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HOW TO RESUME SPECIE PAYMENTS.

BY. R. G. HAZARD.

PEAN DALE, R. I., Nov. 25, 1865.

MY DEAR SIR—In compliance with your request I have carefully read the letter addressed by Mr. John D. Van Buren to the Secretary of the Treasury. You observed that Mr. Van Buren's reputation and financial experience entitled his views to respectful consideration.

These may also serve to give them weight and popular currency, and I notice that they already have influential advocates.

Many of his positions seem to me untenable, and though there may be no reason to apprehend that they will mislead Mr. McCulloch, still the infusing of wrong notions upon this subject into the public mind may embarrass the efforts he is making for a gradual return to specie payments. The propagation of opinions which induce the hope and the expectation that this result can be reached without first contracting the currency seem to me eminently calculated to produce this effect. The current popular ideas influence the action of Congress, and Mr. McCulloch and his predecessors, though in the end generally obtaining what they desired, have no doubt been sometimes embarrassed by the want of timely legislation. I send you with this some of the results of my examination, and remain Yours, very truly,

JOHN J. CISCO, ESQ. R. G. HAZARD.

Under the heading "How to Resume Specie Payments Without Contraction," Mr. Van Buren says: "My proposition is, instead of taking in our irredeemable paper, to leave it all out, but to make it redeemable; to bring up our money to a specie value without lessening its abundance, instead of squeezing it down to the specie standard by making money scarce."

He subsequently says that legal tender notes rising to a par with gold is the same as gold falling to a par with legal tender, and, as he proposes that legal tender shall continue to be the medium actually used, the latter xpression ("gold falling") is most in harmony with his plan.

The scheme, in its inception, is evidently based on the belief that the quantity of money in circulation may be increased without diminishing the purchasing power of a given amount of it.

Now if $400,000,000 is sufficient to make all our exchanges, and $600,000,000 of paper, or even of gold, is supplied for the purpose, other things remaining the same, there would be $200,000,000 for which there would be no possible use; that amount would be steadily thrown back into the hands of those who owned or issued it; it would remain idle, and the circulation would *in fact* be only $400,000,000. But the whole $600,000,000 would competitively seek use, and prices would rise; speculative purchases would at first make additional use for money, by increasing the the number of exchanges of the same articles, but eventually the prices must settle at just fifty per cent advance. If this view is correct, and there are various modes in which it may be confirmed, Mr. Van Buren's proposition is self-contradictory, and the end proposed impossible in the nature of things.

But, even if this theoretical view is not deemed conclusive, the means by which he proposes to bring the price of gold to that of legal tender are in direct opposition to all experience. His plan is for the government to hoard gold to the amount of $150,000,000, withdrawing that amount from market before using any of it to redeem the paper money; to lessen the price he would diminish the supply. It may be suggested that he intends to raise paper to gold. I have already remarked that, in Mr. Van Buren's view, it is proper to speak of reducing the price of gold, rather than of advancing that of paper, but, for the moment, let us adopt the latter. To enable the Government to retain the gold, Mr. Van Buren proposes that paper be issued at the market price to pay the gold interest. To bring the prices to an equality then, he really proposes to diminish the supply of the gold, which is already at the higher, and increase the supply of the paper which is at the lower price.

Mr. Van Buren argues that as legal tender would answer for all the purposes of our internal trade, $150,000,000 in gold might be withdrawn without tending to advance its price, or to produce distress or disturbance. But gold with us is now a mere commodity, and a commodity for which, *in fact*, there is a use and a demand for the *whole supply* at about 150, payable in legal tender. Lessen the supply, and competition would advance the price to what it would command for the more urgent of these uses. Rich men, whose bones were rattling with the chills, would pay large premium for it to import quinine, and the quantity might be so reduced that the Miss Flora McFlimseys in extremity for "something to wear," would clutch the balance at any price to pay for Parisian dresses and gew-gaws.

It may be said that a portion of our gold is now employed in worse than useless speculation, as a mere implement for gambling on the stock exchange. But this hoarding of $150,000,000 would, no doubt, greatly aggravate the evil, and cause the demand for this purpose to be much increased. Before this amount was obtained, gold would probably sell at 300, and I think even at a much higher rate.

Mr. Van Buren proposes that, when the gold is thus accumulated, the Government should offer to redeem the legal tender at par, and thus make gold and paper equivalent. But he also proposes to reissue the paper re deemed; non-diminution of the paper is a distinct and prominent object of his scheme.

The accumulated gold must have been withdrawn from that in use, or from the non-export of the product of our mines, or from import. Enhanced price is the only practicable means by which it would be effected in either of these modes.

Suppose, first, that the gold has been hoarded from that in use. The Government proceeds to pay it out at par, and gets $150,000,000 of paper, which it also re-issues. The whole process then ends where it began; neither the quantity of gold or of paper in circulation is changed, the prices will conform to these same conditions, and gold will be at the same premium as before the hoarding was begun, though not at the higher rates which compelled the abstinence from its use, without, which, the hoarding would not have been possible.

Again, suppose that the hoarded gold came from the non-export of the home product, or from import. Here, too, high prices must have compelled abstinence in the use of those imports which otherwise would, in either case, have been had in place of the gold. The hoarded gold, we may now assume, is so much added to the national wealth by this enforced economy.

The Government again pays out $150,000,000 of gold thus saved in exchange for the same amount of paper, and re-issues the paper. In virtue of the accumulation, the Government might for the *moment* maintain the proposed equality, and, if it proved to be permanent, it would conclusively demonstrate that the amount of circulation was previously not only in excess, but that it was absolutely $150,000,000 short of the requirements of trade upon a specie basis, for $150,000,000 has now been actually added—paper is at par with gold, and of course the prices of all other commodities conform to it. Property must then generally rise in price, and, if gold falls, it only shows that it was before high because, as compared with other commodities, it was relatively scarce. By a forced economy in its use, its supply and its price have been brought to an equality with the other commodities, just as if flour were scarce and high in proportion to other breadstuffs, and Government, by hoarding it, should compel abstinence in its use, for consumption or export, till the accumulated supply would suffice to equalize prices. But it is not for a currency which is too much curtailed, but for one too much expanded, that a remedy is now sought and proffered, and neither the mere hoarding and rediffusion of $150,000,000, or the addition of that amount of gold to the currency, give any promise of salutary results.

By the last process, so long as the paper money is really in excess of the wants of trade, we should not even realize the reward properly due to the abstinence by which the gold was accumulated.

As Mr. Van Buren says, while we are using irredeemable paper a large share of our coin is constantly shipping away to foreign countries.

This is because, being thrown out of use, it becomes relatively cheaper here than in other countries. The same thing would occur with the wheat and iron on hand if, from any cause, we ceased to use those articles. This export of gold will occur whenever it becomes relatively cheap here as compared with merchandize.

When we are paying specie, if the paper is inflated, we get more than our share of circulating medium, and, the whole mass being alike depreciated, the gold portion is exported to where it is of more value.

This result would follow, in an aggravated form, if, with a surplus of paper, which makes gold worth $1 50, it should at once be redeemed at par. As before stated, with the accumulation of $150,000,000, this might be temporarily effected, but the gold would disappear in the process.

To illustrate this: suppose we have double the circulation required, the price of commodities, gold included, would then, on the average, be doubled also. But all these are liable to fluctuation from speculation and other special and temporary causes. Suppose, then, that while all others are at 200—the point due to the amount of circulation—gold is by some means reduced to 150.

A yard of silk sent by a French merchant, which, with a specie basis, would be worth $1, now sells for $2 paper, but with this the owner may obtain and take from us in gold 1\frac{1}{3}$ instead of $1, which was the real value. If the relative depreciation of gold arose from our having more of it than our legal tender basis required, the discrepancy would soon be thus corrected by the foreign demand, and gold would rise to 200; but, if the depreciation was artificial, gold would be exported till its price rose to 200, and, when the artificial causes ceased to affect it, it would rise to *over* 200. The same thing might occur in regard to wheat. These artificial aberrations are generally soon regulated by the action of the laws of trade. These views, however, indicate that, as gold is now especially needed to reform our finances, it would be unwise by any artifice to reduce its price below that due to the quantity of paper in circulation, but that it would be better, if *possible*, to keep it above that point.

Without attempting to determine what, with our present circulation, the normal price of gold would be, I will remark that the tenacity with which it clings to over 146, at a season of the year when large amounts of paper are required to move the crops, and when its price has been depressed by the substituted export of cotton at high prices; by the avowal of the policy of contraction and the actual funding of $50,000,000 of legal tender, or its equivalent; by a stringency in money, and by sales of gold from the surplus in the treasury, indicates that under average circumstances it would be at over 150. A comparison of the amounts of currency and of the requirements of the country before and since the war, I think, would lead to the same conclusion.

Mr. Van Buren puts little stress on what seems to me a source of much difficulty—the addition of the bank note circulation to the legal tender. At present there seems to be no sufficient inducement to check the issues of the national banks by returning the bills for redemption. The Government and the banks receive them at all times and places on same terms as they do the legal tender, in which they are redeemable.

Mr. Van Buren deems this unimpeded circulation of our currency favorable to his plan. It seems to me directly the reverse. Little as he apprehends from the quantity of paper, he would hardly maintain that its diminution would not facilitate the return to a specie basis, by his own or any other plan. If any portion of the notes were at all times in transit for redemption, the amount would, to this extent, be practically lessened; and if they would not suffice for all purposes, at all places, their circulation would be so far retarded, *i. e.* they would not suffice for so many exchanges in the same time, which would be equivalent to a diminution of their quantity.

If the depreciation of the currency arose from the want of national credit, the exhibition of large means of payment in the hands of the Government might have some effect, but even then the expediency of increasing paper issues to accumulate gold would be very doubtful, if not absolutely absurd.

During the war there was, no doubt, apprehension that the legal tender might be *increased* so as to produce much greater depreciation, and hence gold panics. That there was, even then, no serious or general distrust of the ability of the Government, is shown by the fact that the price of real estate, which would have been most enhanced by such distrust, remained almost stationary, and now there is very little if any ground for believing that the value of our currency is depreciated by any doubt of the national credit. Mr. V. says, it is obvious that when we have reached the end of the process prices of all kinds of property will fall in the ratio of 146 to 100. As the quantity of paper money is not to be be diminished, I do not see that there would be any tendency to such a result. His object seems to be to get back to a specie basis without producing a monetary panic, which he thinks will be the inevitable consequence of contracting the currency. I have no hope that the end can be reached by any other mode without unwarrantable delay; nor do I believe that a panic is a necessary conseqence of contraction. One opportunity has already occurred during this year, when about one half the work of resumption could have been accomplished without any monetary pressure. About the time of the surrender of the Confederate forces, there was a general belief that, with the close of the war, ordinary prices would again obtain. Singularly enough there was a prevailing idea, even with intelligent merchants and bankers, that the diminution of Government expenditures would reduce the price of gold, and of merchandize generally. The tendency is obviously the reverse, making less use for the currency, and throwing that portion of it heretofore required for the operation of the Government into the channel of trade, thus increasing the redundancy and inflating prices. Under the influence, however, of these erroneous views, everybody hastened to sell, and prices of gold and merchandise fell nearly one-half. Gold fell from 200 to 128; at these prices, of course, money soon became greatly in excess. The effect of this excess was retarded by the payment of very large amounts to the army, and money paid in that way circulates slowly. The excess, however, was soon felt in trade, and might then have been retired without producing any monetary panic, or even stringency. Gold would have remained at about 128, leaving only the 28 per cent. to be overcome preparatory to a resumption of specie payment. The opportunity was not availed of, and the surplus money soon caused a reaction in prices, which, while gold has only gone to about 146, have generally reached as high a point as when it was over 200, and a money pressure has been the consequence.

No blame, or even want of vigilance, is to be imputed to the Secretary for not availing of the opportunity to arrest the price of gold at 128. In the opinion of many very judicious business men the fall was too rapid, involving the debtor interest too suddenly in great losses. Besides, he was mbarrassed by the existence of the law requiring the issue of $300,000,-

000 of National Bank currency, and the nonexistence of any law for the funding of that portion of the legal tender which bore no interest. The thing may yet be accomplished, though the difficulties are increased, and are still increasing by delay.

Whenever any reliable plan for contracting the currency is decided upon and made public, prices will again decline in anticipation, and the surplus thus released from the wants of trade may be withdrawn without making money scarce. Merchants having just made the mistake of depressing prices, when the result showed that they were needlessly alarmed, will probably be less prompt in taking the same step even when there is good ground for it, and, so far as they strive to hold goods when the currency is being diminished will make money scarce. This is an accidental circumstance and not a necessity of the case.

The more serious difficulty is that of the disturbance of the relation between debtor and creditor, and for this Mr. Van Buren suggests no remedy. He states that with the general decline in the prices of property "the owner will get for it just as much, and what will buy him just as much, of other things as he can get now." The important fact that it will not buy as much of his own notes, or pay as much of his indebtedness, is wholly ignored. The indebtedness of merchants is now very small, but there is reason to apprehend that the old system of extended credits is being inaugurated. The present scarcity of money tends to induce it, and the difficulty, which arises from the injury to the debtor interest, may soon be vastly augmented. In another way, too, an enlargement of credits would be an obstacle. The individual credits would perform the functions of money in the exchanges of property, and, so far, be equivalent to a further inflation of currency. These and the further consideration that, recovering from the exhaustion of war, the quantity of merchandise in the country to be affected by the change will probably increase, indicate that the measures requisite to resumption ought not to be delayed.

Justice to a large class dependent on fixed incomes also demands the speedy return to the specie basis, which on many other accounts is most expedient. The inevitable fluctuation of prices under the paper system induces a spirit of speculation, and fosters an extravagance which are inimical both to production, and to the saving of that production which constitutes national wealth. Labor does not proceed with that regularity which is essential to its economical application, but by fits and starts—sometimes with fearful hesitancy, and sometimes with a haste which makes waste. It is now discovered that the indisposition of capitalists to invest in permanent fixtures at the inflated prices has caused a deficiency of stores and of dwelling houses for the convenient accommodation of the business of our large cities, and of those who transact it. Buildings are erecting at cost, greatly enhanced by the urgency for their immediate use. A man buying cotton at the South cannot take the risk of a change in the currency during the long voyage of a sailing vessel, and hence the more expensive transportation by steamer or railroad is resorted to, and at one time large quantities were sent even by express from St. Louis to New York.

We need to get back to that system under which men, now engaged in worse than useless speculation, will return to productive pursuits and pursue them with a steady industry and economy.

The $300,000,000 of National Bank currency looms up as a formidable barrier in our path to resumption, and it is even apprehended that a further issue of it will be authorized at the approaching session of Congress.

I deem it exceedingly desirable that this should not be done, but if the $300,000,000, now authorized, is already appropriated exclusively to a portion of the States, the justice, and even expediency, of furnishing the others with their share will be an urgent reason for increasing the amount.

On reflection, however, I do not apprehend that, even if such measures should be resorted to, it will present an insurmountable or even very serious difficulty, I might state the reasons for this opinion, but have already written much more than I intended.

Since the foregoing was written Mr. Van Buren has, in another letter, somewhat modified his plan, but without relieving it of its main objections. He now proposes that $50,000,000 of gold should be collected in each of the next nine years, and holds that by the second or, at farthest, the third year this would insure the rise of the $450,000,000 of paper to a par with gold.

His whole argument still ignores the fact that the purchasing power of the whole volume of currency cannot be increased by increasing its quantity; that if you double or tenfold it, double or tenfold the amount will be required to pay for the same quantity of labor or property. With the recognition of this his whole fabric crumbles and there are few new points suggested in his second communication requiring attention.

He *assumes* that this scheme is feasible, and then urges the advantages of it. For instance, in regard to contracting, he asks, "would it not be safer to first bring the legal tender notes up to par with gold, and then begin to contract, etc." It undoubtedly would be safer for a person to learn to swim before he ventures into the water, and this to me seems quite as practicable as which Mr. Van Buren proposes to do.

But, even if practicable, why is it better for the government to wait till the notes will cost par rather than buy them now at one third less? He also says, "as the Government has diseased the circulation by infusing into it irredeemable paper, so it will in this way provide the natural remedy by gradually reinfusing gold."

If one has overloaded his stomach with too much bran bread it by no means follows that eating a quantity of nutritious meat will relieve him. This analogy reaches farther than would, perhaps, at first be supposed, for were it possible in such cases to keep the meat on the stomach, and the gold in circulation there would in either case be an aggravation of the evil. In such case the gold would still further inflate the already too inflated currency.

The more natural way would seem to be to withdraw the excess of infused paper which constitutes the disease, and this is the only feasible mode; for if the Government with $450,000,000 of legal tender notes in circulation, when $300,000,000 is all that is needed at gold prices, should *forever* gradually pour gold into the mass, the gold would *forever* disappear, and still leave the $450,000,000 at a depreciation of one third from its face. One might as well pour water into a seive full of buck-shot with the expectation of floating or of infusing the liquid into the mass.

Mr. Van Buren approves the suggestion of Mr. E. Littell that the Government substitute legal tender notes for the $300,000,000 of National Bank notes. He says, "This would leave us plain sailing. We should have $750,000,000 of legal tender notes but no bank notes. This large quantity of legal tender notes, being one homogenious currency, could be brought up to a current value equal to gold, at least as soon under the process which I suggest, and with quite as small an accumulation of gold as we can bring up the $450,000,000 of legal tenders, encumbered with the $300,000,000 of blank notes."

It may be true that on Mr. Van Buren's plan the $750,000,000 might be brought up as readily as only $450,000,000, and it is surprising that this unlimited application of it did not arouse his suspicion as to its efficiency for either, or, at least, suggest a doubt as to whether an untouched glittering heap of $150,000,000 of gold would really exert the talismanic power he imputes to it.

I will not stop to point out the disastrous consequences which would attend the proposed addition of $300,000,000 of legal tenders, even though the bank notes should be reduced by the same amount. With what I have already said, and am about to say upon another point, I trust this will be sufficiently obvious.

Mr. Van Buren says, "suppose we fund one-half the legal tender notes. What have we gained? * * * * We have not converted the other half into redeemable paper." It by no means follows that we have not, or, at least, that we have not made it *convertable* into gold at par, and it seems somewhat remarkable that Mr. Van Buren holds that merely tantalizing the holders of the superabundant notes with $150,000,000 of gold, which they cannot touch, should have more effect than actually paying them $225,000,000 in exchange for them.

A certain amount of legal tender notes would for our internal trade advantageously take the place of gold. For some purposes they would be better than gold, and, if the amount was not greater than that required for these purposes, they would command par in gold whether the Government redeemed them in coin or not. This was practically proved in the case of the legal tender notes that were received in lieu of gold for duties, which, when the amount was reduced to what was immediately wanted for customs, though not *redeemable* in coin, commanded a premium in gold and so were *convertible* into it with advantage in favor of the paper. The legal tender notes would compete with the bank issues for the general circulation, and if, for all purposes, $225,000,000 is not more than sufficient when the business of the country is on a gold basis, a gold basis would be practically reached, and no mere authoritative dictum could then prevent it any more than it can now produce it without such contraction.

But, Mr. Van Buren, and the advocates of his plan, and, indeed, many others, will probably ask how this result can be reached with the $300,000,000 of National Bank notes still in being? The reply to this is, that with the basis of these reduced to a gold standard they will have no more effect than a surplus of notes of the old banks redeemable in specie had. Suppose, for instance, in 1859, the whole bank circulation being then $200,000,000, the banks had printed and signed new bills to the amount of $300,000,000 more. With the business of the country on a specie basis, and already fully supplied, there would be no use for the added notes, and, if forced out, they would be immediately returned upon the issuers for redemption in gold. And so with a return to specie basis, (and though part of the basis of the bank notes be legal tenders actually convertible into gold), all of the $300,000,000 of bank notes not wanted in place of gold, and, at the price of gold, will return and lie quietly in the vaults of the banks.

This would probably induce a voluntary return of a portion of them to the Government, and of more than enough to supply the sections now deficient. The Government then, by fair competition with the National Banks for the supply of the currency, may, without any violation of good faith to them, secure a portion of the profits of the circulation, all of which they might, perhaps, originally have rightfully claimed.

In regard to artificially reducing the price of gold, Mr. Van Buren, in his second letter, takes the view which I have already suggested in my remarks upon his first, and uses a similar illustration.

"He says, "If the Treasury had a reservoir of wheat at Jersey City, out of which it spasmodically flooded the wheat market, wheat would become artificially low, and would be the cheapest remittance abroad." Now, his whole scheme really is, by artificial means, to enable buyers of gold to obtain it in exchange for paper at about two-thirds its normal value, which, of course, would send the gold abroad quite as certainly as a similar process would the wheat.

I fully agree with Mr. Van Buren that the return to a specie basis (or very near it) should be consummated before the large amount of seven-thirty bonds mature.

Mr. Van Buren gives a "summary of advantages claimed for his method." They are sixteen in number, some of them have already been commented upon, and I can notice very few of the others. If his system is, in fact, impracticable, the hypothetical results which might follow, if it were not so, are of little consequence. He claims "third, it is both gradual and steady." It is much to be feared that when the Treasury, with an accumulation of $150,000,000 of gold, gave notice of its readiness to pay $450,000,000 of paper it would not find the process either *gradual or steady*.

In the eighth, he says of the legal tender notes : " The Government can not pay them now all at once." But the withdrawal of less than one half of them (with a proper system of redemption for the National Banks) would probably suffice to bring the remainder to gold value, and, even if it required an absolute payment, a real lessening of the public debt to this amount by contribution from labor and capital for that object; it is evident that having during the war paid $1,000,000,000 per annum from our spare earnings, we could, with peace, contribute $225,000,000 in one year, or even in less time, without material inconvenience. The $1,000,000,000 per annum for the war, actually consumed, used up, that amount of our accumulated and current products of labor.

But, as it is proposed only to give bonds for the surplus currency, the process would no more be a present drain on the resources of the nation than the payment by a merchant of one note by giving another would be upon his bank deposits. It would simply change the form of the Government's indebtedness from currency to bonds, relieving the people of the superfluous portion of the former, which is *worse* than useless to them, and giving them Government securities in another form for it. Surely there can be no inability to do this now. The Government would annually collect the amount of the interest of the people and pay it back to them. This fact is sometimes fallaciously urged to show that a national debt is really no burden on the people. When the whole amount is due to the citizens there is a phase of truth to this view, which makes a partial statement of it all the more mischievous. But even then the cost of collecting and of re-distributing the accruing interest, as it becomes due, is a serious loss to the aggregate community. In our case the whole actual cost of the war was a loss incurred and consummated in the annihilation of just so much of the national wealth as was expended. This is irretrievably gone, and equally so whether the cost was defrayed by direct taxation on the product of labor and the accumulated capital of the country, or by hiring a portion of this product and capital for a term of years. Fortunately we had at the beginning of the war just made very large provision in the form of railroads,* and other machinery and appliances to facilitate production, and thus aided, we, in fact, paid the whole expenses of the war as they accrued from the *spare* product of our labor. A very small portion of our bonds (probably not over five per cent. of the whole cost of the war), went abroad; but as we, at same time, reduced our previous foreign indebtedness by a larger amount, we may assume that our war expenses were thus paid from our current spare earnings.

It is obvious then that if the amount had been raised by a tax properly distributed, so that each individual of the community paid his proper share, the present condition, or balance of each man's properry, would be, in fact, just the same as it now is, when, instead of raising the money by taxation, it has been hired and bonds given in return for it. Take, for instance, the case of a man who has, in this latter way, furnished just his share, say one per cent. of the whole amount. He has received Government bonds for this one per cent., but he also owes to his fellow citizens the same proportion, or one per cent. on the same amount, and his bonds exactly balance this portion of the debt, which he owes. It is evident that he is neither richer nor poorer than he would have been if the war funds had been raised by taxation instead of the sale of bonds. If this man had furnished less than his share, or say nothing at all, then he will still owe one per cent. of the national debt with no bonds to balance it. He has put his earnings into other property, and owes the one per cent. to be deducted from his assets, which again is the same as though he had been taxed the one per cent., and now held just so much less property free from thisn lie of the one per cent. So, too, if he had contributed two per cent. instead of one he would then still owe only one per cent of the debt, and hold double that amount of bonds which is still the same at if he had been taxed and paid the one per cent. and retained the other one per cent. in some other property free of the lien of the public debt. When the money loaned to the Government has been thus unequally supplied, great injustice would, of course, be done by cancelling the debt, but if it had been furnished by each individual in proportion to his liability to taxation to pay it—there would be an aggregate gain to the whole bondholders by a surrender of all the bonds and the extinguishment of the debt. The cost of collecting and disbursing the interest would be saved to them by the surrender. Thereafter the annual tax of each would be lessened by just

* These went far to neutralize the loss of the Mississippi River as an outlet for our Western products.

the amount of the yearly interest he before received, and by the *additional amount* of the cost of collecting and paying this interest. And, if there is this gain by giving up the bonds, it is obvious that it would have been more economical never to have given them, and that it is only when the accumulated capital and the current earnings of a nation are insufficient to meet the public exigencies, and aid must be obtained from foreign capital and labor that a resort to loans is a *necessity.* In our own case it is evident that the whole war expenses, having been, in fact met by our own capital and labor, could have been provided for by direct taxation, and with many advantages in favor of this mode, though it must be admitted that the proper distribution of the burthen and especially when, with no organized system of taxation, our experience and even our theoretical knowledge of the whole subject was so very limited, presented very serious practical difficulties. It is, however, still very doubtful whether even in the matter of the proper distribution of the burthen we shall gain anything by the delay. A loan has, at the moment, the advantage of being voluntary, and it may sometimes be advisable to delay the compulsory taxation which must eventually be relied upon. It also has this further advantage that the money will be provided by those to whom capital is of least value, and so, perhaps, interfere less with production. An active producer may need not only all his actual capital, but all his credit, so that he could not even hire the amount of his tax without crippling his productive energies. By a loan the Government assumes the hiring and becomes a mutual insurance company, guaranteeing to those who furnish more than their share of the money, eventual payment from those who furnish less. If, instead of loans, taxation had been resorted to, it is probable that the portion assessed upon capital, then in hand, would have been greater in proportion to that assessed upon the products and profits of labor, than under the system which has been adopted. I will not now further inquire which mode is the more expedient or the more just, my present object being merely to call attention to another consequence to which this distribution of the Government bonds to its creditors has made us liable. First, however, to illustrate these views on a smaller scale, suppose a mercantile association of a number of partners, each of whose interests in the profits and losses of the firm is in same proportion as his liability for the debts. By the burning of their warehouses they meet with a heavy loss, exhausting their capital and destroying their credit; but the individual partners furnish from their private means, each in proportion to his interest, the funds required to continue the business, and each of them takes the notes of the firm payable in some years with annual interest for the amounts. Now, it is evident that if they all surrendered their notes, or if they had contributed the funds without taking any notes at all, no one of them would be either richer or poorer than he is with the notes all held against the firm, and that if they have to pay the expense of an extra clerk to keep the account of those notes, and to collect and pay the interest on them, it would be a saving to them all to surrender the notes, and let matters stand as they would have stood if the money paid in had been a mere assessment, and no notes given for it. They, however, hold the notes, and so long as they were not available for raising money, these partners must conform their expenses to their other means; but when the crisis is passed, and the credit of the house is restored, they may use these evidences of debt to increase their individual current expenses, and selling them to outside buyers, use up the proceeds, leaving no means for payment at maturity, and the whole concern be thus impoverished by each member of it, having left out of the account the fact that he was liable for the payment of a portion of the notes, on the proceeds of the transfer of which to other parties, they were all living. Their loss was not in the giving of the notes but in the destruction of their property by the fire. The giving of the notes neither directly increased or diminished this loss, but as we have shown they still became a ready means of involving the firm.

So, too, our loss was consummated in the expenses of the war, and our giving notes to our citizens for their contributions to meet that loss, neither increased or lessened the loss, but there is reason to apprehend that these notes are now producing national results analagous to those produced by a like cause in the mercantile firm. From what has been now said it is obvious that the popular belief that hiring the money, or giving notes or bonds for it, even when it is all received of our own citizens, is putting the burthen of the debt upon future generations is a fallacy. In such case, with the debt due to the government, we also bequeath to posterity the same amount due from the government to balance it; which is the same thing as though a rich man should charge his heir with the payment of a mortgage on his estate and at the same time give him the bond of the holder of the mortgage for the same amount. So, too, the mere giving of notes in settlements among ourselves will not of itself increase or diminish the inheritance of our successors. The notes given by the government will just balance the amount of the debt which the holders of the notes are bound to pay: the final result being that the sum expended in the war having been lost, we shall leave to posterity so much less accumulated wealth than we should have done if the same results in all other respects had been reached without this expenditure.

But if now in consequence of the government having given for this expenditure, notes which enable and induce the holders to squander the amount and to transfer them to foreign holders, we thereby make another loss of national wealth and leave our property, already diminished by the war expenses, to our successors burdened with the national debt thus transferred and held abroad.

But this additional burthen of a foreign debt is not a direct or a necessary effect of the loss by the war, but of that extravagance which the issuing of the public credit to a large amount made possible. The effects are also distinct. The war expenses diminish our legacy, our extravagance burdens that diminished legacy with a heavy charge.

By the transfer ot the debt to foreigners to pay our current expenses the estate of this generation will pass to the next charged with the debt to the government, and the government will then have to pay to foreigners instead of paying to its own citizens. The estate is still charged with debt, but there is no bond of the creditor to balance it.

It is to be apprehended that the existence of the government bonds making a ready and convenient mode of paying for enhanced expenses in living, now occasions the squandering of at least a portion of our earnings which would otherwise be added to our accumulated wealth, and to this point I would especially invite public attention. If the government bonds are used to pay our foreign balances, gold is thereby thrown out of use, and this may account for the fact that it is below 150, while other articles, the uses of which are not diminished, average nearly 200 If every body made bread of Indian corn at $1 00 per bushel, wheat might fall from its relative price of $2 00 to $1 50, and the supply of corn being sufficient, so remain for a long time. The supply of our bonds is sufficient to pay our foreign balances for a long time even though our imports should be excessive.

During the war foreigners would take only a very small amount of our bonds. At about 75 a 80 the Germans deemed them an object of purchase, but when they fell to 35 a 40 they thought the sacrifice greater than we could possibly afford, and that, with the immense expenditure to be provided for at this rate, national bankruptcy was inevitable. They reasoned as any prudent banker would do in regard to notes freely offered in open market in any quantity at 35a40 cents on the dollar and payable in gold at maturity. In England and France other causes also tended to exclude them.

Our bonds then were not available abroad and individual credit was also there at a low ebb, with a very general unwillingness on the part of those having any, to use it. We were then compelled to restrict our consumption of foreign merchandise to what our current spare labor would pay for. The case is now altered. These bonds have now become available abroad, and though still at a price much below par are being used to pay for our imports.

The danger now is that those holding them, forgetting the corresponding debt which they owe, will deem themselves able to increase their style of living in proportion to their means in hand, and thus the amount now due among ourselves become a foreign indebtedness and an annual tax upon our productive energies to the amount of the interest upon it and eventually of the principal also, and hence our danger of being impoverished is perhaps greater now than at any period during the war. One to whom nobody will give credit is in little danger of involving himself in debt.

It seems now exceedingly probable that our national consumption requires a large transfer of our bonds to pay foreign producers. Our imports are large compared with the exports of our products, and yet gold and exchange are low compared with the prices of other things.

The existence of the national debt, then, in a form available for foreign payments, may thus become the ready and seductive means of our impoverishment. If we must, or rather will sell, these bonds abroad it is perhaps still desirable to get as much as possible in return for them, for though a large part of the price may be received in that which is of little or no intrinsic value, which merely panders to a false taste or ignoble pride; some portion may directly or indirectly add to our substantial wealth.

Our experience so far indicates that the market value of our national securities, including gold bearing bonds, varies with that of our currency, and that as the latter rises and approximates to par in gold the former approaches the same standard. Hence, with the appreciation of our currency we obtain more for the bonds sold. The reasons for this, I think, are complex, but it is sufficient for my present purpose to note that the foreign credit of the Government is an important element. This is shown by the fact that the State of Mass. which, acting with the enlarged practical wisdom and business ability characteristic of her superior intelligence has never failed most punctiliously to fulfil her engagements to her creditors, has effected a foreign loan at the price of 97 in gold for bonds bearing only 5 per cent interest. While our Government bonds bear 6 per cent (also in gold) will command in the same market only 65 (equal to about 70 in American gold). And yet our *ability* is not now doubted at home or abroad. The bugbear of war with England or France no longer alarms capitalists. No one now seriously questions that our material resources are abundant; but there is still some apprehension engendered by the artifices of selfish unprincipled politicians seeking to gain a few venal votes to their faction, or to annoy the dominant party by agitating the question of repudiation. Thus far, however, the popular sentiment is most firmly and decidedly in favor of an honest fulfilment of all our obligations and taxation for the purpose, is most cheerfully submitted to.

Another ground for this apprehension is the possibility that the late rebel States will be permitted again to exert a political influence which with the feelings still manifested, they may insidiously use to destroy the national credit, and thus subvert the power which in openly assailing, they encountered such disastrous and mortifying defeat. It is quite possible that treason may next assert itself in this way, and with the mean, and unworthy spirit of an assassin by this subtle poison seek to destroy the power it no longer dares to meet in open conflict. The danger of any successful attempt of this kind is perhaps already past. Independent of the direct interest in the public debt which, through the amounts of it held by the banks and savings institutions prevades the whole community, it has become most obvious that no nation can afford to repudiate. To do so, is to put itself in the power of any other nation, that is strong in its credit, however weak in all other respects. It is doubtful whether any nation of even very moderate intelligence ever did repudiate except as a sheer necessity, and with us there can be no such necessity. We cannot afford even to seriously discuss or harbor such a thought. The possibility of our committing such folly should be at once scouted as an insult to our intelligence, and an absurd negation of our admitted shrewedness, and still more as an imputation upon our honor. Nothing is more sensitive than credit. The breath of suspicion too slight to tinge a youthful maiden's cheek will suffice to crimson it in confusion. This is especially the case with the credit of sovereign States, whose debts are of necessity debts of honor —no superior power to compel them to comply with their contracts—I repeat that all propositions involving or tending to bad faith, whether by denial or neglect of payment of what is due or by payment in depreciated value, (coin or paper) or by special taxation of debt, or otherwise, should at once be scouted, the mere entertaining of them being a stain upon our national honor, and destructive of our ability to contend with foreign foes, or to preserve our institutions and maintain domestic order and tranquility. It were better for us that all our forts and magazines, with all our munitions of war should be blown up, and every ship in our navy sunk, than that we should trifle with and impair our national credit. With the elastic energies of our people unrepressed, and their patriotic pride and spirit unbroken and undebased, we would soon repair such material damage, while centuries might not suffice to restore to us the untarnished honor which demagogues and traitors would so ruthlessly and foully desecrate.

MISSOURI AND ITS MINERALS.

BY S. WATERHAUS, OF ST. LOUIS, MO.

Missouri may safely challenge the world to produce its equal in the number, extent, and value of its minerals. The immensity of its mineral wealth subjects even a truthful exposition to a suspicion of exaggeration. The sober calculations of geology seem to be mere figures of rhetoric. The imperfect explorations which have been made have disclosed the superiority, but not the full magnitude, of the metallic resources of Missouri. Some of the vaults of nature's bank have been opened, but the treasure is too vast to be counted. The earth has hoarded in its coffers an unminted and incalculable wealth. The inventory of the mineral resources of Missouri enumerates springs whose waters are impregnated with salt, sulphur, iron, and petroleum, jasper, agate, chalcedony, vitrious sand, granite, marble, plastic and fire-clays, metallic paints, hydraulic cement, lithographic quick-lime, mill and grind-stone, fire-rock, kaolin, emory, plumbago, nickel, cobalt, zinc, copper, silver, gold, lead, coal, and iron. Most of these minerals occur in quantities that are literally inexhaustible. In case of many of these articles, the mines and quarries of Missouri could easily supply the markets of the world. If an incomplete geologic survey and the rude efforts of unscientific miners, who have as yet scarcely touched the vast deposits of the State, have disclosed such results, we may justly expect far richer developments when an exhaustive investigation has been made, and systematic mining been extensively prosecuted.

Of silver and gold, traces only have been discovered.

Cobalt and nickel exist in profusion.

Zinc is very abundant. Its masses have often retarded the mining of more valuable ores. Thousands of tons of this metal, thrown away by the lead miners, as a vexatious and worthless impediment to their progress, might be with a profitable cheapness reclaimed to the uses of commerce. The ore is very pure.

Copper has been found in 15 counties. At Hinch's Mine, 800 pounds of ore gave 272 pounds of good copper. At this locality the gangue is red clay, chert and magnesian limestone. At Rives's Mine the ore lies only 20 feet below the surface. The deposit is several feet thick, and contains a rich proportion of copper.

The Copper Hill Mine has yielded 100,000 pounds.

The ore from the Stanton Mines gives, according to two analyses, 48.41 per cent of pure copper. The ore is usually a sulphuret or carbonate.

But very little attention has been paid to the zinc and copper mines of Missouri. The larger profits of other kinds of mining have diverted public enterprise from a fair trial and full development of these ores. The success of the copper works at FredErickstown would justify more extended operations in this neglected branch of mining.

Lead has been discovered in more than 500 localities. Its purple veins run through 20 counties and intersect an area of more than 6,000 square miles. The richness of these mines is exhibited by the following statistics:

Total yield of Perry's mine to 1854..................lbs. of lead	12,000,000
Total yield of Valle's mine.	13,000,000
Total yield of Franklin's mine from 1824 to 1854...............	20,000,000

Yield of Shibboleth mine in 1811	3,000,000
Yield of Washington and St. Francois counties from 1841 to 1854.	50,000,000
Annual yield of Washington County	3,000,000
Total yield of Virginia mine	10,000,000
Yield of William's mine in nine months of 1854	145,000
Yield of Frazer's mine in one month	100,000
Yield of Frazer's in one week	50,000
Shipped from Selma alone from 1824 to 1854	70,000,000
Annual average of all mines from 1840 to 1854	4,000,000

At the mine of Price, Bray & Co., 2,000 pounds of galena have been taken from a shaft which is only 10 feet deep. The ore at Mineral Point is 18 inches thick.

The lead is mostly sulphuret. Out of 120 specimens of ore, 113 were sulphuret, 6 sulphuret and carbonate, and 1 sulphate.

From 60 to 85 per cent of the ore is pure lead. The gange is generally sulphate of baryta. The ore is often found in magnesian limestone or red clay interspersed with brown hematite, pyrites and ochre.

The mines which have been worked are mostly shallow.

The shaft of Williams's mine was from 25 to 75 feet deep.

The shaft of Shibboleth mine was from 16 to 60 feet deep.

The shaft of Price's mine was 10 feet deep.

At Granby, the lead comes to the very surface of the ground.

In November, 1865, Mr. Butler, the Superintendent of the St. Louis White Lead Factory, made a careful examination of Mine la Motte. His report to Mr. Banker, President of the Lead and Oil Company, embraces the following interesting facts: The ore, which is almost exclusively a sulphuret, contains from 60 to 66 per cent of pure lead. It is found in a limestone formation, at a depth of from 22 to 30 feet below the surface. The earth which overlies the limestone varies from 6 to 12 feet in depth. Horizontal sheets of almost pure galena, varying from 1 to 12 inches in thickness, cover the beds of mineral; beneath them lies a less productive sulphuret, which extends downward from 4 to 6 feet. The mean thickness is 8 inches. The weight of a square foot of lead one inch thick is 40 pounds; the weight of a square foot of lead, eight inches thick, is 320 pounds.

Sometimes a single drill yields 100 of these nearly cubic feet in a month. But an average of 50 feet gives, as the product of one drill, 615 pounds a day, or 16,000 pounds a month. The daily expense of each drill is $7 50. Each furnace smelts from 40 to 80 pigs of lead a day. An average product of 50 pigs, or 3,700 pounds, requires the reduction of 6,166 pounds of ore. The cost of smelting is $37 a day.

Ten drills are necessary to keep one furnace in blast.

We are now ready for a summary of results:

3,700 lb. lead at $5 71$\frac{3}{8}$, the average price in this market for the five years previous to 1861		$211 51
Deduct freight to St. Louis, ½c. per lb	$18 50	
Deduct commission for selling, 1 per cent on $211 51	2 11	
Deduct cost of mining, ten drills at $7 50 each	75 00	
Deduct cost of smelting	37 00—	132 61
Profit of one furnace per day		$78 90
do do per month		2,051 40
do do per year		24,616 80

At this rate 100 drills, a number not exceeding the capacity of a large company, would yield an annual revenue of $369,252.

During the first year large operations would involve a heavy outlay for shafts, drainage and machinery. But the cost of repairs and improvements could hardly exceed 30 per cent of the year's earnings.

The preceding estimates are based upon present facts, and not upon theoretical possibilities. They are founded upon the practical results of recent mining. An enlargement of present operations and a more extended use of existing facilities are all that is necessary to secure the success which the foregoing figures indicate.

Doubtless a treatment by the economic methods of science would give a measurably higher per centage of profit.

Perfectly pure galena contains 13.34 per cent of sulphur and 86.66 per cent of lead.

An uncrystalized specimen from Mine la Motte, analyzed by Dr. Litton, gave, together with traces of iron, copper and nickel, 13,50 per cent of sulphur and 84.50 per cent of lead.

Under our present wasteful processes the sulphurets of Mine la Motte sometimes yield 77.7 per cent of pure lead.

I except the slave labor of three proprietors, and scarcely 200 men have been ever at one time employed in the mines of Missouri. The operations have commonly been desultory and the methods unscientific. Miners have chiefly sought superficial deposits in soft clay, where the ore could easily be reached with the spade. Mining, by the systematic process which science teaches, will probably develop far richer deposits than any yet found.

Coal underlies a large portion of Missouri. It has already been discovered in thirty counties. Beds of cannel coal, 45 feet thick, have been found. There are 160 square miles of coal in St. Louis County. The amount of coal in Cooper County has been estimated at 60,000,000 tuns. Under every acre of Boone County there is supposed to be at least $1,000 worth of coal. The deposits in the vicinity of Booneville cover an area of 2,000 square miles. The strata have a mean thickness of three feet, and are calculated to contain 60,000,000 tuns of coal.

The following estimates are based upon the survey of Professor Swallow:

Counties.	Square miles.	Mean thickness.	Tuns of Coal.
Andrew, Atchison, Buchanan, Holt, Platte,	2,000	10 feet,	20,000,000,000
		if only 2 feet,	4,000,000,000
Charlton, Linn, Livingston, Macon,	1,500	12 feet,	18,000,000,000
		if only 4 feet,	6 000,000,000
State of Missouri,		8 feet thick,	200,000,000.000
		if only 4 feet,	100,000,000,000

Upon this lowest estimate—which is more than 34,400,000,000 tuns below the calculation of Professor Swallow—it would take, at 100,000 tuns a day, more than 3,000 years, of 300 working days each, to exhaust the coal deposits of Missouri.

Iron abounds in different portions of Missouri, but the stupendous masses of almost solid iron, found in St. Francois, Iron and Reynolds Counties, dwarf the discoveries of other localities into significance. Before the blomaries of Ironton, the furnaces in other sections of the State must pale their ineffectual fires. The results of Dr. Litton's investigations have been often published, but perhaps the use for which this article is designed will justify their reproduction.

Shepherd Mountain is 660 feet high. The ore, which is magnetic and specular, contains a large percentage of pure iron. The hight of Pilot Knob above the Mississippi River is 1,118 feet. Its base, 581 feet from the summit, is 360 miles. The iron is known to extend 440 feet below the surface. The upper section of 141 feet is judged to contain 14,000,000 tuns of ore.

The elevation of Iron Mountain is 228 feet, and the area of its base 500 acres. The solid contents of the cone are 230,000,000 tuns. It is thought that every foot beneath the surface will yield 3,000,000 tuns of ore. At the depth of 180 feet, an artesian auger is still penetrating solid ore.

Dr. Litton thinks that these mountains contain enough iron above the surface to afford for 200 years an annual supply of 1,000,000 tuns.

The ore is almost exclusively specular.

It yields 56 per cent of pure iron.

The iron is strong, tough and fibrous.

Most of these statistics of the mineral resources of Missouri are taken—though sometimes with reductions—from the calculations of Professors Swallow and Litton, their estimates of the amount of lead, coal, and iron in the State are founded upon elaborate researches. Their deductions are based upon geologic investigations and chemical analyses. The well-considered judgments of men of scientific eminence are certainly entitled to audience and respect. But suppose these learned geologists are mistaken in their statements—take one-hundredth part of their aggregates and you still have proofs of vast and exhaustless mineral riches. The fictions of Arabian wealth hardly equal the reality of Missouri's treasures.

These ores underlie some of the richest land in the State. The owner possesses at once a fertile farm and a valuable mine. In some cases it is difficult to determine whether the agricultural or mineral resources are most productive. Full coffers are the result of either industry. A poor man can earn enough in a few months to purchase a mineral farm under prescribed conditions; less than $20 will secure a homestead of 160 acres. The workman who, with a full knowledge of the facts, would prefer delving for a mere pittance in the mines of Europe to the independent ownership of a mine in Missouri, must be a miner who has not yet reached the years of discretion. He must be too young to have a mine of his own. It is to be hoped that the majority of foreigners have more wisdom.

No State can offer the miner better openings for business. The inducements which Missouri presents to him are great and substantial. Liberal wages will reward his service and enable him to satisfy his love of independence and home by the early acquisition of a freehold. Political equality, social respect, and material success await the myriads whom a knowledge of our mineral resources will soon make citizens of Missouri.

PRODUCTION AND CONSUMPTION OF COAL.

The following valuable statistics on this important topic have been furnished by W. H. Roberts, Esq., of the Statistical Bureau, United States Treasury Department, and lately appeared in the *Philadelphia Ledger.* They have been compiled from official data found in the archives of the Department:

PRODUCTION OF COAL.

The production of coal in the year 1863, in the United States and Europe, reached a sum sotal of 150,000,000 tons, distributed as follows among the respective coal producing countries:

	Tons Coal Produced.		Tons Coal Produced.
Great Britain	86,00,0000	Prussia	10,000,000
Belgium	10,000,000	Russia	10,000,000
France	10,000,000	Other European countries	4,000,000
Austria	4,500,000	United States	15,500,000
Total			150,000,000

CONSUMPTION OF COAL.

The consumption of coal in the same countries in the year 1863 was as follows:

	Tons of Coal Consumed.		Tons of Coal Consumed.
Great Britain	78,000,000	Prussia	10,000,000
Belgium	7,000,000	Russia	11,000,000
France	16,000,000	Other European countries	5,000,000
Austria	4,500,000	United States	15,500,000
Total			147,000,000

Note.—The difference between the totals of production and consumption in Europe and the United States is owing to an export of 3,000,000 tons from Great Britain to South America and Asia.

CONSUMPTION OF COAL AS A MEASURE OF STEAM LABOR POWER INDUSTRY.

The quantity of coal consumed by a nation may be well taken as a correct measure of the extent of those industries which employ steam labor power. Great Britain, "the workshop," not only produces but consumes a larger quantity of coal than the rest of the world combined. Her miners in 1863 produced 86,000,000 tons of coal; 78,000,000 tons to supply her own necessities, and 8,000,000 tons for export to her commercial dependencies. In 1863 three of the great manufacturing countries of Europe, England, France and Belgium, compared in consumption of coal with each other, and the United States as follows:

	Tons Coal Consumed.		Tons Coal Consumed
Great Britain	78,000,000	Belgium	7,000,000
France	16,000,000	United States	15,500,000

The production of coal in these four countries stood in 1863:

	Tons Coal Produced.		Tons Coal Produced.
Great Britain	86,000,000	Belgium	10,000,000
France	10,000,000	United States	15,500,000

These data exhibit that Great Britain and Belgium, by a full development of their means of sustaining manufacturing industry, supply not only their own wants; but also those of their neighbors—Great Britain exporting 8,000,000 tons, and Belgium 3,000,000 tons; that France, poor in coal, depends upon her more fortunate neighbors for the prosperity of her manufactures; that the United States, with a far larger coal area than France, consumes but the same quantity of coal; that the consumption of coal is as five to one in Great Britain and the United States respectively; that the steam labor power industry of Great Britain is, in its present development at least, in the ratio of 2 to 1 to the combined steam power industries of Belgium, France and the United States; that taking into consideration the relative areas of the counties compared, their order in extent of steam power industry, as measured by their consumption of coal, would be—first, Great Britain; second, Belgium: third, France, and fourth, United States. An examination of the British statements of exports, foreign and domestic, during the year 1864, and a comparison between them and the exports of the United States for the same year, fully supports the assumption that consumption of coal is a measure of steam labor industry. In the calendar year 1864, the value of articles exported from Great Britain, exclusive of specie, amounted to $1,030,080,000, $779,-000,000 of which were the products of the United Kingdom, and classified as follows:

Breadstuffs, provisions and raw materials*	$78,000,000
Manufacturers	701,000,000
Total	$779,000,000

The exports of the United States for the fiscal year 1864, exclusive of specie, amounted to $232,000,000, $217,000,000 of which sum was the value of articles the produce of the United States, and classified as follows:

Breadstuffs, provisions and raw materials	$162,000,000
Manufacturers	55,000,000
Total	$217,000,000

The report of domestic manufactures from the two countries respectively, was, as we see, in 1864:

Great Britain	$701,000,000
United States	55,000,000

The consumption of coal stood thus in 1864:

Great Britain	80,000,000 tons,
United States	16,800,000 tons.

Supposing that five-eighths the coal consumed in Great Britain was employed in steam labor industry, viz.: 50,000,000 tons, the quantity of coal consumed in steam labor industry in the United States measured by the relative ratio of values of manufactures exported, would be but 4,000,000 tons.

AREA OF COAL FIELDS.

Coal fields are found in almost every portion of the globe, but it is only in Europe and the United States that any approximate measurement of

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*Of these, coals, pig iron, (unwrought), leather, steel, copper and tin, and salt, amount in value to $57,000,000.

their areas has been obtained. The area of the coal fields of Great Britain, France, Belgium, and the United States are estimated thus :

	Areas Square Miles.		Areas Square Miles.
Great Britain	11,859	Belgium	1,719
France	518	United States	146,859

The figures of this estimate exhibit the vast superiority of the United States over Great Britain, France and Belgium in the natural resources of steam labor power, and clearly point to the supremacy of the Republic at no distant period by steam labor industries. The coal fields of Great Britain, France and Belgium extend over an area of 14,096 square miles, those of the United States over 148,569 square miles, a ratio of ten to one.

PRODUCTION OF COAL IN THE UNITED STATES.

The production of coal in the United States is continually on the increase, as will appear from the following statement of the production of coal in the fiscal years 1863, 1864 and 1865, the quantities being calculated from the Internal Revenue report of the amount of tax upon production of coal. Tons of coal produced: 1863, 15,500,000; 1864, 16,300,000; 1865, 17,000,000.

In the year 1860 the production of coal was estimated by the Superintendent of the Census at 15,000,000 tons. The production in 1865 was 17,000,000 tons, an increase in five years of 2,000,000 tons. At this rate of increase our production in 1870 might be estimated at 20,000,000 tons. The development of manufactures, however, consequent on the adoption of a protective policy, will greatly increase the production of coal, and it will be no matter of wonder if in 1870 its production in the United States reaches a total of at least 25,000,000 tons.

COMMERCIAL LAW.—NO. 31.

FIRE INSURANCE.

(Continued from page 192, vol. 54.)

The usual Subject and Form of this Insurance.

We have seen that fire is one of the perils insured against by the common marine policies. It is usual, however, to insure buildings, and personal property which is not to be water-borne, against fire alone; and this is what is commonly understood by Fire Insurance.

The general purposes and principles of this kind of insurance are the same as those of marine insurance; and the law in respect to it differs only in those respects and in that degree in which the difference is made necessary by the subject-matter of the contract. Very many of the questions which occur under fire insurance may receive illustration from what has been already said upon similar topics and questions under marine insurance.

This kind of insurance is sometimes made to indemnify against the loss by fire of ships in port; more often of warehouses, and mercantile property stored in them ; or of personal chattels in stores or factories, in dwelling-houses or barns, as merchandise, furniture, books, and plate, or pictures, or live stock. But by far the most common application of this mode of insurance is to dwelling-houses.

Like marine insurance, it may be effected by any individual who is capable of making a legal contract. In fact, however, it is always, or nearly always, in this country, and we suppose elsewhere, made by companies.

There are stock companies, in which certain persons own the capital and take all the profits by way of dividends. Or mutual companies, in which every one who is insured becomes thereby a member, and the net profits, or a certain proportion of them, are divided among all the members in such manner as the charter or by-laws of the company may direct. Or both united, in which case there is a capital stock provided, as a permanent guaranty fund, over and above the premiums received, and a certain part or proportion of the net profits is paid by way of dividend upon this fund, and the residue divided among the insured.

Of late years the number of mutual fire insurance companies has greatly increased in this country, and probably by far the largest amount of insurance against fire is effected by them. The principal reason for this is, undoubtedly, their greater cheapness ; the premiums required by them being, in general, very much less than in stock offices. For example, if the insurance is effected for seven years, which is a common period, an amount or percentage is charged, about the same as that charged by the stock companies, or a little more. Only a small part of this is taken in cash ; for the rest a premium note or bond is given, promising to pay whatever part of the amount may be needed for losses which shall occur during the period for which the note is given. More than this, therefore, the insured cannot be bound to pay, and it frequently happens that no assessment whatever is demanded ; and sometimes, where the company is well established and does a large business upon sound principles, a part of the money paid by him is refunded when the insurance expires, or credited to him on the renewal of the policy, if such be his wish.

The disadvantages of these mutual companies is, that the premiums paid and premium notes constitute the whole capital or fund out of which losses are to be paid for. To make this more secure, it is provided by the charter of some companies that they shall have a lien on the land itself on which any insured building stands, to the amount of the premium. But while this adds verv much to the trustworthiness of the premium notes, and so to the availability of the capital, it is, with some persons, an objection that their land is thus subjected to a lien or encumbrance.

There is another point of difference which recommends the stock company rather than the mutual company. It is that the stock company will generally insure very nearly the full value of the property insured, while the mutual companies are generally restrained by their charters from insuring more than a certain moderate proportion, namely, from one-half to three-fourths of the assessed value of the property. It would follow, therefore, that one insured by a mutual company cannot be fully indemnified against loss by fire, and may not be quite so certain of getting the indemnity he bargains for as if he were insured by a stock company. But this last reason is, practically, of very little importance, and the lowness of the premiums effectually overcomes the other.

The method and operation of fire insurance have become quite uniform throughout the country; and any company may appeal to the usage of other companies to answer questions which have arisen under its own policy; only, however, within certain rules, and under some well-defined restrictions.

In the first place, usage may be resorted to for the purpose of explaining that which needs explanation, but never to contradict that which is clearly expressed in the contract. And no usage can be admitted even to explain a contract, unless the usage be so well established, and so well known, that it may reasonably be supposed that the parties entered into the contract with reference to it. Thus if, under a policy against fire on a vessel in one port of this country, an inquiry is raised as to the local usage, the policy is not to be effected by proof of usage upon any particular matter in other ports of the world, or even of the United States. And not only the terms of the contract must be duly regarded, but those of the charter or act of incorporation; thus, if this provides that "all policies and other instruments made and signed by the president, or other officer of the company, shall bind the company," an agreement to cancel a policy should be so signed; although it cannot be doubted that a party insured might otherwise give up his policy, or renounce all claim under it, and that a valid agreement to that effect between him and the company would not be set aside, and the company still held, on the ground of a merely formal defect.

In regard to the execution of a fire policy, and what is necessary to constitute such execution, we say that delivery is not strictly necessary, and a signed memorandum may be sufficient, or, indeed. an oral bargain only, and that this insurance may be effected by correspondence, and that the contract is completed when there is a proposition and assent, as we have already said in reference to marine insurance.

The leading case on this subject came by appeal before the Supreme Court of the Uuited States. The facts were briefly as follows. John Minot, the agent of an insurance company at Fredericksburg, at the request of Tayloe, who was about leaving for Alabama, made application for an insurance on his dwelling-house to the amount of $8,000 for one year. This application was dated 25th November, 1844. A reply from the defendants was received, under the date 30th November, 1844. On the 2d of December Minot wrote to Tayloe, informing him of their willingness to effect the insurance, stating terms, &c., and added, "Should you desire to effect the insurance, send me your check, payable to my order, for $57, and the business is concluded." But, in cousequence of a misdirection of the letter, it did not reach Tayloe till the 20th. On the next day, the 21st, Tayloe mailed a letter accepting the terms, and remitting a check for the premium, with a request that the policy should be deposited in the bank for safe-keeping. This letter of acceptance was reeived by Minot on the 31st of December, and upon the 31st of January, 1845, he wrote to Tayloe, communicating his refusal to carry into effect the insurance, on the ground that his acceptance came too late, the house having been burned on the 22d of December. The company confirmed the view of the case taken by their agent, and refused to issue the policy or pay the loss. The court below passed a decree in favor of the defendants; but upon appeal to the Supreme Court, it was held that the decree should be reversed, and the plaintiff recover.

It has been held in an action on a fire policy, as doubtless it would be on a marine policy, that a memorandum made on the application book of the company by the president, and signed by him, was not binding where the party to be insured wished the policy to be delayed until a different adjustment of the terms could be settled, and after some delay was notified by the company to call and settle the business, or the company would not be bound, and he did not call; because there was here no consummated agreement. So, too, a subsequent adoption or ratification is equivalent, either in a fire or marine policy, to the making originally of the contract; with this limitation, however, that no party can, by his adoption, secure to himself the benefit of a policy, if it had not been intended that his interest should be embraced within it. It is quite common to describe the insured in marine policies by general expressions,—as, "for whom it may concern," or "for owners," or the like; but such language is seldom if ever used in fire policies, the insured being nearly always specifically named in them. There are some exceptions in the case of consignees, mortgagees, &c., which will be mentioned in a subsequent section.

ANALYSES OF RAILROAD REPORTS No. 7.

I. Pennsylvania Railroad.—II. Chicago and Alton Railroad.—III. Milwaukee & Prairie du Chien Railway.

PENNSYLVANIA RAILROAD.

The Pennsylvania Railroad, one of the four great lines from the seaboard to the interior, is composed of the following divisions:

Main Line—Harrisburg to Pittsburg	249	miles.
Philadelphia Division—Philadelphia to Columbia	80	"
Branch—Altoona to Hollidaysburg	7	"
" —Blairsville Junction to Indiana	19	"
Total owned by Company	355	"

The following are leased and operated by the company, viz.:

Harrisburg & Lancaster Railroad	36	miles.
Columbia Branch	18	"
East Brandywine & Waynesburg Railroad	17½	"
Tyrone & Clearfield Railroad	23½	"
Bald Eagle Valley Railroad	51¼	"
Ebensburg & Cresson	10½	"
Huntington & Broad Top Railroad	31¼	"
Bedford Branch	19¾	"
Other Branches	19¼	"
Western Pennsylvania	32	"—259 miles.
Total owned and leased (not including Philadelphia & Erie Railroad)		614 miles.

The Company also lease and operate the Philadelphia & Erie Railroad extending from Sunbury to Erie—287.5 miles; but this road is operated independently and its accounts are kept separate. It was opened through, October 17, 1863.

The canals belonging to the Pennsylvania Railroad Company have a total length of 276 miles of which 44 miles are slackwater. They are of no present value, but rather an expense to the Company. Their accounts are kept separately.

The main line of the Pennsylvania Railroad (including the Philadelphia Division and the Harrisburg & Lancaster Railroad) is double track throughout. These with the branches and leased roads, and their sidings, etc., have an equivalent single track of more than a *thousand* miles.

ROLLING STOCK.

The rolling stock owned by the Company, Jan. 1, 1865, was as follows:

Locomotive engines.....	321
Passenger Trains: passenger cars 120, baggage cars 34, express 34, and emigrant 37	225
Freight Trains: box cars 2,118, stock 999, gondola 1,525, and coal 600 (all 8-wheel), and coal (4-wheel) 109	5,381
Maintenance of Way Trains: box cars 15, and gondola cars 100 (8-wheel); dumping 111 hand 145, hand trucks 168, derrick trucks 7, and timber trucks 2 (4-wheel)..............	548
Total number of cars..............	6,154

GENERAL ACCOUNT.

The following statement shows the amount of stock, bonds and other liabilities of the Company, and *per contra* the cost of the property and value of other assets held by the company on the last day of each year 1856–65, both inclusive:

Close of year	Share capital.	Funded debt.	Accounts, bills, &c.	Cont'gent fund.	Profit & loss.	Total debit.
1856..................	$12,646,625	$8,516,841	$65,298	......	$748,941	$21,977,705
1857..................	13,206,625	14,929,940	790,869	$371,546	979,272	30,278,252
1858..................	13,240,225	16,094,451	560,507	138,754	135,050	30,168,987
1859..................	13,249,125	16,922,517	45,350	406,874	732,966	31,356,832
1860..................	13,261,960	16,680,804	1,150,632	352,139	961,589	32,407,124
1861..................	13,264,100	16,936,764	1,143,532	885,641	2,004, 22	34,234,559
1862..................	13,274 100	16,696,764	839,172	885,641	3,628,536	35,324,213
1863..................	13,430,250	16,949,124	1,129,388	1,000,000	5,786,905	38,295,668
1864..................	19,869,060	16,829,124	2,393,961	1,000,000	3,428,691	43,520,336
1865..................	20 000,000	16,750,124	3,651,447	1,000,000	4,449,225	45,850,796

The increase of capital in 1864 was caused by a stock dividend of 30 per cent in that year. Against the above are chargeable as follows, viz.:

Close of year.	Construction account: Cost of main road, &c.	Canals & Phila. div. of R. R.	Engines and cars.	R'l estate and telegraph.	Exten's of road.	Stocks and bonds.	Other assets, bal's. &c.
1856..................	$15,320,309	....	$2,377 819	$1,350,790	.....	$1,637,3 2	$1,281,485
1857..................	15,748,421	7,500,000	2,589,293	1,426,571	$2,696	1,809,002	1,202,269
1858..................	15,853,950	7,500,000	2,828,529	1,585,645	4,548	866,803	1,529,513
1859..................	16,315,339	7,500,009	2,974,473	1,689,295	5,214	862,763	2,009,748
1860..................	16,718,483	7,500,000	3,065,284	1,846.844	35,831	974,545	2,286,137
1861..................	16,925,026	7,500,000	3,447,522	1,838,336	277,794	1,421,981	2,823,960
1862..................	16,840,272	7,000,000	3,582,204	1,937,105	528,970	1,660,183	3,786,479
1863..................	16,788,248	6,900,000	3,543,484	2,568,902	791,664	2,979,438	4,723,932
1864..................	16,752,151	6,800,000	3,385,315	2,814,971	1,272,454	5.957,811	6,537,634
1865..................	16,745,091	6,700,000	3,375,024	3,066,466	1,922,752	6,243,894	7,797,569

The following are the details of the "construction account," as stated in the general account for the year ending Dec. 31, 1865:

Cost of road and appurtenances from Harrisburg to Pittsburg & stations, and warehouses on the Philadelphia division..................		$17,334,276
Less profits of road, after paying interest to stockholders up to November 1, 1865, credited to cost of construction, as required by charter..................		589,185
Total..................		$16,745,091
Amount paid State of Pennsylvania for Philadelphia and Columbia Railroad..................	$6,500,000	
And for canals and Portage Railroad..................	1,000,000	
	$7,500,000	
Less payments made of debt to State for purchase of main line, and charged to profit and loss..................	$800,000	
		6,700,000
Equipment of road, consisting of locomotives, passenger and freight cars, &c.		$3,375,024
Cost of real estate..................		3,021,202
Cost of telegraph line..................		45,264
Extension of Pennsylvania Railroad to Steubensville and Pittsburg R. R		1,153,256
Extension of Pennsylvania Railroad to Delaware River and Gas Works, including wharves and grain-elevator..................		769,496
Total cost of Company's roads, canals, &c..................		$31,809,333

The "stocks and bonds" held by the company represent the amount of aid they have extended to connecting roads. The following is the descriptive list of those on hand Dec. 31, 1865:

Pittsburg and Stuebenville R.R. 2d mort. bonds	$438,528
Philadelphia and Erie R.R. sterling bonds, £106,600	597,420
" " 7 per cent bonds	1,312,000
Steubenville and Indiana R.R. stock (8,939 shares)	130,696
" " 6 per cent bonds (484 bonds)	440,651
" " 7 per cent bonds (537 bonds)	537,000
Other stocks and bonds of municipal and railroad corporations	2,650,549
Total stocks and bonds	$6,243,894

The "other assets, balances, etc.," on the credit side of the ledger, and which are aggregated into the last column of the above tables, are given in detail for Dec. 31, 1865, as follows:

Bills and accounts receivable		$2,441,715
Due from other roads		81,483
Debit of sinking fund		1,840,918
Fuel and materials on hand for shops, repairs to locomotives and cars, and maintenance of way		1,462,555
Advances to purchase materials and fuel to construct and operate Philadelphia and Erie Railroad		926,712
Balance in hands of agents	$530,334	
Balance in hands of treasurer	513,846	
		1,044,280
Total floating assets		$7,797,569

The above accounts recapitulate as follows:

Cost of roads, canals and appurtenances	$31,809,333
Stocks and bonds held by company	6,243,894
Floating assets	7,797,569
Total Dec. 31, 1865	$45,850,796

The other side of the account stood at the same date as follows:

Capital stock		$20,000,000
Bonds		16,584,840
Mortgages and ground rents on real estate		165,280
Accounts payable	$3,024,918	
Bills payable	577,130	
Dividends uncalled for	49,399	
		3,651,447
Contingent fund		1,000,000
Balance of income		4,449,225
Total		$45,850,796

The bonds as above are described as follows:

6 per cents, 1st mortgage bonds, due 1881		$4,980,000
6 " 2d " due 1875		2,621,000
6 " " " (sterling) 1875		2,283,840
5 " bonds to State	$7,500,000	
Less paid eight annual instalments	800,000	
		6,700,000

BUSINESS OF THE ROAD.

The number of passengers and tons of freight carried over the Pennsylvania Railroad and branches yearly for the ten years ending December 31, 1865, are shown in the following statement:

Fiscal	Passengers		Freight, tons			
Year.	Number.	Mileage.	Coal.	General.	Tot'l tons.	Mileage.
1856	828,446	42,147,582	190,344	263,648	453,992	119,836,500
1857	884,024	54,408,241	258,013	272,407	530,420	131,569,269
1858	684,348	45,934,952	340,538	245,729	586,267	148,630,758
1859	721,301	50,649,482	821,625	332,729	754,354	170,255,033
1860	1,203,444	55,100,696	523,223	823,302	1,346,525	267,981,314
1861	1,059,088	61,638,921	704,754	915,832	1,620,586	291,756,310
1862	1,143,418	82,897,805	835,146	1,223,402	2,058,548	351,092,301
1863	1,607,386	102,732,155	903,199	1,362,214	2,265,413	393,746,258
1864	2,587,514	146,873,005	1,086,779	1,678,097	2,764,876	420,627,222
1865	2,861,836	204,621,274	1,074,757	1,724,053	2,798,810	431,872,309

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REVENUE ACCOUNTS.

The sources and amounts of gross earnings on the Pennsylvania Railroad and the branch roads operated by the Company, (but not including the Philadelphia and Erie Railroad) yearly for the ten years ending December, 1865, are shown in the following statement:

Years.	Passenger.	U. S. Troops.	Mails.	Expenses.	Freight.	Other.	Total.
1856	$1,198,927	$..	$......	$......	$3,244,291	$276,906	$4,720,124
1857	1,244,858	....	64,544	63,961	3,374,041	108,263	4,855,670
1858	1,372,237	....	74,489	75,120	3,536,206	127,278	5,185,330
1859	1,420,912	....	74,483	75,120	3,656,111	135,726	5,362,355
1860	1,453,993	....	74,504	75,120	4,191,784	137,300	5,932,701
1861	1,406,018	145,158	74,399	75,120	5,398,026	201,280	7,300,001
1862	1,731,392	379,393	74,773	146,852	7,668,420	303,460	10,304,290
1863	2,275,537	514,693	75,598	263,129	8,602,262	160,194	11 891,113
1864	3 334,895	511,774	76,830	345,411	10,361,999	128,148	14,759,057
1865	4,174,193	1,278,845	80,130	483,724	11,193,565	248,712	17,459,169

The following shows the total earnings, expenses, and profits from operations for the same years:

Fiscal Years.	Total Earnings.	Operating Expenses— Ordinary.	Extraord'y.	Total.	Revenue or Profits.
1856	$4,720,124	$2,814,568	$.........	$2,814,568	$1,905,626
1857	4,855,670	3,000,743	....	3,000,743	1,854,927
1858	5,185,330	3,021,885	....	3,021,885	2,163,445
1859	5,362,355	3,130,738	....	3,130,738	2,231,617
1860	5,932,701	3,636,299	....	3,636,299	2,296,402
1861	7,300,001	3,653,062	....	3,653,062	3,646,938
1862	10,304,290	4,209,296	1,221,778	5,431,074	4,873,218
1863	11,891,413	5,132,197	1,647,803	6,780,000	5,111,413
1864	14,759,057	8,225,660	2,468,284	10,693,944	4,065,113
1865	12,459,169	10,881,930	2,388,128	13,270,058	4,189,111

The extraordinary expenses (not distinguished before 1862) have been made chiefly for the erection and extension of stations, additional second track and sidings, tools and shop machinery, locomotives, cars, &c., a large part of which does not properly belong to the Pennsylvania Railroad but to the leased lines.

Annexed are the gross earnings and expenditures of the Pennsylvania Railroad and branches, the canals owned by the Company and the Philadelphia and Erie Railroad operated under lease:

Fiscal Year.	Gross Earnings— Penn RR.	Canals.	P & E RR.	Expenses— Penn RR.	Canals.	P & E RR.
1856	$4,720,124	$.......	$.........	$2,814,568	$.......	$.........
1857	4,855,670	92,433	....	3,000,743	73,190	....
1858	5,185,330	179,000	....	3,021,885	124,058	....
1859	5,362,355	197,549	....	3,130,738	175.452	....
1860	5,932,701	209,366	....	3,636,299	154,761	....
1861	7,300,001	176,109	....	3,653,062	147,872	....
1862	10,304,290	251,482	425,688	5,431,074	258.092	349,344
1863	11,891,413	287,156	727,670	6,780,000	362,374	554,897
1864	14,759,057	308,615	1,131,148	10,693,944	310.555	1,174,303
1865	17,459,169	181,015	2,074,141	13,270,058	279,843	2,344,769

The gross earnings and expenses of all the above works conjointly, with the resulting profit to the Pennsylvania Railroad Company are shown in the following statement:

Year.	Gross Earnings.	Expenses.	Profits.
1856	$4.720,124	$2,814,568	$1,905,626
1857	4,948,103	3,073,933	1,846,170
1858	5,364,430	3,145,943	2,218,487
1859	5,559,904	3,306,190	2,253,714
1860	6,142,067	3,791,060	2,351,007
1861	7,476,110	3,800.934	3,675,176
1862	10,981,460	6,038,510	4,942,950
1863	12,906,239	7,697,271	5,208,968
1864	16,198,820	12,133,707	4,020,018
1865	19,714,325	15,894,671	3,819,654

During construction and up to May, 1862, the stockholders, from the day of the payment of each instalment of capital received six per cent. interest, free of taxes, upon their investment, from the net revenues of the road. Since May, 1862, the regular dividends have been ten per cent. and extra dividends have averaged over eight per cent. per annum, and beyond this there remains, at the end of 1865, to the credit of income on the Company's books the large undivided sum of $4,449,225, invested with other companies.

The dividends paid since May, 1862, have been as follows:

November, 1862	4	November, 1864	
May, 1863	4	May, 1865	5
November, 1863	5	November, 1865	5
May, 1864	5		

And in May, 1864, a stock dividend of 30 per cent.

DEDUCTIONS.

The following gives the cost of the road per mile, and the gross earnings, expenses, (ordinary and extraordinary) and profits per mile; also the ratio of expenses to gross earnings, and the ratio of profits to the cost of the road, yearly for the last ten years:

	Cost of road per mile.	Gross earnings per mile.	Total Expen's per mile.	Profits earned per mile.	Expen's to gross earnings.	Profits to cost of road
1856	$71,830	$13,296	$7,928	$5,368	59.63	7 47
1857	73 990	13,678	8,453	5,225	61.80	7.06
1858	75,400	14,607	8,512	6,095	58.30	8.08
1859	77,400	15,105	8,819	6,286	58.40	8.12
1860	79,340	16,712	10,243	6,469	61.33	8 40
1861	81,660	20,563	10,290	10,273	50.05	12.56
1862	82,780	29.026	15,300	13,726	52.70	16.59
1863	85,070	33.6 7	19,099	14,538	56.82	17.09
1864	86,500	41,575	30,121	11,454	72.44	13 24
1865	88,970	49,181	37,380	11,801	76.00	13.26

PRICES OF STOCK AT PHILADELPHIA.

The price at which the company's stock ($50 per share) has sold at Philadelphia on the first Thursday of each month for the years 1863, '64 and '65, is shown in the following statement:

	1863.	1864.	1865.
January	60¼@60½	69½@69¾	64½@65
February	68½@69	75½@76	61¾@62
March	67 @67¼	70½@71	56 @57
April	66¼@66½	79 @79½	53⅞@54
May	64¾@65	70 @70¼	56¼@56½
June	67¼@67½	71 @72	55 @55¼
July	60½@61	73 @73½	55⅞@56
August	64¼@64½	73¼@73½	57½@57¾
September	65 @65¼	74½@75⅝	57¾@58
October	69½@69¾	69¾@69⅞	60½@61
November	72 @72⅜	69¼@69½	57⅛@57¼
December	69¾@70	67¼@67½	56½@56¾
Year	60¼@72⅜	57¼@79	53⅞@66½

The Pennsylvania Railroad Company was chartered by an act of the Legislature, approved April 13, 1846, and authorized to construct a railroad from Harrisburg to Pittsburg, and branches to Erie, Blairsville, Uniontown, and to any parts of the counties through which the main line might pass. The capital authorized to be raised was $10,000,000, with authority given by subsequent acts to increase it to $20,000,000, and in consideration of the privileges granted, and for the protection of the then public works, the company were to pay to the State three mills for every ton of freight carried one mile. The State also reserved to itself the right to purchase the road at the expiration of twenty years at cost, with eight per cent interest thereon, deducting the profits of the company, but if this right should not be exercised, then the company to continue possession for a further period of twenty years, and so on from twenty years to twenty years.

The work of construction was commenced in July, 1847, and was conducted without any long intervals of cessation to its completion in December, 1852. The first section of 61 miles of the road, viz, from Harrisburg to Lewisburg was opened September 1, 1849; thence to McNeystown, 72 miles, December 24, 1849; thence to Shaeffers, 85 miles, April 1, 1850; thence to Huntingdon, 96 miles, June 10, 1850; thence to Hollidaysburg, 137 miles, September 16, 1850. At the last named place it made a connection with the Alleghany Portage Railroad, a State work, and at that time used for the transportation of boats over the mountains from one to the other division of the State Canal. On the Western Division of the line the road was completed from Johnstown (where the State Railroad ended) to Lockport, 18 miles, August 25, 1851; thence to Beatty's, 39 miles, December 10, 1851; thence to Turtle Creek, 65 miles, December 10, 1852, where it met the Pittsburg section of 13 miles, which had been in operation since December, 1851. The mountain division of the road between Altoona and the Portage Viaduct, 39 miles, was completed February 15, 1854, and the Indiana Branch from Blairsville to Indiana, 16½ miles, was completed June 9, 1856. In 1854 was commenced the laying of a second track, which has only recently been completed.

The policy of the company beyond the immediate construction of the road, has ever been the fostering of its western connections and lateral feeders. To this end the company obtained the passage of an act (March 23, 1853,) authorizing them to subscribe to the capital, or guarantee the bonds of other companies to the extent of 15 per cent of their own paid up capital. Under this authority, the company exchanged stocks with the Marietta and Cincinnati Company to the amount of $650,000; with the Maysville and Big Sandy Company to the amount of $100,000; with the Springfield, Mt. Vernon, and Pittsburg Company to the amount of $100,000; and with the Ohio and Indiana and the Ohio and Pennsylvania companies to the amount of $600,000, (subsequently increased by dividends to $816,500.) In 1858 the accounts against the three first named companies were closed in the debts charged off as worthless. The loans to the last named company were financially successful, and resulted in a direct profit to the Pennsylvania Company. The liberal policy pursued by the company, however, has not been altogether thrown away, and if not directly, these loans will indirectly pay themselves through the vast development they have given to the great West, on which the Pennsylvania Company naturally depend for traffic and income.

Up to August, 1857, the company had run their cars into Philadelphia over the Columbia Railroad (a State work,) under contract with the Commissioners of Public Works. On the first of that month, in pursuance of an act passed by the Legislature, and a vote of the stockholders at a special meeting held July 13, this road, and also the main line of the State canals and Portage Railroad were purchased by the company. The price paid for the whole was $7,500,000, for which the company issued to the State their bonds bearing five per cent interest, and made payable in annual instalments of $100,000 until July 31, 1890, and after that date in instalments of $1,000,000 a year until the whole should be paid. These are now operated by the company, with the exception of the Portage road, which has been abandoned. By the terms of the contract of sale the State relinquished its right to purchase the road as provided in the original charter.

In 1858 the bridge over the Alleghany River was completed, and a junction made with the Pittsburg, Fort Wayne, and Chicago Railroad.

In 1864–65, connection was made by a tunnel with the Pittsburg and Stubenville Railroad, which work had been aided materially by this company, and, at the same time, among other improvements, the road had been extended to the Delaware River below Philadelphia. Large sums have also been recently expended in completing a number of lateral roads, which, for want of funds, had been languishing for years. Among these are the Bald Eagle Valley Railroad, the Tyrone and Clearfield, the Western and the other roads named in a former section, all of which are leased to and under the control of the company.

Intermediate between the Pennsylvania Railroad proper, and the Philadelphia (late Columbia) to division of the line, or between Harrisburg and Dillerville, lies the Harrisburg and Lancaster Railroad, 36 miles, with a branch from Middletown to Columbia, 18 miles. The main line of this road has always formed a link in the Philadelphia and Pittsburg line, and was leased in April, 1849, to the Pennsylvania Company for twenty years, the latter to pay certain rates per passage and per ton of freight, the amount to be determined every second year by arbitrators. This contract, however, was radically changed by an agreement entered into between the two companies in 1862, under which the Pennsylvania Company took absolute possession of the road in consideration of paying 7 per cent on the share capital, and 6 per cent on the bonds used in its construction. The right of future purchase has also been agreed upon, and with this in view, the stocks of the companies have been largely exchanged.

In 1862 the Pennsylvania Company took a lease of the Philadelphia and Erie Railroad, and completed it last year. As it is our intention to treat of this line in a special article, we postpone further reference to its affairs. That it will ultimately become the property of tho Pennsylvania Company is not to be doubted.

Thus, in a period of less than fifteen years, have we seen the origin and progress of one of the vastest enterprises of modern times. At first but a link in the great chain of communication between the East and West, it has expanded to the magnificent work we behold at the present day, embracing, besides a main line of 355 miles, a large number of lateral and extension lines, and an independent line to the great lakes. Not a year has passed without some material progress; while, unlike most others of the great lines of the country, it has suffered little from financial troubles. The liberality of its owners in fostering connecting works has been a prosperous policy, for, though there has been some loss in this connection, the rapid development of the interior on account of the aid rendered by the company has fully made up the outlay sacrificed. Without this road, Philadelphia must have sunk into comparative insignificance, and it may be said with truth that the present and future of that great city depend for continued prosperity on the preservation of this line of communication with the progressive regions to the west of the State it traverses.

CHICAGO AND ALTON RAILROAD.

The railroad line, of which the Chicago & Alton Railroad forms the greater length, extends in a very direct line between the cities of Chicago & St. Louis, and is composed as follows:

Chicago & Alton Railroad—Joliet to Alton	....	220 miles.
Leased: Alton & St. Louis Railroad	23 miles.	
" Joliet & Chicago Railroad	37 "	60 "
Total length of line operated		280 miles

Previous to the completion of the Alton & St. Louis Railroad, Jan. 1, 1865, the company's cars were passed over the St. Louis Branch of the St. Louis, Alton & Terre Haute Railroad. The new line from Alton to East St. Louis is mainly owned by the Chicago & Alton Railroad Company, which holds 6,377 out of a total of 8,000 shares, representing its capital. The Joliet & Chicago Railroad is held under a perpetual lease (with an option of purchase), for which the company pays 8 per cent on $500,000 bonds and 7 per cent on $1,500,000 stock, which represent the cost of the road. The cost of the whole line as represented by stocks and bonds is now as follows:

Chicago & Alton Railroad, stock	$4,208,600
" " " bonds	4,019,000
Joliet & Chicago Railroad, stocks	1,500,000
" " " bonds	500,000
Alton & St. Louis, Railroad, stock	800.000
Total cost of 280 miles of road	$11,027,600

or about $39,670 per mile of road.

The Chicago & Alton Railroad Company are successors to the St. Louis, Alton & Chicago Railroad Company, and commenced operations on the 16th October, 1862. The statements which follow cover the period from that date to December 31, 1865, being three years and two and a half months.

LOCOMOTIVE AND CAR STOCK.

The rolling stock owned by the company at the end of the years 1862 to 1865 was as follows:

	1862.	1863.	1864.	1865.
Passenger engines	8	9	10	12
Freight "	20	16	18	26
Construction, switching and wood engines	7	8	13	20
Engines under repairs	6	12	8	8
" unfit for service	17	14	..	..
Total engines	58	59	49	66

The cars owned at the same periods were as follows:

	1862.	1863.	1864.	1865.
Passenger tra n cars	38	38	42	44
Freight cars—house	502	518	579	671
" " —stock	56	106	138	138
" " —platform	154	216	213	277
Total cars	750	878	972	1,130

OPERATIONS ON THE ROAD.

The mileage made by locomotive engines for each year 1863, '64 and '65, was as follows:

	1863.	1864.	1865.
On passenger trains	....	363,050	400,616
On freight trains	....	568,031	696,522
On wood trains	....	21,392	33,336
On construction trains	....	41,217	111,771
On switching	....	110,507	208,035
Total miles run	1,002,440	1,104,197	1,450,280

The number of passengers carried in the same years was—

	1863.	1864.	1865.
Local way	260,022	367,981	487,610
Way exchanged with o her roads	21,575	24,801	26,948
Local through	17,092	19,929	27,367
Through exchanged with other roads	8,325	12,229	15,391
Total way	281,597	392,782	514,558
Total through	25,397	32,158	42,758
Total way and through	306,994	424,940	55,731

The amount of freight (tons of 2,000 lbs.) carried is shown in the following statement:

	1863	1864.	1865.
Freight shipped from all stations northward ...tons	....	174,366	222,680
" " " southward	....	211,830	288,323
" " Alton & below to north	....	39,725	39,080
" " Joliet and above to south	....	154,334	214,406

OPERATING ACCOUNTS.

The gross earnings and expenses of operating the road are shown in the following statement:

	1862. (2½ mos.)	1863. year.	1864. year.	1865. year.
Passenger earnings	$115 437	$736,059	$974,549	$1,466,759
Freight "	215,467	1,120,448	1,479,659	2,155,152
Mails, express, &c., earnings	12,348	81 680	89,209	80,751
Military earnings	28,907	83,583	227,067	137,431
Total gross earnings	$372,659	$2,021,770	$2,770,484	$3,840,091
Operating expenses	162,386	971,840	1,532,106	2,006,574
Profits	$210,273	$1,049,930	$1,238,378	$1,833,517

Less the following payments:

	1862.	1863.	1864.	1865.
Joliet and Chicago Railroad lease	$46,082	$187,122	$164,725	$140,289
St. Louis, Alton and Terre Haute Railroad lease	8,511	59,480	....	....
Alton and St. Louis Railroad dividend	....	....	42,664	58,238
Alton & St. Louis Packet Comp'y	8,735	55,692	....	......
U. S. tax on passengers	3,807	22,710	....	......
Omnibus transfer, ferry, &c.		23,059	......	......
Total deductions	$67,135	$348,064	$207.389	$198,527
Net profits to Chicago and Alton Railroad Company	$143,138	$701,866	$1,030,989	$1,634,990

INCOME ACCOUNT.

	1862.	1863.	1864.	1865.
Net profits as above	$143.138	$701,866	$1,030,989	$1,634,990
Surplus, Jan. 1	....	143,138	349,742	741,236
Premium on bonds sold, &c	....	9,397	......	......
Lot at Alton sold	....	......	......	400
Dividends on Alton and St. Louis stock	....	......	35,140	44,639
Total resources	$143,138	$854,401	$1,415,871	$2,420,265

Disbursed as follows:

	1862.	1863.	1864.	1865.
Interest on bonds	......	256,480	284,182	283,185
Payments to sinking fund	.....	15,000	31,575	34,362
Dividends on stocks	......	129,338	286,712	376,548
Construction and renewal account	......	103.841	70,000	407,447
Alton and St. Louis Railroad construction	......	......	....	38.325
Sundries	......	......	2,365	......
Total disbursements	......	$504,659	$674,635	$1,129,867
Surplus December 31	$143,138	$349,742	$741,236	$1,291,398

GENERAL BALANCES.

The financial condition of the company, as exhibited on the General

Balance sheets, made at the close of the fiscal years 1862–1865, both years inclusive, is shown in the following abstract:

	1862.	1863.	1864.	1865.
Capital stock—preferred	$2,464,336	$3,422,596	$2,425,200	$2,425,400
" " common	1,779,886	1,783,343	1,783,100	1,783,200
Bonds—Sinking fund, due Nov. 1, 1877	600,000	585,000	554,000	519,000
Bonds—1st mortgage, due Jan. 1, 1893	2,400,000	2,400,000	2,400,000	2,400,000
Bonds—Income, due Jan. 1, 1883	1,100,000	1,100,000	1,100,000	1,000,000
Sinking fund—bonds cancel'd	....	15,000	46,000	81,000
" " cash	....	......	575	134
Bonds and stocks unused	....	85,000	38,313	37,813
Convertible scrip outstanding	....	......	619	319
Stores transferred from Receiver	75,820	..	......	......
Joliet and Chicago Railroad shares on hand	......	500,000	......	......
Renewal fund, balance unexpended	....	......	351,786	......
Alton and St. Louis R. R., construction fund unexpended	......	......	77,471	......
Current accounts	157,877	151,735	378,296	310,988
Bills payable	.....	......	......	58,972
Surplus income Dec. 31	143,138	349,742	741,236	1,291,398
Total debit side	$8,721,057	$9,392,415	$9,896,598	$10,008,224
Cost of road (220 m.), equipment, etc	$8,117,539	$8,281,6 9	$8,308,919	$8,308,919
Bonds and stocks issued, but unused	....	85,000	38,313	37,813
Alton & St. Louis R.R. shares on hand	....	....	647,700	637,700
Joliet and Chicago R.R. shares on hand	....	....	11,400	....
7 per cent bonds held by Trustees	300,000	....	....	....
Renewal fund (being $500,000 Joliet and Chicago Railroad stock set apart as a fund to be used in acquiring rolling stock, etc.	....	500,000	....	....
Bonds held by trustees on renewal account	....	120,000	50,000	50,000
Supplies on hand Dec. 31	129,395	166,881	286,993	451,934
Timber land acc'nt, for steamers, barges, fuel, ties, &c	....	....	57,486	41,268
Trustees of sink. fund—cash	....	....	575	134
Interest in Chicago live stock depot	....	....	....	50,000
Depot grounds—purchased in 1865	....	....	....	28,639
United States—rolling stock sold to government	....	25,300	....	....
Current accounts, including Jan. coupons, rents, &c	74,539	115,251	258,168	205,294
Bills payable	....	....	.....	3,526
Cash on hand	99,584	98,344	237,044	193,097
Total credit. side	$8,721,057	$9,392,415	$9,896,598	$10,008,224

DEDUCTIONS.

The cost of road and the earnings, expenses and profits per mile; also the proportion of expenses to earnings and of profits to cost of road, are shown in the following table:

Fiscal years.	Cost of road per mile.	Gross earn'gs per mile.	Ope'g exp'ses per mile.	Net profits per mile.	Exp'ses to ear'gs.	Profits to cost of road.
1863	$37,644	$7,221	$3,471	$3,750	48.07	9.98
1864	37,760	9,894	5,472	4,422	55.31	11.71
1865	37,760	13,714	7,166	6,548	52.30	17.34

The cost of road is deduced from the 220 miles belonging to the company; the earnings, expenses and profits from the 280 miles constituting the line operated.

PRICES OF THE STOCKS AT NEW YORK.

The following shows the monthly range of the common stock:

	1863.	1864.	1865.		1863.	1864	1865.
Jan	59 @65	84½ @89½	89 @92	July	65 @84	95@98	90@103
Feb	62 @64	81 @90	90 @95½	Aug	79 @86	84@97	96@103
Mar	57½@66	87 @ 96½	80 @90¾	Sept	68 @82	85@87	96@101
Apr	60 @69½	65 @100	80 @92	Oct	78¼@87	80@82	104@106½
May	70 @85	88 @ 97½	82½@93½	Nov	80 @91	85@90	103@106
June	63 @79	90 @ 99	87 @97¼	Dec	81 @86	89@93	104@106½
Range of year					57½@91	65@100	80@106½

The fluctuations of the preferred stock in the same years were as follows:

	1863.	1864.	1865.		1863.	1864.	1865.
Jan	85 @87	94 @ 96	90 @ 95	July	90 @98	93@98	01 @102½
Feb	83½@85	92½@ 98	92¼@ 98	Aug	92½@97	92@97½	96 @104
Mar	80 @86	94 @100½	84 @ 93½	Sept	82 @91½	90@93	97¼@105¼
Apr	81 @91	95 @108	85 @ 95	Oct	90 @94	85@90	105 @107¾
May	92 @99	94 @ 96	91 @107	Nov	89½@98	90@95	104½@107
June	88 @95	95 @ 97	92½@105	Dec	92 @95½	92@95	05 @107½
Range of year					80 @99	90@100½	84 @107¾

DIVIDENDS ON THE STOCK.

Since the reorganization of the company the following dividends have been paid;

Date.	Pref.	Com'n.		Pref.	Com.
August, 1863	3½	3½	February, 1865	5	5
February, 1864	3½	—	August, 1865	3½	3½
August, 1864	3½	6	February, 1866	5	5
Total in three years				24	23

The Chicago and Alton Railroad Company are successors of the Chicago and Mississippi, afterwards called the St. Louis, Alton and Chicago Company, which constructed a railroad between Joliet and Alton, a length of 220 miles. In 1859 the Chicago and Mississippi Company became bankrupt, and in December of that year the property was surrendered to a Receiver. At this date the property of the company was in a disorganized condition, and the company's employees in a state of mutiny. For years repairs of every kind had been neglected, and the road was in full course to ruin. The hands had received no pay for months. To the honor of the Receiver, however, no long period elapsed before this state of matters was remedied, and future operations were so conducted as to result in a complete regeneration of the property. In the meanwhile the company was being reorganized. By an agreement among the bond-holders, dated January 10, 1860, the junior creditors and stockholders were allowed to participate in the distribution of the new capital, their claims being properly scaled. This operation reduced the capital account to reasonable proportions, and made it possible that it should become dividend paying. Matters to this end having been legally arranged, the Receiver, on the 15th October, 1862, returned the property to the reorganized company.

That portion of the line from Joliet to Chicago, 37 miles, was constructed by the Joliet and Chicago Railroad Company. At first the receipts of the whole line were divided in proportion to the mileage owned by each company, each party maintaining its own road. Subsequently a permanent lease of this road was taken by the Chicago and Alton Company, which stipulated to pay for its use 7 per cent on the company's capital of $1,000,000, and 8 per cent on its funded debt of $500,000. At the same time, the option to purchase the road was secured to the Chicago and Alton Company. This section of the road is therefore under the immediate control of the latter, and may been considered as their own in absolute property, subject only to an annual rental. Its purchase, indeed, is only a matter of form and time.

The Alton and St. Louis Railroad, extending from the City of Alton to Bloody Island opposite St. Louis, 23¼ miles, was conveyed to the company under perpetual lease on the 16th April, 1864. The final surveys had been completed in March. On the 18th May construction was commenced, and the main track laid by the 1st of December. The line was not open for business, however, before the 1st of January, 1865. The Chicago and Alton Company pay for the use of this road 7 per cent per annum on the capital stock fixed at $800,000. This new line has proved highly advantageous to the company in the transaction of its business.

The St. Louis, Jacksonville & Chicago Railroad was opened for traffic between Petersburg and its junction with the Chicago & Alton Railroad near Monticello (a distance of 88 miles) on the 1st January, 1866. By the extension of this railroad northward to a connection with the Chicago & Alton Railroad at a point 80 to 100 miles from Chicago all danger of a competing line to St. Louis would be obviated; and the control of the Jacksonville line, practically vesting in the Chicago & Alton Company under the provisions of a perpetual contract, insures a great increase of traffic to the main line which will probably render a double track from the Junction to Chicago indispensable.

In consequence of much difficulty having been heretofore experienced in the care and delivery of live-stock transported to Chicago on the different lines of railroad and the dissatisfaction on the part of dealers, causing shipments to eastern markets by routes avoiding Chicago, the several railroad companies whose lines terminate at Chicago united in 1865 in the purchase of grounds and the construction of a Live-Stock Depot near the Southern limits of the city, which in its magnitude and completeness for the purpose designed is unequalled. Its cost has exceeded $1,300,000—the capital of its organization, known as the "Union Stock Yard & Transit Company" being $1,000,000 and its indebtedness about $300,000—the interest of the Chicago & Alton Company in the enterprise is equal to 1-20th and its cost $50,000.

With Chicago and St. Louis, the two largest commercial cities of the interior, as the terminal points of the line, and with several of the largest and most flourishing cities of the State on it, such as Alton, Springfield, Bloomington and Joliet, with many large and growing towns, the Chicago and Alton Railroad has more than an ordinary bright future in prospect, and will become one of the most valuable properties in the country. The development of the agricultural resources of its commercial area, has, indeed, only just been commenced. This development is daily expanding, and at no distant period will demand far greater facilities than those now provided, to keep up with which the company will require constant accessions to its storage capacity and equipment. The reality will exceed any calculations that any prudent man would dare to predict. Hence no penurious, or contracted views or policy should be permitted a foothold in the management of the company's affairs, but all the means and energies necessary to encompass the most abundant results should be applied to the single purpose of the great end in view, the fullest accommodation of the public convenience and necessities, and the increased revenue resulting from such a condition of affairs.

MILWAUKEE & PRAIRIE DU CHIEN RAILWAY.

The Milwaukee & Prairie du Chien (formerly M. & Mississippi) Railway extends across the State of Wisconsin from Lake Michigan to the Mississippi River, and consists of—

MAIN LINE—Milwaukee to Prairie du Chien	192.00	miles.
BRANCH LINE—Milton, via Janesville, to Monroe	42.41	"
Total line owned by company	234.41	"
LEASED LINE—McGregor Western Railway in Iowa	50.00	"
Total line owned and leased	284.41	"

The lease made with the McGregor Western Company is dated March 11, 1865 and is for 999 years. The M. & Prairie du Chien Company assumed possession April 1, when the road was open to Ossian 35 miles. It was further completed to Counover, 50 miles, August 29th, and is now being extended to Austin, Minn., where it will connect with the Minnesota Central Railroad, 65 miles from McGregor. The M. & Prairie du Chien and the McGregor Western Railroads will be connected by a bridge about to be constructed across the Mississippi. The accounts of these roads are kept separately.*

ROLLING STOCK.

The rolling stock owned by the Company at the close of the last five fiscal years is shown in the following statement:

	1861.	1862.	1863.	1864.	1865.
Engines—passenger	7	7	7	7	7
" —freight	26	28	28	27	28
" —switching	4	4	4	7	6
" old and unused	8	5	5	3	3
Total Engines	45	44	44	44	45
Passenger and baggage cars	46	43	41	38	43
Freight cars	527	561	574	601	609
Gravel, ditching, &c., cars	105	105	84	80	80
Total Cars	678	709	695	719	732

Several of the old engines and cars have been sold and transferred to the McGregor Western Railroad Company and their place supplied with new ones. Two other new engines will be ready early in the coming spring.

OPERATIONS OF THE ROAD.

The operations of the road, viz.: the mileage of engines with trains, and the passenger and freight traffic, are shown in the tables which follow:

Mileage of engines with trains:

	1861.	1862.	1863.	1864.	1865.
Passenger	275.296	296,441	292.944	303,331	310,857
Freight	387.784	436,372	434,069	551,155	529,937
Wood and repairs	132,447	90,8:9	76,739	83,697	72,494
Total mileage	795,527	823,642	803,752	938,183	913,288

* The McGregor Western Railway (average length operated 43⅛ miles) earned in the nine months (April—December) $213,339 or at the rate of $6,529 per mile per annum. The expenses, including rent of rolling stock and working capital ($18,303), amounted to $128,446 or 60.2 per cent of earnings, leaving as profits $84,893. Passengers 24,435; freight 46,160 tons. Of the passengers 10,932 were shipped to west and 9,218 were received from west at McGregor. Out of a total of 15,384 of *westward* freight 4,433 tons were shipped at Prairie du Chien and 10,663 tons at McGregor; and out of a total of 30,776 tons of *eastward* freight 759 tons were received at McGregor and 29,983 tons at Prairie du Chien. From the profits were paid $34,440 for coupons due August 1; $49,291 on construction account, and $1 350 for judgment, etc., leaving $4,856 to account new.

Number and mileage of passengers:

	1861.	1862.	1863.	1864.	1865.
Way passengers—east	59,198	61,280	79,885	119,220	128,165
" " —west	61,474	65,155	83,823	121,925	132,333
Through " —east	8,388	5,379	6,127	7,441	8,789
" " —west	5,123	4,890	6,849	8,792	11,307
Way & through pass.—east	63,586	66,659	861,012	126,661	136,954
" " " —west	66,597	70,055	90,672	130,717	143,640
Total way passengers	120,672	130,435	163,708	241,145	260,498
" through "	9,511	10,269	12,976	16,233	20,096
Total way & through	130,183	136,704	176,684	257,378	280,594
Mileage of passengers—east	3,332,716	3,075,824	3,771,080	5,323,371	5,617,324
" " —west	3,392,178	3,075,506	3,942,585	5,483,282	6,178,822
" " both ways	7,725,894	6,151,330	7,723,665	10,806,653	11,796,146

Tons and mileage of freight:

	1861.	1862.	1862.	1864.	1865.
Way freight—tons, east	128,681	118,632	129,296	87,645	72,035
" " — " west	61,990	48,565	50,202	54,025	57,564
Through freight—tons, east	100,207	99,285	79,159	111,762	128,353
" " — " west	14,916	15,868	19,515	23,298	32,964
Way & thro' do—tons, east	228,888	217,917	208,455	201,407	129,599
" " — " west	76,906	64,433	69,787	77,323	161,317
Total way freight—tons	190,671	167,197	179,498	143,670	200,388
" through freight—tons	115,123	115,153	98,674	135,060	90,528
Total way and through	305,794	282,350	278,172	278,730	290,916
Mileage of loaded cars—east	Tons car. 1 m., viz.: Eastward. 29,955,212 Westw'd . 7,220,138 B'h ways. 37,175,350	3,279,350	3,068,342	2,976,894	3,310,267
" " " —west		1,487,240	1,619,988	1,829,450	2,115,842
Mileage of empty " —east		380,335	391,855	717,064	503,438
" " " —west		2,166,820	1,844,967	1,635,093	1,657,679
Total loaded cars		4,766,590	4,688,330	4,806,344	5,426,109
" empty "		2,547,155	2,236,822	2,352,157	2,161,117
Total loaded & empty		7,313,745	6,925,152	7,158,501	7,587,226
Av. load (tons) per car—east		8.62	8.25	9.16	8.57
" " " —west		4.17	4.13	4.25	4.41
" " " —both		7.23	6.82	7.28	6.95

FISCAL OPERATIONS—EARNINGS AND EXPENSES, ETC.

The sources and amounts of gross earnings, the expenses of operation, and the amount and distribution of profits, yearly for the five years ending Dec. 31, 1865, are shown in the following statement:

	1861.	1862.	1863.	1864.	1865.
Passenger earnings	$211,250	$357,027	$294,885	$509,713	$562,911
Freight earnings	835,173	855,902	904,157	1,149,958	1,389,459
Mails and rents	61,931	50,805	48,215	51,610	33,141
Total earnings	$1,108,354	$1,163,734	$1,247,257	$1,711,281	$1,985,511
Expenses and taxes	672,315	748,993	793,747	1,206,951	1,337,880
Profits	$436,039	$414,741	$453,510	$504,330	$647,631
Add balance for last year	....	292,874	211,057	278,582	229,938
Interest, discounts, &c	....	5,623	5,169	6,620	7,374
Receipts from McGregor Railway Comp'y.	....	....	....	....	18,303
Total resources	$436,039	$713,238	$669,736	$789,532	$903,246

Disbursed as follows:

	1861.	1862.	1863.	1864.	1865.
Improvements at P. d Ch'n	......	$67,852	$26,180	$91,430	$16,496
Monroe and Dubuque R. R. surveys	......	......	......	4,370	......
Milwaukee and Miss. R.R. Co. under liens	15,110	28,220	5,384	788	517
Real estate	500	1,022	50	8,876	10,289
New rolling stock	....	....	....	.....	79,594
N. W. Telegraph line	....	.....	....	....	14,154
Invested in bonds and preferred stocks	....	62,923	....	....	....
Interest on bonded debt	118,405	172,900	170,485	106,400	38,202
Instalments of sink'g fund	9,150	13,000	33,995	98,080	164,843
Reserved sinking fund	....	....	....	....	1,435
Dividends on preferred st'k	....	156,264	155,060	249,650	286,068
Balance to next year	292,874	211,057	278,582	229,938	291,648
Total disbursements	$436,039	$713,238	$669,736	$789,532	$903,246

The amount of taxes, charged in the above to operating expenses, were in each year as follows:

1861	$11,143	1864	$72,230
1862	26,612	1865	112,234
1863	51,030		

The investment in 1862 in the bonds and stock of the company consisted of—bonds (59) $51,738.75; 1st preferred stock (98 shares) $7,763.74, and 2d preferred stock (60 shares) $3,420.00. These bonds and stocks were cancelled and the outstanding capital reduced by so much.

No dividends have as yet been made on the common stock.

GENERAL ACCOUNT, DECEMBER 31.

The financial condition of the company at the close of each of the last five years has been as shown in the following table:

	1861.	1862.	1863.	1864.	1865.
1st mortg. bonds & scrip stock...	$2,526,000	$2,454,000	$2,410,000	$966,000	$402,000
1st preferred stock........ ...	1,060,800	1,051,000	1,061,000	2,414,500	3,082,000
2d " "	1,020,000	1,014,000	1,014,000	1,014,000	1,014,000
Common "	2,761,800	2,761,800	2,761,800	2,988,073	3,014,000
Sink. fund bonds cancelled......	131,400	219,200	253,200	343,700	514,200
Reserved sinking fund	......	......	......	......	1,435
Convertible property & old debts account	141,267	141,267	141,267	141,267	141,267
Material reserve account..........	26,588	......	......	......	....
Car reserve acc'nt................	......	3,264	4,333	4,333	4,333
Station re'rve ac't................	......	....	......	10,700	14,780
Rolling stock reserve account....	......	......	......	......	45,500
Suspense account.................	......	......	......	.....	18,000
Balances payable to other companies....................	58,550	31,525	28,361	177,129	50,559
Debts payable: notes and bills...:...............		48,491	58,802	126,781	126,646
Coupon account: coups to become due Jan. 1.....	17,325	41,912	78,190	35,927	14,980
Reserved Government tax........	......	1,326	2,769	......	1,722
Iowa R. R. construction Co......	......	... ..	......	......	581
McGregor West'n Railway Co....	..	......	......	......	22,877
Balance of Income....	292,874	211,057	278,582	229.938	291,648
Total..........................	$8,036,604	$7,978,842	$8,092,303	$8,452,351	$8,755,527
General property: cost of road, &c.........	$7,500,000	$7,500,000	$7,500,000	$7,726,273	$7,726,200
McGregor West'n Railway Co: Stock advances................	....	....	....	....	300,000
Cash "	... .	....	....	....	3,806
Construction......	....	....	....	....	53,712
Materials on hand............ ...	100,000	100,181	118,421	237,703	231,411
Bal'nces due from Agents, &c....	16,866	15,098	18,954	47,220	44,289
Bal. due from U. S. on military account.................	....	31,492	16,415	156,245	36,107
U. S. Post office, due on mails...	....	6,665	5,262	5,262	5,264
McGregor West'n R'way bonds..	....	....	4,333	4,333	15,733
Cash....	416,738	325,406	428,919	275,315	339,005
Total........................	$8,036,604	$7,978,842	$8,092,303	$8,452,351	$8,755,527

The bonded debt has been decreased chiefly by cancellation under the operations of the sinking fund and purchase, and by conversions into 1st preferred stock. The increase of the 1st preferred stock on the other hand is due mainly to issues to satisfy such conversions of bonds and an advance ($274,000) to the McGregor Western Company under a law approved March 26, 1864.

DEDUCTIONS.

The following table shows the cost per mile of road, the earnings, expenses and profits per mile, the proportion of expenses to earnings, and the rate of profits to the cost of road.

	1861.	1862.	1863.	1864.	1865.
Cost of road per mile.............	$31,996	$31,996	$31,999	$32,962	$32,961
Earnings per mile.........	4,728	4,965	5,321	7,301	8,471
Expenses "	2,868	3,195	3,386	5,149	5,708
Profits "	1,860	1,770	1,935	2,152	2,763
Expenses to earnings p. c...................... ...	60.66	64.35	63.63	70.53	67.39
Profits to cost p. c................................	5.81	5.53	6.49	6.53	8.38

PRICES OF STOCKS AT NEW YORK.

In the following table are shown the range of prices of the Company's stocks at New York, monthly for the five years 1861–65, both inclusive:

FIRST PREFERRED STOCK.

	1862.	1863.	1864.	1865.
January	74 @ 84	.....@.....	106 @110	.....@.....
February	73½@ 77	109 @109	110 @113	.....@.....
March	77½@ 80	108 @110	.....@.....	.....@.....
April	77 @ 79½	107 @107	115 @115	.....@.....
May	79½@ 85	110¼@110¼	.....@.....	92 @ 95
June	90 @ 97½	.....@.....	115 @117	91 @ 93
July	88½@ 90	106 @112	116 @120	90 @ 90
August	90 @ 90	102 @112	119 @122	92 @ 92½
September	94 @ 96	109 @110	111 @121	96½@ 99
October	99 @100	.....@.....	.....@.....	101 @103
November	.....@.....	.....@.....	110 @111	101½@103
December	103 @103	.....@.....	.....@.....	101 @102
Year	73½@103	102 @112	106 @122	90 @103

SECOND PREFERRED STOCK.

	1862.	1863.	1864.	1865.
January	59 @ 65	85½@ 90	87 @ 90	.....@.....
February	52 @ 57	76 @ 78	84 @ 88	.....@.....
March	54½@ 58½	77 @ 78	.....@.....	.....@.....
April	56 @ 58	73 @ 80	91 @ 91½	.....@.....
May	50 @ 64½	81¼@ 90	90 @ 80	.....@.....
June	64 @ 75	75 @ 82	90 @ 92	.....@.....
July	66 @ 70¼	78 @ 86	90 @ 94	69 @ 70
August	70 @ 73	85 @ 89½	92 @ 94	70 @ 75
September	79 @ 79	85 @ 88	.....@.....	83 @ 85
October	77¼@ 78	84 @ 88⅜	.....@.....	85 @ 90
November	77 @ 80	87½@ 88	80 @ 80	88 @ 91
December	79 @ 84½	87 @ 88½	.....@.....	.....@.....
Year	52 @ 84½	67½@ 90	80 @ 94	69 @ 91

COMMON STOCK.

	1861.	1862.	1863.	1864.	1865.
January	10 @14¾	18½@ 21½	35 @ 48	53 @ 62	34 @ 49½
February	10 @12½	19½@ 21	35 @ 41	57 @ 69	41⅞@ 48½
March	11 @12	20 @ 27½	35½@ 40	53 @ 69½	30 @ 41
April	9 @11¾	25½@ 28¼	34½@ 44	63 @ 89	30 @ 42
May	9 @ 9½	26½@ 30	43 @ 60¾	58 @ 72	34 @ 43
June	14 @14	27¾@ 37	42 @ 56¾	66 @ 71	33 @ 41
July	14 @15	30½@ 34	50½@ 69½	63 @ 70	35¾@ 40½
August	14½@15	31½@ 34½	67 @ 90¼	61 @ 70	38 @ 41¾
Septemb'r	14¾@19½	32½@ 38⅛	65 @ 79½	50 @ 62	48 @ 58
October	1[illegible]½@19	33 @ 38	66 @ 74	35 @ 49	56 @ 73
Novemb'r	19 @23	31 @ 34	53 @ 70½	47 @ 56½	74¼@185
December	16¾@20	31 @ 34	50 @ 59	41 @ 55	90 @ 96
Year	9 @23	18½@ 38⅛	34½@ 90¼	35 @ 89	30 @185

The Milwaukee and Prairie Du Chien Railway Company are successors of the Milwaukee and Mississippi Railroad Company, and are vested with their property by virtue of a sale under the process of foreclosure of a mortgage. The proceedings were for and on account of the several classes of creditors and stockholders of the old company, and the property purchased at the sale was conveyed to the present company, an association formed under the General Railroad Law of Wiscon-in.

The indebtedness (less sinking funds) of the Milwaukee and Mississippi Company, September 1, 1860, was as follows:

Due employees, etc., preferred by order of court	$35,112
Notes secured by mortgage of real estate	21,378
Ten per cent. 1st mortgage bonds	74,000
Eight per cent. 1st mortgage bonds	2,550.000
Interest due on 1st mortgage bonds	305,960
Ten per cent. 2d mortgage bonds, $600,000, and interest	657,950
Second mortgage to City of Milwaukee, $300,000, and interest	338.920
Third mortgage, $396,069, and interest	408 639
Due to sinking fund	138.208
Amount of mortgage and preferred liens	$5,036,167

Floating debt and interest	$525,347	
Claim of Milwaukee, $234,000, and interest	290,910—	816,257
Whole indebtedness as claimed		$5,852,424
Share capital, general issue	$2,685,000	
Share capital, issued for farm mortgages	767,800—	3,452,800
Total subject to reorganization		$9,305,224

The road and property were sold and purchased at a cost of $7,500,000, and paid for as follows:

First mortgage, seven per cent., thirty years' bonds	$2,556,000
First-class preferred eight per cent. stock	1,095,000
Second-class preferred seven per cent. stock	1,086,800
Common stock	2,761,800

This arrangement reduced the old first mortgage from eight to seven per cent. bonds, and converted the other classes of debt into preference shares, leaving the old common stock to come in at a scaled rate to make up the difference between the bonds and proposed shares, and the total cost of the property, $7,500,000.

The plan of reorganization was fully carried out, the sale perfected and articles of association, signed January 21, 1861, which is the initial point of the history of the present company.

On taking possession of the property the new company found the road and machinery in the greatest delapidation, and the accommodation for business very inferior. Their first object was to remedy these defects, and certainly the five years of possession just ended has wonderfully changed the aspect of affairs. The road is now in excellent condition, having been newly relaid. Storage and elevators have been erected at the terminal points of the main line, Milwaukee and Prairie Du Chien. The rolling stock has been completely regenerated and largely increased, and, in fact, every convenience has been provided for a large and prosperous business. The result has been an increasing revenue, regular dividends on the preferred stock, and considerable surplus revenue in hand. No dividends, however, can be paid on the common stock until the mortgage debt is paid off, and this by the action of the sinking fund, and conversions is being rapidly done. Already the original $2,556,000 has been reduced to $402,000, and the whole will probably have disappeared before the end of another year.

The original road was built by the Milwaukee and Mississippi Company as before stated. Construction was commenced in 1860.

In 1851 there were completed and brought into use two sections, one of 18.10 miles, and a section of 18.40 miles; by the end of 1852 71.5 miles were in use; in 1853 89 5 miles, and in 1854 103 miles. No further mileage was completed until 1856, when 188 miles were in operation, and during the next year the whole main line and the Southern line were finally completed. The section between Milton and Janesville was for several years used as a branch under the title of the Janesville Branch, but this now forms a link in the Southern line, which it is intended to extend from its present terminus at Monroe to the Mississippi River opposite Dubuque.

The McGregor Western Railway is an extension of the Milwaukee and Prairie Du Chien road into Iowa and Minnesota. It is now under the entire control of this company, and must eventually become a most important feeder to the present road. The two roads, in connection with the

Minnesota Central Railroad, will form a continuous line between Milwaukee and St. Paul.

The improvements now being prosecuted are a bridge across the Mississippi at Prairie Du Chien, and the construction of warehouses, stations, &c., which are much wanted. The company are also constructing the Iowa line for its owners, and have furnished large sums for this object, chiefly in preferred stock.

As a matter of valuable record we collate from the reports of the old company a yearly account of its financial condition, as shown on the general ledger, and a statement of the revenue account from the first opening of the road to the period when they passed into other hands.

CAPITAL ACCOUNT, 1851-60.

Fiscal year.	Capital stock.	Funded debt.	Floating debt.	Total amount.	Miles of road.	Cost of property.
1851	$692,015	$74,000	......	$766,015	36.50	$660,839
1852	729,938	566,000	81,281	1,379,219	71.50	1,167,787
1853	830,881	700,000	235,082	1,765,963	89.50	1,733,276
1854	988,665	1,447,500	228,535	2,664,700	103.00	2,704,583
1855	1,826,439	2,347,500	67,890	4,241,829	103.00	3,578,758
1856	2,975,019	3,481,000	312,158	6,768,175	188.00	6,152,016
1857	3,674,672	4,035,500	478,014	8,188,186	234.41	7,826,029
1858	3,696,693	4,347,000	278,261	8,321,954	234.41	8,114,126
1859	3,686,813	4,439,073	441,161	8,567,047	234.41	8,125,839
1860	3,777,800	4,341,469	525,347	8,844,616	234.41	8,125,839
As reorganized	4,944,000	2,556,000	......	7,500,000	234.41	7,500,000

REVENUE ACCOUNTS, EARNINGS AND EXPENSES, 1851-60.

Fiscal years.	Av. miles in use.	Gross Earnings. Passeng'rs.	Freight.	Other.	Total.	Operating expenses.	Resulting profits.	Div. p. c.
1851	18.10	$13,700	$8,411	.....	$22,111	$7,596	$14,515	nil.
1852	42.00	31,997	43,344	.....	75,341	32,858	12,483	"
1853	70.00	78,635	148,283	.....	228,918	87,115	139,803	"
1854	88.00	150,629	314,423	.....	465,051	149,252	315,799	10
1855	103.00	208,100	483,744	.....	691,844	273,797	418,047	10
1856	132.00	227,610	441,634	11,228	680,472	307,781	372,691	10
1857	188.00	399,090	469,920	13,808	882,888	412,200	470,618	nil.
1858	234.41	305,806	555,862	21,518	883,186	443,243	439,944	"
1859	234.41	210,973	512,318	23,208	746,499	438,951	307,542	"
1860	234.41	217,992	504,568	27,281	799,841	402,719	337,122	"

FINANCES OF TENNESSEE.

We have obtained through his Excellency, the Governor of Tennessee, a detailed account showing the condition of the State finances, from which we have been able to prepare the facts and figures given below. In the present condition of the government and people it is impossible to furnish any reliable estimate of the probable future receipts or expenditures.

The annual expenses for the few years first previous to the war were $700,000, but the future charge upon the Treasury for the same purposes must exceed that sum. There is also a large amount ($5,169,740) of unpaid back interest, and also $364,167 of the principal of the State debt proper over due, making a total of interest and debt due of $5,533,907.

The debt itself is classified under different heads, and the following shows the total amount of each, and interest due to January 1, 1866:

DEBT OF TENNESSEE.

	Original.	Interest.	Total.
State debt proper	$3,894,607	$849,553	$4,744,160
State bonds loaned	14,006,000	3,769,507	17,775,507
State bonds endorsed	2,207,000	550,680	2,759,680
Aggregate debt and liabilities	$20,107,607	$5,169,740	$25,277,347

Included in the above are a number of State bonds issued to railroad and turnpike companies after the passage of the ordinance of secession, but which had been authorized by the Legislature before that occurrence as follows:

Date of issue.	Companies to which issued.	Amount of issue.
April 20, 1861,	Louisville and Nashville Railroad	$5,000
" 23, "	Nashville and Northwestern Railroad	120,000
June 11, "	Mobile and Ohio Railroad	172,000
" 14, "	Carthage and Rome Turnpike	8,090
Not stated.	Mansker's Creek and Springfield Turnpike	10,000
"	Carthage, Alexander, and Red Sulphur Turnpike	16,000
	Total issued by secession authorities	$331,000

It is not believed by the State authorities that any legal obligation rests upon the State for the payment of interest or principal of these bonds, and the legislature has made no provision for them.

Under the head of "State Debt Proper" are classed all issues for which the State is directly liable, viz.:

Classes of Bonds.	Original debt.	Interest to Oct., 1866.	Total debt.
Bonds issued for turnpike stock:			
5 per cent bonds	$1,091,180	$226,242	$1,317,441
5¼ do	137,167	20,801	157,968
Bonds issued for bank stock:			
6 per cent bonds (B. of Tennessee)	1,000,000	240,000	1,240,000
5 do do (Union Bank)	125,000	25,000	150,000
Bonds issued for railroad stock:			
5 per cent bonds (E. Tenn & Go. RR)	650,000	130,000	780,000
5 do do (La Grange & Mis R)	83,250	16,650	99,900
5¼ do do do do	102,000	21,420	123,420
Bonds issued for public purposes:			
6 per cent bonds (Hermitage)	48,000	11,520	59,520
6 do do (State capital)	658,000	157,920	815,920
Total State debt proper	$3,894,607	$849,553	$4,744,160

The following shows the amounts due in each year:

1861	$66,667	1869	$331,500	1874	$185,000	1880	$52,000
1862	61,250	1870	374,750	1875	39,000	1881	76,000
1863	177,750	1871	441,000	1876	32,390	1885	91,000
1864	58,500	1872	308,500	1877	102,800	and—	
1868	1,245,000	1873	81,000	1879	93,000	1892	48,000

The portion stated above as now due are the bonds of 1861-64, amounting to $364,167.

The class "State Bonds Loaned" includes all those issues which have been loaned on the security of the works for which they have been separately made, and also an issue to the Agricultural Bureau. The following are the details:

STATE BONDS LOANED.

Companies to which issued.	Original debt.	Int. to Jan., 1866.	Total debt.
Bonds issued to Railroad Companies:			
East Tennessee and Virginia	$1,599,000	$444,700	$2,043,700
East Tennessee and Georgia	1,160,000	272,880	1,232,880
Memphis and Charleston	1,081,000	262,980	1,343,980
Memphis and Ohio	1,493,000	403,110	1,896,110
McMinnville and Manchester	364,000	87,360	451,360
Tennessee and Alabama	853,000	231,581	1,084,581
Mississippi Central and Tennessee	574,000	154,980	728,980
Mobile and Ohio	1,296,000	349,920	1,645,920
Edgefield and Kentucky, and Louisville & Nashville	211,000	63,300	274,300
Memphis, Clarksville, and Louisville	1,042,000	312,600	1,354,600
Winchester and Alabama	433,000	143,259	596,259
Louisville and Nashville	455,000	126,015	581,015
Edgefield and Kentucky	645,000	200,162	845,162
Central Southern	534,000	128,160	662,160
Rogersville and Jefferson	159,000	38,160	197,160
Mississippi and Tennessee	95,000	22,800	117,800
Nashville and Chattanooga	154,000	36,000	186,000
Nashville and Northwestern	1,455,000	392,400	1,867,400
Cincinnati, Cumberland Gap, and Charl'n	132,000	31,680	163,680
Knoxville and Kentucky	180,000	43,200	223,200
Bonds issued to turnpike companies	65,000	17,060	82,060
Bonds issued to Agricultural Bureau	30,000	7,200	37,200
Total State bonds loaned	$14,006,000	$3,769,507	$17,775,50

The State has also endorsed the bonds of several railroad companies, viz.:

BONDS ENDORSED BY THE STATE.

Railroad companies.	Original bonds.	Int. to Jan., 1866.	Total liabili's.
Nashville and Chattanooga	$1,546,000	$371,040	$1,917,040
East Tennesse and Virginia	185,000	44,400	229,400
East Tennessee and Georgia	126,000	30,240	156,240
Memphis and Little Rock (Arkansas)	350,000	145,000	455,000
Total endorsed bonds	$2,207,000	$550,680	$2,757,680

The bonds endorsed for the Memphis and Little Rock Railroad were, in fact, bonds of the City of Memphis loaned to that company and e dorsed by the State.

The subject of funding this debt and paying this over due interest was discussed at great length by the Legislature, and finally the following act was passed authorizing the issue of new bonds:

An Act to amend an Act entitled "An Act to establish a System of Internal Improvement in this State," passed the 11th of February, 1852.

SECTION 1. Be it enacted by the General Assembly of the State of Tennessee, that the act aforesaid be so amended that the Governor of this State be authorized and instructed to issue the six per cent coupon bonds of the State, similar in character in every respect to the bonds issued under the act that this is intended to amend, and maturing at the same time, to amount sufficient to pay off all the bonds and interest past due, as well as that to fall due Jan. 1, 1866, or on any bonds that may fall due during the year 1866, issued or indorsed by the State, that were issued or indorsed previous to the so-called act of secession, passed the 6th day of May, 1861.

SEC. 2. Be it enacted, That said bonds shall be dated the 1st day of January, 1866, and be payable on the 1st day of January, 1892.

SEC. 3 Be it enacted, That said bonds shall, in no event, be sold, exchanged, or negotiated, at less than their par value; but they may be exchanged for the interest coupons bonds hereby provided to be paid, estimating each at their par value.

SEC. 4. Be it enacted, That the amount of interest now due, or that may become due by Jan. 1, 1866, by any railroad company to the State on bonds issued to or indorsed for said company, shall be charged up to said company on the same terms and conditions of the original loan under the law this is intended to amend, and the State shall have the liens upon each of said roads, their franchise and property, for the prompt and faithful payment of the principal and interest of the bonds hereby authorized to be issued to pay the interest on the bonds said company should have paid interest on, or it has under the law this is intended to amend, for the bonds issued under said law.

SEC. 5. Be it enacted, That the several railroad companies receiving aid under this act shall pay the interest on said bonds, as it matures, in the same manner and under the same rules, regulations and restrictions as they are now required to pay on the bonds issued or indorsed for them under the act this is intended to amend, commencing the payment of said interest on the 15th day of June, 1866.

SEC. 6. Be it enacted, That the law now requiring all railroad companies in this State to pay into the Treasury 2½ per cent per annum as a sinking fund on the amount of their indebtedness to the State, be, and the same is hereby suspended until Jan. 1, 1867, and said companies are relieved from the payment of the sinking fund now past due under said law.

SEC. 7. Be it enacted, That each and every railroad company in this State, who have or may receive aid under this act, or the act this is intended to amend, or any amendment thereto, shall pay to the Treasurer of the State during the year 1867, four per cent on the amount of indebtedness to the State as a sinking fund on said debt, to be paid on the bonds of the State of a like character to those issued or indorsed for said company, with the coupons on the same not matured, said payments to be made semi-annually on the 1st of April and October, and a like amount every year thereafter until the whole of their indebtedness is discharged.

SEC. 8. Be it enacted, That the Governor of the State shall, through the proper State officers, or by himself, or through such other agent or agents as he may appoint for the purpose, have the bonds hereby provided to be issued, negotiated, and the proceeds of the same applied to the payment of the interest now due, or to fall due Jan. 1, 1866, on all bonds issued or indorsed by the State, as hereinbefore provided, or exchange said bonds with the holders of said coupons, so as to pay off and liquidate said interest.

SEC. 9. Be it further enacted, That the expense of issuing and negotiating said bonds shall be paid out of any money now in the Treasury not otherwise appropriated, and the same be collected from the railroad companies in proportion to the amount issued for the benefit of said companies pro rata.

RAILROAD DEBT OF MISSOURI.

Up to 1849 Missouri had taken no part in the internal improvement movement which had swept over the new States to the east of the Mississippi. In that year the importance of a railroad connection to California, to secure our then new possession, forced itself on the public mind, and St. Louis, by common consent, was designated as the point of departure. In March, 1849, the Pacific Railroad was incorporated, and in 1851 the State, through its Legislature, agreed to lend its bonds to this and other railroad companies on specified conditions. The purport of these conditions was substantially as follows: Whenever the directors of a company should give proof of a *bona fide* subscription of $50,000 by individuals, the State would issue a like amount of bonds for each subscription until the appropriation should be exhausted. To secure itself from loss, the State took a first mortgage on the franchises and properties of the several companies to which these issues were made, including the Congressional land grants.

While these issues were in progress the financial panic of 1857 supervened, and further negotiation of the bonds was abandoned. The Legislature then promptly enacted a new law to place the State credit on a firm basis. The further issue of bonds was restricted to a sum ($2,120,000) required to complete work nearly done. A tax of one mill was ordered to be levied on all assessments, and paid over to the Commissioners of the Interest Fund. These, with some other provisions, were calculated to meet the emergency; but, as events proved, were insufficient, for in 1859 through default of most of the companies the fund fell short, and the State was obliged to borrow money to meet a part of the interest when due. Such was the origin of the nine per cent. revenue bonds, which now form a part of the railroad debt of the State.

The following table shows the companies to which bonds were issued, the amount authorized and the amount issued up to the close of 1865:

Titles of Companies.	Date of Act.	Amount Authorized.	Amount Issued.
Pacific	February 22, 1851	$2,000,000	$2,000,000
	December 25, 1852	1,000,000	1,000,000
	December 10, 1855	1,000,000	1,000,000
	December 10, 1855	2,000,000	2,000,000
	March 3, 1857	1,000,000	1,000,000
South West Br'ch	December 10, 1855. / March 3, 1857	4,500,000	4,500,000
Hannibal and St. Joseph	February 22, 1851	1,500,000	1,500,000
	December 10, 1855	1,500,000	1,500,000
North Missouri	December 23, 1852	2,000,000	1,950,000
	December 10, 1855	2,000,000	2,000,000
	March 3, 1857	1,500,000	400,000
St. Louis & Iron Mountain	February 23, 1853	750,000	750,000
	March 3, 1855	750,000	750,000
	December 10, 1855	1,500,000	1,500,000
	March 3, 1857	600,000	276,000
	March 9, 1859	....	324,000
Cairo & Fulton	December 11, 1855	250,000	......
	March 3, 1857	400,000	650,000
Platte Country	March 3, 1897	700,000	700,000
Total Railroad Bonds		$24,950,000	$23,800,000
Add Revenue Bonds			431,000
Total railroad debt			$24,231,000

It thus appears that all the companies except the North Missouri received the full amount authorized. This company failed to pay interest before the total amount was drawn, and consequently further loans were withheld by the State.

During the late war Missouri suffered largely, not only from the destruction of its railroads but also from the consequent suspension of industrial pursuits. Under such circumstances it was impossible that the companies could pay the coupons falling due semi-annually, and indeed no interest has been paid on the railroad debt since January, 1861, except by the Hannibal and St. Joseph Company which has paid promptly

On the re-organization of the State, one of the first acts of the Convention was to restore the public credit which the calamities of war had so seriously involved. To this end an ordinance was passed April 8, 1865, (by a subsequent vote of the people made a part of the fundamental law of the State), which provided for the collection of a tax of one-fourth of one per centum on all other real estate and property, and its application to the payment of the debt and accrued interest. This ordinance indicates the policy to which the State has pledged itself. The funding act recently passed by the Legislature (a copy of which is appended), arranges the terms on which the debt is to be liquidated. We refer to this law for the details. Its chief provision is the funding of the principal of the whole debt and the interest that has accrued, and may accrue up to Jan. 1, 1868, into a consolidated thirty-years debt. The loan to the Hannibal and St. Joseph Company, however, is excepted, for the reason that the Legislature were satisfied with its ability to to protect the State from loss. The interest on the new bonds will be three per cent for the first four years, four per cent for the second four years, five per cent for the next four years, and six per cent for the next six years, and increasing one per cent every four years after. This arrangement is based on the probable proceeds of the Convention tax on an increasing valuation.

The debt thus provided for principal and interest is briefly stated in the following table:

	Principal debt.	Interest to Jan. 1, '68.	Total amount.
Pacific Railroad	$7,000,000	$2,940,000	$9,940,000
Southwest Branch Railroad	4,500,000	2,030,000	6,530,000
North Missouri Railroad	4,350,000	1,827,000	6,177,000
Iron Mountain Railroad	3,600,000	1,470,420	4,971,420
Cairo and Fulton Railroad	650,000	273,000	923,000
Platte Country Railroad	700,000	294,000	994,000
Revenue Bonds	431,000	232,630	663,630
Total	$21,251,000	$9,067,050	*$30,199,050

In the meanwhile the relation between the State and railroad companies remains undisturbed. The State lien is intact, and whatever amounts the companies may pay on principal and coupons, are to be added to the sinking fund for the redemption of the new issues. The operation of the new law consolidating the debt and graduating the interest is shown in a table accompanying the report of the committee on whose advice it was passed. In this are given the estimated valuation, revenue, interest and sinking fund yearly and the remaining debt at the close of each year for the thirty years necessary for its final extinction. We copy this table for the information of our readers.

GRADUATED INTEREST PLAN

Showing valuation, revenue, payment of interest and principal for thirty years.

Years.	Estimated valuation.	Rev'e. f'm ¼ per ct tx.	Rate of int't.	Interest to be paid.	Surp. for s'k'g fund.	Principal remain'g.
1868	$400,000,000	$900,000	3	$900,000	....	$30,000,000
1869	428,000,000	963,000	3	900,000	$63,000	29,937,000
1870	457,960,000	1,030,000	3	898,110	131,890	29,806,000
1871	490,015,000	1,102,000	3	894,180	207,820	29,598,000
1872	524,315,000	1,179,000	4	1,183,920	†—4,920	....
1873	561,016,000	1,262,000	4	1,183,920	78,080	29,525,000
1874	600,286,000	1,350,000	4	1,181,000	169,000	29,356,000
1875	642,306,000	1,445,000	4	1,174,240	270,760	29,086,000
1876	687,267,000	1,540,000	5	1,454,300	91,700	28,995,000
1877	735,375,000	1,654,000	5	1,449,750	204,250	28,791,000
1878	772,143,000	1,737,000	5	1,439,550	297,450	28,494,000
1879	810,750,000	1,824,000	5	1,424,700	399,300	28,095,000
1880	851,287,000	1,916,000	6	1,685,700	230,300	27,865,000
1881	893,851,000	2,031,000	6	1,671,900	359,100	27,506,000
1882	938,543,000	2,111,000	6	1,650,360	460,640	27,046,000

* From this total there is to be deducted the amount paid in coupons and bonds by the several State banks and by the late owners of the Platte County Railroad, being about $200,000.
† Deficit.

1883	985,470,000	2,217,000	6	1,622,760	594,240	26,452,000
1884	1,034,743,000	2,328,000	6	1,587,120	740,880	25,712,000
1885	1,086,480,000	2,444,000	6	1,542,720	901,280	24,811,000
1886	1,140,804,000	2,566,000	7	1,736,770	829,230	23,982,000
1887	1,197,844,000	2,695,000	7	1,678,740	1,016,260	22,966,000
1888	1,233,779,009	2,776,000	7	1,607,620	1,168,380	21.798,000
1889	1,270,792,000	2,859,000	7	1,525,860	1,353,140	20,465,000
1890	1,308,915,000	2,945,000	8	1,607,200	1,337,800	19.128,000
1891	1,348,182,000	3,033,000	8	1,530,240	1.502.760	17,626,000
1892	1,388,627,000	3,124,000	8	1,410,080	1,713,920	15,912,000
1893	1,430,285,000	3,218,000	8	1,272,960	1,945,040	13,967,000
1894	1,473,193,000	3,314,000	9	1,257,030	2,056,970	11,910,000
1895	1,517,388,000	3,414,000	9	1,071,900	2,342,100	9,568,000
1896	1,562,909,000	3,516,000	9	861,120	2,654,880	5,914,000
1897	1,600,000,000	3,600,000	9	532,260	3,067,740	2,847,000

The following is a copy of the law to which we have referred in the foregoing remarks:

An Act *for the Consolidation of the State Railroad Debt, to provide for the Gradual Payment of the Interest thereon, and the Funding and the Redemption of the same.*

Be it enacted by the General Assembly of the State of Missouri, as follows:

Sec 1. To provide for the funding of the principal and interest now due and unpaid, and interest accruing up to Jan. 1, 1868, of the railroad indebtedness of the State of Missouri, the Governor is hereby directed to cause to be issued "Consolidation bonds" of the State of Missouri in sums of $1,000 each, to be dated on the 1st day of January, 1868, and payable 30 years thereafter, with coupons attached for the interest thereon, payable semi-annually, as follows, to wit: at the rate of three per centum per annum for the first four years, at the rate of four per centum per annum for the next four years, at the rate of five per centum per annum for the next six years, at the rate of seven per centum per annum for the next four years, at the rate of eight per centum per annum for the next four years, and at the rate of nine per centum per annum for the last four years.

The principal and interest coupons shall be payable at the Bank of Commerce in the City of New York, or such other bank as the General Assembly shall hereafter designate. The total amount of the consolidation bonds, so to be issued, shall not exceed $30,000,000.

The said bonds shall be signed by the Governor, countersigned and sealed with the seal of the State by the Secretary of State, and shall be registered in the office of the State Auditor and Secretary of State, and the faith and credit of the State are hereby pledged for the payment of the interest and the redemption of the principal thereof.

Sec. 2. The said bonds shall be issue for the single object of consolidating the present railroad indebtedness of the State, and shall be used only in exchange for the bonds heretofore issued by the State, as well as those guaranteed by the State in aid of certain companies, as follows: for the seven thousand bonds in aid of the Pacific Railroad Company; for the four thousand five hundred bonds in aid of the Pacific Railroad Company, for the southwest branch thereof; for the four thousand three hundred and fifty bonds in aid of the North Missouri Railroad Company; for the three thousand five hundred and one bonds in aid of the St. Louis and Iron Mountain Railroad Company; for the six hundred and fifty bonds in aid of the Cairo and Fulton Railroad Company: for the seven hundred bonds in aid of the Platte Country Railroad Company, and for the interest on all of said bonds, as aforesaid; and also in exchange for the revenue bonds now outstanding and unpaid, together with interest thereon.

Sec. 3. The holders of the bonds aforesaid shall, at any time after the passage of this act, have the privilege of exchanging said bonds and the unpaid coupons thereof, and those maturing up to and including Jan. 1, 1868, for a like amount in consolidation bonds in the manner following: the bonds to be exchanged for consolidation bonds shall be surrendered to the State Auditor, who shall cancel said bonds and coupons, and indorse each cancelled bonds with the words "exchanged for consolidation bonds," which indorsement shall be attested by the Secretary of State, and the State Auditor shall preserve and hold said cancelled bonds and coupons as evidence of the amount for which the State has a lien on the respective roads in aid of which they have been issued. The State Auditor shall deliver, in lieu of the bonds so cancelled, consolidation bonds to the full amount of said bonds and interest coupons unpaid up to and including those of Jan. 1, 1868, provided that, for any balance less than $1,000, the State Auditor shall give in exchange certificates of indebtedness which shall be convertible into consolidation bonds whenever presented in sums of not less than $1,000. These certificates of indebtedness shall be signed and sealed by the Secretary of State, and countersigned by the State Auditor, who shall keep an accurate register of all the bonds and certificates of indebtedness cancelled, and of all consolidation bonds, as well as certificates countersigned by him and delivered in exchange.

Sec. 4. To provide for the certain and prompt payment of the semi-annual interest of these consolidation bonds, a tax of one-quarter of one per centum on all real estate and other property and effects subject to taxation, is hereby levied, and shall be assessed and collected for the year A. D. 1868, and every year thereafter; and shall be sacredly applied towards the payment of said interest coupons; and any surplus remaining shall go into a sinking fund, which is hereby created, for the payment of the principal; and said sinking fund shall be invested in the consolidation bonds of the State of Missouri, but shall not be diverted or applied to any other purpose.

Sec. 5. Any sums which may be received by the State from the Pacific Railroad and the southwest branch thereof, the North Missouri Railroad and its west branch, the St. Louis and Iron Mountain Railroad, the Platte Country Railroad, the Cairo and Fulton Railroad, or either of them, whether on account of interest or principal of the debt due the State by paid roads respectively, or of the tax provided for in the Convention ordinance of April 8, 1865, or any part thereof, or of any other tax which may hereafter be imposed, levied and assessed on any of the said railroads ,and the proceeds of the sale of any of these railroads respectively, shall be deposited in the Treasury to the credit of the sinking fund, subject to the payment of interest on and redemption of the consolidation bonds contemplated by this bill, and, when any such payments are authorized to be made in the bonds or other obligations of the State, they may be made in the consolidation bonds issued under this act and in the matured coupons thereof, and be placed to the credit of the sinking fund.

SEC. 6. The foregoing section, or any part of this act, shall not be so construed as to affect in any manner the relations of those railroads to the State, nor so as to relieve the said railroads of any of their obligations to pay interest and principal for which the State holds a lien on said railroads.

SEC. 7. The privilege of bondholders to have their bonds and coupons exchanged for consolidation bonds, as provided in section 3 of this act, shall expire on the 1st day of January, A. D. 1869.

SEC. 8. The Secretary of State, Treasurer, and State Auditor are hereby authorized to employ such additional clerical force as may be necessary in the performance of the duties required of them by this act. And any other expense necessarily to be incurred under the provisions of this act shall be paid out of the Treasury, and charged to the State interest fund.

Approved March 6, 1866.

TAXATION ON NATIONAL BANKS—DECISION IN THE U. S. SUPREME COURT.

The following is the decision of the United States Supreme Court made March 26 with regard to the right of States to tax the shares of the National banks. Mr, Justice Nelson delivered the opinion of the court. The title of the cause was Adam Van Allen and others, stockholders of the First National Bank of Albany. vs. Michael A. Nolan and others, Board of Assessors of the City of Albany. The opinion is as follows:

This is a writ of error to the Court of Appeals of the State of New York. The case presented is this: The plaintiffs in error are stockholders in the First National Bank in the City of Albany, and the defendants constitute the Board of Assessors of taxes in the same city. The whole of the capital stock of the bank consisted of stocks and bonds issued by the United States under various acts of Congress; and it was insisted before the Board that the shares of the bank, held by the plaintiffs as stockholders were not subject to assessment and taxation under State authority, which position was denied by the Board, and the assessment was made and the tax imposed. The case was carried to the Supreme Court of the State, and thence to the Court of Appeals, which court affirmed the authority of the Board of Assesors to levy the tax. The case is now before us under the twenty-fifth section of the Judiciary Act.

The decree of the Court of Appeals must be reversed on the ground that the Enabling Act of the State, of March 9, 1865, does not conform to the limitations prescribed by the act of Congress, passed June 3, 1864, organizing the national banks and providing for their taxation. The defect is this: One of the limitations in the act of Congress is "that the tax so imposed under the laws of any State upon the shares in any of the associations authorized by this act shall not exceed the rate imposed upon the shares in any of the banks authorized under the authority of the State where such association is located." The Enabling Act of the State contains no such limitation; the banks of the State are taxed upon their capital, and although the act provides that the tax on shares of the national banks shall not exceed the par value, yet inasmuch as he capital of the State banks may consist of the bonds of the United States which are exempt from State taxation, it is easy to see that a tax on the capital is not an equivalent for the tax on the shares of the stockholders. This is but an unimportant question, however, as the defect may be readily remedied by the State Legislature. The main and important question involved, and the one which has been argued at great length and with ability, is whether the State possesses the power to authorize the taxa ion of the shares of these national banks in the hands of the stockholders, whose capital is wholly invested in sto ks and bonds of the United States. The court are of opinion that this power is possessed by the State, and that it is due to the several cases that have been so fully and satisfactorily argued before us at this term, as well as to the public interests involved, that the question should be finally disposed of; and we shall proceed therefore to state as briefly as practicable the grounds and reasons that have led to their judgment in the case.

The first act providing for the organization of these national banks, passed February 25, 1863, contained no provision concer ing State taxation of these shares, but Congress reserved the right by the last section at any time to amend, alter, or repeal the act. The present act of 1864 is a re-enactment of the prior statute, with some material amendments, of which the section concerning State taxation is one. In organizing these banks under the act, it is made the duty of the association to deliver to the Treasurer of the United States registered bonds bearing interest to an amount not less than $30,000, nor less than one-third of the capital stock paid in, which bonds shall be deposited with the Treasurer, and by him safely kept. This provision fixes the minimum limit of the amount of the bonds to be deposited with the Treasurer, but no maximum is fixed, and the whole amount of the capital may be invested in them. On the deposit of the bonds with the Treasurer, the association is entitled to receive from the Comptroller of the Currency circulating notes of different denominations, registered and countersigned, equal in amount to ninety per cent of the current market value of the bonds so deposited. There is a limit as to the amount of the circulating currency issued by these associations, not to exceed in the aggregate three hundred millions of dollars; and this sum is to be apportioned among the several banks organized under the act. These, notes after being countersigned, are authorized to be issued and to circulate as money, and are to be received at par in all parts of the United States in payment for taxes, excises, public lands, and all other dues to the United States, except for duties on imports, and also for all salaries, and other debts and demands owing by the United States, except interest on the public stocks, and in redemption of the national currency.

The associations also possess all the powers necessary for carrying on the busines of banking, by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; and by receiving deposits, buying and selling exchange, coin and bullion; by loaning money on personal security; by obtaining, issuing, and circulating notes, according to the provisions of the ac. The duration of the charter is twenty years. They are also made depositories of public moneys, when designated by the Secretary of the Treasury, and may be employed as fiscal agents of the government.

These are very great powers and privileges conferred by the act upon these associations, and which are founded upon a new use and application of these government bonds, especially the privilege of issuing notes to circulate in the community as money to the amount of ninety per centum of the bonds deposited with the Treasurer, thereby nearly doubling the amount for the operations and business purposes of the bank. This currency furnishes means and facilities for conducting the operations of the associations, which, if used usefully and skillfully, cannot but result in great advantages and profits to all the members of the association, the shareholders of the bank. In the granting of chartered rights and priviliges by government especially if of great value to the corporators, certain burdens are usually, if not generally, imposed as conditions of the grant. Accordingly we find them in this charter. They are very few, but distinctly stated. They are, first, a duty of one-half of one per centum each half year upon the average amount of its notes in circulation; second, a duty of one-fourth of one per centum each half year upon the average amount of its deposits; third, a duty of one-fourth of one per centum each half year on the average amount of its capital stock, beyond the amount invested in the United States bonds; and fourth, a State tax upon the shares of the association held by the stockholders, not greater than assessed on other moneyed capital in the State, nor to exceed the rate on shares of stock of State banks.

These are the only burdens annexed to the enjoyment of the great chartered rights and privileges that we find in this act of Congress, and no objection is made to either of them, except the last—the limit of State taxation. Although it has been suggested, yet it can hardly be said to have been argued, that the provision in the act of Congress concerning the taxation of the shares by the State is unconstitutional. The suggestion is, that it is a tax by the State upon the bonds of the government which constitute the capital of the bank, which this court has heretofore decided to be illegal. But this suggestion is scarcely well founded, because if we were to admit, for the sake of the argument, this to be a tax on the bonds or capital of the bank, it is but a tax upon the new uses and new privileges conferred by the charter of the association. It is but a condition annexed to the enjoyment of this new use and new application of the bonds; and if Congress possessed the power to grant these new privileges, which none of the learned counsel has denied, and which the whole argument assumes, then we do not see but that the power to annex the conditions is equally clear and indisputable. The question involved is altogether a different one from that decided in the previous cases, and stands upon different considerations. The whole taxation under this act of Congress involves no question as to the pledged faith of the government. The tax is the condition for the new rights and privileges conferred upon the associations.

But, in addition to this view, a tax on shares is not a tax on the capital of the banks. The corporation is the legal owner of all the property of the bank, real and personal, and within the powers conferred on it by the charter, and for the purposes for which it was created, can deal with the property as absolutely as a private individual can deal with his own. This is familiar law, and will be found in every book that may be opened on the subject of corporations. A striking exemplification will be found in the case of the Queen vs. Armand, 9th Adolphus and Ellis, new series, 806. The question related to the registry of a ship owned by a corporation. Lord Denman observed: "It appears to me that the British corporation is, as such, the sole owner of the ship." The individual members of the corporation are, no doubt, interested in one sense in the property of the corporation, as they may derive individual benefits from its increase, or losses from its decrease; but in no legal sense are the individual members the owners. The interest of the shareholder entitles him to participate in the net profits earned by the bank in the employment of its capital during the existence of its charter, in proportion to the number of his shares, and upon its dissolution or termination, to his proportion of the property that may rem in of the corporation after the payment of its debts. This is a distinct, independent interest or property held by the shareholder, like any other property that may belong to him. It is this interest which the act of Congress has left subject to taxation by the States with the limitations prescribed. That act provides as follows:

"That nothing in this act shall be construed to prevent all the shares in any of the said associations, held by any person or body corporate, from being included in the valuation of the personal property of such person or corporation in the assessment of taxes imposed by or under State authority, at the place where such bank is located, and not elsewhere, but not at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State. *Provided, further*, That the tax so imposed under the laws of any State upon the shares of any of the associations authorized by this act shall not exceed the rate imposed upon the shares in any of the banks organized under authority of the State where such association is located."

It is said that Congress possesses no power to confer upon a State authority to be exercised, which has been exclusively delegated to that body by the Constitution; and consequently that it cannot confer upon a State the sovereign right of taxation, nor is a State competent to receive the grant of any such power from Congress. We agree to this; but as it respects a subject over which the States may exercise a concurrent power, but from the exercise of which Congress in the exercise of its paramount authority may exclude the States, it (Congress) may withhold the exercise of that authority, and leave the State free to act. An example of this resolution, subsisting between the Federal and State governments, is found in the pilot-laws of the States, and the health and quarantine laws. The power of taxation, under the

Constitution, as a general rule, can as has been repeatedly recognized in adjudged cases in this court, is a condurrent power. The qualifications of the rule are the exclusion of the States from the taxation of the means and instruments employed in the exercise of the functions of the Federal Government.

The remaining question is, has Congress legislated in respect to these associations so as to leave the hares of the stockholders subject to State taxation? We have already referred to the main provision of the act of Congress on the subject, and it will be seen that it declares that "nothing in this act shall be construed to prevent all the shares in any of the said associations, held by any person or body corporate, from being included in the valuation of the personal property of such person or corporation in the assessment of taxes imposed by or under State authority." And in another section of the act it is declared that:

"The president and cashier of every such association shall cause to be kept at all times a full and correct list of the names and residences of all the shareholders in the association, and the number of shares held by each, in the office where its business is transacted; and such list shall be subject to the inspection of all the shareholders and creditors of the assouiation; and the officers authorized to assess taxes under State authority, during business hours of each day in which business may be legally transacted."

These two provisions, the one providing that nothing in the act shall be construed to prevent the shares from being included in the valuation of personal property in the assessment of taxes imposed by State authority; and the other, providing for the keeping of a list of the names and residences of the shareholders, among other things for the inspection of the State officers, not only recognize in express terms the sovereign right of the State to tax, but prescribe regulations and duties to the associations with a view to disembarrass the officers of the State engaged in the exercise of the right. Nothing, it would seem, could be made plainer or more direct and comprehensive on the subject. The language of the several provisions is so explicit and positive as scarcely to call for judicial construction.

Then as to the "shares" and what is intended by the use of the term, the language of the act is equally explicit and decisive. The persons forming an association are required to make a certificate which will specify among other things "the amount of its capital stock, and the number of shares into which the same shall be divided," "the names and places of residences of the shareholders, and the number of shares held by each." The "capital stock" "shall be divided into shares of $100 each," "and shall be deemed personal property." The "shareholders" of the asssociation "shall be held individually responsible, equally and rateably, and not one for another, for all contracts, debts and engagements of such association, to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares." In the election of directors, "and in deciding all questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him." At least fifty per centum of the capital stock of every association shall be paid in before it shall be authorized to commence business," and the remainder in instalments of at least ten per centum per month, till the whole amonnt shall be paid. "If any shareholder or his assignee shall fail to pay any instalments on the stock," the directors may sell the stock "of such delinquent shareholder," at public auction. "No association shall make any loan or discount on the security of the shares of its own capital."

We have already referred to the lists of names and residences of "shareholders" and the number of "shares" to be kept for the inspection of the State assessors. Now, in view of these several provisions in which the terms "shares" and "shareholders" are mentioned, and the clear and obvious meaning of the term in the connection in which it is here found—namely, the whole of the interest on the shares of the shareholders—when the statute provides that nothing in this act shall be construed to prevent all the shares in said associations from being included in the valuation of the personal property of any person or corporation in the assessment of taxes imposed by State authority, canthere be a doubt but that the term "shares," as used in this connection, means the same interest as when used in the other portion of the act? We think not. This is the obvious and ever-necessary meaning to be given to it.

It has been argued that the term used here means only the interest of the shareholder as representing the portion of the capital, if any, not invested in the bonds of the government, and that the State assessors must institute an inquiry into the investment of the capital of the bank and ascertain what portion is invested in these bonds, and make a discrimination in the assessment of the shares; but this is an interpolation, pure and simple, into the act of Congress. If that body had intended any such discrimination, it would have been natural and an easy matter to have said so. Certainly so great and important a change in the use of this term, if so intended, would not have been left to judicial construction.

Upon the whole, after the maturest consideration, we have been able to give to the act, we are satisfied that the States possess the power to tax the whole of the interest of the shareholders in the shares held by them in these associations, within the limit prescribed by the act authorizing their organization; but for the reason stated in the former part of the opinion, the judgment must be reversed and the case remanded to the Court of Appeals of the State of New York, with directions to enter judgment for the plaintiffs in error, with costs.

Chief Justice Chase delivered a dissenting opinion (which was concurred in by Mr. Justice Wayne and Mr. Justice Swayne), as to the power of the States to tax the shares of the national banks.

TRADE OF GREAT BRITAIN WITH THE UNITED STATES FOR 1865.

The Board of Trade returns for the year 1865 are just published, and we have prepared from them the following interesting review. The total value of exports of British and Irish produce and manufactures was £165,862,402, against £160,449,053 in 1864, and £146,602,342 in 1863. There was, therefore, an increase in the value of exports, so far as British and Irish produce and manufactures were concerned, of £5,420,000. The computed real value of the principal imports in the first eleven months was £180,820,357, against £197,448,426 in 1864, and £173,575,298 in 1863; but the market price of some of the leading articles of import—more especially cotton—was lower in 1865 than in 1864, and the quantities imported were much greater. In the eleven months ending Nov. 30, 1865, the *value* of the cotton imported was £49,294,092, against £66,991,418 in 1864, or a decrease of £17,700,000; the *quantities* imported, however, in the whole year, were 8,731,949 cwts., against 7,975,935 cwts. in 1864, being an increase of about 750,000 cwts.

According to these returns, the value of the export trade to America in British and Irish produce and manufactures, last year, was nearly five millions sterling greater than in 1864, and nearly six millions in excess of 1863. The figures stand thus:

	1863.	1864.	1865.
Northern ports	£14,799,952	£15,711,127	£20,337,017
Southern ports	43,409	87,876	400,330
Ports on the Pacific	501,031	909,502	498,443
Total	£15,344,392	£16,708,505	£21,235,790

And the following table shows the extent to which the leading articles were exported to America in each of the last three years:

DECLARED VALUE OF THE LEADING EXPORTS OF BRITISH AND IRISH PRODUCE AND MANUFACTURE TO THE UNITED STATES IN 1863, 1864, AND 1865.

	1863.	1864.	1865.
Alkali	£356,574	£284,259	£498,128
Beer and ale	33,053	43,411	55,867
Coals	170,529	129,470	119,208
Cotton manufactures—			
Piece goods	1,611,764	1,678,440	3,012,482
Thread	280,330	214,050	202,354
Earthenware, &c.	356,329	398,338	452,255
Haberdashery, &c.	665,609	761,778	937,709
Hardwares and cutlery—			
Knives, forks, &c	81,094	116,247	167,011
Anvils, vices, &c	74,895	90,806	96,806
Manufactures of silver	273,022	265,879	374,312
Linen manufactures—			
Piece goods	2,076,761	2,481,199	3,633,938
Thread	200,228	187,560	149,363
Metals—			
Iron, pig	129,063	215,429	212,566
Bar, &c.	517,697	731,805	257,541
Railroad	419,625	831,952	426,803
Castings	28,911	16,544	5,701
Hoops	191,283	222,175	119,268
Wrought	209,978	258,371	165,646
Steel, unwrought	531,249	493,244	366,004
Copper, wrought	16,347	16,426	42,404
Lead, pig	51,016	251,809	167,439
Tin plates	746,454	658,218	975,656
Oil seed	3,634	45,439	72,038
Salt	26,977	36,619	70,317
Silk manufactures.	98,979	74,095	73.767
Handkerchiefs	5,246	17,270	3,436
Ribbons	24,318	28,508	40,745
Other articles	87,934	75,831	130,311
Manuf. mixed with oth. mat.	19,153	39,093	46,539
Spirits—British	14,713	11,229	16,741
Wool	38,828	16,300	31,410
Woolen manufactures—			
Cloth of all kinds	670,512	709,765	573,114
Carpets, &c.	268,318	270,442	385,841
Shawls	80,236	61,395	36,195
Other articles	2,003,690	2,058,103	3,784,301

The larger proportion of this trade was carried on during the closing months of 1865, more especially in the months of September and October, the trade of the last four months having equalled in value that of the preceding eight months. The largely augmented supply of capital necessary to conduct this suddenly increased trade, was one of the leading causes of a rapid advance in the rate of interest.

As regards the imports of cotton the figures presented are most instructive. They show that the receipts from American ports were increased to the extent of more than one million cwts, whilst there was a falling off in the import from Indian ports of 500,000 cwts. Brazil and Egypt show an increase, and there is also an augmentation in the receipts from Mexico; but the latter are probably American produce. On the other hand, there is a diminution of about 120,000 in the import from the Bahamas, the result of the reopening of the Southern ports. Taking the bulk of the import from the Bahamas, Bermuda, and Mexico to be American cotton, the total import of American produce last year was 1,700,000 cwts., against 730,000 cwts. in 1864, or an increase of nearly 1,000,000 cwts.

The statement of imports is as follows:

IMPORTS OF COTTON INTO THE UNITED KINGDOM.

	1863.	1864.	1865.
From United States..........cwts.	57,000	126,322	1,212,790
Bahamas and Bermuda	265,816	376,047	158,607
Mexico	172,126	228,027	327,365
Brazil	201,814	339,442	494,671
Turkey	110,294	169,234	223,133
Egypt	835,289	1,120,479	1,578,912
British India	3,878,757	4,522,566	3,981,675
China	275,503	769,259	320,141
Other Countries	181,733	324,559	434,655
Total	5,978,422	7,975,935	8,731,949

In the export trade in raw cotton, there was an increase of 520,000 cwts. in 1865 as compared with 1864. The following table shows the quantities taken by the leading countries:

EXPORTS OF COTTON FROM THE UNITED KINGDOM.

	1863.	1864.	1865.
To Russia, Northern Ports..........cwts.	152,678	222,446	276,238
Prussia	99,535	15,310	60,067
Hanover	65,665	50,697	15,111
Hanse Town	419,102	512,781	714,600
Holland	400,362	414,291	431,172
Other Countries	1,017,591	969,317	1,207,356
Total	2,154,933	2,184,842	2,704,544

The total import of wheat in 1865 was 21,089,140 cwts. against 23,318,726 cwts. in 1864, and 24,573,506 cwts. in 1863. The decrease, last year, therefore, notwithstanding that there was a falling off in the receipts from the United States of nearly 7,000,000 cwts., was confined to 2,300,000 cwts. As will be seen from the accompanying statement, the deficiency in the import from the United States has been made up in some degree, by augmented receipts from Russia, Prussia and France. Of flour France shows an increase of 2,800,000 cwts., whilst there is a decrease in the import from the United States of 1,500,000 cwts. The following is the statement:

IMPORTS OF BREADSTUFFS INTO THE UNITED KINGDOM.

	1863.	1864.	1865.
Corn.			
From Russia..........cwts.	4,560,352	5,139,495	8,160,241
Prussia	4,432,003	4,950,304	5,426,508
Denmark	873,689	730,332	647,056
Schleswig, Holstein, and Lauenburg	183,374	273,159	255,251
Mecklenburg	385,602	670,403	649,771
Hanse Towns	320,688	500,050	491,510
France	147,997	591,439	2,266,471
Wheat.			
Turkey and Wallachia and Moldavia	416,282	475,361	575,104
Egypt	2,325,414	366,868	10,063
United States	8,819,139	7,955,379	1,183,689
British North America	2,126,241	1,236,088	307,316
Other Countries	482,725	429,848	1,116,160
Total	24,573,506	23,318,726	21,089,140
Indian Corn or Maize. Total from all Countries	12,774,460	6,313,366	7,139,943

Flour.			
Hanse Towns	308,706	333,094	250,917
France	1,371,768	1,822,032	3,058,288
United States	2,556,822	1,766,241	262,876
British North America	898,812	493,885	181,489
Other Countries	129,735	137,687	179,218
Total	5,265,843	4,552,939	3,932,788

In the total import of provisions, notwithstanding the remunerative prices obtainable on this side, there is a decrease in 1865, as compared with the two preceding year s. The figures are as under :

IMPORTS OF PROVISIONS INTO THE UNITED KINGDOM.

	1863.	1864.	1865.
Bacon and Hams, cwts	1,877,813	1,069,390	713,846
Beef, salt, cwts	282,677	302,860	228,296
Pork, salt, cwts	168,939	189,411	183,155
Butter, cwts	986,708	1,054,617	1,083,717
Cheese, cwts	756,285	834,844	853,277
Eggs, No	266,929,630	335,298,240	364,013,040
Lard, cwts	530,512	217,275	136,898

The high price of meat attracted increased supplies of beasts, sheep, calves and pigs from continental ports, and stock was received during the year from nearly every country in Europe. A large proportion, however, was of inferior quality; consequently, the *weight* of meat imported was not sufficient to have any permanent influence in reducing prices—the total import being quite inadequate to feed London with a population of about three millions, for more than six months. Hence, the remaining twenty-four millions had to look to home productions for their necessary supplies of butcher's meat. The imports of cattle in each of the last three years were :

	1863.	1864.	1865.
Oxen, bulls and cows ....Number	109,653	179,507	227,528
Calves	41,245	52,226	55,743
Sheep and lambs	430,788	496,243	914,170
Swine and hogs	27,137	85,362	132,943

The return also gives the total value of the imports in 1865 ; these amounted to £219,751,324, against £226,161,840 in 1864, and 204,533,512 in 1863. The decline in value, however, is not the result of anydecrease in the quantities imported, but of a lower estimate of price as regards several articles, the one bearing the most importance in this respect being cotton. The following was the value of the imports of principal articles in 1863, 1864, and 1865 :

COMPARATIVE IMPORTS INTO THE UNITED KINGDOM FOR THE YEARS 1863—65.

	1863.	1864.	1865.
Coffee	£4,155,029	£3,606,152	£4,604,475
Wheat	12,015,006	10,674,654	9,775,616
Indian Corn	4,042,905	1,977,955	2,234,396
Flour	3,522,931	2,832,200	2,622,888
Cotton	56,277,953	78,203,739	66,032,193
Flax	4,271,059	5,323,053	5,369,729
Hemp	1,880,253	1,745,353	1,738,125
Metals: Copper	1,182,177	1,024,660	1,240,728
Iron	527,848	625,283	584,082
Lead	559,057	611,273	670,572
Spelter	672,699	720,384	702,060
Tin	327,234	497,328	529,803
Petroleum	690,698	455,913	429,999
Oil: Palm	1,419,536	1,121,370	1,450,409
Olive	1,138,336	958,397	1,684,852
Oil Cakes	676,165	828,969	859,782
Provisions:			
Bacon	2,365,726	1,911,291	1,886,487
Butter	4,537,157	5,652,704	5,945,884
Cheese	1,886,887	2,176,248	2,463,299
Rags	592,785	693,393	655,581

	1863.	1864.	1865.
Rice	1,866,109	1,809,103	1,330,941
Linseed	3,372,432	3,947,221	3,983,243
Silk: raw	9,380,758	6,336,903	10,614,648
thrown	93 939	123,281	127,165
Silk Manufs	3,683,752	4,493,507	4,949,710
Spirits: rum	581,039	489,172	674.671
Brandy	1,124,824	1,505,382	833,694
Sugar	11,530,242	14,404,150	11,303,256
Refined	500,307	1,668,768	1,272,691
Molasses	336,628	380,085	426,171
Tallow	2,438,613	2,077,726	3,125,282
Tea	10,666,017	9,438,760	10,044.462
Timber: sawn	5,766,003	6,010,341	6,559,931
Unsawn	4,988,235	4,949,903	4,941,064
Tobacco: stem'd	760,407	652,542	1,133,535
Unstemmed	1,722,571	1,997,467	1,569,707
Manufactured and Cigars	542,866	799,239	547,235
Wine: red	1,401,703	1,428,827	1,660,214
White	3,095,640	3,574,057	2,253,982
Wool	11,465,257	15,162,361	14,528,770

FENIANISM AND BRITISH CONFEDERATON.

The celebration of the anniversary of St. Patrick this year was marked by more than usual enthusiasm. In this city many thousand persons took part in the demonstration, which was orderly and well-conducted. Our exchanges from all the principal cities afford a similar testimony. Everywhere the general sobriety and correct deportment of the men received favorable mention. The Benevolent Associations and Temperance Societies only displayed banners.

Perhaps this has been the more noticeable this year, because of the lively apprehension existing in the British North American provinces of a general uprising of the Irish population. The fabulous dimensions of the Fenian organization, the large amounts of money said to have been contributed from Canadian towns for its maintenance, and possibly the stings of a guilty conscience, had excited general alarm. The military were placed in guard of the public buildings and property at Ottawa, lest some ferocious "Head Center" should seize them, and proclaim liberty throughout the Canadas to all their inhabitants.

How much real occasion there was for all this excitement is somewhat ludicrously set forth by the public journals. Despite all the notifications there were none even of the displays, heretofore frequent, of banners and devices reflecting upon the English government. Nowhere did a Fenian circle, as such, mingle in the processions, and whatever members of the order did testify their regard for the Saint and his anniversary, did so in other capacities. Canada was as safe as Boston or New York; and the archives at Ottawa remained as undisturbed as the assets and notes of the Bank of England, when a guard was placed over them to keep them from being seized or destroyed by the Great Comet.

It may be imagined by some timorous persons that this very quietness of the Fenians is indicative of coming peril. The clergy have declared against the organization, which may be a reason for its non-appearance at the annual religious demonstration. So have the "Orangemen," who have formed in this city a military association to oppose the Fenians and the Roman Catholics, and established branches in the principal up-town wards. Hence, if the hostility of the Church is sincere, these aspiring liberators of Ireland may actually be exercising themselves between the upper and nether millstones.

Nevertheless, we do not marvel at the manifestations of fear exhibited throughout the British provinces. The aid and comfort extended to piratical adventurers during the late war in the United States; the general disposition to cast discredit on the cause of the Union and the policy of the Government, would naturally lead to the expectation that Americans, acting in a retaliatory spirit, would encourage the effort of the Fenians, or other liberators to set up revolt in her Majesty's possessions. Having behaved ungenerously towards us, they suppose that our people cannot view their calamities with commiseration.

We suspect, however, that a deeper motive may lie within the secret counsels of the British Provincial authorities. Many circumstances appear to favor the impression that a purpose exists which all these popular movements are made to aid and further. A Confederated North American Empire, we all know, has been a favorite project. Many agencies have been in operation to retard its successful accomplishment. The Reciprocity Treaty affording the facilities of commerce with the United States, equal almost to those which would have been enjoyed if the provinces had been a component part of the American Union, prevented the development of any general desire for consolidation. The suspicion has accordingly been entertained, not altogether without reason, that the Canadian agents at Washington a few weeks ago had no earnest desire to negotiate a new commercial treaty. Probably the failure was not all the fault of our Government. It would have been wiser, we are of opinion, to have conducted negotiations to a successful issue; but, with a large majority against the measure in Congress, and insincerity on the part of the Canadians, it was not so easily to be done. The overthrow of Reciprocity will henceforth be a plausible argument for a British Confederation, and the establishment with it of a great commercial entrepot on the St. Lawrence River.

The expense of an imperial viceroyalty would not, however, be very attractive to the farmers of the provinces. Neither Quebec nor Montreal could become a metropolitan town like New York without more population and more commercial facilities. At present the young men of Canada are disposed to emigrate to the United States, leaving the old men for subjects of her Majesty. A canal system and railways will be necessary, and require large outlays of capital for their construction. The prospect of speedy returns are not sufficiently promising to attract the favorable consideration of capitalists; and the debt of the Canadas is too large and formidable to warrant large outlay for internal improvements. What New England or New York can do is not a criterion for the provinces. The Queen's agents are sagacious enough to perceive this.

The threatened Fenian imbroglio comes to them therefore with a secret gratification. What motives of commercial and pecuniary interest were insufficient to effect the urgent consideration of provision for general safety may be able to accomplish. A general uprising of the Irish population, aided by an army of auxiliaries from the United States, would necessitate a consolidation of power, and prove a strong if not an unanswerable argument in favor of confederation. But whatever hopes or apprehension existed have not been realised. The anniversary of St. Patrick, which had been indicated as the period for a simultaneous movement, has passed away like all its predecessors. No foundation appears to have existed for the received opinion that an attempt against Canada had been contemplated.

This is a fit time to reflect upon the actual probabilities of a Fenian Revolution. The summary measures taken by the British Government with the associates of Stevens are evidence that no blank cartridges will be employed in any effort to suppress revolt. The British Lion, like Leviathan, has a heart hard as the nether millstone. The assizes at Carlisle, in 1745, and the recent barbarities of Governor Eyre are proof that its nature has undergone no change. The very semblance of an uprising, or even of a conspiracy in Ireland, would be followed by a chastisement so severe as to induce the most thorough as well as speedy penitence. Beside the British Government is forewarned, and the discontented Fenians know well what that means.

A candid view of the matter, however, will resolve whatever sympathy may be entertained for the movement for liberation. The good sense of mankind has accepted as a maxim that a government generally beneficial in its operations, though occasionally oppressive in its requirements, should not be opposed or changed without weighty considerations. The dominion of the British Government in Ireland is entitled to this argument. There has been for many years a tendency to mitigate the evils incident to its administration over a people different in race and religion. The right of sufferage is enjoyed in Ireland as freely as in England. The support of the National Church Establishment is no more burdensome on Irish Catholics than it is on English Dissenters; and it is very possible that before many years even this burden will be alleviated. The Union placed the two countries upon terms of equality, and its operations have become steadily more beneficial to each. There is no more security for life and property than was ever before enjoyed in Ireland, and the Government of the United Kingdom are evidently determined that the present state of things shall continue.

The folly of the proposed liberating movement is manifest. There is no grievance to be redressed which is considerable enough to demand an appeal to arms and the overthrow of a government. Persistence in demanding reformatory measures will eventually secure them without recourse to violence. As for the possibility of successful revolution through the agency of the Fenians, the idea is too absurd to be entertained. The "Neptune Circle" which has been commanded by Mr. O'Mahony, will hardly be able to assemble a fleet capable of sailing the Thames to dictate terms of pacification from London to all the British Empire. Even the reuolutionary party of England would long hestitate before casting their fortunes with a swaggering madcap adventurer from this country, or such a wretched poltroon as James Stephens.

The value of the bonds of the Fenian Republic will long continue to be hypothetical, having no basis but the faith of the persons so weak as to receive them. They will never be redeemed at the Bank of England or upon the College Green. The money realised upon them will be expended for other purposes than the invasion of England or the liberation of Ireland. We would counsel our adopted citizens to make a wiser investment of their means than in such worthless paper. Every dollar paid for these bonds is lost as irrecoverably as though it had been sunk in mid-ocean. The fate of the men who followed the banners of the Stuarts in 1715 and 1745 should convince them of the impossibility of success. Better by far to direct their industry and enterprise for honorable competence in the land of their sojourning and the home of their children, than to dissipate their modest gains to further utopian adventure or maintain in affluence a horde of unprincipled men.

ARRIVALS OF SHIPPING AT NEW YORK IN 1865.

The annexed statement shows the number of arrivals of merchant vessels at this port from foreign ports, from January 1st to December 31, 1865, inclusive, the class of vessel, and their natonality as represented by their flag:

FROM FOREIGN POPTS.

Nations.	Steamers.	Ships.	Barques.	Brigs.	Schrs.	Total.
U. S. of America	157	260	333	345	448	1,543
Great Britain	235	114	486	1,114	604	2,553
Bremen	22	52	77	6	..	157
Italy	..	..	20	31	1	52
Denmark	..	1	8	26	5	40
Hamburg	28	20	14	11	1	74
Russia	1	1	6	4	..	12
Netherlands	..	..	14	8	5	27
Prussia	..	5	11	3	1	20
France	9	4	9	7	2	31
Norway	..	2	9	8	..	19
Sweden	..	..	5	12	1	18
Hanover	..	7	6	8	..	21
Austria	..	2	2	4	..	8
Mecklenburg	..	2	5	1	..	8
Portugal	..	5	3	11	1	20
Oldenburg	..	..	2	4	..	6
Spain	1	2	4	9	..	16
Belgium	..	1	..	1	..	2
Argentine Republic	..	1	9	2	..	12
Brazil	..	..	..	9	..	9
Venezuela	..	..	..	7	..	7
New Granada	1	..	..	2	1	4
Columbian	..	..	..	1	..	1
Siciliian	..	..	1	1		2
Total	454	479	1,024	1,635	1,070	4,662

The following tab'e shows the arrivals at this port in 1865, of vessels engaged in the coastwise trade, including transports and prizes:

COASTWISE.

	Steamers.	Ships.	Barq's.	Brigs.	Schrs.
January	96	9	13	13	188
February	81	5	9	11	174
March	98	9	12	15	529
April	119	9	11	19	411
May	120	12	18	26	477
June	145	15	12	20	402
July	169	8	7	11	530
August	176	2	6	28	584
September	158	6	16	22	620
October	160	3	10	29	758
November	125	4	16	53	595
December	157	3	14	57	512
Total	1,604	85	144	299	5,840

Whole number as above	7,972
Which added to the foreign	4,662
Makes a total for 1865	12,634
Whole number 1864	12,825
Decrease	191

ARRIVALS.

	Foreign. All classes.	Coastwise. All classes.		Foreign. All classes.	Coastw'e All cla's.
1865	4,662	7 972	1860................	4,424	8,445
1864................	4,841	7,931	1859................	4,027	7.809
1863................	5,082	7,984	1858	3,483	7,243
1862................	5,458	7,148	1857................	3,902	6,097
1861................	5,095	6,977	1856................	3,809	6,109

The following table shows the extent of the shipments of bullion and specie to the East, through Alexandria, in each of the last five years, and also the amount of India Council bills drawn during the same periods. The figures show a large diminution in the drain to the East, but at the same time represent a heavy amount. In 1861, the total shipped was £10,144,149, whilst the bills drawn by the Indian Council were to the extent of only £185. The heaviest year is 1864, in which the shipments reached £24,318,189, whilst the bills drawn were to the value of £7,-798,974. Closely approximated this is 1863, he total shipments and bills drawn being about £32,320,000. The figures are as follows :

Shipped to	1861.	1862.	1863.	1864.	1865.
SUNDRY—Gibraltar, Malta & Suez.........	£2,145	£7,000	£2,828	£8,748	£44,514
ALEXANDRIA	628,541	2,384,570	5,291,100	6,047,250	3,758,114
ADEN—Seychelles, Mauritius and Re-union	115,290	208,128	158,689	244,861	205,450
CEYLON—Australia	43,880	45,950	116,921	79.632	79,526
BOMBAY	5,456,684	8,848,386	10,618,501	10,113,473	5,895,356
MADRAS—Pondicherry	674 077	886,486	503,771	978,197	649,218
CALCUTTA	1,871,308	2,170,895	890,169	3,681,692	1,639,823
SINGAPORE—Penang, Batavia & Saigon.....	127,073	786,412	796,501	965,780	626,800
CHINA—Hong Kong, Swatow, A-moy, Foo-Chow, Shang-hae and Japan	1,222,151	2,830,477	3,076,364	2,199,156	1,034,382
	10,141,149	18,168,303	21,455,844	24,318,189	13,933,183
Per P. & O. Steamers, from Southampton.	7,632,984	11,867,667	11,386.707	8,217,123	4,177,055
Per P. & O. Steamers, from Marseilles	2,185,741	5,467,181	5,788,293	7,777,791	4,074,816
Per P. & O. Steamers, from Gibraltar, Malta & Suez.........................	322,424	408.309	443,571	553.270	514.212
Per M. Impres. Steamers, from Marseilles .	......	425.146	3,837,273	7,770,005	5,167,100
	10,141,149	18,168,303	21,455,844	24,318,189	43,933,183

	—Amount of India Council Bills drawn during— (estimated at 20s. per rupee.)				
	1861.	1862.	1863.	1864.	1865.
On Bombay	......	1,057.000	4,006.278	2,947,500	2,017,300
Madras..................................	......	215,850	380.901	346,990	397,100
Calcutta................................	185	2,727,500	5,479,200	4,504,484	3,869,385
	185	4,000,350	9,866,379	7,798,974	6,283,785

COMMERCIAL CHRONICLE AND REVIEW.

Publicity a necessity in our financial policy—Funding Bill—Rates of discount—Prices of American Securities at London—New York prices of Governments—Railroad Stocks—Decline in Gold—Course of Gold for month—Treasure movement—Exchange, &c.

THERE is nothing the country needs at the present moment more than a definite financial policy in regard to the movements of the Treasury. Before the passing of the legal tender act of February, 1861, the doings of the Secretary of the Treasury attracted little notice outside of a very contracted circle ; it was even complained that in consequence of the Sub-Treasury arrangements the administration of the Government finances was unnaturally and mischievously separated from the monetary system of the country at large. The state of things is much changed now. Any irregular movements of the Treasury may cause the utmost commotion and disturbance in the currents of trade, on which the well-being and the subsistance of millions depend. A greater power, a more absolute control, over the growth, the enterprise and the activity of a free people was never enjoyed by any executive than is now vested in the Treasury. Hence it is of the utmost importance that a definite policy shall be laid down for the management of the national finances, and that the nature of this policy shall be clearly, openly and publicly declared, so that the people may see and understand at every step how their monetary affairs are being conducted,

Publicity is the condition of responsible Government, the bulwark of a free people, the safeguard of republican institutions. In all matters of internal administration, and especially in finance, the doings of Government officers should in time of peace be open as the day. During the war secrecy was necessary in many affairs, and we fell insensibly into the habit of secrecy in many other points of Government administration where it was less necessary. But now, with the return of peace, we come back to the normal state of things, of which, as we said, publicity is the indispensable condition. We have no enemies of the Government to oppose, to crush down, to restore to obedience and to equal laws. All our people, from the lakes to the gulf, and from the Atlantic to the Pacific are one homogeneous, indefatigable army of workers. All citizens are members of the great, rich, growing, mercantile and industrial firm whose territory reaches from sea to sea, and whose finances are of paramount interest to every citizen.

But publicity is especially necessary now, on account of the state of the currency. Every one acquainted with the alphabet of financial science knows that the value of an irredeemable currency is regulated by the law of demand and supply. Let the supply be redundant and the value is depreciated. Allow us to regulate the supply of paper money in a country which is just leaving the solid basis of specie payments, and you confide to our hands the power to fix or perturb prices just as we think proper; because we can keep steady, or we can disorder the value of the dollar at will, making it worth less or more as our caprice, or our interest, or our errors may prompt. Suppose, in the case we have suggested, it is our pleasure, or our misfortune, to increase unduly the supply of currency, what is the consequence? The paper dollars will lose part of their purchasing power. The currency will be diluted throughout the country. As water poured into a pipe of wine impairs every drop of the liquor, so our superflous issues of currency reach every part of the current of the circulation, and diffuse a taint through the whole.

What follows when the currency is diluted: First prices begin to rise. But the rise is not seen every where in equal degrees, or at the same time. Objects of the greatest mobility float soonest in a freshet; and under the influence of a flood of redundant paper money the most sensitive objects start first. Wholesale prices are apt to rise before retail prices and in undue proportion thereto. The prices of foreign goods rise before domestic goods, because the perturbation of the currency reflects itself in the foreign exchanges. Usually, however, gold starts up first of all; then stocks and negotiable securities, then commodities; according to their various degrees of mobility; and last of all real estate. This has been our experience during the inflation period, extending over the last four years, it has been the experience of every country that has been cursed with a depreciated redundant paper money.

Another consequence of the depreciation of the currency is an increasing "ease in money." This is the popular way of saying that loanable capital is plentiful, that the owners of that capital are willing to lend it on low interest, and that borrowers, consequently, can get accomodation on easy terms. This state of things is only temporary, but it serves while it lasts to aggravate the evils of speculation. Now let us reverse the picture. After expansion let sudden and severe contraction come. Prices fall; money grows tight, capitalists being timid and unwilling to lend; needy people are in difficulties; those who have been trading beyond their means are left high and dry, like fish that have ventured too far out at flood tide; business is stagnant; commercial and industrial enterprise are paralysed. If the contraction be very sudden and very severe a panic ensues, and the violent rebound of such a financial revulsion is usually disastrous in proportion to the extent of the antecedent inflation.

It is true that contraction of the currency can be made without these evils. We have proved this. For the first time in the history of finance, an inflated currency has been reduced without producing confusion in the money market, or distress among the mercantile interests. The work was accomplished by means of the coupound interest notes which will hereafter be looked upon and cited in history as the most ingenious, gentle, skilful, and effective machinery that ever the wit of man contrived for the purpose. These compound notes have now almost ceased to do duty as active currency. As there are 174 millions of them out, the volume of the circulating medium has been reduced to that extent. But so gentle was the process that general prices fell gradually, and almost imperceptibly to the masses of the people, and so equally was the resulting pressure on the money market diffused and distributed, that public confidence was rather benefited than injured, as is evident from the fact that during the very time while it was going on, we negotiated heavier government loans than were ever made in the same period of time by any country in the world. In the twelve months ending 30th June, 1865, the receipts of the Treasury for loans were no less than $1,475,579,740, which is a greater sum than the entire floating debt which some of our financial men are so fearful that we cannot deal with in the next three years of peace.

From what has been said, it is evident that contraction of the currency may be well done, or it may be clumsily done, and that it cannot be well done except it is done with publicity, so that the whole nation, whose property the currency is, and who have daily to use it for the most important operations of their daily life, may know exactly day by day what is doing with it; and what changes, if any, it is receiving. The power of contracting the currency is of the most tremendous extent. It enables its possessor to touch every man's livelihood, to shrink every income or accumulated store of wealth, and to change the terms of existing contracts.

The Funding Bill, which has passed the House, and is now before the Senate, makes but little change in the conditions under which the Secretary of the Treasury is authorized to sell bonds and fund outstanding obligations, by the existing acts of Congress The clause, however, which recognizes this principle of publicity, and requires that all the particulars shall be communicated relative to negotiations of Government securirities is highly approved. Congress will meet again within eight months, while none of the floating debts of the Treasury will mature for sixteen months, except such as can easily be provided for; the opinion is gaining ground that the best way of managing the finances will be to leave the floating debt to take care of itself until another session. By that time the country will have had time to take breath upon the prodigious exertions of the war, and we shall be able to negotiate war bonds to much better advantage than now. Moreover, if things are favorable and our national affairs progress as we fervently hope and pray that they may, the credit of the Government will receive such an impulse that we may in a year's time be able perhaps to negotiate a five per cent. bond at as good a price as we could get for our six per cents to-day. In other words, in that case our long five per cents will sell at par, and our six per cents at 110 exclusive of interest. At present, therefore, we should not borrow nor trouble with regard to our short obligations, but give our attention exclusively and without hinderance to the reform of our currency. This work is more pressing than the other, and, indeed, cannot, without serious injury, be postponed.

The rate of interest has continued without any violent fluctuations—the last three weeks, however, exhibiting increasing ease. The following are the rates during the month:

RATES OF LOANS AND DISCOUNTS.

	March 2.	March 9.	March 16.	March 23.	Mar. 30.
Call loans....................	6 @ 7	6 @ 7	5 @ 6	5 @ 6	5 @..
Loans on Bonds and Mortgage....	6 @ 7	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 ms	7 @ 8	7 @ 8	7 @ 7½	7 @ 7½	6½@ 7½
Good endorsed bills 3 & 4 mos	7½@ 8	7½@ 8	7½@ 8	7½@ 8	7 @ 8
" " single names.	8½@10	8½@10	9 @10	9 @10	9 @10
Lower grades..................	10@18	10@18	10@18	10@15	10@15

Government bonds have exhibited great strength through the month. Prices in London have risen steadily, closing on the 17th of March, the latest dates, at 72 for five-twenties. Below we give the prices of five twenties and certain railroad stocks at London each day to March 17:

PRICES OF AMERICAN BONDS AND RAILROAD SHARES AT LONDON.

	Week ending Feb. 17.						Week ending Feb. 24.					
	Mon	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5'20's, '82.	67¼	67¼	67⅜	68¼	68⅝	68½	68⅛	68⅜	68⅝	69⅝	69¾	69½
Atlan. & G. West, N. Y. section, 1st mort, 1880, 7 per cent...............	74	74	74	....	75	75	74	74	74	74	74	74
Erie shares, $100.........	51¼	51¼	51⅜	52⅞	53½	53	52¾	53¾	53¼	53⅝	53⅝	53⅜
Illinois Cen., $100 shares.	74½	74½	74½	75½	76⅞	76½	76¼	76⅜	76½	77¼	76⅞	76¾
N. Y. Cen., $100 shares .	61	61	61	....	....	62½	60	60	70	60	60	60

	Week ending March 3						Week ending March 10					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, '82..	70	70¼	71	71⅛	70¾	70¾	70½	70¼	70⅛	70⅜	70½	70⅜
Atlan. & G. West., N. Y. section, 1st mort, 1880, 7 per cent...............	.....	74	74	74	75	74	74	74¾	74¾	73½	74	74
Erie shares, $100.........	54¼	54¾	55½	55¼	55	55	54⅛	53⅞	53⅞	53⅞	54	54
Illinois Central, $100 shs.	77¼	77¾	78¾	78¾	78¾	78½	77¾	77¾	77¾	78	78	78
N. Y. Central, $100 shares	.....	60	60	60	60	60	60	60	60	60	60	60

	Week ending March 17 — Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, 1882	70⅝	70⅜	71⅛	71⅞	72¼	72
Atlantic and Great Western, New York section, 1st mortgage, 1880	73	73	73	74	73	73
Erie shares, 100 dollars	55⅜	55⅛	56⅜	58¾	57¼	57
Illinois Central, 100 dollar shares, all paid, 10 p. c.	78⅜	78	79⅜	80¾	81	80¾
New York Central, 100 dollar shares	60	60	60	60	60	60

Notwithstanding the fall in gold, the prices of Governments have risen from one to two per cent. through the month. We give our usual table below :

PRICES OF GOVERNMENT SECURITIES, MARCH, 1866.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, 5-20 yrs. Coup.	6's, 5-20 yrs. Reg.	5's, 10-40 yrs. Coup.	5's, 10-40 yrs. Reg.	7-30's, 1867.	1 y'r certif.
Thursday .. 1	104¼	.....	103⅛	.....	90⅞	....	99⅝	98⅞
Friday 2	104¼	104¾	103¼	.....	90⅞	....	99⅝	98⅞
Saturday... 3	104⅜	104¼	103	.....	90¾	....	99⅝	....
Sunday. ... 4	.....	.....	....	.....	....	....	.....	....
Monday 5	104⅜	104½	103	.....	90¾	90⅝	99⅝	99
Tuesday ... 6	.....	104⅜	103⅛	.....	90½	....	.....	....
Wednesday 7	.....	104½	.....	103¼	90	....	99⅝	....
Thursday .. 8	.....	104½	103¼	.....	90⅜	....	99⅝	99
Friday..... 9	104⅜	104⅞	103⅛	.....	90⅞	....	99¾	....
Saturday...10	104¼	104¼	103	103	....	90½	99¾	....
Sunday 11	.....	.....	.....	.....	....	....	.....	....
Monday....12	.....	104⅝	103½	.....	90¾	....	.....	99½
Tuesday ...13	104⅝	104⅜	103⅜	.....	90¾	90⅞	.....	99⅛
Wednesday14	104¾	.....	103½	.....	91	....	99⅞	....
Thursday ..15	.....	104¾	103½	.....	90⅞	....	100	99¼
Friday.....16	104⅝	.....	103¾	.....	90⅞	91	100	....
Saturday...17	104¾	.....	103¾	.....	90⅞	....	100	....
Sunday.....18	.....	.....	.....	.....	....	....	.....	....
Monday....19	104⅞	.....	103¾	.....	91	....	99⅞	....
Tuesday ...20	104¾	.....	103⅝	.....	90⅜	90⅞	99⅞	99⅛
Wednesday21	.....	104⅞	.....	.	90¼	....	100	....
Thursday ..22	104¾	104⅞	103⅞	103⅝	90⅜	....	100	....
Friday.....23	104⅞	104¾	103⅞	.....	90⅝	....	100	99¼
Saturday...24	...	.....	103⅞	.....	90¾	....	100⅛	....
Sunday.....25	.....	.....	.....	.....	....	....	.....	....
Monday... 26	.....	.....	103⅞	.....	91⅛	....	100¼	....
Tuesday...27	105	105	104	104	91⅛	91	100⅛	....
Wednesday28	105⅛	105	104¼	.....	91⅝	....	100¼	....
Thursday ..29	105	.....	104⅛	.....	92	....	104¼	99⅜
Friday.....30			(*Good Friday—Holiday.*)					
Saturday...31	105⅛	.....	104⅜	.....	92⅜	....	100¼	....
Highest.....	105⅛	105	104⅜	104	92⅜	91	100¼	99⅜
Lowest......	104¼	104¼	103	103	90	90½	99⅝	98⅞

Railroad stocks during the month have been active. The abundance of money and the absence of any general falling off in the receipts of the roads during the month, a result different from what was expected, have lead to higher prices. The last week there was a slight reaction attributable to the passage of the Loan Bill in the House of Representatives. The following are the quotations for the month :

	Mar. 2.	Mar. 9.	Mar. 16.	Mar. 23.	Mar. 29.
New York Central	91½	90¾	92½	93	91¾
Hudson River	103½	103¾	106⅝	108⅞	107½
Erie	86¼	82¾	83⅝	81⅝	78⅝
Reading	99¼	97¾	100	102	100¼
Mich. So. and N. I.	70	74	78	82⅝	84
Illinois Central	115½	115¾	118	117	....
Cleveland and Pittsburg	77¾	76⅛	78⅝	80⅞	79
Chicago and N. W.	27⅛	25⅝	27	27¼	....
Chicago and R. I.	105¼	107¾	108¼	117¼	117¼
Pittsburg, Fort Wayne and Chicago	91½	89⅝	92½	92⅝	92⅞

The decline in gold has continued through the month, causing a general stagnation in business. There are, however, indications that it will not go much lower, and there may be soon a reaction. It is a significant fact that we are continually told in the daily papers that "gold is scarce for delivery," and would seem to indicate that some secret drain has been at work, and that the plethora produced by the heavy sales a few weeks ago of Government gold is ceasing to oppress the market with an excessive supply. What amount of coin was sold by the Treasury broker we are not officially informed. It is, however, variously estimated at from fifteen to twenty millions. Another significant fact is, that the specie in our banks is steadily declining, as appears from our table in this article showing the movements of specie, although there is no export movement, foreign exchanges being in our favor.

But whether or not, gold will soon tend upwards, the idea that we are any nearer specie payments because of the decline, is amusing.

Gold is going down it is argued, therefore, the paper currency is rising in value, and the goal of resumption is in view. Just as well might you, on the hottest day of next July, immerse your thermometer in ice-water, and tell us, because the quicksilver was fallen, the heat was declining too. The cases are exactly parallel. Gold ceases to be the true measure of depreciated paper when its price is not free from foreign interference; just as the thermometer ceases to be the true register of the heat of your room when its bulb is tampered with. Hence, it was not because currency rose in value that gold recently fell, but because, by the government action, it was made to fall, in consequence of an interruption of its natural equilibrium. It is useless to try to measure the real depreciation of paper by the premium on gold, until the invading force is expelled, the equilibrium restored, and the perturbation ended.

So far from the government sales of gold helping to bring on a return to specie payments they may positively retard it. For what do we mean by a return to specie payments? Do we not mean that every paper dollar which the government has issued shall be able to command a dollar in coin? Now the government has 451 millions of greenbacks and fractional currency. Suppose, on the 1st of July next, we complete our arrangements, and try to resume. What would be the inevitable immediate result? Every greenback presented at the Treasury must command coin. Four hundred and fifty millions of paper currency issued by the government become payable in coin on demand. Gold and silver will being so pass current from hand to hand. And, just as happened in France after the revolution, the very novelty of the change, with the long habit of regarding coin as worth more than paper, will make coin for some years to be be more in demand among us than it ever was before the war. A large proportion of the 400 millions of greenbacks, will therefore, inevitably be converted into coin.

How is the prodigious demand for specie to be met, but from coin garnered up beforehand in the Treasury. Is it not evident that before we can resume two things must be done? We must draw in the redundant part of our currency, and we must have in the National Treasury a sum of gold and silver amply sufficient to pay all greenbacks on demand. Now what is the direct result of the government sales of gold but to disperse the very store of the precious metals, which is an indispensable means of resuming specie payments? Without an ample supply of specie in the Treasury to meet the greenbacks and to pay them on demand any attempt to resume must be abortive, and would bring on such convulsions and disasters as would make the very idea of specie payments a terror for a generation to come.

Some ill-informed persons have supposed that Congress would order the Secretary of the Treasury to sell more of the gold than he has already done There is no probability that Congress will adopt any course fraugh with such danger. Indeed it is urged that if we are to make any real progress towards specie payments the authority which the Secretary now has to sell gold should be considerably curtailed. For, on the 1st inst., the coin in the Treasury amounted only to $55,736,192, of which nearly 13 millions belonged to the holders of the gold certificates leaving only 43 millions of gold in the Treasury to meet the interest on the debt. How necessary is the keeping of this amount or more to secure the certain prompt payment of interest due to the public creditors whenever a falling off in customs duties may happen hereafter from revulsions or other causes is sufficiently seen from the fact that the gold interest on our debt now reaches the vast sum of 62 millions a year, and when the floating obligations of the Treasury are funded the annual interest to be provided for can scarcely be less than 150 millions. Surely then the Government gold should not be dispersed; it is wanted for two objects: for the sustaining of the national credit by the payment of interest, and for a basis for the future resumption of specie payments.

A superficial observer might suppose that when the Government wants gold for the purpose of resumption they can buy it. But where can gold be bought? Not in Europe? for at present a few successive shipments of gold to this country would produce a panic at the London Stock Exchange. Nor could the Treasury suddenly buy gold at home, for, though the sale of 15 millions only put the price down 10 per cent. Mr. McCulloch could not perhaps get back 5 millions of it without putting up the price to 140 or higher. The only way for piling up gold for future specie payments is to gather it in by degrees. Nor is there any fear that we shall not be able to accomplish this, for our annual gold crop is or will soon be the largest gathered by any nation in the world. In view of the rapid prospective development in the gold producing facilities of this country it cannot be doubted that gold can be hoarded in the Treasury, within a short time, until we have enough to redeem 150 or 200 millions of greenbacks, and thus resume coin payments; but will not gold become scarce while the hoarding is going on? To this we reply as we began, that gold is scarce now. If the heavy Government sales fail after a few days to relieve the scarcity complained of, will the absence of such sales produce it; Gold becomes scarce very rapidly because, from the artificial depression of the price it is selling relatively below its value. The more the depression therefore, the greater the tendency to scarcity. The Treasury could not buy back to-day the 15 millions lately disposed of without paying a much greater price than that for which it was sold. Our gold reserve is easily dispersed but, like spilled wine, it is difficult to gather up again.

Below we give the movement of gold through the month :

COURSE OF GOLD FOR MARCH.

Date.	Openi'g	High'st.	Lowest.	Closing.	Date.	Openi'g	High'st.	Lowest.	Closing.
Thursday............ 1	136⅜	136⅜	136	136	Tuesday...... 20	128⅛	128⅜	127⅝	128⅛
Friday............. .. 2	135⅞	136⅛	135⅛	135⅝	Wednesday..........21	128⅝	128⅝	128⅜	128½
Saturday 3	134¾	134¾	133¼	133⅝	Thursday............22	128¼	128⅜	127⅞	127⅞
Sunday............ 4	.....	.....	.....	.....	Friday...............23	128	128¼	126¾	126¾
Monday 5	132⅝	134	132⅝	132⅞	Saturday 24	126⅜	126⅜	124⅞	125¼
Tuesday 6	132¾	133¼	132¾	133⅜	Sunday..............25	.....	.....	.....	.....
Wednesday.......... 7	133½	133½	133⅛	133⅛	Monday 26	125¼	126⅛	125¼	126⅛
Thursday............ 8	132⅝	132⅝	131¾	132	Tuesday.............27	136½	128⅛	136½	128
Friday................ 9	131½	132⅝	130¼	130¼	Wednesday..........28	127½	128½	127½	128
Saturday 10	130⅛	131½	129⅞	131½	Thursday............29	128¼	128¼	127½	127⅝
Sunday............ .11	.....	.....	.....	.....	Friday 30	(*Good Friday.*)			
Monday..............12	131⅛	132	130½	130½	Saturday 31	127¾	128⅛	127¾	127⅞
Tuesday.............13	129⅞	130½	129½	131					
Wednesday..........14	130⅜	131¼	130⅜	130¾	March, 1866..	136⅜	136⅜	124⅞	127⅞
Thursday............15	131⅛	131⅜	130¾	131	" 1865...........	201	201	148⅛	151½
Friday 16	131	131	130⅛	130¼	" 1864...........	159½	169¾	159	164¼
Saturday.............17	130⅝	130⅝	129¼	129¼	" 1863...........	171½	171¾	139	149⅝
Sunday...............18	.....	.....	.....	.....	" 1862...	102⅜	102½	101⅛	101¾
Monday ... .19	128¼	129	127¾	128¼	" 1861...	100	100	100	100

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows :

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury: Customs receipts.	Sub-Treasury: Interest payments.	Sub-Treasury: Gold Certificates issued.	Sub-Treasury: Gold Certificates returned.	In banks at close of week.
Jan. 6............	....	$552,027	$2,107,341	$3,597,240	$3,122,440	$1,34,8832	$15,778,741
" 13............	$685,610	640,503	2,334,694	1,130,789	3,206,180	1,578,194	16,852,568
" 20............	799,706	685,894	2,754,369	574,162	2,706,400	1,928,641	15,265,372
" 27............	....	656,812	3,226,040	279,842	2,598,400	2,137,048	13,106,759
Feb. 3............	944,878	292,568	3'347,422	115,204	2,081,280	2,221,423	10.937,474
" 10............	1,449,074	4[illegible]3,409	3,251,734	120.179	1,916,700	2,376,735	10,129,806
" 17............	....	445,489	2,893,008	94,828	2.992,900	2,158,009	10,308,758
" 24.	1,209,048	580,195	2,608,796	119,879	5,893,280	1,995,796	14,213,351
Mar. 3............	....	75,453	3,386,934	1,183,343	2,125,000	2,664,934	17,181,130
" 10.	1,469,286	556,284	2,297,836	882,712	2,101,000	1,706,835	16,563,237
" 17............	1,425,353	236,671	2,464,482	328,593	1,498,400	1,919,483	15,015,242
" 24............	389,837	170,297	2,509,419	174,911	361,280	1,886,419	13,945,651
" 31.......	782,857	3,500	2,451,345	225,414	1,376,000	1,895,334	11,930,[illegible]
Since Jan 1........	$8,494,606	$5,389,102	$35,632,419	$8,827,096	$31,979,26[illegible]	$25,817,682	$.........

The following is an official statement of the total amount of Gold Certificates issued and redeemed up to March 21 ;

Denominations.	Issued.	Redeemed.	Outs'd'g.
20s............	$112,660	$73,480	$39,180
100s............	2,024,300	1,222,600	801,700
1,000s............	8,435,000	5 871,000	2,564,000
5,000s............	42,500,000	35,225,000	7,275,000
10,000s............	360,000	360,000	....
Total............	$53,431,960	$42,752,080	$10,679,889

Our foreign exchanges through the month have ruled very decidedly in our favor. It has been a mat.er of great susprise to many that this should be the case while we were importing so largely. For instance, the total dry goods entering this port during the first three months of this year has been $45,475,871, against $11,388,924 in 1865, $30,256,895 in 1864, and $19,501,619 in 1863. Below we give the imports of dry goods at New York for the nine months for a series of years ending march 31st :

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR NINE MONTHS FROM JULY 1ST.

Year.	Value.	Year.	Value.	Year	Value.
1855-6...........	$68,184,032	1859-60..........	$91,860,822	1863-4...........	$67,131,882
1856-7...........	78,894,428	1860-1...........	76,846,495	1864-5...........	36,628,697
1857-8...........	58,690,558	1861-2	28,379,637	1865-6...........	112,790,805
1858-7...........	69,238,969	1862-3...........	51,065,196		

From the foregoing it will be seen how largely our dry goods imports have increased over previous years. The imports of general merchandize at this point have also increased, while the exports from New York have by no means been as large as for some previous years. The secret, however, of the present condition of our foreign exchanges lies in the large amounts of cotton we have exported from Southern ports. The total exports of cotton from the United States since September 1st now reach 915,000 bales, which, at $200 a bale, gives the United States a credit of $183,000,000. This much needed staple is also still going forward in undiminished quantities. Below we give the course of Exchange for the month:

COURSE OF EXCHANGE FOR MARCH.

Days.	London. cents for 54 pence.	Paris. centimes for dollars.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1	108½@108¾	523¾@518¾	40⅝@40¾	78¼@78¾	36 @36⅜	71⅛@71½
2	108½@108¾	525 @520	40⅝@40⅞	78 @78¾	36 @36⅜	71⅛@71½
3	108½@108¾	525 @520	40⅝@40⅞	78 @78¾	36 @36⅜	71⅛@71½
4	...	...	...	...	...	...
5	108⅝@108⅞	525 @518¾	40⅝@41	78 @78¾	36 @36⅜	71 @71½
6	108½@108¾	525 @520	40⅝@40⅞	78 @78¾	36 @36⅜	71⅛@71½
7	108⅝@108⅞	525 @518¾	40⅝@41	78 @78¾	36 @36⅜	71 @71½
8	108½@108¾	523¾@520	40½@40⅞	78 @78¾	36 @36⅜	71¼@71½
9	108⅜@108¾	527½@520	40½@40⅞	78 @78¾	35⅞@36⅜	71 @71½
10	108⅜@108¾	527½@520	40½@40⅞	78 @78¾	35⅞@36⅜	71 @71½
11	...	...	...	...	...	...
12	108⅜@108⅝	526¼@520	40½@40⅞	78 @78⅝	35⅞@36¼	70¾@71⅜
13	108¼@108⅝	527½@520	40½@40⅞	78 @78⅝	35¾@36¼	70¾@71¼
14	108¼@108½	527½@520	40½@40⅞	78 @78⅝	35¾@36¼	70¾@71¼
15	108¼@108½	527½@520	40½@40⅞	78 @78⅝	35¾@36¼	70¾@71¼
16	107¾@108½	528¾@521¼	40½@40¾	77¾@78½	35⅝@36⅛	70⅝@71⅛
17	107¾@108	528¾@521¼	40½@40¾	77¾@78½	35⅝@36⅛	70⅝@71⅛
18	...	...	...	...	...	...
19	107⅜@107⅞	530 @522½	40¼@40⅝	77¼@78	35½@36	70¾@71
20	107¾@108⅛	527½@522½	40⅛@40½	77¼@78	35⅝@36	70½@70⅞
21	107¾@108	527½@522½	40⅛@40½	77¼@78	35⅝@36	70½@70⅞
22	107½@107⅞	530 @526¼	40⅛@40½	77¼@78	35⅝@36	70½@71
23	107¼@107⅝	530 @527½	40⅛@40½	77¼@78	35⅝@36	70½@70⅞
24	107 @107½	530 @527½	40⅛@40½	77 @77¾	35⅝@36⅞	70½@70¾
25	...	...	...	...	...	...
26	107 @107½	530 @523¾	40⅛@40½	77 @77¾	35½@35⅞	70½@70¾
27	107 @107½	530 @526¼	40 @40⅜	77 @77¾	35½@35⅞	70½@70¾
28	107 @107⅜	530 @526¼	40 @40⅜	77 @77¾	35½@35⅞	70½@70¾
29	106⅞@107¼	528¾@527½	40¼@40⅜	77 @77½	35½@35¾	70½@70¾
30	*(Good Friday—no business transacted.)*					
31	106½@106¾	530 @527½	40 @40¼	77 @77½	35½@35¾	70⅜@70⅝
Mar	106½@108⅞	530@ 518¾	40 @41	77 @78¾	35½@36⅜	70⅜@71½
Feb	107¼@108⅞	532½@517½	40¼@41	77 @79	35½@36½	70½@71½
Jan	108 @109¼	523¾@515	40½@41	78 @79½	36 @36¾	71 @71¾

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Allowing Interest on Deposits—City Deposits of Country Banks—Bank Returns of the Three Cities, &c.

Since the prodigious expansion of credits which our irredeemable paper money has developed in this country, the custom has become too general among our city banks of allowing interest on the deposits of country banks payable on demand. This practice is, on many accounts, of very doubtful expediency; and is disapproved of by some of our most eminent financial men. Among other objections it is urged that by this means small banking corporations in the country are induced to accumulate heavier balances in New York than are required to provide for their current exchanges. And the obvious result is that they are tempted to weaken, in some cases, their home resources, which are unprofitable; in order that they may get interest on their city deposits. Undoubtedly the sound and safe policy for a country banker is to keep his city balances at no higher a point than is demanded by the claims of legitimate business. These balances form a part of the reserve required by law, which is expected to be kept unemployed and at instant call. The idea of making their reserve bear interest seems never to have entered, till recently, into the calculations of our banking institutions, who would no more have thought, in former times, of making a profit on the reserve than on the specie in their vaults. Whatever sum in excess of his wants is kept in New York by the country banker for the sake of interest, is really a demand loan; and must be subject to such risks as in time of panic or revulsion may be productive of grave anxiety or even worse trouble.

Notwithstanding these and other dangers incident to this objectionable system, there is reason to fear that it is rather on the increase; and this fact accounts in part for the accumulation of funds at the commercial centres which has often been cited as one prolific cause of sharp sudden turns in the loan market. When money is easy the city banker who has to pay interest on balances is compelled to keep his deposits constantly employed, and under the pressure of necessity he sometimes goes further than prudence would justify. Hence, when the legitimate channels of employment for capital are filled up, he is apt to be induced to make such loans or investments as would not tempt him were he exempt from the heavy charges connected with the payment of interest to his depositors.

The danger of this state of things is increased by the fact that this particular class of interest bearing deposits is peculiarly sensitive to the least fluctuation in the money market. When capital is abundant and difficult to employ to advantage, these balances increase, and the city banker incurs the heaviest charge for interest; but let fear of stringency supervene, or loanable capital become scarce, and these balances are rapidly drawn down just at the very moment when the city banker could employ them to advantage, and when he finds it most inconvenient to repay them. To such causes are to be attributed some of the severe symptoms which attend and give so spasmodic a character to most of the fluctuations which have occurred in our money market during the past two years.

As we approach specie payments the wiser banking corporations in our country towns will do well to adopt the policy of keeping within narrower limits their city deposits; and of protecting themselves from probable trouble by holding an adequate reserve in their own vaults. It is hoped, indeed, that we shall reform our currency, fund our debt, and return to a specie standard without such revulsion as has invariably attended such a process in other countries. But nothing is more certain than that if financial panics and disasters should come, the chief sufferers among the country banks will be such as by having violated sound rules relative to their reserve have failed to take advantage of the safeguards which experience has shown to be the strongest protection against such disasters.

Not much progress in multiplying National Banks has been made this year, as the limit was reached in most of the States during 1865. The circulation has increased regularly however, until now it amounts to $264,247,170. Below we give the number, circulation and capital each week since January 1 :

Date.	Banks.	Capital.	Circulation.
January 6	1.626	407.509,203	240,094,560
" 13	1,626	407,599,203	252,926,620
" 20	1,628	407,759,203	245,866,540
" 27	1,628	407,759,203	248,734,715
February 3	1,628	407,759,203	251,360,050
" 10	1.629	407.859,203	253,116,380
" 17	1,629	407,858,203	254,902,275
" 24	1,629	407,858,203	257,072,910
March 3	1.630	407,858,203	258,432,790
" 10	1,637	409,408,203	260,556,750
" 17	1,643	409.408,203	261,638,920
" 24	1,643	409,408,203	262,816,870
" 31	1,644	....	264,247,170

We much regret to hear that Mr. Clarke, the Comptroller of the Currency, is still in favor of the plan advocated in his last report urging the issue of one hundred millions of National Bank notes, in addition to the three hundred millions already authorized. This project we had hoped was dead. If realized it would lead us directly away from the goal of specie payments. It would render nugatory the many efforts and sacrifices which the country has already made with a view to resumption. It would raise up a barrier to our future progress toward a sound currency redeemable in coin on demand. We trust there is virtue enough in Congress to resist and put down all attempts of whatever kind to carry out a policy condemned by every acknowledged principle of conservative expediency and financial statesmanship. Since, as Mr. Clarke tells us, and as was already well known, certain States of the Union have received more national currency than the law prescribes as their equitable share, the remedy is at hand. The currency so issued contrary to the law should be called in again, and the needful amount can then be distributed where it is wanted. Let us avoid the reckless blunder of repairing a smaller evil by committing one of vastly greater magnitude.

The bank statements of the three cities show no very important changes. In New York a large amount of specie is again withdrawn although there is one export movement. Below we give the bank returns of the three cities during the year:

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	$233,185,059	$15,778,741	$18,588,428	$195,482,254	$71,617,487	$370,617,523
" 13	234,938,193	16,852,568	19,162,917	197,766,999	73,019,957	608,082,837
" 20	239,337,726	15,265,327	20,475,707	198,816,248	72,799,892	538,949,311
" 27	240,407,836	13,106,759	20,965,883	195,012,454	70,319,146	516,323,672
Feb. 3	242,510,382	10,937,474	21,494,234	191,011,695	68,796,250	508,569,123
" 10	242,608,872	10,129,806	22,240,469	188,701,463	68,436,013	493,431,032
" 17	243,068,252	10,308,758	22,983,274	189,777,290	64,802,980	471,886,751
" 24	239,776,200	14,213,351	22,959,918	183,241,404	61,602,726	497,150.087
Mar. 3	235,339,412	17,181,130	22,994,086	181,444,378	58,760,145	526,539,959
" 10	233,068,274	16,563.237	23,033,237	180,515,881	64,341,802	594,204,912
" 17	233,517,378	15,015.242	23,303,057	185,438,707	68,402,764	579,216,509
" 24	234,500,518	13,945,651	23,243,406	185,868,245	69,496,033	593,448,864
" 31	237,316,099	11,930,392	23,736.534	188,554,592	72,158,099	529,240,640

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866	$17,181,229	$45,941,001	$890,822	$7,226,369	$35,342,306
" 8	17,236,320	46,774,150	983,685	7,319,528	36,618,004
' 15	17,267,412	47,350,428	1,007,186	7,357,972	36,947,700
" 22	17,052.559	47,254,622	1,012,980	7,411,337	36,214,653
" 29	16,244,277	47,607,558	1,008,825	7,432,534	35,460,881

Feb. 3	16,481,005	47,233,661	1,000,689	7,668,365	34,681,135
" 10	16,852,737	47,249,383	996,312	7,819.599	34,464,070
" 17	16,777,175	46,981,337	953,207	7,843,002	33,926,542
" 24	17,282.602	46,865,592	1,026,408	7,732,070	33,052,252
Mar. 3	17,447.635	46,604,752	1,041,392	8,161,049	32,835,094
" 10	17,292,534	46,546,878	1,055,694	8,248,100	32,504,508
" 17	16,375,608	46,690,788	1,026,068	8,438,184	32,102,427
" 24	15,969,814	46,642.150	981,932	8,580,200	32,144,250
" 31	15,954,832	46,043,488	990,630	8,666,230	32,257,653

The returns of the Boston Banks have been as follows:

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, $41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation National.	Circulation State.
January 1	$91,421,477	$801,415	$19,807,300	$38,451,794	$21,497,354	$1,404,721
" 8	92,245,129	1,031,327	19,914,065	41,718,132	21,806,180	1,328,793
" 15	92,959,364	1,029,105	20,438,014	40,939,870	21,946,595	1,273,948
" 22	92,665,111	1,040.114	20,750,698	40,300,639	22,034,642	1,215,675
" 29	92,877,783	1,008,013	20,544,830	39,153,816	21,899,318	1,157,848
February 5	94,578,358	805,237	20,568,185	40,436,163	22,325,428	1,125,728
" 12	94,083,827	632,591	20,412,589	38,768,019	22,348,638	1,057,323
" 19	95,250,429	508,428	20,418,909	38,494,696	22,602,531	1,033,391
" 26	93,539,000	521,292	20,262,177	36,398,481	22.887,971	1,048,022
March 5	92,990,512	556,856	20,034,968	35,581,876	22,606,835	1,006,719
" 12	90,705.159	623,938	19,905,120	35,297,498	22,730,329	721,809
" 19	91,902,811	606,992	20,470,018	36,696,321	24,018,916	910,740
" 26	91,931,236	513,153	20,913,521	35,887,368	23,019,887	901,620

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.

Denominations.	Feb. 1.	March 1.	April 1.
6 per cent, due December 31, 1867	$9,415,250	$9,415,250	$9,415,250
6 do July 1, 1868	8,908,341	8,908,342	8,908,342
5 do January 1, 1874	20,000,000	20,000,000	20,000,000
5 do January 1. 1871	7,022,000	7,022,000	7,022,000
6 do December 31, 1880	18,415,000	18,415,000	18,415,000
6 do June 30, 1881	50,000,000	50,000,000	50.000,000
6 do June 30, 1861, exc'd for 7.30s	139,233,250	139,288,100	139,284,650
6 do May 1, 1867-82 (5.20 years)	514,780,500	514,780,500	514,780.500
6 do Nov. 1, 1870–85 (5.20 years)	100,000,000	100,000,000	100.000.000
6 do Nov. 1, 1870-84 (5.20 years)	50,590.300	61,263,000	65,175,500
5 do March 1, 1874–1904 (10.40s)	172,769,100	172,769,100	171,219,100
6 do July 1, '81 (Oregon war)	1,016.000	1,016,000	1,016,000
6 do June 30, 1881	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest	$1,167,149,742	$1,177,867,292	$1,180,236,342

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan } 10 days' notice.			
5 do do } 10 days' notice.	114.755,840	$118,577,939	$121,751,970
6 do do } 10 days' notice.			
6 do Certificates (one year)	60,637,000	62,264,000	62,258,000
5 do One and two-years' notes	8,536,900	8,536,900	8,536,900
6 do Three years' com. int. notes	180,012,141	174,012,141	172,012,141
6 do Thirty-year bonds, (Cent'l Pacific R.)	2,362,000	2,362,000	2,362,000
6 do do (Union Pacific R. E. Div.)	992,000	1,632,000	2,272.000
7.20 do Three years' treasury notes, 1st series	300,000,000		
7.30 do do do 2d series	300,000,000	818,044,000	817,014,000
7.30 do do do 3d series	230,000,000		
Aggregate of debt bearing lawful money interest	$1,185,428,980	$1,179,475,236	$1,186,207 011

DEBT ON WHICH INTEREST HAS CEASED.

7.30 per cent Three-years' Notes	$233,500	$167,350	
do Texas Indemnity Bonds	665,000	618,000	$930,680
Other bonds and notes	200,830	200,630	
Aggregate of debt on which interest has ceased	$1,099,330	$985,780	$930,680

DEBT BEARING NO INTEREST.

United States Notes	$423,902,223	$423,435,373	$422,749,252
Fractional currency	26,553,244	27,523,734	28,005,452
Currency	$450,455,467	$450,959,107	$451,754,704
Gold certificates of depos't	8,391,080	12,627,600	9,665,160
Aggregate of debt bearing no interest	$458,846,547	$463,586,707	$461,419,864
Amount in Treasury—			
Coin	$51,443,162	$55,736,192	$62,069,701
Currency	56,050,186	60,282,767	60,077,680
Total in Treasury	$107,493,348	$116,018,959	$122,147,381

RECAPITULATION.

Debt bearing interest in coin	$1,167,149,742	$1,177,867,292	$1,180,236,342
Debt bearing inter'st in lawful money	1,197,295,881	1,185,428,980	1,186,207,011
Debt on which interest has ceased	1,373,920	985,780	930,680
Debt bearing no interest	458,846,547	463,586,707	460,419,864
Aggregate debts of all kinds	$2,824,391,500	$2,827,868,759	$2,827,793,896
Cash in treasury	107,493,348	116,018,959	122,147,381

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes	$8,536,900	$8,536,900	$8,536,900
United States notes (currency)	423,902,223	423,435,373	422,749,252
Three years' 6 per cent compound int. notes	180,012,141	174,012,141	172,012,141
Aggregate legal tender notes in circulation	$612,451,264	$605,984,414	$603,298,293

DOMESTIC GOLD AND SILVER.

The following statement, compiled from the annual reports of the Director of the United States Mint, shows the source and amount of gold and silver of domestic production deposited at the United States Mint and Branches and Assay offices at New York and San Francisco from the first deposits to June 30, 1865:

	First dep'ts.	Bef'e 1848.	Since 1847.	Total.
GOLD.—Virginia	1829	$945,294	$614,491	$1,559,785
North Carolina	1824	5,528,005	3,609.685	9,137,690
South Carolina	1829	733,540	619,429	1,352,969
Georgia	1830	5,345,933	1,577,314	6,923,247
Tennessee	1831	62,846	18,561	81.407
Alabama	1834	155,107	45,493	200,600
Vermont	1862	....	614	614
Gold from Eastern States		$12,770,725	$6,485,587	$19,256,312
California	1848	......	570,051,060	570,051,060
Colorado	1859	......	11,405,321	11,405,321
Utah	1860	......	78,559	78,559
Montana	1865	......	1,767,382	1,767,382
Arizona	1860	......	51,344	51,344
New Mexico	1848	......	66,948	66,948
Oregon	1853	......	7,268,108	7,268,108
Nevada	1861	......	73,144	73,144
Dacotah	1863	......	7,959	7,959
Idaho	1862	......	7,279,840	7,279,840
Washington	1863	......	61,260	61,260
Other sources	1849	......	3,166,232	3,166,232
Gold from Western States		....	601,277,157	601,277,157
Other sources		3,613	....	......
Parted from silver	1862	......	2,754,844	2,754,844
Total of Domestic Gold		12,774,338	610,513,975	623,288,313
SILVER.—Nevada	1860	......	2,597,199	2,597.199
Arizona	1860	......	25,722	25,722
Sonora	1860	......	1,245	1,245
North Carolina	1859	......	41,888	41,888
Lake Superior	1858	......	141,913	141.913
California	1862	......	8,683	8,683
New Mexico	1865	......	26	26
Parted from gold	1841	52,380	4,524,198	4,576,578
Silver from all sources		52,380	7,340,874	7,393,254
GOLD AND SILVER—Grand total		12,826,718	17,854,849	630,681,567

The deposits of gold and silver in each year since 1847 have been as follows:

Year ending.	Gold.	Silver.	Total.
Dec. 31, 1848	$893,005	$12,591	$905,596
" 1849	7,085,167	42,728	7,127,885
" 1850	36,937,145	270,522	37,207,667
" 1857	56,539,794	390,288	56,930,082
" 1852	54,506,108	404,494	54,910,602
Oct. 31, 1853 (10 mos.)	55,622,652	417,279	56,039,931
Sept. 30, 1854 (10 mos.)	57,257,839	328,199	57,586,038
June 30, 1855 (9 mos.)	49,351,467	333,053	49,684,520
" 1856	47,878,441	321,938	48,200,379
" 1857	23,279,962	127,256	23,407,218
" 1858	40,967,227	316,473	41,283,700
" 1859	27,213,557	273,167	27,486,724
" 1860	18 971,042	293,798	19,264,840
" 1861	34,216,889	610,011	34,826,900
" 1862	30,976,593	1,022,264	32,008,857
" 1863	20,622,806	1,057,549	21,680,355
" 1864	22,048,926	487,439	22,536,365
" 1865	26,110,578	621,824	26,732,402
Total since 1847 (17½ years)	610,513,975	7,340,874	617,854,849
Weight—lbs. avoird	2,250,180	432,588	2,682,768
" tons avoird of 2,000 lbs	1,125	216	1,341

—the weight of the dollar being in gold 25.8 grains and in silver 412 5 grains.

PENNSYLVANIA RAILROAD DIVIDENDS.

We have prepared the following statement of the dividends paid by railroads in Pennsylvania for the years 1860–65:

Railroads.	1860.	1861.	1862.	1863.	1864.	1865.
Beaver Meadow	20	10	8	22½	15	..
Cleveland, Painesville and Ashtabula	15	15	33⅓	23	26	35
Cumberland Valley	7½	7½	8	8	8	8
Cleveland and Pittsburg	..	..	..	4	8	4
Chestnut Hill	5	3	4	6	14	11
Delaware, Lackawanna, and Western	..	..	..	24	5	15
Delaware and Hudson Canal and Railroad	7	6½	7	8½	36⅔	34
Erie and Northeast	10	10	10	40	10	25
Elmira and Williamsport	..	..	..	.	5	5
do do preferred	..	..	..	..	6	7
East Mahoney	..	..	..	..	..	6
Harrisburg and Lancaster	9	14½	7	7	7	7
Huntingdon and Broad Top, preferred	..	..	..	..	3½	3½
Hanover Branch	..		..	..	4	..
Hazleton	6½	6½	5	8	12	10
Ironton	3	6	6	5	4	..
Lehigh Luzerne	..	2½	6	8	12	10
Lehigh and Mahoney	..	..	..	..	..	6
Little Schuylkill	..	..	..	3½	6	6
Little Saw Mill Run	4	..	..	..	..	..
Lehigh Valley	5	8	8	10	20	10
Lykens Valley	..	6	12	8	6½	4½
Nule Creek and Mine Hill	11½	14	10	10	10	10
Mine Hill and Schuylkill Haven	12	11	8½	6	7¾	8
Mount Carbon	8	8	6	6	6	6
Mount Carbon and Port Carbon	11	11	12	12	12	12
Northern Central	..	..	..	..	7	8
North Lebanon	..	..	6	9	14	10
Newcastle and Beaver Valley	..	..	..	..	12	7½
Oil Creek	..	..	..	..	25	20
Pittsburg, Ft. Wayne, and Chicago	..	..	..	..	7½	10
Philadelphia and Reading	..	..	..	7	7	15
do do preferred	7	7	7	7	7	15
Philadelphia, Wilmington & Baltimore	6½	6½	9	10	10	10
Philadelphia, Germantown & Norristown	8	7	6	7½	8	8
Philadelphia and Trenton	8	8	8	10	10	10
Pennsylvania	6	6	8	9	40	10
Pennsylvania Coal	7	7	7	8½	30	32½
Schuylkill Valley	3½	2½	5¾	5	5	5
Shamokin Valley and Pottsville	..	..	..	1½	3	4
Southwark	6	6	6	6	6	6
Tioga	6	6	9	7	8	8
Wrightsville and York	..	..	2	2	2	2
West Chester	4	4	4	4	..	..

FRENCH IRON CLAD NAVY.

In an account of British and French Navies furnished by Mr. Donald McKay, of Boston, to the Herald, he appends the following statement of the French Iron Clads at the present time, said to have been made up from personal inspection of the vessels:

MAGENTA AND SOLFERINO.—Displacement, 6,750 tons; 1,000 horse power; mean draught, 26 feet; length of load line, 280 feet; breadth, 57 feet; wooden hull, 4½ inch armor plating; weight of armor, 900 tons; speed in smooth water—Magenta, 13½ knots; Solferino, 14 knots.

COURONNE.—Displacement, 6,000 tons; 900 horse power; mean draught 25 feet; length of load line, 260 feet; breadth 55 feet; iron hull; 4½ and 3 inch armor plating; weight of armor, 700 tons; speed in smooth water, 13 knots.

GLOIRE.—Displacement, 5,650 tons; 900 horse power: mean draught, 25½ feet; length of load line, 255 feet; breadth, 56 feet; wooden hull; 4½ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13½ knots.

INVINCIBLE.—Displacement, 5,525 tons; 900 horse power; mean draught, 25½ feet; length of load line, 255 feet; breadth, 56 feet; wooden hull; 4½ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13½ knots.

NORMANDIE.—Displacement, 5,650 tons; 900 horse power; mean draught, 26 feet; length of load line, 255 feet; breadth, 56 feet; wooden hull; 4½ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13½ knots.

FLANDRE, GAULOISE AND GUYENNE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; wooden hull; 6 inch armor plating; weight of armor, 1,000 tons.

HEROINE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; iron hull; 6 inch armor plating; weight of armor, 1,000 tons,

MAGNANIME, PROVENCE, REVANCHE, SAVOIE, SURVEILLANTE, AND VALEUREUSE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; wooden hull; 6 inch armor plating; weight of armor, 1,000 tons. The Provence has made 14 knots in smooth water.

TAUREAU.—Displacement, 2,450 tons; 900 horse power; mean draught, 16 feet; length of load line, 200 feet; breadth, 47½ feet; wooden hull; 4½ inch armor plating; weight of armor, 800 tons.

BELLIQUEUSE.—Displacement, 3,350 tons; 900 horse power; mean draught, 19½ feet; length of load line, 230 feet; breadth, 40 feet; wooden hull; 6 inch armor plating; weight of armor, 100 tons.

PAIXHANS AND PALESTRO.—Displacement, 1,540 tons; 150 horse power; mean draught, 8½ feet; length of load line, 156 feet; breadth, 40 feet; wooden hull; 4½ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

PEIHO.—Displacement, 1,500 tons; 150 horse power; mean draught, 10½ feet; length of load line, 150 feet; breadth, 45 feet; wooden hull; 4½ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

SAIGON.—Displacement, 1,500 tons; 150 horse power; mean draught, 10 feet; length of load line, 156 feet; breadth, 46 feet; wooden hull; 4½ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

EMBUSCADE, IMPREGNABLE, PROTECTRICE, REFUGE.—Displacement, 1,225 tons; 150 horse power; mean draught, 9½ feet; length of load line, 130 feet; breadth, 51 feet; iron hull, 5½ inch armor plating.

ARROGANTE, IMPLACABLE, OPINIATRE.—Displacement, 1,340 tons; 150 horse power; mean draught, 8¾ feet; length of load line, 145 feet; breadth, 48 feet; iron hull, 5½ inch armor plating. The Implacable has made 7½ and the Opiniatre 8 knots per hour in smooth water.

THE NEW ATLANTIC CABLE.

DURING the last six weeks the Atlantic Telegraph Construction and Maintenance Company have begun work in real earnest, upon the new Atlantic cable. Little had been done since the return of the expedition in August last, as there was no reason why the cable should be ready very much sooner than it will be needed. The Great Eastern still lies at her moorings in the Medway, with the remainder of last year's cable on board; and this will again be used during the present year, when that part of the cable which will have then enjoyed a twelvemonth's rest on the bed of the Atlantic will be grappled for. Captain Anderson will once more have charge of the big ship, and he will again have the invaluable assistance of Mr. Halpin, the chief officer. Mr. Canning and Mr. Clifford will be, as in last summer, in charge of the laying of the cable, and Mr. De Sauty will be again in charge of the electrical department. Thus, so far as skill goes, there is everything in favor of the success of the coming expedition, which will set sail in the beginning of June, bearing with it the good wishes of all Europe. As at present arranged the Great Eastern will carry the new cable, will lay it to Newfoundland, will there coal and return to the mid-Atlantic, where she will, with her consorts, grapple for the lost end, the locality of which can be ascertained within a quarter of a mile through the observations taken last summer by Captain Anderson and Captain Moriarty. It is not intended that the part of the old cable which now lies in the Great Eastern's tanks shall be again stowed in her hold on the outward trip. It will be carried in another vessel until it is needed. The grappling will be done in this way. Three vessels, including the Great Eastern, will be provided with grappling apparatus. Last year, it may be remembered, the grappling was done with makeshift appliances. In fact, the grappling lines were only buoy ropes, and the swivels which broke while the cable was being hauled up were never intended to bear any such strain as that to which they were subjected. In the new grappling tackle there will be no swivels; perhaps even no shackles. Each line will be, if possible, in one piece, certainly not in more than two joined together by a strong shackle. There is, therefore, little fear that if the cable is grappled, of which there can be no reasonable doubt in the mind of any one conversant with the subject, it will be brought to the surface. And there is the more probability of this because the cable will be grappled in three places, at intervals of about two miles. One vessel will grapple, and, if necessary, cut her end by means of a steel blade set in the grappling iron; the middleship will haul up, and the third vessel will also raise the cable to lessen the strain. There will therefore be three bights on the cable, or two bights and an end, and this end will be prevented from slipping by the formation of the grappling iron in which the cable will be jammed. No one connected with the project appears to entertain the slightest doubt about the success of this section of it. When the end is recovered and a message sent through to Valentia, as a test of the electrical condition, the splice will be made with the cable now lying in the Great Eastern, and then all will be plain sailing, except in case of another accident similar to that of last year, when all would have to be done over again; but this would be the worst damage. If one grappling is successful there is no reason why a second should not be, a d even a third and a fourth, if it should come to that. The laying of the old cable may therefore be considered a certainty, so far as anything about cable laying can be certain. But hope deferred will probably not make sick the hearts of shareholders beyond next July.

The new cable, which is to be laid first, is very different indeed in appearance from that of 1865. That was black, but not at all comely. This is fair to see, in point of color, but rough withal, and fibrey—to coin a word for the occasion. But, save that there is no dark composition soaked into the Manilla hemp which forms the covering of the outer wires, this cable is identical with the last. So far, however, as strength goes, the new rope will bear a strain of from 15 cwt. to a ton more than that of last year; and, as is obvious, this additional strength may just make the difference between breaking and holding, if it should unfortunately be necessary to haul back to the ship at any time. The reason why it is possible to dispense with the composition for coating is that in the new cable the outer or protecting wires are galvanized. About 160 miles of the new cable have been already made, and when all the machinery is set to work, as it soon will be, the manufacture will proceed at the rate of 100 miles per week. By working overtime this immense speed could be nearly doubled; but, of course, overtime will be avoided if possible. In all departments of the machinery the capacity has been much increased since last year. For instance, there are double the number of tanks which hold the core of the cable; and there is one new machine which alone turns out four miles per day of completed cable.

It is unnecessary to enter at any length upon a description of the process of manufacture, as the subject has been so frequently treated; but a short summary may not be useless. The core is received from the gutta percha works on great reels, four coats of gutta percha enveloping the seven copper wires which form the conductor; and these reels are at once placed in tanks until required. An ingenious machine coats the core with Manilla hemp, prepared with a composition; and this rope is coiled away in tanks until required for the next stage. The ends of the galvanized wire for the out covering are united by scarf joints, which are cut in a die, then whipped with a smaller wire and brazed, so that the joint, if well made, becomes actually stronger than the wire. This wire is then covered with five strands of Manilla hemp, of which four tons a day, spun and reeled on the premises, are now used, and this quantity will be shortly increased. The machine which twists these strands round the wire will produce from 160 to 180 miles per day, eight or nine miles being finished by each machine in the ten hours during which the men are at work. The unfinished cable, which we left in tanks, is then put on one of the large machines, and ten strands of this Manilla covered wire are twisted round it, the spiral being one in twelve. As it leaves this machine the cable is finished, and is conducted to the large tanks in which it will be under water until it is paid out to the hulks for conveyance to the Great Eastern.

In a mile of a cable there are, therefore, besides the Manilla which holds the composition, seven miles of copper wire, four miles of gutta percha, ten miles of galvanized wire, and fifty miles of Manilla spun yarn. That is to say, again excluding the loose Manilla which laps the gutta percha, in every mile of cable there are seventy-one miles of material. Obviously in putting such a mass together the greatest care is requisite, and Mr. Clifford and his assistants at the works of the company have plenty to do in looking after the men employed. The operatives who make the joints in the wire, and those who spin the Manilla yarn, and those who attend to the machines that twist the yarn round the wire, use separate premises, and are not admitted into the works in which the core is bound with hemp and wire, and so completed. The men who coil the cable in the great tanks wear soft shoes, supplied to them by the company, and their weight has no appreciable effect upon the structure of the cable, which lies in white flakes that look not unlike ordinary Manilla rope coiled down on a ship's deck. Every working day now for three months the manufacture of the Atlantic cable of 1866 will proceed. Who is there who does not wish it success?

OIL AND COKE FROM COAL AND SLACK.

Mr. J. Nichols, of the Mineral Oil and Chemical Works, Aspull, near Wigan, England, corrects the notice of his invention which appeared in the *Mining*

Journal of January 27, as follows:—The invention is improved coke ovens, and a mode of working them, which permits of the gaseous products, now lost in the cooking of coal or slack, being collected and condensed first, as if the material was only distilled to procure oil. The production of the oil is the principal object, but not the only feature. The yield of coke is larger, and any description of coke, from soft smithy coke to hard blast furnace coke, can be produced at the will of the operator, which is in itself a very considerable advantage over those ovens at present in use. The great value of the invention is, however, the production of the oil; and the fact is apparent, when it is taken into consideration that every ton of material, whether coal or slack, used to produce coke, will yield, at a rough average, at least twenty gallons of coil oil by my invention. Were the cooking ovens of this country constructed and worked on this principal, the production of the oil wells of America would suffer by comparison with the quantity of oil that would be produced here. The cost of the erection of those ovens is but little more than of those at present in use, and their action as efficient and as expeditious. There cannot be a doubt but that if coal oil could be obtained cheaply enough, its use as fuel for steamers and for the production of illuminating gas would very soon be generally be adopted. The advantages that would accrue from such an application are too numerous to be touched upon here. By my plan I quite expect to be able, in a reasonable period, to reduce the cost of crude oil from £6 6s per ton (the present price of that distilled in this district) to 25s per ton. Of course, some time will elapse before I can induce the alteration of present cooking-ovens; but I believe it is only a question of time. As a coil oil distiller, it has for a long time been apparent to me that the present system of obtaining coal oil by distillation in retorts is not the correct one, when the vast quantities of gaseous matter hourly evolved from cooking ovens is allowed to go to waste, as it is. Several attempts have been made to collect and condense these gases from cooking ovens, but they all have failed, from the fact that they all, more or less, permitted combustion to occur in the ovens, whereas, in my ovens and my process, distillation and combustion are recognised as two different things. The charges in ovens, when undergoing distillation, produce oil. These charges, after distillation, being allowed to ignite, get converted into proper coke, and the heat generated by the combustion of these distilled charges is made the agent for the distillation of the charges in the other ovens.

THE LOAN BILL.

We give below the Loan Bill as it passed the House and Senate. Although very short it confers extraordinary power upon the Secretary of the Treasury:

An Act to amend an Act entitled "An Act to Provide Ways and Means to Support the Government," approved March 3, 1865:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled an Act to provide ways and means to support the Government, approved March 3, 1865, shall be extended and construed to authorize the Secretary of the Treasury at his discretion to receive any Treasury notes or other obligations issued under any act of Congress, whether bearing interest or not, in exchange for any description of bonds authorized by the act to which this is an amendment, and also to dispose of any description of bonds authorized by said act, either in the United States or elsewhere, to such an amount, in such manner, and at such rates as he may think advisable for lawful money of the United States, or for any Treasury notes, certificates of indebtedness or certificates of deposit, or other representatives of value which may have been issued under any act of Congress, the proceeds thereof to be used only for retiring Treasury notes or other obligations issued under any act of Congress. But nothing herein contained shall be construed to authorize any increase of the public debt; provided that of United States notes not more than ten millions of dollars may be retired and canceled within six months from the passage of this act, and thereafter not more than four millions of dollars in any one month. And provided further that the act to which this is an amendment, shall continue in force in all its provisions, except as modified by this act.

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury shall report to Congress at the commencement of the next session, the amount of exchanges made or money borrowed under this act, and of whom, and on what terms; and also the amount and character of indebtedness retired under this act and the act to which this is an amendment, with a detailed statement of the expense of making such loans and exchanges.

THE BOOK TRADE.

Principles of Education, drawn from Nature and Revelation, and applied to Female Education in the Upper Classes. By the author of "Amy Herbert," and other tales, etc. Two volumes in one. NEW YORK; D. APPLETON & Co., 1866.

In the preface Miss Sewell declares that the volume is the result, not of theory, but of experience, and the subject is treated in its moral rather than economical aspects. Accordingly, she views education, not as a mere training for a useful life in the world, but with reference to its harmony with the teaching of God in Nature and in Revelation. It is defined to be "the guiding, or leading of the young mind in the way which will best enable it to obey the commandments of God."

The "systematic principle" of education, however good, cannot possibly be good for all. The mode of dealing in every case must be a subject of separate study. The object is the carrying out of God's will for the individual, the purpose of which is hidden from us in His eternal counsels; but the direction in which we are to work is pointed out to us by the peculiar endowments of character and intellect with which every person is gifted.

The author treats in detail of the necessity of teaching obedience, manifesting justice in family government, the exercise of love, the utility and importance of reproof, advice, confidence, respect, truth, etc.; but the chapters on instruction in schools, governesses in families, and the training of governesses, will attract spcial attention, which is eminently deserved.

Training schools are suggested for national school mistresses, at which young governesses, while studying themselves, might be practically taught how to make children study. Thus they would acquire experience without risk, and be taught how to guard against their own faults. A great element in the life of one who has to teach others, is the feeling that she can govern judiciously and instruct with interest. We are gratified to be able to remark that in this country at many of our normal schools, somewhat of this is done in training teachers for their work.

Let a foundation of obedience and self-discipline be laid in early childhood and freedom may be given in youth, and so make a child exact and perfect in its lessons when instruction begins, and as time goes on the habit of exact representation may be, in a great measure, laid aside, yet not entirely, even as obedience and external restraint may never wholly be given up. The exercise of memory should always be continued in some form.

The chapters on Love and Friendship are admirable for their practical sense. A perusal of this book by those having the care of the young cannot fail to be profitable.

Spenser's Poem, entitled Colin Clout's come home again, explained; with remarks upon the Amoretti Sonnets, &c. By the author of "Remarks on the Sonnets of Shakspeare. NEW YORK: Published by JAMES MILLER.

The theory upon which Gen. Hitchcock bases his ingenious exposition makes the poetic gift a spiritual rather than an intellectual endowment, and considers the amatory declarations of the person referred to as relating to the interior burning desire to know andpossess the Truth. The poetic Arcadia is the spiritual world. Bulwer says as much in "Zannoi" in these words—"The artist calls it the Ideal; the priest calls it Faith." Our author remarks accordingly: "In keeping with the very plain doctrine of the poem of Colin Clouts in honor of Queen Cynthia, we must be very unwilling to be convinced, or we must see that Spenser's Love was not a woman, except as she was the image of an immortal Beauty which claimed all of his devotion, but which was of such a nature that he knew the world in general would not understand if he wrote openly about it. Hence his purpose of writing in secret that is, in hermetic symbolism, which should be obscure to the world in general, but would be understood by those who belonged to the class called lovers—lovers of the Divine Beauty figured by so many poets as a lady, though seen also in man."

According to this hypothesis, the *Divina Commedia, Gierusolima Liberata,* and even the Iliad, Odyssey and Æneid, are allegories or parables, having a deep internal sense, which only those can perceive who "have eyes to see." The theory is plausible, and its application to the poems of Spenser and Shakspeare, so far as we can see, is without halting or incongruity. How large a part of our reading public are willing to give up the classical idea for the religious, and accept their conclusions, will not be difficult to estimate. But every thoughtful person can peruse this work with profit.

The Origin of the Late War; Traced from the Beginning of the Constitution to the Revolt of the Southern States. By GEORGE LUNT. New York: D. APPLETON & Co., 1866. Pp. 491.

Mr. George Lunt is well known in Boston. He was an old whig leader, and in the "Slaughter-house Convention" of that party at Philadelphia in 1848, led off the delegation of Massachusetts from the support of Daniel Webster to cast the vote for Zachary Taylor. Subsequent events have thrown him pretty much out of public notice ; still, however, he maintains a position among " conservative" politicians, along with such names as Winthrop, Cushing, Fillmore, Granger, and Thayer. The book has been written at a rather late period for the purposes which the author had in view, but still it gives a very elaborate exposition of the controversy which is well worth consideration.

He has endeavored to trace the anterior course of the long controversy between the North and the South , without regard to party interests or prepossessions. Slavery, he declares, though made an occasion was not in reality the cause of the war. " Self-seeking and ambitious demagogues " succeeding the wise and patriotic citizens of the former period, disturbed the equilibrium of the motion, and accomplished that calamity.

" It is the misfortune of Repubublican institutions," he remarks, " that many who have paid little attention to matters of state policy, and seem scarcely able to understand it, must pass judgment upon men of superior ability and high attainments who have made such topics the study of their lives. Hence it has happened in this turmoil of politics, that the latter have been too frequently set aside for inferior persons, and their better considered opinions disregarded in favor of those of transient Congressmen, often incapable by nature, and sometimes disqualified for calm judgment by personal habits, and of Governors of States, who ought to have remained among the governed."

Another object of this work of Mr. Lunt has been " to place in its true light the intelligent and patriotic conduct of conservative men of both great parties which took a leading part in the affairs of the country, until incidental causes deprived them of their due influence." This motive he declares was not merely to render justice to the South, but to see to the safety of the body politic. Much prominence has been allowed to the State of Massachussetts as presenting the most striking example among the several States, and being the most conspicuous of them all in pressing the claims of State rights from the earliest period. " No State has been at times more exclusive and sectional."

Politically Mr. Lunt declares his confidence in the Whig party, as transcending by far, in principles and policy, their democratic adversaries. Their position was that they could not interfere with slavery in the States ; that it was imprudent to take action in relation to slavery in the District of Columbia ; but that they had a perfect right to oppose the introduction of slavery into any territory of the United States already free. They were united while the democrats were divided, and, hence, were hated by the liberty party most cordially. If they had stood firmly to their original principles they might, Mr. Lunt thinks, have gained their ascendency, and saved the country from the incomparable ills with which it has been, and is likely long to be afflicted. But they became entangled in the meshes of sectionalism, and left their honorable chiefs, while the democrats showed themselves in the main, the defenders of the Constitution.

After going at great length through the details of the controversey, Mr. Lunt finally brings his labor to the following conclusions, which deserve careful attention from statesmen :

The superior power of the United States has been completely vindicated, and the South has abandoned all further purpose of resistance. The speediest possible restoration of the Southern States to equal rights under the Constitution is for the highest interest of the whole country, if the Union is to be and to remain a republic of equal rights in conformity with its own organic law. The present irregular, unequal and disorganised system of government, for the common safety, ought not to be permitted to continue for a moment longer than the most unavoidable necessity requires. The reason why restoration is delayed he attributes to ambition of a particular party for power. When the people rise above this and place the country upon the free and solid foundation of the Constitution and the Union, then only can the Republic be " Peace."

The History of Henry the Fifth; King of England, Lord of Ireland, and Heir of France. By George Makepeace Towle, author of "Glimpses of History." New York: D. Appleton & Company, 1866.

The name of Henry the Victorious has been made a household word by Shakespeare, wherever the English language is spoken. To be sure romance has often overstepped the domain of historical verity in the matter, but common readers are not particular in this respect. The House of Lancaster, to which Henry V. belonged, though it usurped the English throne, had finally succeeded in maintaining supremacy, and so historians were prone to exaggerate the virtues of the successful family, and to impute hideous vices and deformities to those defeated. The beneficent rule of the Fourth Edward and his brother Richard, who laid the foundation of the commercial greatness of England, has been overlooked, while the intolerant persecutors of the disciples of John Wickliffe have been extolled for chivalric qualities.

The biographer of Henry draws his narrative from the old chroniclers. The introduction is a brief but interesting *resume* of English history from the Crusades to the death of Richard II., the last prince of the direct hereditary line of the Plantagenets. The history of the growth of that sublime *mythos*, the English Constitution, is admirably detailed.

It was in the reign of Richard that Wickliff translated the Bible, and promulgated the doctrines which half the English people embraced, and were afterwards asserted by the iron-hearted Puritans of England. John of Gaunt, Duke of Lancaster, defended Wickliffe, while the House of Commons was largely constituted of his disciples. It is not hard to perceive why the descendants of John, having usurped the English crown, should be extraordinarily zealous to purge their skirts of the suspicion of heresy, by cruel persecutions of the very religionists whom their great progenitor favored and protected.

Mr. Towle devotes his first chapter to Jonn of Gaunt, whom he denominates " Quixote in the right place with a royal coronet upon his head." He had the power, and will, and the opportunity to be a hero. The first part of his life was consecrated to war, the latter part to wisdom. He would, in any age, have been a reformer. After a futile effort to secure for himself the crown of Castile, he devoted himself to strengthen the hoards of his royal nephew Richard II. His name here " stands with that of Wickliffe as a pioneer of Christian faith, as a champion of free conscience, as a benefactor to all the future."

The second chapter contains the history of his son, afterward Henry IV. It is full of incident, and gives much secret history of the causes of the revolt of Bolingbroke. The advice of his uncle: "the straightest road is always the best and surest," is worth pondering. It led him to the conquest of the English throne. A Parliament was elected which required Richard to abdicate, and made Henry king. It was a novelty in the age of feudalism and primogeniture; the people had a ruler of their own choice. It is not remarkable that in his reign, which was an able and wise one, the House of Commons secured the right of freedom of debate, the right to vote money, the right to legislate, and the right to appropriate funds.

Henry V. was at once the King of France and England, and bequeathed both kingdoms to his infant son. His constitution was scrofulous, and great pains were taken in his boyhood to strengthen it by field-sports. from which arose the merry fictions of his early levity. He was almost feminine in his appearance, silent and thoughtful, and expressed his ideas with clearness and brevity. During the last years of the life of his father, prematurely old with the cares of governing, he exercised much of the regal authority. A little while there had been an ill understanding between the two, but it was reconciled. The fate of the Second Edward and the Second Richard had warned him against their errors. He was always popular. Paying the last rites to his deceased father, he also rendered the same honors to the murdered Richard II. He next lighted the fires of religious persecution, one of the most conspicuous examples of his zeal being the heyday companion of his earlier manhood, Sir John Oldcastle, whom Shakspeare afterward transferred into the obese Falstaff. He was hanged by a chain round his waist, and burned to ashes by fire kindled beneath. Henry also devoted himself to restraining the influence of the papal court in English politics.

He next began the conquest of France. The history of that campaign is familiar to all the students of history. In this volume it reads like romance. Though his army was devastated by pestilence, from Harfleur to Agincourt it won victories. Only four thousand men survived to accompany their monarch to England. A subsequent campaign was terminated by his marriage, a love affair, to Katharine, the daughter of Charles VI. The diplomacy, the secresy, and the way in which this was consummated surpass the delineations of a novel. On the morning after the nuptials he resumed the corselet, for France had been half reconquered. This was the queen whose subsequent marriage with Owain Tudor was the foundation of a new royal family. At her instance James I., of Scotland, was delivered from captivity, and married to Johanna Beaufort, the niece of the English king.

Again, the exigencies of war summoned the chivalric Henry to France, and he left England for the last time, charging his queen not to give birth to her child in Windsor Castle. An astrologer had told him that the prince born there would lose the heritage of the House of Lancaster. Katharine disobeyed him; and the hopeless Henry VI. first saw light in that fatal place. She then joined her husband, now suffering from wasted disease. In August, 1422, he died at Vincennes, in the flower of his years. No king had been more popular, or fastened absolutism more firmly upon the people.

This work of Mr. Towle will be a favorite among students of history. It may accidently glaze over the despotic acts of the sovereigns of whom it treats; but the general effect for variety and the attractive style will be to almost every reader abundant compensation.

Letters of Life. By Mrs. L. H. Sigourney. New York: D APPLETON & Co., 1866.

Mrs. Sigourney is a familiar name in American households, and her productions have but recently ceased to fill the "Poet's Corner" in newspapers. It must, however, be acknowledged, from a hasty examination of these "Letters of Life," that her gift as a correspondent fully equalled her poetic inspiration. In this volume we have almost her biography, sketched out by herself, and about it nothing dry or tedious. She possessed great power of writing extemporaneously upon passing subjects at call; and as is usual when a woman steps somewhat from the accustomed circle, she was often beset for an immense number of literary contributions, such as poems for albums, letters giving information of the best boarding schools, marriage odes, reading manuscripts to see whether they should be published, obtaining teachers, writing epitaphs and puffs for an author to make his reputation by, preparing a list of female poets, punctuating manuscript, drafting a constitution for a literary society, acting as umpire to a baby show, correcting poetry, versifying a love story, etc. "If there is any kitchen in Parnassus," she declares, "my muse has surely officiated there as a woman of all work, and an aproned waiter." Her literary course had its origin in impulse, but finally became a form of subsistence. Yet she received little pecuniary advantage from it in New England. Her benefactors were principally from New York and Pennsylvania. Letters of appreciation, however, came from others, as from the King of Prussia, the Empress of Russia, and the late Queen of France.

We have glanced over the collection with interest. Each chapter is beautiful and attractive from the first—"Home and its Inhabitants"—till the last, "Good Bye." Her description of her Garden equals that of Gail Hamilton, besides having a better moral. In short, she verified her own testimony:

"I never wrote for fame—
The payment seemed not to be with the toil;
But wheresoever the kind affections sought
To mix themselves by music with the mind,
That was my inspiration and delight."

NOTE TO ARTICLE "HOW TO RESUME SPECIE PAYMENTS."

Since this article was sent to the press, my attention has been directed to a small volume entitled "A Critical Examination of Our Financial Policy,' by Simon Newcomb, in which some of the questions that I have adverted to are very clearly and forcibly presented.

Professor John E. Cairnes in a paper read before the Dublin Statististical Society, "On the Best Means of Raising the Supplies for a War Expenditure," has also treated that subject with his usual ability.

R. G. HAZARD.

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