty of three hundred dollars for each box, cask or package so marked. And any person who shall attempt fraudulently to evade the payment of the tax by changing the mark, or who shall purchase or sell any empty box, cask or package, with the Inspector's marks thereon, or who shall fraudulently use the same so marked, shall be subject to a like penalty for each box, cask or package so purchased, sold or used, or upon which the mark was so changed.

#### *Cigars and Cigarettes.*

7. All cigars manufactured, on removal from the place of manufacture, must be packed in boxes by the manufacturer, and all cigars imported must be so packed by the importer; provided that any manufacturer may avail himself of the privilege given him, by the late amendment of section 94, to have cigars counted by the assistant assessor or inspector, and to sell the same unpacked or in bulk in his presence.

8. The inspector will satisfy himself of the number of cigars in each box, and will attach to the box a stamp, or more than one if necessary, expressing in the aggregate the number of cigars and the tax payable thereon, and bearing also his name, official designation and date of inspection.

The requisition for marking the weight does not apply to domestic cigars, but only to those that are imported.

9. The inspector will keep an accurate account of the cigars inspected by him, and on the first day of each month return to the assessor of his district a separate and distinct account of the number of cigars inspected by him during the preceding month, the number of stamps used, the dates of inspections, and the names of the persons, firms or companies, severally for whom the same were so inspected.

10. Under the provisions of the amendatory act in relation to cigarettes made of tobacco inclosed in a paper wrapper, it is evident that there can be none which can be "valued at not more than five dollars per hundred packages," inasmuch as they must be valued at least at the cost of the tax and making beyond the tax, which is itself five dollars per hundred packages. Cigarettes therefore made of tobacco inclosed in a paper wrapper, are not subject to inspection as cigarettes, but subject to duty at the rate of five per cent ad valorem. The

tobacco of which such cigarettes are made, being a species of manufactured tobacco mentioned in the law, will however be necessarily inspected as manufactured tobacco, and the tax assessed at the rate of thirty five cents per pound.

The term cigarette, originally the diminutive of cigars, must be confined strictly to its trade meaning which is descriptive of smoking tobacco cut and made fine and inclosed in a paper wrapper. Any so called cigarette containing any tobacco other than smoking tobacco, cut and made fine or inclosed in any other than a paper wrapper, must be classed and treated as a cigar.

All cigars, cheroots, and cigarettes, made wholly of tobacco or of any substitutes therefor, are required to be inspected. This will include cigarettes properly so-called inclosed in tobacco wrappers, and all cigars and cheroots made of tobacco or of any substitutes for tobacco, whether made entirely of tobacco or some substitute therefor, or partly of tobacco and partly of such substitute.

#### *Imported Tobacco, Snuff and Cigars.*

11. Imported tobacco, snuff and cigars, are subject to the same rules and regulations relating to inspection, as the same denomination of articles of domestic manufacture, except that the weight of imported cigars is to be marked on the boxes or packages instead of the number.

#### *Bonds of Inspectors.*

12. Inspectors are required by the late amendatory act to give bond for the faithful performance of all the duties to which they may be assigned, and to return or account for all stamps which may be put in their hands.

The bonds of inspectors shall be taken by the collectors of the respective districts in such penalties as they may severally require, and with not less than two sureties each, to be approved by the collectors. The collectors shall certify to the sufficiency of the sureties, and transmit the bonds with their certificates to the Commissioner of Internal Revenue for his approval and custody. The Commissioner will, at any time, if he deems the bond of any inspector insufficient in amount or unsatisfactory in any other respect, require other or additional security. Blank bonds in proper form will be furnished by this office.

#### *Fees of Inspectors.*

13. The fees of inspectors are in all cases to be paid by the owner of the manufactured tobacco, snuff, or cigars.

They shall be as follows:

For inspection of cigars, twenty-five cents per thousand.

For inspection of tobacco, ten cents per hundred pounds.

For inspection of snuff, one cent for each ten pounds.

For the certificate of cigars sold without inspection, as provided by the amendment to section 94, ten cents per thousand.

For the examination and identification of tobacco received at a bonded warehouse under transportation bond, five cents per hundred pounds.

When this scale shall be found, in any district, to be excessive or inadequate, the scale will be modified upon a report of the circumstances to this office.

#### *Re-Inspection.*

14. All manufactured tobacco of any kind which shall be sold or pass out of the hands of the manufacturer, except into a bonded warehouse, without the inspection marks, is liable to seizure and forfeiture. The only exception is that cigars may be sold before inspection under the regulations for that purpose.

But a purchaser of tobacco after inspection may innocently repack the same for sale; although, under the law, the appearance of the tobacco in the market without the inspection marks, is *prima facie* evidence of fraud. In case of repacking, therefore, to avoid suspicion and trouble, such purchasers on application

to the assessor of the district, will be permitted to have such repacked tobacco re-inspected by an Inspector. The inspector shall receive the original boxes, casks, envelopes, or other packages, and destroy the marks or brands thereon; and shall brand or mark the new packages with the word "*re-inspected*," in addition to the words and figures above required; and shall return the amount to the assessor as "*re inspected*," and not as again taxable.

#### Stamps.

15. Stamps will be furnished of three denominations, for packages of twenty-five, one hundred, and five hundred cigars each, and representing duties of twenty-five cents, one dollar, and five dollars respectively.

It is supposed that each box will contain twenty-five cigars, or some multiple of that number, agreeably to the present trade custom. But as the inspector cannot control the manufacturer in this, if any manufacturer determine to pack such numbers as cannot be represented by the above stamps, on notice to this office stamps will be provided, and the *fees for inspection will be increased for such lots*.

16. Each Inspector will transmit to the Commissioner of Internal Revenue through the assessor of his district his application for stamps, setting forth his name, his post-office address, his collection district, and the number of each denomination of stamps required by him. This number ought not in general to exceed one month's supply. The application must be endorsed by the assessor of the district, to whom the stamps will thereupon be sent, if the application is approved by the Commissioner. The assessor will deliver them to the inspector, taking his receipt for them in duplicate, one of which he will transmit to this office.

17. If at any time, when an inspector presents his application for a supply of stamps, the assessor shall be of opinion that some other inspector in his district holds more stamps than are needed by him, he will endorse upon such application an order for the transfer of a designated number of stamps; and the inspector receiving such stamps will give a receipt in duplicate in the same manner as provided above, and such receipt will be a sufficient voucher for the inspector delivering such stamps in the settlement of his account.

19. Each of the stamps furnished will bear imprinted upon it a series of months and days, in such manner that the inspector, by a stroke of his brush or pen, under any date, may indicate that as the date of inspection.

#### Inspectors and Assessors.

20. It will be seen by the foregoing, that it becomes important that assessors and inspectors shall be particularly vigilant that the whole product of each manufactory be returned and accounted for, and that care be exercised in the use and application of stamps, which must also be accounted for.

21. Section 12 of the amendatory act provides that any person required by law to be licensed as a manufacturer of tobacco, snuff or cigars, shall, before said license is issued, give a bond to the United States in such sum as shall be required by the Collector, with one or more sureties, to be approved by the Collector. The amount of such bond should not, in any case, be less than twice the estimated monthly tax to which such manufacturer will be liable. Such bond will be conditioned that the manufacturer will comply with all the requirements of law in regard to any persons, firms, companies or corporations, engaged in the manufacture of tobacco, snuff, or cigars; that he will not manufacture or employ others to manufacture tobacco, snuff, or cigars, without first obtaining the requisite permit therefor; that he will not engage in any attempt by himself or by collusion with others to defraud the government of any duty or tax on any manufacture of tobacco, snuff, or cigars; that he will render truly and correctly all the returns, statements, and inventories prescribed for manufacturers of tobacco, snuff, and cigars, and will pay to the Collector of the district all the duty or

taxes which may or should be assessed and due on any tobacco, snuff, or cigars, so manufactured, and that he will not knowingly sell, purchase, or receive for sale any such tobacco, snuff, or cigars, which has not been inspected, branded, or stamped as required by law, or upon which the tax has not been paid. Collectors will require this bond to be given before any license shall hereafter be issued, and it will be the duty of the manufacturer to prepare and furnish the bond. Forms of such bond will be furnished by this office.

JOSEPH J. LEWIS,  
Commissioner.

[No. 153.]

Treasury Department, Office of Internal Revenue,  
Washington, April 21, 1865.

DECISION WITH REFERENCE TO THE TAX ON IRON, COPPER, LEAD, SVELTER AND BRASS, AND ARTICLES MANUFACTURED THEREFROM.

Under the several clauses of the 94th section of the act of June 30, 1864, as amended by the act of March 3, 1865, the following rates of duty are imposed on iron, copper, lead, spelter and brass in the different states hereinafter named, accordingly as each metal at different stages is wrought from material which has been previously taxed, or from material on which no tax has been paid.

Whenever a manufacturer reduces iron or other metal from the ore, or advances it from one of the primary forms to a more advanced state, and afterwards uses or consumes the same in the production of manufactured articles, he is liable to pay the same tax thereon as if he removed it for sale.

Applying these provisions to the different metals in question, and the manufactures therefrom, we obtain the following schedule of rates:—

1. Pig-Iron, \$2 40.
2. Blooms, slabs and loops from the ore, \$3 60.
3. Railroad Iron, \$3 60.
4. Do. do., re-rolled, \$2 40.
5. Bars, or Rods, \$3 60.  
Band, hoop, and sheet, not thinner than No. 18 wire gauge, and plate not less than one-eighth of an inch in thickness, \$3 60.
6. Band, hoop, and sheet, thinner than No. 18, and plate less than one-eighth of an inch. \$6 00.  
Do. do., from material taxed under No. 5, \$2 40.  
Cut nails and spikes made from plate taxed under No. 5 or 6, \$2 40.  
[If the manufacturer of the nails or spikes makes the plate from which the nails or spikes are cut, such plate will be taxed under No. 5 or 6, in accordance with the proviso to section 93.]  
Cut nails and spikes made from plate which has not been taxed under No. 5 or 6, \$6 00.  
[Axe polls are subject to the same rates of duty and the same provisions as cut nails and spikes.]
7. Castings for bridges or other permanent structures, \$3 60.
8. Stoves, and hollow ware, and castings, exceeding ten per cent, \$3 60.
9. Rivets exceeding one-fourth of an inch, nuts and washers not less than two ounces each, and bolts exceeding five-sixteenths of an inch, \$6 00.  
Rivets, nuts, washers and bolts made from iron taxed under No. 5 or 6, \$2 40.
10. Railroad chairs, and railroad, boat, and ship spikes and tubes made from wrought iron, \$6 00.
11. Axle bars, or rough forgings for car and wagon axles, car tire, shafting, cranks, anchors, &c., &c., made of blooms, slabs or loops, or of scrap iron, are taxable as bar iron under No. 5.

12. Finished car and wagon axles, car tire, and all manufactured articles from forgings as above, boilers of all kinds, water tanks, sugar tanks, oil stills, shafting, gearing, iron railings, gates, fences, furniture, statuary, and all other manufactures of iron not above enumerated or otherwise provided for, are to be taxed at the rate of six per cent ad valorem.
13. Wrought nails, including annealed nails, finishing nails, tacks, brads, and horse-shoe nails, wrought by hand or machinery, are liable to a duty of six per cent ad valorem.
14. Castings of iron less than ten pounds in weight, and malleable iron castings of all weights, are taxable as manufactures not otherwise provided for, at the rate of six per cent ad valorem.
15. Ingots, pigs, or bars of copper, lead or spelter, 3 6-10 per cent.  
Do. do. of brass made from taxed material, on increased value, 3 6-10 per cent.  
Do. do. do. untaxed material, 3 6-10 per cent.
16. Rolled brass, rolled copper, yellow sheathing metal in rods or sheets, copper, zinc and brass nails or rivets, and shot, sheet lead, and lead pipes, made from copper, lead, spelter or brass, upon which a duty has been assessed and paid in the form of ingots, pigs or brass. 3 6-10 per cent.  
Do. do. made from copper, lead, spelter, upon which no duty has been assessed and paid in the form of ingots, pigs or bars, 6 per cent.
17. Zinc or spelter rolled from ingots, pigs or bars, 6 per cent.
18. Castings of copper, spelter, or brass, or of mixtures, or fusions of these metals, are liable, as manufactures not otherwise provided for, to an ad valorem duty of 6 per cent.
19. The law imposes a tax on the finished hull of a ship, steamboat, or other vessel, including cabins, inner and upper works, as a unit or entirety; and in like manner upon engines, locomotives, cars, carriages, and other articles. This does not, however, exempt iron and other materials, castings exceeding ten pounds in weight, which the law regards as a condition of iron, or nails, spikes, rivets, bolts, nuts, washers, spindles, screws, tubes, pipes, springs, axles, tires, cranks, shafts, boilers, &c., &c., which are manufactures of iron or other material, from their appropriate duties, when the same are made and used or consumed by the builder, manufacturer, or producer of any ship, engine, locomotive, car, carriage, or other article. The only exception to this rule is in the case of boilers for engines, for which the law specially provides, that when boilers shall have been once assessed and a duty paid thereon, the amount so paid shall be deducted from the duties on the finished engine.

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[Special No. 11.]

RELATING TO THE SALE OF PLAYING CARDS IN THE ORIGINAL PACKAGE.

Treasury Department, Office of Internal Revenue,  
Washington, April 5, 1865.

Assessors and Collectors are hereby informed, that, where the manufacturer of Playing Cards shall indicate by a mark upon the outside of the original package in which such Cards are sold, that stamps of a certain denomination are affixed to the respective packs enclosed in such package, in the view of this office it will not be consistent with the late act of Congress to require that any penalty shall be imposed upon jobbers, who may sell such Cards in the original and unbroken package thus marked by the manufacturer: *Provided*, That the price at which the Cards are sold by the jobber is such as is covered by the stamps said to be affixed.

Wherever any such package is broken, and the several packs exposed for sale,

it will be the duty of the holder to affix any additional stamps that may be required by the price at which he offers them for sale.

JOSEPH J. LEWIS,  
Commissioner.

[Special No. 14.]

CONCERNING THE POST OFFICE ADDRESS OF TAXPAYERS.

Treasury Department, Office of Internal Revenue,  
Washington, April 27, 1865.

Assessors are instructed, in all cases where practicable, to enter the *Post Office address*, as well as the residence, of each tax-payer in their assessment lists.

As soon as the present supply of form 23 is exhausted, a new column will be introduced for this purpose, but for the present the old form will be filled as above directed, and two lines will be used when necessary.

JOSEPH J. LEWIS,  
Commissioner.

## TRADE WITH THE SOUTH.

### RULES AND REGULATIONS CONCERNING COMMERCIAL INTERCOURSE WITH INSURRECTIONARY STATES.

#### EXECUTIVE ORDER.

Executive Chamber, Washington, April 29.

Being desirous to relieve all loyal citizens and well disposed persons residing in insurrectionary States from unnecessary commercial restrictions, and to encourage them to return to peaceful pursuits, it is hereby ordered :

*First*,—That the restrictions upon internal and domestic commercial intercourse be discontinued in such parts of the States of Tennessee, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, and so much of Louisiana as lies east of the Mississippi River as shall be embraced within the lines of national military occupation, excepting only such restrictions as are imposed by acts of Congress, and regulations in pursuance thereof, prescribed by the Secretary of the Treasury, and approved by the President ; and excepting also from the effect of this order the following articles contraband of war, to wit : arms, ammunition, and all articles from which ammunition is manufactured, gray uniforms and cloths, locomotives, cars, railroad iron and machinery for operating railroads, telegraph wires, insulators and instruments for operating telegraph lines.

*Second*,—That all existing military and naval orders in any manner restricting domestic and coastwise commercial intercourse and trade in the localities above-named be, and the same are hereby revoked ; and that no military or naval officer in any manner interrupt or interfere with the same, or with any boats or other vessels engaged therein under proper authority pursuant to the regulations of the Secretary of the Treasury.

ANDREW JOHNSON.

## RULES AND REGULATIONS.

Treasury Department, May 9, 1865.

With a view of carrying out the purposes of the Executive, as expressed in his executive order bearing date of April 29, 1865, "to relieve all loyal citizens and well-disposed persons residing in insurrectionary States from unnecessary commercial restrictions, and to encourage them to return to peaceful pursuits," the following regulations are prescribed, and will hereafter govern commercial intercourse between the States of Tennessee, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, and Louisiana, east of the Mississippi River, heretofore declared in insurrection, and the loyal States.

First,—All commercial transactions under these regulations shall be conducted under the supervision of officers of customs and others acting as officers of customs.

Second,—*Prohibited Articles.*—The following articles are prohibited, and none such will be allowed to be transported to or within any State heretofore declared in insurrection, except on government account, viz.: arms, ammunition, all articles from which ammunition is manufactured, gray uniforms and cloth, locomotives, cars, railroad iron and machinery for operating railroads, telegraph wires, insulators and instruments for operating telegraph lines.

Third,—*Amounts of Products Allowed, and Places to which such may be Transported.*—It having been determined and agreed upon by the proper officers of the War and Treasury Departments, in accordance with the requirements of section 9 of the act of July 2d, 1864, that the amount of goods required to supply the necessities of the loyal persons residing in the insurrectionary States, within the military lines of the United States forces, shall be an amount equal to the aggregate of the applications therefor: and that the places to which such goods may be taken, shall be all places in such lines that may be named in the several applications for transportation thereto: it is therefore directed that clearance shall be granted, on application by any loyal citizen, for all goods not prohibited, in such amounts and to such places, which, under the revenue and collection laws of the United States, have been created ports of entry and delivery in coastwise trade, as the applicant may desire.

Fourth,—*Clearance.*—Before any vessel shall be cleared for any port within the insurrectionary States, or from one port to another therein, or from any such ports to a port in the loyal States, the master of every such vessel shall present to the proper officer of customs a manifest of her cargo, which manifest shall set forth the character of the merchandise composing said cargo, and, if showing no prohibited articles, shall be certified by such officers of customs.

Fifth,—*Arrival and Discharge of a Cargo in an Insurrectionary State.*—On the arrival of any such vessel at the port of destination, it shall be the duty of the master thereof forthwith to present to the proper officer of the customs the certified manifest of her cargo, whereupon the officer shall cause the vessel to be discharged, under his general supervision; and if the cargo is found to correspond with the manifest, a certificate to that effect shall be given to the master. If there shall be found any prohibited articles, they shall be seized and held subject to the orders of the Secretary of the Treasury, and the officer shall forthwith

report to the department all the facts of the case; and any such vessel arriving from any foreign port, or from any domestic port, without a proper clearance, or with contraband articles, shall, with her cargo, be seized and held as subject to confiscation under the laws of the United States.

Sixth,—*Lading within, and Departure from, an Insurrectionary State.*—Vessels in ports within an insurrectionary State, not declared open to the commerce of the world, shall be laden under the supervision of the proper officer of the department, whose duty it shall be to require, before any articles are allowed to be shipped, satisfactory evidence that upon all merchandise the taxes and fees required by law and these regulations have been paid, or secured to be paid, which fact, with the amount so paid, shall be certified upon the manifest. No clearance shall be granted if upon any article so shipped the fees and internal revenue taxes, or either, shall only have been secured to be paid, such fact shall be noted upon the manifest, and the proper officer at the port of destination of such vessel, shall hold the goods till all such taxes and fees shall be paid according to law and these regulations.

Seventh,—*Supply Stores.*—Persons desiring to keep a supply store at any place within an insurrectionary State, shall make application therefor to the nearest officer of the Treasury Department, which application shall set forth that the applicant is loyal to the Government of the United States, and upon being convinced of such loyalty, a license for such supply store shall forthwith be granted, and the person to whom the license is given, shall be authorized to purchase goods at any other supply store within the insurrectionary States, or at any other point, as he may select. The party receiving such license shall pay therefor the license fee presented by the Internal Revenue Law.

Eighth,—*Exempted Articles.*—All articles of local production and consumption, such as fruits, butter, ice, eggs, meat, wood, coal, &c., may, without fee or restriction, be freely transported and sold at such points in an insurrectionary State as the owner may desire.

Ninth,—*Shipments of Products of an Insurrectionary State.*—All cotton not produced by persons with their own labor, or with the labor of freedmen or others employed and paid by them, must, before shipment to any port or place in a loyal State, be sold to and resold by an officer of the government especially appointed for the purpose, under regulations prescribed by the Secretary of the Treasury, and approved by the President; and before allowing any cotton or other product to be shipped, or granting clearance for any vessel, the proper customs officer, or other person acting as such, must require from the purchasing agent, or the internal revenue officer, a certificate that the cotton proposed to be shipped has been resold by him, or that 25 per cent of the value thereof has been paid to such purchasing agent in money, and that the cotton is therefore free from further fee or tax. If the cotton proposed to be shipped is claimed and proved to be the product of a person's own labor, or of freedmen or others employed and paid by them, the officer will require that the shipping fee of three cents per pound shall be paid or secured to be paid thereon. If any product other than cotton is offered for shipment, the certificate of the internal revenue officer that all the internal taxes due thereon have been collected and paid must be produced prior to such product being shipped or cleared, and if there is no

internal revenue officer, then such taxes shall be collected by the customs officer, or he shall cause the same to be secured to be paid as provided in these regulations.

Tenth,—*Inland Transportation*.—The provisions of these regulations, necessarily modified, shall be considered applicable to all shipments inland to or within the insurrectionary States by any means of transportation whatever

Eleventh,—*Charges*—Goods not prohibited may be transported to insurrectionary States free. The charges upon all products shipped or transported from an insurrectionary State other than upon cotton, shall be the charges prescribed by the internal revenue laws. Upon cotton other than that purchased and resold by the government, three cents per pound, which must be credited by the officer collecting, as follows, viz : two cents per pound as the shipping fee. All cotton purchased and resold by the government shall be allowed to be transported free from all fees and taxes whatsoever.

Twelfth,—*Records to be Kept*.—Full and complete accounts and records must be kept by all officers acting under these regulations, of their transactions under them in such manner and form as shall be prescribed by the Commissioner of Customs.

Thirteenth,—*Loyalty a Requisite*.—No goods shall be sold in an insurrectionary State by or to, nor any transaction held with, any person or persons, not loyal to the government of the United States. Proof of loyalty must be the taking and subscribing the following oath or evidence, to be filed, that it, or one similar in purport and meaning, has been taken, viz :

I, ———, do solemnly swear, in presence of Almighty God, that I will henceforth faithfully support, protect and defend the Constitution of the United States, and all laws made in pursuance thereof.

Fourteenth,—*Former Regulations Revoked*.—These regulations shall take effect, and be in force on and after the 10th of May, 1865, and shall supersede all other regulations and circulars heretofore prescribed by the Treasury Department concerning commercial intercourse between loyal and insurrectionary States, all of which are hereby rescinded and annulled.

HUGH McCULLOCH,

Secretary of the Treasury.

Executive Chamber, Washington, May 9, 1865.

The foregoing rules and regulations concerning commercial intercourse with and in States and parts of States declared in insurrection, prescribed by the Secretary of the Treasury, in conformity with the acts of Congress relating thereto, having been seen and considered by me, are hereby approved.

ANDREW JOHNSON.

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OFFICIAL COPIES OF DECISIONS OF THE SECRETARY OF THE TREASURY  
UNDER THE TARIFF ACTS.

THE following decisions 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 port of New York, &c., have been sent us by the Secretary of the Treasury for publication :

ALLOWANCE FOR DRAFT.—TEA.

Treasury Department, November 1, 1864.

SIR : MESSRS. E. D. MORGAN & Co. have appealed (No. 2,343) from your decision in relation to certain Tea imported by them ex steamship "Atalanta," and claim "that in adding \$1,262 excess of invoice value, and levying thereon the 10 per cent ad valorem duty, amounts to \$126 20, you have levied this amount unlawfully, and that our entry should be liquidated without this addition of \$126 20. We claim that this excess in value is made up by an apparent excess in weight, which arises from the different mode of weighing by the U. S. weighers, who weigh a large number of packages at one draft, whereas the invoice weight is the aggregate of each package weighed separately, with allowance for draft; and consequently the invoice represents the true and legal ad valorem value for the assessment of the 10 per cent discriminating duty laid on Teas and other articles from east of the Cape of Good Hope, when imported from places west of the Cape of Good Hope."

Under existing laws no allowance is made for "draft," and the weight returned by the U. S. weighers determines the number of pounds imported. The value is determined by the appraisers.

In the case of E. D. MORGAN & Co., the weighers found the weight of the Tea per steamer "Atalanta" to be in excess of that stated in the invoice, and the appraisers found the value or price per pound as stated in the invoice to be correct; consequently the specific duty on the increased weight, and the 10 per cent on the value of said increase, both attach.

If it be shown that the usage in a foreign country is, on the purchase of 100 lbs. of Tea, to deliver 105 lbs., the answer is that the tariff levies a duty upon the Tea imported, and the gift or concession for good weight or allowance for draft, &c., &c., is as liable to duty as any five pounds purchased; the price *per pound* being fixed by the invoice, (below which duty cannot be levied,) and the duty must be charged at the actual and not invoice weight.

Your decision is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,

Secretary of the Treasury.

To Simeon Draper, Esq.,  
Collector, New York.

MANUFACTURES OF CORAL.

Treasury Department, November 2, 1864.

SIR : MESSRS. BIGELOW BROTHERS & KENNARD have appealed (No. 2,388) from your decision assessing duty at the rate of 30 per cent ad valorem on certain Manufactures of Coral, imported by them in the steamer "Africa," from Liverpool, August, 1864, and claim that they "should pay a duty of but 25 per cent, being of a similar description of other jewelry set in gold."

Under the 22d section—act March 2, 1861—"coral cut or manufactured" is liable to duty at the rate of 30 per cent ad valorem.

The article in question (samples of which have been examined by the experts of this Department) are invoiced and entered as "coral goods," and are commercially known as such; the fact that they are gold mounted, and are to be used for the adornment of the person—such ornamentation not being sufficiently

material to change their character—do not entitle them to be classified as “jewelry.”

Your decision is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,

Secretary of the Treasury.

To J. Z. Goodrich,  
Collector, Boston, Mass.

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STEEL SPECTACLES.

Treasury Department, November 5, 1864.

SIR: MESSRS. BECKEL & BROTHERS have appealed (No. 2.401) under date of October 25, 1864, from your assessment of duty at the rate of 45 per cent on certain Spectacles imported per steamer “City of Washington,” from Liverpool.

The appellants claim that the frames of the above articles are manufactured of iron, and are entitled to entry at the rate of 35 per cent.

The experts of the Customs report, after a thorough examination of the article in question, that they are manufactured of steel, and consequently the assessment of duty at 45 per cent was perfectly proper.

Your decision is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,

Secretary of the Treasury.

To Simeon Draper, Esq.,  
Collector, New York.

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TOYS, DOLLS, &C.

Treasury Department, November 12, 1864.

SIR: MESSRS. H. F. ALBERTI & Co. have appealed (No. 2.400) from your decision assessing duty at the rate of 50 per cent ad valorem, (under the classification of “wooden and all other toys for children,” found in the 12th section of the act approved June 30, 1864.) on certain “Common Marbles,” “Magic Lanterns,” and “Dolls,” imported by them, and claim to enter them at 35 per cent ad valorem.

“Common Marbles” are undoubtedly “toys for children,” under the above section, if of such size, material, and general character, as would render them suitable for the play or amusement of children only. If of a description and character to indicate their fitness for philosophical purposes, or for the amusement or instruction of grown persons, they should not be classified as “toys for children,” but according to the materials of which they are composed; and as glass forms a part of the article, they should be classified as manufactures of which glass is a component material, not otherwise provided for, at 40 per cent ad valorem, under the concluding clause of section 9, act approved June 30, 1864.

“Dolls” are specifically provided for by name in the 13th section of the act of July 14, 1862, in this connection: “dolls and toys of all kinds;” and I am of the opinion that the language in the 12th section of the act approved June 30, 1864, viz.: “On wooden and all other toys for children,” cannot be held to include “Dolls;” and that they are consequently liable to duty under the 13th section of the act of July 14, 1862, at the rate of 35 per cent ad valorem.

You are hereby instructed to adjust the entries of Messrs. H. F. ALBERTI &

Co. accordingly, provided the requirements of the 14th section of the act approved June 30, 1864, have been complied with.

I am, very respectfully,

W. P. FESSENDEN,  
Secretary of the Treasury.

To H. W. Hoffman, Esq.,  
Collector, Baltimore, Md.

DAMAGE ON IRON AND STEEL.

Treasury Department, November 18, 1864.

SIR: MESSRS. PETER WRIGHT & SONS have appealed (No. 2,415) from your decision assessing duty upon certain Iron and Steel recovered from the wreck of the ship "James Smith," wrecked in Delaware Bay, and claim that, although under the law no allowance for damage to Steel and Iron can be made when such articles are damaged by salt water while in ordinary transit, the law should be construed so as not to apply in cases where a ship is actually stranded, and heavy expenses are incurred by the owners in recovering the goods.

The 3d section of the act of July 14, 1862, provides "that no allowance or reduction of duties for partial loss or damage shall be hereafter made in consequence of rust of iron or steel, or upon the manufactures of iron or steel, except on polished Russia sheet iron."

The provision of law is unconditional, and consequently, the assessment of duty on the Iron and Steel in question was perfectly proper; and your decision is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,  
Secretary of the Treasury.

To Wm. B. Thomas, Esq.,  
Collector, Philadelphia, Pa.

WOOL.—ALLEGED MISREPRESENTATION OF QUALITY IN THE INVOICE.

Treasury Department, November 19, 1864.

SIR: MESSRS. FITZGERALD, BOOTH & Co. have appealed (No. 2,411) from your decision assessing a duty of six cents per pound on certain Wool imported by them, claiming that "it was found, after a careful examination by experts and wool brokers and merchants, to be of inferior quality, and under a correct and true valuation, that it should only pay the duty of 3 cents per pound."

An examination of the facts in the case discloses that MESSRS. FITZGERALD, BOOTH & Co. imported, on or about July 8, 1864, per barque "George & Henry," a quantity of Wool, in bulk; that subsequently an entry was made as per invoice, and the duty finally adjusted and paid, and the Wool passed into the possession of the importers.

MESSRS. FITZGERALD, BOOTH, & Co. now allege that a further examination of the Wool proved a less quantity of Wool; upon which a duty of six cents per pound had been paid, was received, and a greater quantity of a commoner grade, upon which three cents per pound had been paid, and claim to have the difference of duty returned to them.

I am of the opinion that the Wool in question, having passed out of the possession of the officers of the Government, thereby rendering an identification of it impossible, coupled with the fact, that the entry was adjusted on the basis of the invoice values, no return of an alleged excess can be made.

I am, very respectfully,

W. P. FESSENDEN,  
Secretary of the Treasury.

To H. W. Hoffman, Esq.,  
Collector, Baltimore, Md.

## CROCHET NEEDLES.

Treasury Department, November 22, 1864.

SIR: KOHLSAAT, BROTHERS have appealed (No. 2,426) from your decision assessing duty at the rate of 45 per cent ad valorem on certain "Crochet Needles" imported by them, and claim that the article is liable to 25 per cent ad valorem only.

Under the 13th section of act July 14, 1862, "Needles, sewing, darning, knitting, and all other descriptions," were liable to 25 per cent ad valorem duty.

Under section 3 of the act approved June 30, 1864, a duty of one dollar per thousand, and, in addition thereto, 35 per centum ad valorem, is imposed on "Needles for knitting or sewing machines."

It thus appears that needles for knitting machines, and needles for sewing machines, are the only description of needles provided for in the act approved June 30, 1864, and I am of the opinion that the "Crochet Needles" imported by Messrs. KOHLSAAT, BROTHERS, being unfit for use in knitting machines, are sufficiently designated in the term "all other descriptions" in the 13th section of act July 14, 1862, and are liable to duty at the rate of 25 per cent ad valorem.

I am, very respectfully,

W. P. FESSENDEN,  
Secretary of the Treasury.

To Simeon Draper, Esq.,  
Collector, New York.

## WORSTEDS.—IN WAREHOUSE JULY 1, 1864.

Treasury Department, November 22, 1864.

Gentlemen: Your appeal (No. 2,428) from the decision of the Collector at New York, assessing duty under the provisions of the act approved June 30, 1864, on certain Worsteds, imported by you per steamer "Persia" in April, 1864, and withdrawn from warehouse November 14, 1864, is received.

You claim "that the additional duty cannot be levied legally upon merchandise imported prior to the passage of the act levying it," &c.

The 19th section of the act approved June 30, 1864, is as follows:

"And be it further enacted, That all goods, wares, and merchandise which may be in the public stores or bonded warehouses on the day and year this act shall take effect, shall be subjected to no other duty upon the entry thereof for consumption than if the same were imported respectively after that day," &c.

You will perceive that the action of the Collector was strictly in accordance with the above section, and his decision is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,  
Secretary of the Treasury.

To Messrs. D. H. & M. Arnold,  
New York.

## ANILINE COLORS.—PENAL DUTY.

Treasury Department, November 29, 1864.

Gentlemen: Your appeal (No. 2,441) is received from the decision of the Collector at New York, assessing certain duty on five cases Aniline Colors imported by you in September last.

The Collector at New York reports "that the U. S. Appraisers of this district advanced the invoice value of the goods in question *more than 10 per cent*, to make market value; and that an appeal was taken by the importers to re-appraisers as provided by law; and that the re-appraisers advanced the invoice

value 30 per cent to make market value. The additional duty and penalty complained of by your appellants were exacted accordingly."

An appraisalment thus determined is final under the law, and consequently the action of the Collector is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN,

Secretary of the Treasury.

To Messrs Lenning & Clemm,  
Philadelphia, Pa.

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BUTTONS.

Treasury Department, November 30, 1864.

SIR: MESSRS. WALMSLEY BROTHERS have appealed (No. 2,418) from your decision assessing duty at the rate of 50, 45, and 40 per cent on certain silk, steel, and other "Buttons," respectively.

By the 22d section of act of March, 1861, "buttons of all kinds" are provided for at 30 per cent ad valorem. By the 2d section of act August, 1861, it is provided that "silk" Buttons shall pay 40 per cent ad valorem.

The subsequent acts of July, 1862, and June 30, 1864, make no other or different provision for *Buttons* of any description; the claim of the appellants to be allowed to enter the silk Buttons at 40 per cent., and all other kind of Buttons at 30 per cent is consequently in accordance with the law and the ruling of this Department.

You are respectfully requested to adjust the entry in conformity herewith.

I am, very respectfully,

W. P. FESSENDEN,

Secretary of the Treasury.

To Luther Haven, Esq.,  
Collector, Chicago, Ill.

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GREEN TOW YARN, (SO-STYLED.)

Treasury Department, December 2, 1864.

SIR: R. H. BOLSTER, Esq., in behalf of Messrs. J. E. TODHUNTER & Co. has appealed (No. 2,417½) from your decision assessing duty at the rate of 40 per cent ad valorem on eighteen bales of "Green Tow Yarn," imported by them from Dublin per ship "Tonawanda," and claims that two bales thereof, being "No. 8 lea," and valued less than 24 cents per lb., are subject to a duty of only 30 per cent ad valorem, and the other sixteen bales which exceed "No. 8 lea," and also valued at less than 24 cents per lb., are subject to a duty of 35 per cent ad valorem.

Your report corroborates the statement of the appellants as to the character of the Yarn in question, and your opinion is expressed that the claim to enter the two bales "No. 8 lea" at 30 per cent is perfectly proper, that being the rate imposed on such Yarn, for carpets, by the 1st sub-division sec. 7, act June 30, 1864.

You are therefore directed to adjust the entry of the two bales accordingly. The sixteen bales were properly assessed at 40 per cent. as provided in same section, in the clause "all other manufactures of flax or of which flax shall be the chief value, not otherwise provided for."

I am, very respectfully,

W. P. FESSENDEN,

Secretary of the Treasury.

To Wm. B. Thomas, Esq.,  
Collector, Philadelphia, Pa.

## WOOL CAPS.

Treasury Department, December 3, 1864.

Gentlemen: Your appeal (No. 2,424) from the decision of the Collector at New York assessing a duty of 40 per cent ad valorem and 24 cents per pound on certain "Wool Caps," imported per steamers "Hecla" and "New York," is received.

You submit samples, and "claim that they are knitted and made on a frame exactly in the same manner as wool hosiery is manufactured," and "should pay the same duty of 30 per cent ad valorem and 20 cents per pound." &c.

The article in question is made up from woolen cloth, silk, cotton and leather by the tailor, seamstress, or manufacturer.

In the 2d sub-division of section 5 of the act approved June 30, 1864, there is a provision for "clothing, ready made, and wearing apparel of every description, composed wholly or in part of wool, made up or manufactured wholly or in part by the tailor seamstress, or manufacturer, except hosiery," and a duty of 40 per cent ad valorem and 24 cents per pound is imposed thereon.

Under this provision of law the Collector assessed the duty on the Caps in question, and his decision is hereby affirmed.

By order.

I am, very respectfully,

GEO. HARRINGTON,

Assistant Secretary of the Treasury.

To Messrs S. Wolf & Co.,  
No. 53 Broadway, New York.

## CHAMPAGNE WINE.

Treasury Department, December 13, 1864.

Gentlemen: Your appeal (No. 2,443) in behalf of Messrs. STEHN & WULFING, from the decision of the Collector at New York, assessing penal duty on certain Champagne Wine imported by them per "Notre Dame des Victoires," is received.

You claim, firstly, that "said Champagne being chargeable with duty at the rates specified in section 2, of the act of Congress approved June 30, 1864, to wit: at the rate of six dollars per dozen bottles, and two cents for each bottle, is not by law subject to the payment of the additional or penal duty demanded."

Secondly, "because said Champagne being subject to the payment of specific duties, the provisions of section 23, of the act of Congress approved June 30, 1864, levying in certain cases additional duty of twenty per centum, do not apply.

The 1st sub-division of the 2d section of the act approved June 30, 1864, imposes "on wines of all kinds, valued at not over fifty cents per gallon, twenty cents per gallon, and twenty-five per centum ad valorem; valued at over fifty cents and not over one dollar per gallon, fifty cents per gallon, and twenty five per centum ad valorem; valued at one dollar per gallon, one dollar per gallon and twenty five per centum ad valorem. *Provided*, That no Champagne or Sparkling Wines, in bottles, shall pay a less rate of duty than six dollars per dozen bottles, each bottle containing not more than one quart and more than one pint, or six dollars per two dozen bottles, each bottle containing not more than one pint." On the entry of the Wine in question a duty of six dollars per dozen bottles, and two cents on each bottle was paid, under the 1st sub-division of section 2, of the act approved June 30, 1864, as above quoted.

The value of the Wines was subsequently appraised, and it was found to exceed by ten per centum or more the entered value, and the additional (or penal) duty of twenty per centum ad valorem was exacted.

The duty on "Champagne or Sparkling Wines, in bottles," is not exclusively specific; the same schedule which governs "all other wines," as provided for in section 2, above quoted, governs "Champagne or Sparkling Wines, in

bottles," but a provision of the law directs that said wines shall not pay a *less rate of duty* than six dollars per dozen bottles, &c., &c. Unquestionably, if the value justifies it, they must pay *more*.

It will be seen, therefore, that the duty depends, to a certain extent, upon the value, and hence "Champagne and Sparkling Wines, in bottles," are clearly articles upon which the appraisers must pass judgment. If they decide that the dutiable value exceeds the entered value by 10 per centum or more, it is quite immaterial whether or not the regular duty be increased by the advance. I am of the opinion the additional or penal duty properly attaches.

The decision of the Collector is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN, Secretary of the Treasury.

To Messrs. Webster & Craig,  
Attorneys for Messrs. Stehn & Wulfig, New York.

BONE KAMP BITTERS, &C.

Treasury Department, December 29, 1864.

SIR: MESSRS. VAN PRAAG & Co. have appealed (No. 2,464) from your decision assessing duty at the rate of 100 per cent ad valorem on certain "Bone Kamp of Maag Bitters" and "Pommerance Spirits," agreeably to a classification adopted in New York, (into which port the articles in question were imported,) viz.: "Spirituos liquors not otherwise enumerated" under the sixth sub-division of the 2d section of act approved June 30, 1864.

The appellants claim that they should be admitted at \$2 per gallon under the 2d sub-division of 2d section of act approved June 30, 1864, as "Spirits manufactured or distilled from grain or other materials."

The articles in question are commonly known as "Bitters," and are composed of alcohol and aromatic substances; they bear a similitude in some respects both to "spirituous beverages" and "spirituous liquors," provided for in the 2d section of the act approved June 30, 1864, but mostly resembling the latter, and therefore, according to the 20th section of the act of 1842, should pay according to the enumerated article "paying the highest rate."

The classification of the Collector at New York, and your assessment of duty at the rate of 100 per cent ad valorem, agreeably thereto, are hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN, Secretary of the Treasury.

To J. Z. Goodrich, Collector, Boston, Mass.

IRON WIRE RODS—IN COILS.

Treasury Department, January 4, 1864.

SIR: The appeals of Messrs. WILLIAM E. RICE & Co. (Nos. 2,363 and 2,364) are received, dated September 2, 1864, from your decision assessing a duty of one and a-half cents per pound on certain "Iron Wire Rods, in Coils," imported ex "Herald of the Morning" and "Golden Hind."

The article in question is rolled down bar iron, in shape round, one quarter inch in diameter, bent into a coil.

The appellants allege that the article is specially provided for at one and a quarter cents per pound as "rolled or hammered iron, not otherwise provided for."

Under previous tariffs it was decided that "steel in coils," was not "steel in bars," and hence there would appear to be some ground for the claim of the appellants. A careful examination, however, of the letter of the law shows that the phraseology in reference to steel differs from that relating to iron; the law speaks of *steel in bars*, and of *bar iron*.

There is more than a verbal distinction between *bar iron* and *iron in bars*, and it follows, consequently, that the present question is whether "rounds less than

three-quarters of an inch in diameter" cease being rounds less than three-quarters of an inch, &c., by being bent into a coil.

The language of the "steel clause" in the act approved June 30, 1864, will be found to include "Coils," doubtless because the phraseology *as to description* has been mainly copied from former acts, but the word "Coils" is not included in the iron clause of same act, unquestionably because it was understood that iron in coils was embraced in the somewhat general term of "bar iron."

The decision of the Collector is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN, Secretary of the Treasury.

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

WINES—DUTY ON BOTTLES.

Treasury Department, January 4, 1865.

SIR: The appeal of JAMES DE FREMERY, (No. 2,407,) dated September 9, 1864, from your decision assessing certain duty on five hundred and ninety (590) cases of claret, and one hundred and forty-six (146) cases white wine, imported on the 27th July, 1864, in the French bark "Cesambre," from Bordeaux, is received.

The ground of appeal in this case is, that in ascertaining the dutiable value of the wine in question, under the 24th section of the act approved June 30, 1864, you included the value of the bottles, boxes, &c. in the value of the wine; and that you have assessed a duty of two cents each on the bottles.

The appellant claims that "under the first subdivision of section 2, act approved June 30, 1864, the specific duty of 20 cents, 50 cents, and \$1, respectively, should be regulated by the value of the wine *without* including therein the value of boxes and bottles or other charges; said duty is regulated by the value of the wine itself \* \* \*, and the 24th section does not \* \* \* apply to the manner of determining said specific duties for the reason that it relates exclusively to dutiable value.

The 24th section, above alluded to, provides in very explicit language, that in determining the value of goods, &c., upon which duties are to be assessed, the actual value of such goods on shipboard at the last place of shipment to the United States, shall be deemed their dutiable value; and this value includes every expense attending the transportation of the goods from their places of production to the place of shipment, together with the value of the boxes, bottles, &c., in which such goods are contained.

There is but this one rule given for ascertaining the dutiable value of goods, &c., imported, and there can be but one dutiable value, for the same goods, whether the duty to be assessed is specific, according to value, or ad valorem. Therefore the same valuation must attach to the wine for the purpose of the specific duty, per gallon, as for the ad valorem duty.

The words in the 24th section, "except as hereinbefore provided," have special reference to the exception in favor of wool, &c. See section 4, act approved June 30, 1864.

The cost of the bottles, boxes, &c., and charges were therefore properly embraced as part of the value of the wines; and no duty being assessed on the bottles, *as bottles*, it follows as a matter of course the duty of two cents each as provided in section 2 of said act properly attaches.

Your decision is hereby affirmed.

I am, very respectfully,

W. P. FESSENDEN, Secretary of the Treasury.

To Charles James, Esq., Collector, San Francisco, California.

IRON BANDS ON SHEET IRON—TARE ALLOWED.

Treasury Department, January 4, 1865.

SIR: MESSRS. AYMAR & Co. have appealed (No. 2,452) under date December

8, 1864, from your decision assessing a duty of 3 cents per pound on the "Iron Bands," which they allege secured the sheets of iron imported by them per "Heiress" and "Telegraph" from St. Petersburg, Russia. They further allege that the iron bands in question "are simply common hoops of the poorest iron; are worth nothing to the importer, or to any body else, except as a common description of old iron, and as such would not bring as much as the duty;" and that hitherto such bands have always been deducted as *tare*.

I am informed it is the uniform practice at other ports to consider iron bands brought into the country, under the circumstances as above stated, as *tare*.

The bands in question, it appears, are of but trifling value; are absolutely necessary to insure the safe transportation of the sheets of iron; are not deemed to be an item of expense to the importer; and are thought to be no more liable to duty than iron hoops around casks or boxes, the contents of which pay specific duties only, uninfluenced by value. In my opinion the bands should be considered *tare*, and you are hereby instructed to adjust the entry accordingly.

I am, very respectfully,

W. P. FESSENDEN, Secretary of the Treasury.

To Simeon Draper, Esq., Collector, New York.

DROSS LEAD, (SO STYLED.) CLASSIFIED LEAD ORE.

Treasury Department, January 16, 1865.

SIR: Your appeal (No. 2,479) is received, dated January 9, 1865, in behalf of Messrs. J. J. CROOKE & Co., from the decision of the Collector at New York, assessing a duty of one and one-half cents per pound on certain "Dross Lead," (so styled,) imported per ship "Universe," from Liverpool. You claim that the article in question, being raw or unmanufactured, is liable to a duty of 10 per cent only.

The experts of the customs have classified the article as "lead ore," and report, that "although it varies from some of the descriptions of lead ores, and may not in all respects come up to the quality found in the usual article in commerce, it is of a character that cannot be treated otherwise than our (their) classification indicates."

From the facts given by the appraisers, I think there can be no doubt that the article in question is liable to a duty of one and one-half cents per pound, by virtue of the 20th section of the act of August 30, 1842.

The decision of the Collector is hereby affirmed.

By order.

I am, very respectfully,

GEO. HARRINGTON, Assistant Secretary of the Treasury.

To S. P. Russel, Esq.,

No. 39 Wall Street, Jauncey Court, New York,

Attorney for Messrs. J. J. Crooke & Co.

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