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TAXATION OF GOVERNMENT BONDS.*

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THE question of taxing credits assumes great practical importance when regarded in relation to the National Debt of the United States. We will assume that debt to be three billion dollars (\$3,000,000,000); This forms a lien or mortgage upon the national wealth, which the Secretary of the Treasury, in his report, December, 1865, estimates at a little over fourteen billions, for convenience we will call it fifteen billions; In that case the national debt will be equal to one-fifth of the national wealth. On this debt of three billions the interest, at six per cent, will be 180 millions. If we suppose that all other demands on the Treasury amount to 120 millions annually, we have an aggregate of 300 millions as the amount of taxation. The national debt, if included in the national valuation would increase it 20 per cent., or from 15 to 18 billions. This would reduce the rate of taxation by one-sixth or 16 2-3 per cent; that is if only property was taxed, the rate would be 2 per cent., if property and national stocks, the rate would be 1.66.

Should the national debt be exempted from taxation there will be 180 millions of *income* that will go untaxed, and that, as can be readily seen is a large share of the *net income* of the whole nation, or what the people save annually after supplying their necessary consumption. The subject therefore is one of surpassing interest to the country. Quite fortunately however, the matter is wholly within the control of Congress, which can as fast as the present bonds and other securities become due, (and they may all be redeemed within seven, and most of them within three years, from 1865,) convert them into bonds not exempted from general taxation.

* From a forthcoming work on Political Economy, by Hon. Amasa Walker, of Massachusetts, now in the process of publication by Little, Brown & Co., Boston.

Public faith should be kept inviolate, but public justice should also be secured as soon as possible. Better far to pay a high rate of interest, if need be, than have so large a share of individual income, and consequently of ability to pay taxes, escape its proper responsibilities. This is desirable not only as a matter of policy, in removing a prominent cause of popular dissatisfaction, which may sooner or later endanger the security of the Debt itself but as an economical advantage to the country.

The effect of exempting the public debt from taxation may be illustrated as follows : A has an income of \$1,500 derived from a salary, B has an equal income derived from coupons on the national stocks, A must pay taxes and of course must economize accordingly ; B pays no taxes, and consequently has no occasion to save on that score. Now, as all national capital comes from the savings of the people, it can be seen at once, that if one-sixth the part* (in amount,) of the tax payers are exempted from taxation, they are to an equal extent exempted from all necessity of saving.

We are aware that the holders of public stocks pay indirect taxes (customs, excise, &c.) but so also does the man who has no interest in the funds. What we intend to say is, that so far as a man's wealth is invested in our taxed securities, in so far he has no motive to save arising from a taxation to which all others are liable. Looking then at its economical bearings merely, ought not all public securities to be included in the general schedule of taxation, both by the national government, and the states, cities and towns in which the holders reside ?

CONSOLIDATION OF THE NATIONAL DEBT.

While this work is passing through the press, a proposition is made in Congress to consolidate the debt of the United States into a uniform 5 per cent stock, having thirty years to run, payable, interest and principal in gold.

It is, doubtless, desirable to effect such a consolidation, provided it can be done in an economical and proper manner, but the proposal to exempt the consols from taxation is quite another matter. We have already spoken of the invidious as well as unjust operation of a system which exempts from taxation one sixth part of the national resources, but since the proposal has been made, it becomes desirable, we think, to give the subject some further consideration.

We shall not dwell upon the political bearings of a measure sure to create abiding dissatisfaction—sure to be a most dangerous weapon in the hands of political aspirants, and certain to endanger eventually the security of the debt itself. We shall speak only of its economic bearings.

1st. The exemption of \$3,000,000,000 from taxation for all National, State, County, Town, School District and Parish, purposes, will create a very considerable and influential *class of persons*, who, while they will have the legal right to vote appropriations for all public objects, will be under no obligation to pay a farthing of the amount raised ; who while interested in having large public improvements made, will have no respon-

* It is, doubtless, far more than one-sixth part of the net national income, probably, at least one-fourth, or 25 per cent. A large share of the estimated 15 billions of aggregate wealth is of a character to escape taxation.

sibility for the expense of them; a class to whom it will be a matter of entire indifference how large the assessments may be, or how unwisely or wastefully the public finances may be conducted. Can any reasonable man think it expedient and proper to create such a class? Does any one doubt that its influence would be unfavorable to the public welfare? We already exempt labor, to a great extent, from the burdens of State and Municipal Taxation, by limiting the poll tax to a fixed and very trifling amount, so that the poll tax-payer can vote any sum he pleases, with entire impunity. By exempting three billions of the national credit from taxation, it is now proposed to place capitalists, so far as they are owners of the public stocks, in the same favored position. That interest of the two parties will then be identical in regard to all public expenditures paid for by a direct tax on property, as State and Municipal charges generally are. Both can vote away money, and leave the unfortunate property-holders to settle the bills. By the exemption proposed, government creates a great antagonism in the body politic. It grants a special and most important favor to one class, at the expense of others. It may be urged that the favor has been paid for, by the creditors of the government, in that they took the stock at a less rate of interest than they would have done had it been subject to taxation. But can government with any propriety make any such condition? Can it rightfully grant for any consideration whatever, a dispensation to one class of citizens from all pecuniary obligation to State, City and Town authority throughout the nation? Surely not, consistently with justice and equality, because in our community the favor granted may be worth one per cent, in another two. In one locality it may advance the general valuation one half, in another only one-tenth, in one Municipality it may increase the general rate of taxation five mills on the dollar, in another twenty.

Can that be just and equal? And yet all taxation under a free government, must be seen to be clearly impartial and just, or the people will not submit to it.

2d. Such an exemption will create a powerful influence against the payment of any thing but the interest of the debt. This can be readily seen, and hence we perceive another unfavorable effect from the proposed policy. The debt should be paid off as soon as practicable. It should not all be placed out of reach for thirty years, and exempted for all that time from contributing to its own discharge, unless we are prepared to resign ourselves to never ending taxation for the payment of interest.

In a *sectional point of view*, the exemption principle will be very unequal in its bearings. In the new States when capital is comparatively scarce and local taxation nominally heavy, its operation will be especially oppressive and odious. Every available dollar will be put into government bonds, unless it will command an excessive rate of interest on individual security. Will not this enhance the rate of interest, when capital is most scarce? If so will it not be most burdensome to those who can least afford to bear severe taxation and high rates of interest?

A third consideration is that the contemplated exemption has a direct and powerful tendency to cripple the industry of the country by absorbing a large proportion of its wealth into the debt of the government. If the national bonds should be relieved of taxation for 30 years, no more will go abroad for sale, and those now in Europe *will be returned upon us*.

Of that there can be no doubt. The difference occasioned by the exemption here, which does not attach to bonds held abroad will be so great as insure their return to the American market. That this will make the working capital of the country scarce and high, and thus greatly injure all the industry of the nation, especially that engaged in manufactures, is beyond a question.

The last consideration we shall name is, that the proposed measure is *entirely unnecessary*. Such a policy should never have been entered upon. It was bad financiering, even in the darkest hour of our national struggle, and is wholly inexcusable now.

But it may be replied, "the government cannot negotiate its loans at five per cent, unless the exemption is made." Very well then, promise six. It is far less essential what the rate of interest than the equality of that taxation by which the interest is paid. If one-sixth more interest is to be provided for there will be one-sixth more property on which to assess the tax that is to meet it; the burden upon the people is not increased, only equalized.

The British Government pursued a wise financial policy during its great contest with Napoleon. It consolidated its national debt, issued only three per cents and negotiated these on an average discount of about 41 per cent. Her exigency was great, but the United States is under no such extreme necessity. If a policy is adopted which commends itself to the capitalists of the world, American consols at a low rate of interest will, like the British, command money on the most favorable terms. But there must be no tricks, no subterfuges, no unjust exemptions, which sensible men well know are certain to breed public discontent and imperil the national securities. All must be fair, honest and just; the resources of the United States are ample and rapidly increasing, we only need a wise and faithful administration of them.

We have said there was no necessity for the proposed measure, but it would be well to decide fully and finally upon the policy of consolidation into *one stock at one rate of interest*, yet it is in no wise necessary to bind the Government to issue the whole amount, as proposed, in thirty years. The debt is not all due at this time; if a part, say 1,000 millions, were now authorized for thirty years, when that was taken up the expediency of issuing more on so long a time could be more judiciously decided upon than at present, besides, if only a part were now offered it would be taken with more avidity than if the whole were put at once on the market. Policy, therefore, as well as economy requires a limitation of the issue of 30 years bonds.

The proposal to save 30 millions per annum by issuing bonds at five per cent untaxed, instead of six per cent, in order to form a sinking fund, we regard as idle and delusive. The project never will be carried through. National Sinking Funds, have always failed of success, and in the nature of things always will; besides if such a fund were to be provided for, it could be done more advantageously without exemptions from taxation than with.

THE LONDON FINANCIAL PANIC—ITS CAUSES AND EFFECTS.

THE passed month has brought us news of one of the 'most disastrous panics within the experience of Europe. Lombard Street has been shaken to its foundations; firms that were supposed by the uninitiated to possess unbounded wealth, have been swept into bankruptcy, and multitudes reared in affluence reduced to poverty. It is stated that there never was such absolute consternation as in the London Stock Exchange on Friday the 11th of May, and in the city the excitement was almost indescribable, surpassing anything within living memory. The excitement which prevailed during the last panic of the kind, in the autumn of 1857, when the Western Bank of Scotland and four other great provincial banks stopped payment, with a great number of private firms, was not equal to the feeling of anxiety and suspense which appeared every where to exist. From about 10 o'clock in the morning, by which time the failure of Messrs. Overend, Gurney & Co. had become widely known, there was a marked influx of people, far beyond the ordinary community of business men of all classes, and in Lombard Street, Birchin Lane, and the neighborhood of the Royal Exchange, restless crowds were collected during the whole day. For some hours in the height of the day Lombard Street and Birchin Lane, from both of which the premises of Overend, Gurney & Co. have an entrance, were all but impassable, and the services of an additional body of policemen were brought into requisition to facilitate the traffic and to maintain order. The prevailing excitement greatly increased when it became known that the English Joint Stock Bank in Clements Lane had temporarily suspended payment. In Bartholomew Lane, Lothbury, and Princes Street, there was also an unusual degree of bustle throughout the day. Altogether, for many reasons, the occasion and the day will, the accounts state, be long remembered in the city of London as the "Black Friday."

To us it becomes a matter of great interest to examine into the causes of this strange excitement, and to inquire how, if possible, similar trouble can be avoided. There is a disposition to imagine that, because England maintains a commanding position among the commercial nations, she has some peculiar virtue in her monetary system; and some contend that this excellence centres in the conservative regulations imposed upon her central banking institution, the Bank of England. To us it appears that a candid examination of the phenomena of English panics would show that these opinions are very wide of the truth. There are defects in her present monetary system, and it remains for the future to remedy them by devising a better.

The causes of the present panic may be said to be commercial, financial, and political. And first, the trade of England has been, for some time, in an inflated condition. The inflation may be traced back to the outbreak of our own civil war. The suspension of the American supply of the great staple of British commerce, cotton, produced a steady and large advance in raw cotton, and in the value of cotton goods; and this rise in prices realized, for Liverpool and Manchester, an enormous extra profit upon their trade. The limitation of the United States supply of the staples of food also had the effect of increasing the costs of living,

which ultimately resulted in an advance in the price of labor, and, consequently, in the cost of products generally. The important rise in the price of cotton caused a sympathetic advance in wool, flax, and silk, and, consequently, in the value of all fabrics made from those materials. Nor is it to be overlooked that the enhanced cost of manufactures was supported by a large increase in the demand for goods from those countries which sent to England enlarged supplies of cotton. Here, then, was the basis for a commercial inflation—an abnormally high range of values. This condition of affairs could not prove permanent; and the close of our war, with a consequent large increase in the supply of cotton, was the beginning of the collapse from this expansion. The reactionary process was naturally attended with a desire, on the one hand, to carry stocks of goods and commodities rather than sell them at low prices, and, on the other hand, with an indisposition on the part of the banks to make free advances upon property which they saw must be realized upon at a loss. This opposite course between lenders and borrowers naturally weakened confidence and prepared the way for panic.

The commercial derangement proved to be the parent of a financial inflation. In 1861 and 1862, large amounts of manufacturing capital in Lancashire was thrown out of employment. At the same time, large accumulations of money were realized from the rise in the price of cotton and cotton goods. This surplus capital settled into the reservoirs at London, and the financiers of that city were not backward in devising means for employing it. As there was no use for it in connection with existing commerce or industry, except at very low rates of interest, a host of new companies, chiefly of limited liability, were created; the object of some being trading, others mining, others contracting, others for promoting remote foreign enterprises, but the majority being what are known as finance companies. Not one in ten of the new institutions arose naturally from the presentation of legitimate openings for such enterprises; but, in a large majority of instances, the companies were formed by artificial "promoters" merely for the purpose of taking up idle capital for speculative purposes, at a time of unusual confidence in financial circles. By a well known system of keeping up false appearances, and by "managing" their shares on 'Change, a certain degree of confidence was won over to these companies; the banks were induced to discount their paper freely; and deposits were attracted into the hands of the finance companies. This glittering show of prosperity continued until the essential rottenness of the concerns could be no longer concealed, when the banks began to treat them shyly; insinuations against their credit were whispered on 'Change; the whispers were loudly echoed by the "bears" to depreciate their shares; and, as embarrassments thickened around them, one after another failed, until nearly the whole list became discredited upon the market. Though the business done by very many of these companies was radically rotten, yet it was large in amount; so that it was felt in financial circles that their failure must compromise many firms. The new institutions fostered very naturally the commercial inflation; and the two being twin births, they were also destined to expire together.

Both commercial and financial affairs were thus in a state to excite general mistrust and apprehension. In this condition of affairs all the signs of an extensive war, of such a war as has not been waged in Europe since

the battle-flags of the First Napoleon's countless hosts were furled in 1815 arose over the European sky. A million of men were placed under arms between the Baltic and the Alps; a million more arming in France and Italy. Russia announced her sense of the coming crisis by throwing forward her troops in unusual force towards the Polish frontiers, and Turkey turns yet another screw upon her suffering treasury, in order to "mobilize" her whole disposable military power. Most significant and most disastrous of all, the Emperor of the French, after a studied silence of months on the "European situation" spoke out, after his own mystical and portentous fashion, and declared his "detestation" of the "treaties of 1815," and by a single phrase terrifies the enterprise and industry of Europe and pricked the bubble which was just ready to burst.

Such were the causes operating to produce the panic which resulted in giving so severe a shock to commercial credit and effecting a decided halt in the steady progress of English industrial enterprise. Here it had less influence than much smaller and less formidable revulsions which have from time to time occurred in Europe. Some twenty millions of gold have been exported to England since we received the first news of her financial troubles, and still there has been no derangement of general business, and little interruption of public confidence. Even at the Stock Exchange, the ever sensitive quotations of Government and other securities have been sustained better than might have been expected. It is not, indeed, improbable that but for one perturbing cause, we should scarcely have felt the shock at all, except in cotton, and in a few securities which are largely held in England. The circumstances to which we refer as having chiefly caused the recent perturbation in the money market, is the sale by the Government of thirty millions of gold in the short space of ten days. Some of our readers may be at a loss to understand how these sales of gold should produce such derangement. We will try to explain.

It is well known that under the Sub-Treasury law of 1842, the government requires all payments to be made to it in gold or in other legal tender money. Consequently, the sale of thirty millions of gold would draw into the vaults of the Treasury forty millions of currency, and would absorb this sum suddenly. But the ordinary business of the country is done by a much more economical use of currency. Look, for example, at the Clearing-House settlements of any given day, and you will find that eighty or ninety millions of debt are paid off by the use of only two or three millions of currency. Thus it appears that as much currency is needful for the transactions attending the sale of thirty millions of gold as would suffice to consummate a vastly greater amount of the ordinary business transactions of the country. Moreover, the currency used by the people in their business does not leave the current of the circulation. It is used over and over again and continues actively to pass from hand to hand. But in the case of money paid into the Treasury it is far otherwise. This currency is locked up in the vaults of the government, and depletes for a time the current of the circulating medium of the community. If the depletion be great a stringency in the loan market supervenes till equilibrium is restored. It is easy, therefore, to see that comparatively small government transactions in gold, involving the sudden payment of greenbacks into the Treasury, may, by making currency

scarce, paralyze the movements of capital, stir up great temporary derangement in the money market, and engender wide-spread mischiefs in those departments of industrial enterprise whose success depends on the easy and equable operation of our financial machinery. When we remember that during three days of one week no less than fifteen millions of gold had to be paid for by purchasers from the government broker, it will not appear surprising that we have had a pinch in the money market. The only wonder that the flutter was not exaggerated till it grew into a panic, as most likely would have been the case had not the Assistant Treasurer at New York, by his skillful arrangements, prevented monetary stringency.

But there were peculiar causes for our exemption from the influences of this London panic. First, we do not fear the threatened continental war. It is evident that, if the expected war breaks out in Europe, that continent will grow less food than usual. An immense impulse will thus be given to our raising of breadstuffs and other agricultural and industrial products. The resulting activity in business will benefit our railroad and shipping interests, will impart a higher value to property invested in such enterprises, and will be productive of other important financial advantages. These are some of the reasons on account of which the European war fails to awaken much alarm here. The scene of the conflict is too far off; and, while some of the effects of the struggle would work for our interest, we are so completely isolated from all connection with the belligerents that there is not the slightest danger of our being drawn into the vortex.

Moreover, the fact that our monetary system does not rest on a specie basis is another cause of its stability under the recent shock. If the basis of our currency were liable to be suddenly contracted and disturbed with every sudden demand for coin for exportation, the recent shipments would have spread, throughout the length and breadth of this continent, as much terror as was caused by the most memorable panics our people have ever known. Here we have one of those compensatory provisions which continually meet us at almost every view we take of any department of human enterprise and achievement. A paper currency not redeemable in coin is a curse to any currency where it prevails; but, as we have just seen, the curse is not without its blessing. Our paper money is unsettled and unstable in its value—that is its evil—but our paper money system is not liable to derangement from foreign demand for specie—that is its compensating good.

Much has been said about this aspect of our return to specie payments, and some persons are asking with much anxiety whether, when we do get back to a coin basis, our financial system will be liable to be at any moment shaken by the exportation of coin, as was invariably the case in former times. Two remedies have been proposed. One is that we should pay all our debts to foreigners, and not go in debt any more. This is, of course, Utopian. Probably more than a thousand millions of dollars of foreign capital is in various ways held here, and we are liable to be called on to pay any part of this debt at any time when our creditors want their money. Now, when a panic arises in any foreign money market, some of our creditors there want to sell our securities or draw their balances. The consequence is that the foreign exchanges are likely to run

against us, and before long gold has to be shipped from this side. Now, this exported coin formed part of the basis of our domestic currency. In taking it away to pay debts abroad, we deplete our interior currency to supply currency for exterior foreign use.

On this view of the case a plan of some ingenuity has been proposed to keep up specie payments, and yet prevent our home currency being violently contracted and our domestic trade disturbed whenever our foreign balances run against us. The plan consists of three provisions. First, let the banks of issue be compelled to redeem their notes not in specie but in gold notes. Secondly, let the government issue these notes on deposit of gold and issue no notes which are not represented by gold actually in hand. Thirdly, let the gold notes be legal tender and let a weekly statement be published of the amount outstanding similar to weekly reports of the banks of England and France, and let a minimum and maximum amount be fixed below or above which the outstanding volume of gold notes shall not go. We do not offer this plan as perfect. Indeed, we see several objections to some of its details. But it may, perhaps, suggest a better plan, or be itself susceptible of the requisite modifications. Of course, its adoption requires that the greenbacks should all be called in, and that hereafter nothing should partake of the nature of legal tender except either the standard coin itself or the gold notes which are actually represented by coin on deposit in the National Treasury.

Some such expedient, it is supposed, would give the needful elasticity to our currency, and would enable us at once to preserve the convertibility of our notes, which is the grand central principle of the Bank of England system; and to preserve our currency without contraction from sympathy with derangements in foreign trade, which is the great recommendation of the system of the Bank of France. It is, perhaps, inevitable that commerce should periodically run into wild inflations, and that financial affairs should lapse into an unsound state; but the derangement of our internal commerce should not follow every European panic, and would not, if some such expedient were adopted. Finally, this disturbance in the London money market shows us that there are decided defects in the English monetary system. Had it been possible, without sacrificing the principle of convertibility, to invest the Bank of England under easier conditions, with the power to do what was allowed to it in the last extremity by the government, there might have been no panic. The banking houses had an abundance of the most desirable securities; but the Bank of England was verging upon the legal limit of its circulation, and the securities were consequently of no avail. There was a dead lock to loans, because the Bank could no longer lend. The effect of the legal restrictions upon the circulation of the Bank, is seen in the circumstance that the panic began to subside the moment it was known that the restriction was removed, and also in the fact that, in former crisis, panic was stayed instantly upon the suspension of the bank restrictions. The system needs another feature; in some way disconnecting as much as possible the internal finances of the kingdom from its international exchanges.

COAL IN THE UNITED STATES.

WHATEVER may be the future product of the Coal Mines of Great Britain, it is certain that the United States possess a supply which many generations cannot exhaust. The whole extent of the coal area in the United States has been usually divided into four principal coal-fields or tracts, viz.:—The Great Central, Alleghanian or Appalachian coal-field, extending from Tuscaloosa in Alabama, through Eastern Tennessee and Kentucky, Western Virginia, Maryland, Ohio, and Pennsylvania, and reappearing in New Brunswick and Nova Scotia. This field has been computed to cover within the United States an area of 50,000 to 60,000 square miles of which about 40,000 square miles, or 25,600,000 acres, are considered workable area. It is subdivided into eight minor divisions productive of bituminous coal. The second coal-field occupies the greater part of Illinois and Indiana, and in extent is nearly equal to the first. A third field covers a large portion of Missouri, and the fourth the greater part of the State of Michigan. The Chesterfield bituminous coal-field, a detached district of small area near Richmond, Virginia, contains the oldest-worked collieries in America, and for many years furnished the only supply of coal for the seaboard towns. The greater part of the area of workable coal in the bituminous coal-fields above mentioned remains as yet undeveloped. The detached basins of anthracite coal in Pennsylvania, which form one of the most interesting of this great coal-producing territory, though limited in aggregate area, as yet produce considerably more than all the others put together.

The coal area of the United States, according to Taylor's "Statistics on Coal," a work published in 1855, was estimated in 1845 to cover 133,132 square miles, or 85,204,480 acres, which was nearly one-fourth of the total area of the twelve States in which the coal formations lay. It was equivalent to nearly three-fourths of the coal areas of the principal coal-producing countries of the world. Of this area 8,397 square miles were on the west side of the Missouri River, and 124,372 square miles east of the Mississippi River, whilst 437 square miles were occupied by the anthracite deposits of Pennsylvania. More recent estimates (from the report of the Commissioners of the General Land Office) have made the American coal fields, so far as they have been developed, to cover nearly 20,000 square miles, or one-tenth the entire area of the kingdom. The coal formations of British America are computed to have an area of 18,000 square miles.

In 1845 the production of the British coal-fields was set down at 31,500,000 tons annually. The product in 1858 was stated to be upwards of 65,000,000 tons, worth at the pit's mouth 16,700,000*l.*, and in 1863, 86,292,215 tons, valued at 20,572,945*l.* An eminent geologist estimates the average thickness of the workable coal of Great Britain at 35 feet, and the total quantity of workable coal at 190,000,000 tons. If the whole area of the productive coal-fields of North America be taken at 200,000 square miles, and the average thickness at 20 feet, Mr. Kennedy calculates that their product will be 4,000,000,000 tons. The relative size of the coal measures of the United States and other countries has been made more appreciable by taking the amount of workable coal in

Belgium as 1, then that of the British Islands becomes rather more than 5, that of all Europe $8\frac{3}{4}$, and that of North America 3. Professor Rogers, in a work on the coal-fields of the United States as compared with those of Europe, calculates that the United States has 1 square mile of coal field to every 15 square miles of territory; Great Britain 1 to every 30 of surface; Belgium, 1 to every $22\frac{1}{2}$; and France, 1 to every 200 miles of surface. The relative superficial magnitude, he observes, of the coal-fields of the countries possessing coal will be recognised if we compare them by some simple unit of measure. Let this be 100 square miles. In this case—Russia will be represented by 1; Spain, 2; anthracite fields of Pennsylvania, 4; Westphalia and Bohemia, 4; Belgium, 5; France, 10; Rhenish Prussia, 10; British Provinces of North America, 17; British Islands, 40; Europe, 75; Pennsylvania, 126; Appalachian coal-fields of the United States, 2,200. Whichever way the foregoing figures are taken they clearly represent the enormous coal-producing power and the vast mineral wealth of North America.

In view of these extensive coal fields in every part of the country it would seem hardly possible that the exorbitant prices of the last two years could be much longer sustained. And yet we must remember that our supply at present comes from a very limited region, and is under the control of a few transportation companies. Previous to the war the Pennsylvania product had supplied fuel for half the continent, meeting the requirements of our seaport and frontier towns, and even underselling the colliers of Nova Scotia in the markets of Canada. This was due to the facility with which it was quarried and conveyed to different places. These facilities were steadily increasing. Canals and railroads were extended from New York and other parts of the country to the coal regions of Pennsylvania to bring away their product to new districts. But the demand was also steadily increasing year by year when the war began. The war having at once added largely to that demand in supplying our greatly increased steam marine, and the extensive manufactories which were kept in operation to finish material for military use, which aided by the Government issues of currency immediately gave an upward impulse to prices.

This impulse was aided by the flood of 1862, which suspended operations, and led to the exhaustion of the stocks in hand. These and other causes continued to operate sending prices up as a matter of course till the conclusion of the war; at which time indication appeared of a decline. These indications, however, were doomed to disappointment. The attempt during last season of the colliers of the Lackawanna and Wyoming coal districts to reduce the wages of the miners, were followed by an extensive strike, which enabled the companies to sell their stocks at such enormous profits as to suggest to many the possibility that they had secretly connived at the affair. Certainly the strikers only obtained penury for their part of the transaction, and the consumers by reason of it have been compelled to pay exorbitant prices during the entire winter. There are symptoms now of the approach of better times, and yet we do not look for any permanent change for the better until the financial system of the country is placed in a healthier condition, and railroads for the transportation of coal to the different ports of the country where it is required have been multiplied.

The present difficulty is exaggerated by the peculiar fact that the transportation business is done principally by the owners of the mines; the mining companies and railroad corporations are substantially identical. The following illustrates the mode by which this state of things was brought about: In Elk County, Pennsylvania, until within a few years the lumber business engrossed every thing. In 1858, however, Mr. Joseph Veazie, a young man from Boston, a graduate of the Lawrence Scientific School, heard that there were bituminous veins of coal in Elk County. He induced his father to come out with him and "prospect" a little. In a few days they discovered quite a number of out-croppings, which confirmed all that had been reported of the property. At that time the geological survey of the State of Pennsylvania, made by Professors Rogers and Lesley, had not been published. That report describes the coal lands thus prospected by Mr. Veazie as the fourth bituminous coal basin of Pennsylvania. Soon after discovering the coal property and learning its value, Mr. J. A. Veazie of Boston and some of his wealthy friends secured a title to six thousand nine hundred acres of these lands, lying in a compact body. At first a company called the Pennsylvania Coal Company was organized under the laws of Pennsylvania; then followed the organization of the Shawmut Company; then of a railroad company; and finally all these companies were consolidated, under a special charter, into one company, called the Pennsylvania Cannel Coal and Railroad Company, with a capital of \$1,500,000; thirty thousand shares of fifty dollars each. There are now seven different coal companies in the county of Elk, not one of which existed seven years ago.

A correspondent writing last Fall, shows the way in which the Cannel Coal & Railroad Company manage to realize large profits. Their railroad, 14 miles long, connected with the Philadelphia & Erie Railroad, two and a half miles east of Ridgeway, is completed to an opening which now produces about 100 tons a day, and, when fully manned, will produce 200 tons a day. It is graded 1,300 feet to another opening, which can turn out 150 tons a day, and from which a tramway of 1,200 feet leads to still another opening, also capable of turning out 150 tons a day. The railroad—tramway and all—will be completed by Christmas, when the company will be able to fill orders for 500 tons a day. These coal people will not tell their most hidden secrets, but the coal costs the company not over \$1 25 to mine and deliver at the terminus of their road near Ridgeway, and as they are selling it for \$4 50, it will be seen they have a solid margin of at least \$3 per ton; so that by January next they can count a daily profit of \$1,500 a day, or \$450,000 a year. All this from three openings in one vein. But there are twelve veins of bituminous coal and two of cannel coal. About 30 openings have been made, some of them 800 feet in length and reaching through the hill some 600, and reaching through in the same way, but all deep enough to show the inexhaustible supply of coal on the estate.

The operation of mining is very similar in all mines. In the one referred to above, visitors are allowed seats in the little cars in which the coal is sent out of the mine. The driver is a boy, with a small lamp hung to his cap, in front. Another miner, called a pusher, whose business it is to get coal out of the mines, accompanies. The bank of earth about the entrance is neatly sloped, and well-fitted timbers protect the roof and sides.

The roof is of coal, and the sides of coal down for three feet, where a layer of fine clay comes in, followed by slate. Through the slate water penetrates, and so renders the passage wet and sloppy. A light rail is laid all through the mine for the cars to run upon. Every 25 feet occurs the entrance to a side room or chamber. These penetrate 25 feet, and are then enlarged to the size of 18 feet. Leaving the car and walking into a chamber, we find the miners at work. They lie flat on their backs or on their sides, and dig in the shale under the coal, thus undermining it. Then with wedges they split off great pieces, as large as possible, sometimes several feet long and two feet thick. Thus the miners work until late in the afternoon; the work is excessively dirty, but they earn good wages. Returning from the mines, we must walk out, for the car is needed for business. The laden coal cars descend with their own gravity to the platforms, through which it is dropped upon a screen or sieve which allows the smaller pieces and the dust to pass and separate; the rest runs directly into the car, and in an hour or so is delivered to the dealer at the junction. Mining in all the other bituminous, and even anthracite coal mines, the same as pursued here, only that in all the anthracite mines and many of the bituminous the coal lies below the watercourses, and so wells have to be sunk, shafting put down, and a vast amount of pumping done, thus enhancing the cost of mining and of the coal.

The former practice, in opening a vein of coal, was to begin at the "outcropping" and clear away the earth, or make a large number of openings. This was found to be too expensive and laborious. Now the more convenient method has been adopted of making an opening on an inclined plane or "slope," and laying upon it the two tracks before mentioned—one for the loaded cars, which are drawn out by an engine, and the other for empty cars to descend into the mine. The dimensions of these articles are generally five feet in length by three in breadth.

The more common process, however, is to sink a shaft into the mine. Entrance and egress are by means of a bucket or "carriage," which is let down and drawn up by a rope and windlass. Accidents sometimes happen from the breaking of the rope, and sometimes a person in the carriage is seized with dizziness and falls from the carriage to the bottom of the mine. To prevent fatal results from the breaking of the rope, hooks are fixed to the carriage, which fasten, in such cases, to the sides of the shaft, enabling the rescue of the persons inside from their perilous situation.

At the Baltimore mines, at Wilkesbarre, Pennsylvania, two veins of coal, one immediately beneath the other, are worked at the same time. The upper one has been excavated clear to the "Black Diamond Mines," a distance of two miles. At first the coal was taken from the Baltimore mines by several cuttings, opening out upon a narrow gorge, at the bottom of which flows a little stream of water. Only a footpath lies between those cavernous portals and the edge of the descent, exciting our curiosity to learn how the coal could be removed in any considerable quantities. From this point the floor of the mine slopes gradually to the furthest extremity of the excavation. The miners may be seen in the distance, each with a little lamp in his visors, moving hither and thither, and appearing in the darkness like the shades of denizens of the wide world. In winter time the spectacle is fully as impressive—the evergreens in the little gorge

laden with snow, the streamlet flowing rapidly along, the entrances of the portals hung with icicles, the floor and roof inside covered as with stalagmites and stalactites, all of ice, colored by the carbonate of iron, the lights and shadows made by the pillars of coal which have been left to support the roof, and the lights of the dusky laborers gliding hither and thither far away down there beneath the earth.

Those pillars of coal, usually about six feet in diameter, are always left to support the roof of the mine; and when the vein is worked out they are removed, and wooden pillars having been put in to take their place, sometimes the roof falls, burying whomever may happen to be within the mine. The town of Pittston, at the confluence of the Lackawanna and Susquehanna, has been nearly undermined in this manner; but as yet few of those fallings-in have taken place. A few years ago, however, the public school-house sunk down into one of these places.

These chambers, many of them within the mines, are really very fine. Some of them are so low that a person of medium stature must stoop to get through them, and so narrow that two persons can barely pass each other. But others are eighteen feet from floor to roof, and fifty feet in breadth; the roof consisting of slate smoothly polished, and beautifully indented with perfectly shapen fossils, and the walls being rough where the coal had been in contact with the slate, with boles of fossil trees here and there in half relief, from one to three feet in diameter. A fossilised stump of a tree, four feet high, three feet across at the top, and six feet at the bow, was found in the Baltimore mine, and removed with great care to the Court House at Wilkesbarre. The mines abound in beautiful and perfect fossils, principally stem of plants; quartz crystals are also found in the rock which covers the coal.

The anthracite coal is removed from its bed by blasting. It is then placed in cars and drawn away by mules. Sometimes it is taken to the portal of the mine in this manner, but oftener is drawn up the slope by pulleys and "gravity cars" into the "cracker," a lofty building where it is unloaded, broken to peices, screened, and the slate picked from it by children. It is then poured into troughs or conductors of iron, which discharge it into railroad cars and canal boats for transportation. Among the piles of slate and "screenings" which are rejected by this operation are considerable quantities of good coal, which is generally given away to any one who will take the trouble to gather it out. It is no unusual thing to witness boys, and even girls and grown women, ragged and unclean, barefooted and bareheaded, gaunt and smutted, filling their baskets, bags and pails, lifting the dirty burden to their shoulders and staggering away to their wretched homes.

These miners are paid by the quantity of coal got out by them. They seldom work later than three or four o'clock in the afternoon. Some of them, especially the Welsh, are frugal and industrious. Their homes are well kept, and their families interesting. Shelves of books, and newspapers, show that they are intent upon improvement; and in some of the larger towns, they have established reading societies and lyceums. In several instances they have in this way collected a valuable library and cabinets of geological specimens from the mines where they are employed. They have also strong religious tendencies, and do much to toward correcting the disposition and manners of their ruder associates.

But too often the miners are of a different class, and spend as fast as they earn. In a time of scarcity, as during the late great "strike," they are reduced almost to want through their improvidence, although they may have been earning a hundred dollars a month. Yet they never seem to hesitate, however well they may be doing, to break off work and demand higher wages. They are organized into secret societies—a measure often necessary as a protection against the exactions of the companies, who are often unregardful of their rights and welfare; and when these strikes occur, they are thus pledged to stand by each other.

Many of the miners are rude, ignorant, and even dangerous. Some of them speak a *patois* or dialect which requires interpreting to render it intelligible. The children acquire their vicious ways, swearing, insulting persons who happen to speak to them, throwing stones at animals, destroying fences, and doing mischief maliciously. Their appearance, coarse and ragged in dress, dirty and black with coal dust, corresponds with their manners. They seldom attend school or learn to read; and the indications of their future career are not very encouraging.

It is of the utmost importance, it will be seen, that this dying-out of industry shall be somewhat modified. The acts of this class have been able to create high prices of coal everywhere, in other mines as well as at home, and indicate possible consequences of the most serious character. The multiplication of companies would tend to ameliorate their conditions, also the construction of avenues of transit, the managers of which would not have their interests identified too closely with the mining as well as the production of coal.

WHAT FIXES A RATE OF INTEREST.

BY A. D.

A good many otherwise well-informed people believe in the notion that a rate of interest is the result of law. For instance, if the legal rate of interest is six per cent, the market rate must be six per cent; and if the legal rate is then lowered to four, the market rate would necessarily become four. One of the wealthiest and most experienced merchants in New York was heard to express this opinion a few days ago, and none among those who heard him were prepared to refute his position. Yet such an utter lack of breadth is evinced in this notion, it seems extraordinary that any merchant who holds to it, should have been able to make his way successfully among the crowd of better informed men who must have been his competitors.

A particular rate of interest, is in great part an international affair—it is primarily the result of the difference between the civilization of, or more correctly speaking, the security for capital afforded by various nations. The more perfect the security in a country the lower the rate of interest; and the higher the rate of interest, the lower the standard of credit compared with other cotemporaneous countries. However much this law of political economy may wound the self-love of particular nations when applied to practice, a little further consideration must convince us of its truth with of course certain modifications.

The immediate cause of a rate of interest is the pressure of monied

capital for employment as compared with the pressure of employment for monied capital—in other words of the demand and supply of loanable funds. The pressure of capital (or wealth) being the immediate cause of the rate of interest, it follows that wherever the great bulk of capital flows to, must be that place where the rate of interest is lowest; and that wherever it flows from is where the rate is highest. Accordingly as we find that in London, Paris and the free cities of Germany and also in the cities of New York, Philadelphia and Boston the rate of interest is lower than anywhere else; and that in the barbarous countries of Asia and China the rate of interest is higher, this argues that capital is constantly flowing towards these cities and from those countries. And such is the fact. Indeed, the law we are illustrating is deduced from the very facts which are being used to illustrate it; so that instead of straining the facts to suit the law, we are simply stating the facts and leaving the law to unfold itself as we proceed.

Some persons, having in mind the extraordinary flow of specie from Europe to India, may be disposed to deny that capital habitually flows from uncivilized to civilized countries; but their doubts can easily be satisfied. The only authority for this doubt is Michael Chevalier in his work on "The Probable Fall in the Value of Gold," wherein the author says:—"The value of silver rises at present (1859) owing to the sudden demand for this metal for exportation to the remote East. According to the statement of Mr. James Low, and derived from the books of the Peninsular and Oriental Steam Navigation Company, by whose agency nearly the whole of this precious freight is transported, the vessels of this company carried from England to Asia the sum of 12,118,985*l.* in silver in 1856, and of 16,795,232 in 1857. In 1851 it was only 1,716,000*l.* Besides, from the ports of the Mediterranean there have been sent to the Levant and the remote East (India, China, and the adjacent regions), in 1856, 1,989,616*l.*, and in 1857 3,350,689*l.* This is for the year 1857, or a total of 20,145,921*l.*—that is to say, of more than double the yield of all the silver mines that supply the markets of the Western World. I mean of Europe and America. The efflux of silver is independent of an exportation of probably one-tenth of the above amount in gold, which has been going on during the last few years. It is true that *we ought to deduct* from the exportations of silver to the East a certain quantity of imports, because in these articles (i. e., in gold and silver), alongside of the general stream, there is always a certain counter current. But we have reason to believe that, for the last few years, it has been but a limited sum. At any rate, the amount is *unknown* to us."

As Chevalier's essay has been read all over the world, the notion has prevailed that a steady stream of capital is constantly flowing from Europe to Asia, and has been flowing for a long time past, and will continue to flow for a long time to come. Now, this is all wrong. In the first place, as Chevalier himself admits, the flow of specie to the East has been a sudden movement. It amounted in 1851 to only 1,716,100*l.*, and not until 1856 did it assume any proportion worthy of notice. Secondly, it has been accompanied by a counter current of "unknown;" but not necessarily for that reason of a limited extent. Thirdly, this movement almost ceased by 1860, and it was only set in motion again by the American war, which caused a demand for East India cotton, and necessitated

shipments of specie wherewith to pay for it. Fourthly, the movement, when it began, was not a movement from a state of equilibrium, but was simply a return to the East of a portion of that vast amount of specie which, as we shall presently see, had been previously flowing towards Europe. Fifthly, it was a movement from England and France to India, it is true; but, as Chevalier himself admits, the same specie that went in this way out of Europe simultaneously came back to Europe by way of Russia. Sixthly, and this covers the whole ground. A flow of specie is not a flow of capital, because capital is, indeed, all kinds of wealth. For every dollar of specie that went out of Europe to India, it follows that a dollar worth of goods, or more, went out of India to Europe. Europeans are not likely to be addicted to giving away their specie. When they do so, depend upon it they do so for a good reason—in a word, for an equivalent, or more than an equivalent. Hence no flow of capital occurred from Europe towards India, to remain there looking for employment and depressing the rate of interest among the Hindoos. On the contrary, the flow was the other way. Baron Humboldt states (1818) that, in the trade between Russia and China, the latter pay the former the differences in specie, and thus a flow of the precious metals is maintained through Siberia to Europe. In his "New Spain" (edition of 1827) he states that new facts confirmed this opinion, and added:—"It is now a generally received opinion that Great Britain has created an influx of gold and silver from the Peninsula of India into Europe." The commercial delegates who accompanied the French embassy to China, in some publications prepared with great care ("*Annales du Commerce Extérieur, &c.*"), establish the fact that, after 1830, China *came to be a much larger exporter than importer of silver*; and they give us their estimate for 1842 that China would have that year imported one million of dollars, and exported over eleven millions of dollars. They add that, up to the time at which they wrote—that is to say, subsequent to 1845—the commerce in opium alone had caused an exportation of silver from China to the amount of about twenty millions of dollars.

We close our evidence of facts, on this point, (all of which is taken from Chevalier's book,) by quoting Chevalier's opinion. "It must be borne in mind that the magnitude of the amount of silver absorbed annually by Asia is of recent date; it is an unforeseen phenomenon which has abruptly presented itself, and we could not conscientiously take it for a fact definitely and unchangeably established; it would be exposing ourself too much to the risk of deception to assume that the present will be the rule of the future. If asked for an opinion I should decidedly withhold it."

Capital, therefore, is sure to flow from barbarous towards civilized countries, evidently to avail itself of the better protection and safety afforded by the laws of the latter. Therefore, our synthesis of facts is this: Safety and security invite accumulations of capital; accumulations of capital, when greater than the demand for capital, lower the rate of interest, and, *vice versa*, raise it; therefore, wherever the greatest amount of safety and security, in other words, civilization, prevails, there will the rate of interest be lowest. Contrariwise, wherever the rate of interest is lowest, the state of civilization is highest. Therefore, the rate of interest in this country, as in all other countries, results from its comparative civilization, from the

comparative state of safety and security to capital, (not to money alone, but to all kinds of capital,) which its laws afford. If this be the case, then, it cannot be raised or lowered by mandate, and can only be affected permanently by war or injustice on the one side, or by peace and justice on the other.

That is what fixes the rate of interest. If all countries are at peace, and their laws are just, then the rate of interest will be lowest wherever those laws are best administered and strictly executed. The truth of the principle is found by facts. The lowest rates of interest usually prevailing are in England and France; the next lowest in the free cities of Germany, and in the seaports of the United States. England and France have more perfect systems of laws than any other countries in the world; and what is more, their laws are fairly and vigorously executed. The creditor cannot be easily swindled; nor can the debtor easily escape payment. Neither can money easily purchase immunity from punishment. Next, in this scale of excellence, come the free towns of Germany and the seaports of the United States. Next follow the various civilized States of Europe and America. The farther from civilization, the higher the rate of interest; because interest includes the rate of risk as well as the wages of labor, and this risk increases as the great centres of progress are left behind.

In times of war the rate of interest increases, and capital flows away to more peaceful countries. In times of peace capital flows back, and the rate falls. Applying these deductions to our own affairs, it seems imminent that two or three years hence, when that flow of capital, which is now occurring towards our country, shall have become of greater amount than we can find ready employment for, as undoubtedly it ultimately will, the rate of interest must fall. Then the government will be able to fund its debt at a lower rate of interest, say at three or four per cent, and then for the first time a real step will have been accomplished towards decreasing our national burden. Meanwhile, everything that we can do by an efficient and just administration of the law, towards increasing the safety and security of capital, will be so much towards hastening the time. And herein we perceive, as in all other matters, that "what is right is most politic."

STATISTICAL INFORMATION—ITS USES AND IMPORTANCE.

The collecting of statistics in relation to the population and resources, the expenditures and available forces of a country, is essential to the successful management of its affairs. No sagacious statesman will enter upon the administration of government except he shall have informed himself upon those subjects which are so vital to the national existence. Such knowledge is indispensable to his success as well as to the prosperity of the State. Hence all civilized countries provide for stated enumerations of the inhabitants, returns of property, statistics of production and income, and such other facts as pertain to the science of government. In these collections of facts are to be found the sure tests for the various theories of political science in relation to the production of wealth, its distribution and consumption, the protective policy, etc., so generally the veriest webs of entertaining romance.

Current statistical information on an extended scale is also necessary to the people, to enable them to understand the true objects of legislation, as well as to the legislator who desires to promote the best interests of the whole body politic. They should be acquainted with the relative importance of every branch of agricultural production, the value of each department of commercial enterprise, and the results of the several manufacturing employments. Each source of revenue, also every object of expenditure, should be known to the great body of an intelligent population.

Individuals engaged in extensive enterprises may derive invaluable knowledge from collections of statistics. The data thus obtained are essential to the successful employment and direction of capital and industry. Already several of our large manufacturers' associations have begun to act upon this principle. The iron manufacturers have taken the initiative, and employed competent persons to visit every furnace in the United States and collect from the books and ledgers the important facts recorded on the subject of the business. The National Association of Woolen Manufacturers are doing the same thing in relation to their pursuits. Those who are engaged in the other departments of productive industry could do the same thing with advantage. Agriculturists are almost always careless and inaccurate in the accounts of their crops and the cost of producing them. Manufacturers come far short of reliable data; yet the success of their business depends in a great degree upon their knowledge of these details, which they ought to have collected. If the leading members of each department of industry would provide for the obtaining of all available information in relation to their business, they would become possessed of statistics which would prove of the greatest use.

In those countries where such enumerations have been made, taxation and the benefits of government are divided more equitably, because the rights of every class are better known and are respected accordingly. The confidence of the people is heightened in the management of public business, from having the facts within reach upon which the policy of administration is based. Social improvement is proportionably more rapid. This may appear fanciful at first view; but a little consideration will be sufficient to demonstrate the fact. For example, items of a personal nature appear to be lost in the general aggregation; the individual is taken out of sight, and apparently is of little importance. People marry as if by chance, at various ages, and in different conditions of life; the birth of children seems to be directed by no law regulating number and sex; death is apparently a matter of chance as to time or cause; and even the acquisition of wealth has little evident relation to the industry, skill and economy employed. Yet these facts when properly arranged reveal conditions of the greatest importance. They show the existence of definite laws regulating the whole matter, which cannot be wisely or safely disregarded. Thus, much that would otherwise appear arbitrary in legislation is proven to be proper and necessary. Whenever food and the other necessities of life have an inordinate price, out of due proportion to the compensation of labor, there will be an undue number of unmarried persons of adult age; and that circumstance is always sure to be accompanied by a deterioration

in morals, involving the greatest peril to society. An extraordinary mortality of children, demonstrates the existence of a state of things, socially and otherwise, of extreme peril to the community, threatening utter extinction. A large number of widows and orphan children is a sure indication of war or pestilence, and demands the early attention of the statesman.

European theorists have conjectured that the climate of the Western Continent was not favorable to the white races, and adduce the meagerness of figure peculiar to the American, and the comparative fewness of children in families, as evidence in support of their opinion. It is the province of the statisticians to disprove or demonstrate the correctness of this opinion. We believe that it cannot be sustained. There are atmospheric causes existing for the leanness and apparent old age of our native population, and it may be shown that these symptoms do not indicate exhausted vitality. But the matter, nevertheless, requires further investigation.

The Metropolitan Board of Health recently created pursuant to act of Legislature, we are gratified to perceive, is devoting attention to this subject. It has been a favorite assertion of many persons, that the standard of vitality in New York is below that of other cities. We have repeatedly examined the weekly reports of Doctor Cyrus Ramsay, for many years the Registrar in the office of the City Inspector; and were convinced from them that this assertion was an exaggeration. The mortality, year by year, was about twenty-five thousand; the aggregate population, according to the census of 1860, being 813,000. The enumeration of 1865, to be sure, reduces this number to 726,000, but nobody believes these figures to be correct. This would make the average mortality one in twenty-nine, or about thirty-four in a thousand. The present Registrar, Doctor Elisha Harris, estimates the annual death-rate at 30 in 1,000 per year. Few cities, we believe, can exhibit a fairer record than New York and it may be questioned whether the rural counties, if accurate statistics should be obtained, would show so favorable a return.

We hope that the utmost care will be taken in this matter of vital statistics. It has been impossible to obtain any proximate account of births and marriages, owing to the imperfect execution of the law and the refusal of clergymen and physicians to obey it. The Board of Health, with that vigilance so characteristic of newly created officers, should set this matter right. Upon the facts thus to be ascertained depends the future greatness of this metropolis. If New York is but a placeto die in, it will eventually share the fate of Tyre and Nineveh.

Another matter of importance, which we do not remember to have seen required, is the proportion of inhabitants living in their own houses. In this particular, New York is deplorably bad, and fast becoming worse. Human existence is made up of incentives to activity; and fearful deterioration, vital and moral, will take place where these are not abundant. The home circle affords them. The effort to acquire the means for maintaining and educating a family develops wealth and binds society together as no other agencies can. Men will fight for their homes and social institutions; whereas slaves and the denizens of boarding-houses have no such incentive. Homes are worth peril and sacrifice; but to a country of boarding-houses permanent prosperity is impossible.

THE NATIONAL BANK FAILURE AT WASHINGTON.

It is one of the gratifying features of our financial operations during the last five years, that although such vast sums of money have passed through the hands of government officials and agents, there have been so few instances of embezzlement or peculation. When exceptional instances do occur of attempted fraud or collusion it is therefore a high public duty to make of all who are implicated in them an example which will show that breach of trust, and tampering with public funds is one of the most ignominious of crimes.

The opprobrious circumstances which attended the collapse of the Merchants' National Bank at Washington are partly detailed in the preliminary report which has been issued of the official examination of the books of the bank by order of Mr. Clarke, the Comptroller of the Currency. If we are not misinformed, however, the truth is not all known as yet and further surprising disclosures will shortly be made. One of the most noteworthy circumstances connected with this failure is the small extent to which the customers of the bank are sufferers. On the first of January last the deposits of private persons were officially reported at \$602,309. Had the bank failed, then the loss of individual depositors would have been very heavy. From some causes, which require explanation however, these private deposits, on the day of the failure, were reduced to \$38,610. In other words, more than half a million of dollars appears to have been paid to preferred creditors a short time before the crash. Now, from this point of view it is a singular coincidence that the government deposits between 1st January and the failure increased from \$94,225 to \$762,312, and a more remarkable circumstance still is that over a quarter of a million of government money was placed in the bank within a fortnight of the closing of its doors by complete insolvency.

It has for a long time been no secret, that the Merchants National Bank did not enjoy the high credit which should be indispensable to every bank which is permitted to enjoy the prestige of being a depository of public money. The United States Treasurer, Mr. Spinner, it has accordingly been in some quarters supposed, must have known something of the loss of credit of the bank. It is certain that he has acted with commendable caution in drawing down his deposits. On this subject, Mr. Spinner, in a letter to an evening paper, makes the following statement:

"Now the facts are, that there was standing to the credit of the Treasurer of the United States only \$3,858 83. On the day of the failure the bank issued a certificate that \$1,155 31 was deposited on account of its semi-annual duty, and on the same day General Robinson directed the bank to pass from his credit to that of the Treasurer of the United States the sum of \$51,258 93. No money passed in either of these last two transactions, and both were made when it was known that the bank had failed. So far as the Treasurer's account was concerned, there was and is now standing legitimately to his credit less than four thousand dollars, while he holds in his hands securities, exclusive of what will be required to redeem the entire circulation of the bank, that would on a sale to-day exceed one hundred and thirty thousand dollars. The truth is, that but for the disobedience of orders of a military officer, and the indiscretion of two officers in the Treasury Department—of neither of which the Treasurer had knowledge—no harm could by any possibility have come to the government."

Under the 45th section of the National Banking law, it is the right of

Mr. Freeman Clarke, as Comptroller of the Currency, to order, with the approval of the Secretary of the Treasury, an official examination of the affairs of any national bank. That in the case of the Merchants' National Bank, this examination should have been deferred until after the failure is on every account to be greatly regretted. By falsifying its returns, or by some other contrivances, a disingenuous shaky bank might deceive everybody in the office of the Comptroller of the Currency; but it could scarcely deceive many watchful officers in other bureaus of the Treasury Department. Several disbursing officers at any rate must have been in the secret. Now, it is the obvious duty of these subordinates to report to their chief, the Secretary of the Treasury, any and every case of irregularity on the part of the depositories of public money. If there be no regulation requiring this, such a rule should be made without delay. For how otherwise can it be known by Mr. McCulloch what banks require looking after, and what public depositories should have their deposits of government money reduced or removed.

How long ago certain disbursing officers have been aware of the dangerous position of the bank we are not told, but there is every reason to believe that the meeting of the 20th April, at which the official examiner says that Lieut.-Col. E. E. Paulding, Paymaster, United States Army, was present was the last of a series of anxious consultations of the "friends of the bank." After this meeting, when the insolvent condition of the bank was well known, Col. Paulding, instead of taking measures to draw out the \$300,000 of Government funds which he had deposited there, proceeded next day to place \$200,000 more in the bank, two other dishonest officers of the Government adding \$43,000 more.

Notwithstanding this evidence of fraudulent and concerted purpose we do not hear that any of the parties to the crime have as yet been arrested with the exception of Col. Paulding himself who will probably be tried by court martial. The preliminary inquiries are, indeed, still going on, and some of the features of this disgraceful affair may assume a different color as more light is shed upon them. In view of this investigation we have only to ask on the part of the public that the fullest publicity be given to the facts, and the severest punishment to the men who shall be found guilty of contriving and conniving at so heinous a crime.

Among the subordinate points on which the public desire information is the almost unlimited command which Paulding seems to have had of Government money. We have every reason to believe that our paymasters and other disbursing officers have, with very few exceptions, proved themselves worthy of the highest trust; but we must object in the most positive and emphatic manner to the allowing of Government funds to lie in the hands of any pay officer longer than is absolutely necessary. His office is to disburse and not to hold the public money. His bonds are fixed at a rate which indicates that he is never to hold more than a very limited amount and for a very limited time. Our disbursing officers must be made to understand that the money entrusted to them must be placed, with the least possible delay, in the hands of the creditors of the Government. So far, however, have we diverged from this right and safe rule, that Paymaster Paulding can accommodate his friends with a loan of half a million of dollars, and certain banks, it is reported, are accustomed to offer inducements of a pecuniary character to disburs-

ing officers to place Government funds on deposit with them. Any paymaster who receives any such gratuities, whether as interest or in any other form, should be instantly disgraced and dismissed the service. It is worthy of note that no less than sixteen officials in various bureaux had money deposited in the Merchants' National Bank. As its capital was \$306,000, the stockholders will, of course, be responsible for the debts of the bank under the stockholders' liability clause of the national banking law.

The currency now outstanding amounts to \$179,810. It is supposed by some persons that as the Government will redeem broken bank notes from the proceeds of the bonds deposited at Washington for that purpose, these notes will pass as freely now as before the bank stopped payment. This is a mistake. The notes of a broken national bank are no longer legal tender from or to the Government. They will be eventually paid by the Treasury, and destroyed. But the law does not provide that they shall be paid except after such a day as may be fixed for that purpose.

THE ENGLISH BUDGET.

We now, as a people, necessarily feel increased interest in any facts which may shed light on the great subject of taxation. How a government may raise sufficient revenue without crippling the industries of the nation, is, with us, the absorbing question of the day. The experience of Great Britain becomes therefore of especial value and the following summary of the recent financial statement of the Chancellor of the Exchequer, as embodying some of the results of that experience will be studied with more than usual interest.

The expenditure as originally estimated was £66,139,000, and as finally sanctioned, by the Appropriation Act, £66,147,000. The actual expenditure was £65,914,000, or less than the estimate by the sum of £233,000. If, however, the cost of the fortifications, which amounted to £50,000, was deducted, the gross expenditure would be £65,474,000, or, making allowance for sundry repayments to Exchequer, £65,424,000. Making a comparison with previous years, and taking the expenditure of the year 1859 '60, he found that it was £69,761,000, but that included a large sum on account of the annuities which expired in 1860; that sum was £12,149,000, but new annuities had since been created to the amount of £710,000; showing payment in that year of £1,439,000 towards the extinction of the debt which appeared in no succeeding years. The real expenditure, therefore, of that year was £68,323,000, compared with which the expenditure of the year 1865-66 showed a decrease of £2,900,000. That year was a most important year as regards expenditure, for the expenditure of the year before was only £63,225,000, showing an increase of expenditure in the year 1865-66 of £2,200,000. The expenditure was thus apportioned, amongst the four great charges, the debt cost £26,223,000 or 43 per cent.; the naval and military charges £24,829,000 or 40 per cent.; the Civil, Government Consolidated Fund and Miscellaneous estimates £10,250,000; the collection of the revenue £4,600,000; or taken together, 17 per cent. Comparing the revenue of last year with the expenditure, the latter, according to the exchequer accounts, was £65,914,000; the revenue, £67,812,000; showing a surplus of revenue

over expenditure of £1,898,000. But if the cost of the fortifications was included, the surplus would be reduced to £1,336,000.

This gross revenue of the year just expired was as above, £67,812,000; whilst the estimated revenue, according to his calculations in the financial statement of last year was £66,392,000. This surplus it would be found, was pretty well divided generally through all the branches of the revenue. He had estimated the decrease of the revenue at £4,028,000, but it had only been £2,386,000, the revenue having grown by the sum of one and three-quarter millions. The actual loss on tea had been singularly near the estimated loss, the estimate having been £1,868,000, while the actual loss was £1,871,000. On the income tax the loss had been £1,568,000, instead of £1,600,000 as estimated. The tax itself had rapidly grown in its productiveness. When first imposed each penny produced £700,000, but it now produced £1,400,000. With regard to the fire insurance duty, the change made last year had only been in operation actually for six months, and therefore they had only six months' experience. The result, however, was that the expectations of increase in the revenue from largely increased insurance had not been realised. He had estimated the increase as high as ten per cent., in deference to the opinions of others, and that estimate had not been realised. The loss to the revenue, which was estimated at £260,000, had really been £272,000. The property insured was £580,000,000 in value prior to the change. It had increased to upwards of £600,000,000, the increase having been at the rate of 8 per cent.; but it must be borne in mind that a large portion of the increase was due to the increased wealth of the country. The tax was one which ought to be regarded as a tax upon property, and if there was any remission it ought to be specially provided for by other taxes upon property. The malt-tax had increased in productiveness from £5,800,000 to £6,410,000, and the revenue derived from the spirit duties had produced £13,959,000, which was the largest sum ever raised in any country by means of an indirect tax. The Exchequer balances had been reduced in consequence of the application of an unusual amount to the liquidation of debt from £7,691,000 to £5,851,000.

The estimated expenditure for the year was as follows:—Funded and unfunded debt £26,140,000; consolidated fund, £1,880,000; army, £14,095,000; navy, £10,400,000; collection of revenue, £5,003,000; packet service, £821,000; miscellaneous, £7,866,000; total, £66,205,000.

The total estimated expenditure last year was £66,147,000, so that there had been a small increase of the actual over the estimated expenditure. The estimated revenue was as follows:—Customs, £21,400,000; Excise, £19,750,000; stamps, £9,450,000; assessed taxes, £3,409,000; income tax, £5,700,000; Post office, £4,450,000; Crown lands, £325,000; and miscellaneous, £3,100,000; total, £67,575,000, the estimated charge being £66,225,000. The probable surplus of income over charge was £1,350,000. Of late years our policy had been specially one of free trade, and the beneficial effects of that policy had been exhibited by the commercial treaty with France. The effect in France was; that whereas in 1860 she exported cotton, linen, and woollen goods, and yarns, to the value of 327,000,000 francs, they had increased in 1864 to 517,000,000 francs. The exports of England had increased, if possible, in a still more remarkable degree, having been £58,500,000 in 1859, and £114,000,000

in 1864. This increase had been owing since the treaty with France, to the energy of the departments of the Government, and the able assistants they had employed. Austria the stronghold of the productive system, had now abandoned her ground, and we owed that result to the Chamber of Commerce, in the North-east of England—Mr. Malet, Mr. Somerset Beaumont, and Sir William Hutt. The upshot of the Austrian treaty on the Austrian side was this—that if the French standard was adopted, the Customs duties in Austria after an early date were not to exceed 25 per cent *ad valorem* on any description of British goods.

He proposed to repeal the duty on timber, and equalise the duty on wine in bottles to the duty on wine in wood; the duty on timber was as bad as it could be. It was a protective duty, and a duty on raw material of which the country stood in great want. It was an article of great bulk, of which we required large quantities, and to levy a duty upon it was the quintessence of folly. In 1814, 417,000 loads were imported, in 1841 829,000 loads. The duty was then reduced, and in 1843 the consumption rose to 1,298,000 loads. In 1850 it was 1,723,000 loads, and, further reductions having been made, the imports increased in 1859 to 2,408,000 loads, and was now upwards of 3,000,000 loads. The whole revenue from timber for the entire year was £300,000; from various descriptions of wooden goods, £7,000; from a duty laid on wood when manufactured into ships, the whole of that he should reckon as loss, because he proposed that the repeal should date back from the 1st of April, 1866. As to wine when imported in wood the charge of it was, above the alcoholic strength of 26 degrees, 1s 6d a gallon, and 1s a gallon if under that strength. They were now able to work the system of tests with great facility, and, therefore, able most cordially to yield to the remonstrances of the Austrian and also of the French Governments that there were many classes of wines, some of them of very high quality, which could be better imported in the bottle than in the wood. This change would further reduce the surplus by £58,000. There were two more changes which he proposed to reduce the duty on pepper. It was a duty very difficult to collect, and had often stood for abolition. It was a condiment largely consumed, especially in Ireland. It was chiefly consumed by those who largely used vegetable food, and not by the higher classes, and it was also frightfully adulterated, which was a peculiar English bill, for he doubted if there was any country in the world in which adulteration was practised to the same extent. The duty on pepper last year was £124,000, and allowing for the month which had elapsed and the abolition of this duty, which would take a further sum from the surplus of £112,000.

He next proposed to apportion the duties from locomotion. They were of two classes—locomotion from necessity, and locomotion for pleasure. The revenue last year from locomotion was not less than £1,000,000, including that portion of the assessed taxes derivable from carriages, horses and the servants who attend on them. With these duties, and the tax on railway passengers, he did not propose to interfere at all, but the tax on post horses, post carriages, and public conveyances bore most heavily on a large portion of the community, and the poorer classes especially in the towns, as interfering with the conveyance to and from the rural railway stations. It also effected the convenience of all classes. He would take the case of omnibuses and other public conveyances, and

he found that the duty was 11 per cent. on the gross receipts, not on the profits only. He pointed out how obnoxious the tax was, and how severely it pressed on the sinews and labor of industry. He proposed to leave the licenses on public conveyances as they were at present, until he was able to submit a thorough and searching solution of the question, but he should propose to reduce the mileage duty from 1d to $\frac{1}{4}$ d. He should be glad to abolish it, but that could not be done as those omnibuses ran in opposition to the railways, and especially to the local traffic in the suburbs of the large towns, and their passenger traffic was taxed five per cent. The duty now brought in £130,000 per annum, and it could not be reduced till July, for that could only be done by an Act of Parliament, and not by a resolution of the house. The annual loss would be £90,000 but only £60,000 would take effect this year. He had not proposed to interfere with the post horse licenses, or the hackney licenses in London, which were in a peculiar position, but he would remodel the present scale, which bore heavily on small owners, and would place the license for the carriage at £5, with certain intermediate steps up to the £30 charge. This would occasion an annual loss of £20,000, but of which only £16,000 would take effect this year. He had now disposed of £516,000 out of the surplus of £1,350,000. He should submit resolutions continuing the income tax and the tea duties at their present rate.

He then proceeded to show the steps which had been taken to reduce the debt during the last year, which, including stock purchased, Exchequer Bills, and Bills redeemed, and terminable annuities granted, amounted to £5,179,000. In the unfunded debt a great change was taking place owing to the prevailing high rates of interest, and under these circumstances it was impossible to keep the two branches of debt of which it chiefly consisted afloat without raising the rate of interest. It was, therefore, better to absorb them. The unfunded debt, which in 1859 was £18,267,000 was now £8,267,000, of which two-thirds consisted of Exchequer Bills, and one third of Exchequer Bonds. With respect to the very serious subject of the national debt, he hoped he need not apologize for calling attention to it. He was convinced, from a long experience of the financial department, that the time was come when it was their duty to pay more attention to the state, movement and prospects of the national debt. They have now almost completed their course of commercial legislation, and it would have been almost impossible to have attempted to reduce the national debt whilst this process was going on. There were still taxes which it was desirable to abolish or modify, but their case was not so pressing as to call them away from the duty of seriously considering the state of the public debt. He pointed out the effect of a high rate of interest in reducing the capital of the national debt, and said that next year there would be another falling off of terminable annuities, which would render the consideration of this subject more suitable. He, therefore, quite agreed with Mr. Mill in his observations on this question, and regretted that severe indisposition prevented him from now being present, for he had discharged a great public duty in calling attention to this matter. The national debt at the close of the great war was £902,264,000, exclusive of the sinking fund. In 1830 it was reduced to £842,000,000, and in 1840 to 837,000,000. Up to this time a great deal had been done to reduce the debt, but very little to liberate the industry of the country;

but that process was just then commencing, the debt stood at its lowest up to that time in January, 1854., when it was 800,515,000; then came the Russian war, and in 1857 the debt had risen to 834,000,000; in 1859 it had been again reduced to 323,000,000.; and now, in 1866, it stood at 798,000,000.

One of the most extraordinary features of the present age was the increase of the national debt of every great Power, and it would be interesting to compare them with our own. He would take that of America, and showed that its pressure was greater than our own, although the aggregate amount might be less, and that the annual charge could not be less than 35,000,000*l.* sterling; but he believed that so great were the resources of that country, that if it showed the same energy and determination as it had done during the war, that debt, although not quite a flea bite, as our own once was called, would be reduced to a small limit within the present generation. The revenue of the United States was now 90,000,000*l.* of money, the largest sum ever raised by taxation by any nation in one year, for the purposes of the Central Government, and it had been stealthily growing of late years, and, with the exception of Holland, most of the debts had been contracted within the past half century in a time of peace. The debt of Prussia stood at 43,000,000*l.*, Holland 85,000,000*l.*, Russia 279,000,000*l.*, Austria 316,000,000*l.*, France 400,000,000*l.*, Italy 152,000,000*l.*, Spain 145,000,000*l.*, Portugal 33,000,000*l.*, and Turkey 51,000,000*l.* The gross amount was upwards of 1,500,000,000*l.*; and all this had been created in a time of peace. In six out of the nine countries the debt had been increased at a rate of no less than 61,000,000*l.* sterling per annum. The result was just the same as if, with a good harvest, the country consumed the whole of it and half of another harvest besides. If peace were preserved for the rest of the century, and these debts continued at the present rate of increase, they would amount in the year 1900 to 4,000,000,000*l.* sterling per annum. These were portentous circumstances. It was not merely the money engagement, but the enormous political and social difficulty which was gradually being stored up by this most improvident course. There was nothing so insidious as financial difficulty. It approached first with smiles and caresses, and was like the young cub of the lioness taken into the house of the hunter, fawning upon its children when young but spreading destruction around when it arrived at its full maturity. We lived now in a commercial era, and, looking at its social aspects, it was almost impossible adequately to appreciate their magnitude and prospects. From five years to five years the rate of increase was continually shifting, and always shifting upwards. The liberation of industry, the progress of invention, the steady investigations of science, the improvement of social habits—all these things were combined together, and the joint result was to bring us to the conclusion that in the days of our childhood, when we thought the commerce of England was a wonderful thing and had no idea that it was going to undergo a development to a transformation; it was in point of fact, nothing but in its infancy. Our population had increased 25 per cent., but the commerce had multiplied in a much greater ratio.

The great agents of production were three—first of all, land and fixed capital; secondly, moveable and transferable capital; and lastly, labor. The commerce of the United Kingdom, with its 30,000,000 of population

was as great as that of France and America with their 70,000,000 of population. We had great natural advantages from our accumulated capital and our geographical position, but the great cause of our pre-eminence was to be found in our possession of mineral treasures, and especially of coal, which we possessed under such circumstances that they were able to raise it to the surface at a very small cost but the rate of the increase of our production and consumption of coal had now become such that the minds of the greatest among our scientific men had been turned to the question what the influence upon the supply would be if the present rate of increase continued. It was of no use to say that a substitute for coal would be found. If it was found it could not be peculiar to England, and in the end we must lose our pre-eminence in this respect. Every year on the average the consumption of coal was 3.7 per cent greater than it was the previous year, and taken at $3\frac{1}{2}$ per cent only would give an annual consumption of 2,640,000 tons in 100 years, a much larger quantity than was known to exist in the country. He quoted these facts from the work of Mr. Stanley Jevons; but other authorities—Sir W. Armstrong, Dr. Percy, and Sir Roderick Murchison—had arrived at the same conclusion, and believed the question to be one of the greatest importance. Under these circumstances he said it behoved us to make some provision for diminishing the national debt, so that we should not leave our encumbrances on our successors.

There were two modes in which we could make provision for extinguishing the national debt—first, by application of the surpluses of income over expenditure; second, by the conversion of perpetual into terminable annuities. What he proposed was this—that the £24,000,000 standing in the State deposit account in connection with the savings' banks should be converted into annuities of 1895. That conversion would raise the charge from £720,000 to £1,725,000, or in round numbers would increase the charge by a million of money annually; but by payment of certain dividends the total charge for 1865-7 would be £1,222,000, imposing an additional burden of £503,000. He further proposed that so much of the dividends of the annuities as were not required to meet the demands upon the Government should be reinvested from year to year. He assumed that there would be a sum of £50,000 to reinvest, and upon that supposition the result would be thus—the annual charge, which began at £419,000, would gradually mount up until it reached in 1885 £1,444,000, and the amount of public debt cancelled by that time would be £50,000,000 a year. In conclusion the right hon. gentleman said the amount of the surplus was £1,350,000; the remissions would be, on wood £307,000, wine £58,000, on pepper £112,000, post horses and stage carriages £85,000—making together £562,000; the conversion of debt, £502,000; making the total £1,064,000, and leaving a surplus of £286,000. In the following year there would be a further charge in respect of our commercial changes of £48,000, and an additional sum for the reduction of debt, the joint result of which would be that the next year would be burdened to the extent of about a quarter of a million.

DEBT AND FINANCES OF GEORGIA.

The amount of bonds issued previous to the war by the State of Georgia and outstanding March, 1866, including unpaid coupons, was \$3,374,200. These are accounted for in the following abstract :

| Due | Issued for | 5 per cent. | 6 per cent. | 7 per cent. | Total. |
|--------|------------------------------------|-------------|-------------|-------------|-------------|
| 1879.. | Central Bank..... | \$.... | \$.... | \$6,000 | \$6,000 |
| 1861.. | “ “..... | .... | .... | 10,000 | 10,000 |
| 1862.. | Western & Atlantic R. R..... | .... | 18,000 | 48,000 | 66,000 |
| 1863.. | “ “..... | .... | 40,500 | .... | 40,500 |
| 1864.. | Central Bank..... | .... | .... | 53,500 | 53,500 |
| 1865.. | Western & Atlantic R. R..... | .... | 18,000 | .... | 40,000 |
| | Past due..... | .... | 76,500 | 157,500 | 234,000 |
| 1868.. | Western & Atlantic R. R..... | \$.... | \$176,500 | \$.... | \$176,500 |
| 1869.. | “ “..... | 72,000 | 262,500 | .... | 334,500 |
| 1870.. | “ “..... | .... | 134,500 | .... | 134,500 |
| 1871.. | “ “..... | .... | 153,750 | .... | 153,750 |
| 1872.. | “ “..... | .... | 622,500 | 100,000 | 722,500 |
| 1873.. | “ “..... | .... | 169,500 | .... | 169,500 |
| 1874.. | “ “..... | .... | 75,000 | 176,500 | 251,500 |
| 1878.. | Atlantic & Gulf R. R..... | .... | 100,000 | .... | 100,000 |
| 1879.. | “ “..... | .... | 200,000 | .... | 200,000 |
| 1880.. | “ “..... | .... | 200,000 | .... | 200,000 |
| 1881.. | “ “..... | .... | 100,000 | .... | 100,000 |
| | Not yet due..... | 72,000 | 2,195,250 | 276,500 | 2,543,750 |
| | Total outstanding..... | 72,000 | 2,271,750 | 434,000 | 2,777,750 |
| | Coupons due to March, 1866..... | .... | .... | .... | 596,550 |
| | Total funded debt March, 1866..... | .... | .... | .... | \$3,374,200 |

From the above statement it appears that the principal sum of \$234,000 was in March last past due, and that there was also due for coupons not paid the further sum of \$596,550, making together an aggregate requiring immediate legislation of \$830,550. For the payment of this over-due money provision was made in the eighth section of an act passed by the General Assembly of the State and approved by the Governor, March 12, 1866. The act referred to also authorizes the issue of \$1,500,000 to meet appropriations made and to be made, and for the repairs and equipment of the Western & Atlantic Railroad; and also \$600,000 to pay the State's proportion of the \$20,000,000 direct tax (\$584,367 33) collectable by the United States under the act of Congress approved August 5, 1861.

Including the above and the undelivered bonds to be paid to the Atlantic & Gulf Railroad for the State's subscription to the stock thereof under the act of 1858, the funded debt of the State when all is paid up and settled will stand as follows :

| | |
|---|-------------|
| Bonds outstanding and not yet due..... | \$2,543,750 |
| “ “ due and not to be paid with other bonds..... | 234,000 |
| Coupons due and to be paid with bonds..... | 596,550 |
| Bonds to Atl. & Gulf R. R. per act of 1858..... | \$700,000 |
| Bonds to West'n & Atl. R. R. per act Mar. 12, 1866, sec. 1..... | 1,500,000 |
| Bonds to U. S. per act Mar. 12, 1866, sec. 7..... | 600,000 |
| Total outstanding and appropriated..... | \$6,174,300 |

The immediate resources of the State, beyond the taxable value of real and personal property, are as follows :

| | |
|---|-------------|
| Western and Atlantic Railroad, from Atlanta to Chattanooga, about 137 miles, constructed and owned exclusively by the State (first appropriation made in 1836, and last in 1854)..... | \$4,441,532 |
| Atlantic and Gulf Railroad, in which the State owns 7,000 shares, all paid in.... | 700,000 |
| | \$5,141,532 |

And to this should be added 2,209 shares of \$100 each, in bank stock and some minor items, the actual value of which cannot yet be determined.

The railroad property is all valuable. The Western and Atlantic Railroad for several years before 1863 paid into the State Treasury, as net earnings, about 10 per cent on the original investment, and is rapidly increasing in productiveness. The Atlantic and Gulf Railroad is not yet completed; it is now open to Thomasville, and will be finished to the Chattahoochee in a comparatively short period. This road is in the direct line from the Atlantic at Savannah and Brunswick, and will connect at the Western State line with the Florida lines to Pensacola, Mobile, and New Orleans.

The valuation of the State (exclusive of slave property) returned for taxation in 1860 was \$389,627,722; in 1864 it was \$850,486,812, expressed in confederate currency. The probable valuation now is \$500,000,000. As a matter of record, we here give in detail the returned valuations of the years covering the late war, the tax being collectable in the next ensuing year:

| | 1860. | 1861. | 1862. | 1863. | 1864. |
|-----------------------------|---------------|-------------|-------------|-------------|---------------|
| Taxable property. | \$ | \$ | \$ | \$ | \$ |
| Land..... | 161,764,955 | 161,624,244 | 150,240,623 | 156,713,858 | 283,620,550 |
| City and town prop..... | 35,139,415 | 35,510,699 | 34,010,410 | 51,756,808 | 94,388,257 |
| Money & solv't debts..... | 107,336,258 | 112,361,877 | 108,432,823 | 112,230,333 | 137,694,173 |
| Merchandise..... | 15,577,193 | 12,730,623 | 6,246,320 | 52,578,729 | 99,565,692 |
| Shipping & tonnage..... | 943,940 | 902,570 | 166,300 | 675,600 | 2,927,315 |
| Stocks, manuf'ts, &c..... | 4,034,252 | 4,850,102 | 4,805,407 | 16,276,004 | 23,320,485 |
| H use'h'd & kitc'n fur..... | 2,374,284 | 2,215,646 | 2,327,307 | 4,194,999 | 14,417,689 |
| Other, not enumerat'd..... | 42,427,295 | 41,604,747 | 41,485,532 | 66,140,352 | 194,612,549 |
| | \$369,727,922 | 371,788,508 | 347,850,222 | 460,560,713 | 850,486,812 |
| Slaves..... | 302,694,855 | 272,015,490 | 230,502,040 | 379,480,414 | 762,105,994 |
| Total value..... | 672,322,777 | 643,803,998 | 578,352,262 | 840,041,127 | 1,612,592,806 |

The following exhibits the returns upon which the general and specific taxation is based:

| | | | | | |
|----------------------------|------------|------------|------------|------------|------------|
| Polls..... | 99,748 | 101,505 | 91,562 | 52,764 | 39,863 |
| Professions..... | 2,699 | 2,720 | 1,915 | 640 | 1,341 |
| Dentists..... | 96 | 95 | 44 | 44 | 38 |
| Daguerrean artists..... | 66 | 62 | 33 | 33 | 22 |
| Free persons of color..... | 1,225 | 1,273 | 982 | 1,053 | 878 |
| Acres of land..... | 33,345,259 | 33,663,723 | 32,492,764 | 26,808,861 | 25,892,569 |
| Slaves..... | 450,033 | 460,788 | 473,761 | 486,170 | 432,666 |
| Child'n betw'n 6 & 18..... | ..... | ..... | ..... | 102,125 | 97,472 |
| Hands emp b'n 12 & 15..... | ..... | ..... | ..... | 34,561 | 34,246 |
| do 15 & 55..... | ..... | ..... | ..... | 160,964 | 166,127 |
| do 55 & 65..... | ..... | ..... | ..... | 11,161 | 11,799 |
| Sheep..... | ..... | ..... | ..... | ..... | 447,965 |
| Sheep killed by dogs..... | ..... | ..... | ..... | ..... | 31,046 |
| Dogs..... | ..... | ..... | ..... | ..... | 81,423 |

The average returned value per acre of land was: in 1860 \$4.35, in 1861 \$4.30, in 1862 \$4.68, in 1863 \$6.35, and in 1864 (in 108 of the 132 counties, 24 counties making no returns) \$10.75. The returns for 1860-61, and '62 were made upon the *specie currency* basis; and the returns for 1863 and 1864 were as required by law, made upon the value in Confederate currency. The reason the item of merchandise was so much increased in 1863 and 1864 was because all cotton, except that in the hands of the original producer, was taxed under that head in those years. The receipts into the Treasury from General and Income Tax for the fiscal year 1865, collected on the lists of 1864, amounted to \$14,015,225 (comf. value), and the total receipts to \$14,628,803. The disbursements in that year amounted to \$11,573,605, leaving in the treasury \$2,054,998 or, including the balance from previous year, \$5,201,086; which amount being in Confederate currency, became worthless by the result of the war.

No assessment was made in the year 1865 for the service of the next fiscal year. By a law approved March 3, 1866, however, the Governor with the assistance of the

Comptroller-General, was authorized to assess and levy such a per centage on taxable property as will produce the sum of \$350,000, and in addition to this ad valorem tax, certain specific taxes, viz.; on every male inhabitant between 21 and 60 years of age, \$1; on professional men and artists \$10; on auctioneers and billiard table keepers \$25; on bagatelle table and ten-pin alley keepers, &c., \$10; on race-track keepers \$50; on circus companies, for each exhibition, \$25; on every agent or person engaged in any gift lottery or enterprize in any county \$1,000; on spirits sold by others than distillers 25 cents per gallon, &c.—the taxes to be collected in United States currency. It is supposed that these specific taxes will bring in \$150,000, which, with the amount raised by general tax, will supply, in the aggregate \$500,000. No revenue is expected from the railroads, the whole net earnings being required for repairs and reconstruction. Of the sums thus to be realized more than \$200,000 will be required for interest on the debt; which will leave \$200,000 for the State government and legislature, and \$100,000 for educational and charitable institutions and miscellaneous purposes.

It is thus apparent that Georgia is amply able to sustain its credit before the world. Its legislature has provided adequately both for its debt and income. Before the war the character and credit of no State in the Union stood higher than that of Georgia. Her bonds commanded at least as fair a price as that of any other State, and even since the close of the war have sold at far better rates (95@100) than those of any other Southern State. This is due to her good faith, and her promptness in meeting all her obligations. The loss of her slaves may or may not have crippled individual means, but the other resources of the people are still great and increasingly productive.

The amount of the debt contracted by the State during the war, and which has been thoroughly wiped out by the acceptance of the terms offered by President Johnson, as precedent to the restoration of the State government, amounted to about \$18,000,000. As a matter of history, however, a summary of the securities constituting the evidences of this debt it is presumed will be interesting, and on this account only it claims notice at our hand. The following we abbreviate from the Report of the Comptroller General to the Provisional Governor in October, 1865:

| | |
|---|--------------|
| State Defence Bonds authorized by act of Nov. 16, 1860, (7s, due 1881)..... | \$842,500 |
| do do do do do (6s, due 1881)..... | 25,000 |
| Confederate Tax Bonds, authorized by act of Dec. 11, 1861, and sold to pay the tax assessed on the State by the Confederate Congress under act of Aug. 16, 1861..... | 2,441,000 |
| <hr/> | |
| Funded debt..... | \$3,308,500 |
| Treasury Notes and "Certificates of Deposit, payable in 8 per cent bonds or specie, six months after a treaty of peace, or when the banks of Savannah and Augusta resume specie payments, if before that time....." | 3,758,000 |
| Treasury Notes and Certificates of Deposit "payable in specie or 6 per cent bonds of the State, six months after a treaty of peace shall have been ratified between the U. S. States and the Confederate States"..... | 4,800,000 |
| Making the bonded debt and debt promised in specie or bonds..... | \$11,866,500 |
| Treasury Notes made payable in Confederate Treasury Notes "if presented within three months after maturity; otherwise not redeemable except in payment of public dues"..... | 5,171,500 |
| Change Notes, made "payable only in Confederate Treasury Notes"..... | 997,776 |
| <hr/> | |
| Total outstanding October 16, 1865..... | \$18,035,776 |

The following is a copy of the act passed by the General Assembly in relation to the debt of the State and approved by the Governor, March 12, 1866:

SECTION 1. *Be it enacted by the General Assembly of the State Georgia, That for the purpose of raising funds to meet appropriations made, and to be made, and for the repairs and equipment of the Western and Atlantic Railroad, his Excellency the Governor is hereby authorized to issue and negotiate bonds of this State for an aggregate amount of one and a half million of dollars—said bonds to bear interest at a rate not exceeding seven per cent per annum, payable semi-annually, at such place or places as he may choose to designate. The said bonds shall run for a period of not longer than thirty years, and may be, if the Governor so directs, redeemable*

in not less than five nor longer than twenty years, at the option of the State, and known as "Five Twenties," or of such other form as he may deem most desirable.

SEC. 2. The said bonds shall be signed by his Excellency the Governor, and countersigned by the Comptroller General, and by him to be registered in a book to be kept for that purpose. If coupons are attached, they shall be signed by the Treasurer, or some one appointed by the Governor to perform that service.

SEC. 3. For the purpose of effecting the negotiation of said bonds, the Governor is authorized to employ an agent, or agents, to visit such place or places as he may direct, and to empower such agent to make the negotiation upon such terms, and with such limitations as the Governor may instruct, not inconsistent with the provisions of this Act.

SEC. 4. For the payment of the interest on said bonds, and for the creation of a sinking fund to discharge the principal of the same, there shall be annually set apart and pledged, so much of the income of the Western & Atlantic Railroad, as will amount to the annual interest, and three per cent upon the principal debt, which pledge shall be incorporated in the bonds aforesaid, and the said sinking fund shall be invested from time to time in the purchase and cancellation of said bonds, or in such securities as the Legislature may direct; but should his Excellency the Governor find it impolitic, or not desirable, to provide such sinking fund, or pledge the income of the said road, or he prefer to give other or additional security, then the Superintendent and Auditor of the Western and Atlantic Railroad shall, on request of the Governor, make and execute to three Trustees, to be appointed by him, mortgage upon said road, its appurtenances and franchises, which said mortgage shall be a lien upon the same, for the security and benefit of the bondholders, and may be enforced against said Western and Atlantic Railroad as a corporation. On failure of the State to redeem said bonds, or to pay the interest as it falls due, said Trustees shall proceed to foreclose and enforce said mortgage lien whenever requested to do so by any holder of said bonds where the same are over due, or the interest unpaid.

SEC. 5. *Be it further enacted*, That the limitation heretofore placed by an ordinance of the convention limiting the discount of certain bonds authorized by said convention to be issued, is hereby removed, and said bonds shall or may be negotiated upon like terms and conditions as the bonds authorized by this Act to be issued.

SEC. 6. *Be it further enacted*, That all laws heretofore passed appropriating the income of the Western and Atlantic Railroad for other purposes be, and the same are hereby repealed, except in such cases where the repeal of the same would operate as a violation of contract; *provided*, that nothing in this Act shall be so construed as to repeal an Act to provide for the education of the children of this State between certain ages, and to provide an annual sinking fund for the extinguishment of the public debt, assented to December 11th, 1858, but the net income appropriated by said Act shall not be paid until the interest on State bonds and the three per cent sinking fund shall be first set aside.

SEC. 7. *Be it further enacted*, That his Excellency the Governor is hereby authorized to issue and negotiate bonds to the amount of six hundred thousand dollars, at such time and rate of interest not exceeding seven per cent, as he may find necessary and proper for the purpose of paying to the Government of the United States the land tax about to be levied on the people of the State of Georgia, in behalf of the Government of the United States—said tax amounting to five hundred and eighty-four thousand three hundred and sixty-seven dollars and thirty-three cents, and interest which may be due thereon.

SEC. 8. *Be it further enacted, &c.*, That his Excellency the Governor is hereby authorized to issue bonds in renewal of bonds now due, and interest thereon, amounting in the aggregate, principal and interest, to the sum of eight hundred and thirty thousand five hundred and fifty dollars, the bonds so issued by virtue of this section to bear the same rate of interest, to be payable at the same time, and to be covered by the same security, as the bonds authorized to be issued in the first section of this Act.

SEC. 9. All laws and parts of laws militating against this Act are hereby repealed.
Approved, March 12th, 1866.

PUBLIC DEBT OF ALABAMA.

The public debt of Alabama is thus stated by Governor Patton in his message to the Legislature, dated January 15, 1866 :

| Description of bonds. | Amount. | Ann'l int. | Int. due. |
|--|-------------|------------|-----------|
| Five per cent coupon bonds, payable in N. Y. | \$2,109,000 | \$105,450 | \$368,400 |
| Five per cent coupon bonds, payable in Lond. | 64,000 | 32,400 | 32,400 |
| Six per cent coupon bonds, payable in Lond'n. | 688,000 | 41,280 | 41,280 |
| Aggregate amount. | \$3,445,000 | \$179,130 | \$442,080 |
| Interest. | 442,080 | | |
| Total including interest. | \$3,887,080 | | |

The above is entirely apart from the domestic debt, which is held chiefly by the Common School 16th section Fund. The Comptroller, Hon. M. A. Chisholm, gives the figures as follows :

| | | Annual int. |
|---|----------------|--------------|
| Six per cents, issued to the School Fund. | \$1,710,008 44 | \$102,600 50 |
| Eight per cents, issued to University Fund. | 300,000 00 | 24,000 00 |
| Eight per cents, issued to Valueless 16th sec. Fund. | 97,091 21 | 7,767 30 |
| Aggregate amount. | \$2,107,099 61 | \$134,367 80 |

Which interest is paid by an annual appropriation, the principal sums being considered irredeemable trust funds.

The debt contracted during the late war, and which has been repudiated under President Johnson's conditions precedent to State reconstruction, was briefly as follows :

| | |
|---|-----------------|
| Eight per cents, payable principal and interest at Mobile | \$673,500 00 |
| do do do do at the State Treas'y | 3,171,000 00 |
| Six per cents, do do do do do | 2,085,000 00 |
| State Treasury notes issued, without interest | 4,042,680 00 |
| do do (change bills,) without interest | 3,122,551 95 |
| Aggregate amount issued | \$13,094,731 95 |

The last two paragraphs have been inserted simply parenthetically as matters of record. The Domestic Debt is a matter of local importance only, and the War Debt no longer exists. Our subsequent remarks will therefore be confined strictly to the debt proper, or that which is held beyond the limits of the State.

The interest on the New York series of bonds is payable semi-annually May 1 and November 1. The amount of interest to be provided annually for these bonds is \$105,450. The last interest paid included that due November 1, 1861, and hence at the same date in 1865, there was due four years' interest, or \$421,800. But of this amount \$53,400 had already been paid to the Bank of Mobile for distribution, so that the balance due and unpaid is less by that amount, namely, \$368,400.

The interest on the London bonds, which is payable semi-annually January 1 and July 1, was paid up to January 1, 1865, and hence at the same date 1866, only one years interest was due and unpaid, viz., on the five per cents \$32,400, and on the six per cents \$41,280, or together \$73,680.

In speaking of this debt the Governor remarks :

"Special provision should be made for the payment of this accumulated interest at as early a day as practicable. This is not only demanded by a principle which is just in itself, but it would incidentally tend to restore the credit of the State, and greatly strengthen the inducements for advantageous loans upon the bonds now authorized by law.

"Our bondholders in London have made a formal proposition to receive payment for the interest now due, and the dividends up to the 1st of January, 1867, in State bonds bearing the same rate of interest as those they now hold. This, under all the circumstances, is a liberal proposition, and I think it ought to be acceded to. I have no doubt that similar terms would be accepted by our New York creditors. I therefore recommend that authority be given to issue bonds, in addition to those already provided for, to an amount sufficient to pay our present arrears of interest, together with that which will accrue up to the 1st of January, 1867. We may reasonably hope that by that time, our finances will be in a condition which will enable us to resume the regular semi-annual payment of our interest liabilities."

In response to the very appropriate recommendation of the Governor, an act was passed by the Legislature authorizing the funding of the past due coupons into bonds similar as to date and interest to the principal bonds. The Comptroller will furnish us with a copy of said act when printed, and we expect to be able to republish it in the CHRONICLE at an early date. In the meanwhile, we may state that negotiations are now being carried on both in London and New York, looking to the full satisfaction of the State's creditors.

It is scarcely necessary to canvass either the will or the way of the State to meet these demands. The people of Alabama have never suffered their public credit to be tarnished by even the shadow of repudiation ; and as to ways and means the State is amply wealthy to bear such a debt as that which we are now considering. Ala-

bama, indeed, is one of the most productive cotton States of the Union, being second only to Mississippi, and in 1860 yielded one-fifth part of the aggregate crop. The State has also great wealth in its live stock, and produces largely in a variety of ways, including manufactures. Its lands are fertile and high priced. These considerations presuppose great taxable ability, and form the best basis for public credit. The assessed valuation of property in the State increased in the ten years ending June 1, 1860, no less than 117 per cent, having been in 1850 \$228,204,332, and in 1860 \$495,237,078. The State debt, including the interest now past due and to accrue to January 1, 1867, will not exceed much the sum of \$4,000,000, requiring about \$210,000 for annual interest—not more than half of one per 1,000 of the assessed valuation of the property liable to taxation. It must also be borne in mind that Alabama is a progressive State, and that every year will further divide the burden, and give increased ability to the people to bear taxation.

Seven hundred and fifty thousand (750,000) dollars a year will not only cover the whole of the State expenditures, including interest, but also afford a handsome sum towards the final liquidation and extinction of the principal of the States indebtedness.

The State will also have to provide for the payment of its proportion of the United States direct tax of \$20,000,000 under the law of Aug., 1861, which amounted to \$529,313 33. If this sum be raised on bonds, the debt will be increased in a corresponding amount.

ANALYSES OF RAILROAD REPORTS. No. 9.

I. Michigan Southern and Northern Indiana Railroad.—II. Erie Railway.—III. Central Railroad of New Jersey.

MICHIGAN SOUTHERN AND NORTHERN INDIANA RAILROAD.

The Michigan Southern and Northern Indiana Railroad consists of a main line and several branches, as follows:

| | | |
|--|--------|--------|
| Main Line—Toledo to South street, Chicago..... | miles. | 242.06 |
| (Toledo to Elkhart (Air line).....) | | 133.20 |
| Branch Lines { Toledo Junction to Detroit Junction..... | | 59.12 |
| { Adrian to Monroe Junction..... | | 33.60 |
| { Lenawee Junction to Jackson..... | | 41.90 |
| { Palmyra Junction to Lenawee Junction..... | | 2.50 |
| Owned jointly with Chicago & Rock Island Co. at Chicago..... | | 1.67 |
| Leased of Detroit & Milwaukee R.R. Co..... | | 3.21 |

Total length owned, leased and operated.....miles. 517.26

—not including 53.23 miles of side track on roads owned by company, and 0.75 owned jointly with the Chicago and Rock Island Company.

EQUIPMENT—ENGINES AND CARS.

| | 1861-2. | 1862-3. | 1863-4. | '64-5. | '65-6. |
|-------------------------------|---------|---------|---------|--------|--------|
| Number of engines..... | 83 | 83 | 86 | 97 | 98 |
| Passenger cars..... | 75 | 68 | 67 | 70 | 82 |
| Baggage, express, etc..... | 36 | 43 | 43 | 53 | 40 |
| Freight cars—Cabooses..... | .. | .. | .. | .. | 25 |
| “ 12-ton stock..... | 106 | 150 | 169 | 170 | 185 |
| “ 10-ton box..... | 492 | 613 | } 948 | } 826 | } 802 |
| “ 10 and 12-ton platform..... | 208 | 200 | | | |
| “ 8-ton box..... | 150 | 122 | } 80 | } 51 | } 51 |
| Wrecking cars..... | 2 | 2 | | | |

The number of miles run by trains hauling cars in the same years were as follows:

| | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Passenger trains..... | 657,970 | 682,332 | 738,985 | 785,284 | 838,773 |
| Freight trains..... | 970,859 | 1,187,909 | 1,245,465 | 1,151,612 | 1,131,563 |
| Wood and gravel trains..... | 146,899 | 190,346 | 189,027 | 250,226 | 211,375 |
| Total..... | 1,775,728 | 2,060,637 | 2,173,477 | 2,187,124 | 2,181,615 |

PASSENGER BUSINESS.

The following table shows the number of passengers carried on the road, and the number of miles traveled by passengers :

| | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6. |
|-----------------------------|------------|------------|-------------|-------------|-------------|
| Passengers carried..... | 337,640 | 391,723 | 576,897 | 831,365 | 915,475 |
| Viz—Through..... | 57,094 | 66,198 | 96,414 | 135,197 | 142,699 |
| Way..... | 280,546 | 330,585 | 480,483 | 696,168 | 772,776 |
| Eastward..... | 163,684 | 192,974 | 208,904 | 400,798 | 437,724 |
| Westward..... | 173,956 | 203,749 | 271,579 | 430,567 | 477,751 |
| Miles through travel.. | 13,962,242 | 16,544,660 | 23,690,068 | 33,260,245 | 35,105,489 |
| Miles way travel..... | 11,142,989 | 12,933,716 | 18,040,202 | 28,212,298 | 34,372,898 |
| Total miles traveled..... | 25,105,231 | 29,478,376 | 41,730,270 | 61,472,544 | 69,478,387 |
| Gross earnings..... | \$710,417 | \$892,138 | \$1,244,129 | \$1,875,061 | \$2,021,247 |
| Earnings per mile..... | 2:83 | 2:65 | 2:98 | 2:75 | 2:86 |
| Viz—Through passengers..... | 2:10½ | 2:17 | 2:17 | 2:33 | 2:45 |
| Way do..... | 3:26 | 3:26 | 3:43 | 3:28 | 3:27 |

FREIGHT BUSINESS.

The freight business of the road (tons) is stated in the following table

| | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6. |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Through freight..... | 183,139 | 246,632 | 243,905 | 194,669 | 211,144 |
| Viz—Eastward..... | 143,306 | 193,262 | 183,475 | 128,631 | 137,636 |
| Westward..... | 39,833 | 53,370 | 60,430 | 68,038 | 73,508 |
| Way freight..... | 269,569 | 296,994 | 315,074 | 333,832 | 358,196 |
| Viz—Eastward..... | 181,757 | 213,664 | 206,361 | 228,941 | 237,862 |
| Westward..... | 87,812 | 83,330 | 108,713 | 103,891 | 120,334 |
| Total freight..... tons..... | 452,708 | 543,626 | 558,979 | 527,501 | 569,340 |
| Tons carried one mile..... | 66,455,696 | 85,951,630 | 86,103,221 | 77,875,578 | 83,044,900 |
| Gross earnings..... | \$1,390,513 | \$1,766,135 | \$1,981,527 | \$2,206,412 | \$2,410,933 |
| Earnings (per ton) per mile..... | 2:09 | 2:09 | 2:29 | 2:33 | 2:93 |
| Viz—Through, per mile..... | 1:51 | 1:56 | 1:52 | 2:20 | 2:05 |
| Way, per mile..... | 3:30 | 3:40 | 3:36 | 3:36 | 4:34 |

The most remarkable fact elicited by the above tables is the enormous development of the passenger traffic, which in 1865-6 was 69½ million miles traveled against 25 millions in 1861-2, showing an increase of 178 per cent. In the meantime the earnings from passengers advanced from \$700,000 to upwards of \$2,000,000, the average earnings per passenger per mile having retained the same rate nearly. The tons of freight carried in 1865-6 was only about 20 per cent more than in 1861-2, but the average charge per ton per mile had increased from 2.09 to 2.90 cents.

EARNINGS AND INCOME ACCOUNT.

The following statement gives a brief recapitulation of the sources and disposition of income for the five last fiscal years :

| | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6. |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Passenger earnings..... | \$710,417 | \$892,138 | \$1,244,129 | \$1,875,061 | \$2,021,247 |
| Freight do..... | 1,419,498 | 1,804,582 | 2,016,857 | 2,242,972 | 2,455,403 |
| Mail do..... | 53,966 | 53,966 | 53,515 | 53,844 | 54,786 |
| Express do..... | 28,754 | 31,210 | 41,829 | 74,386 | 101,556 |
| Rents do..... | 23,219 | 18,919 | 17,868 | 17,384 | 19,025 |
| Other sources..... | 14,664 | 13,016 | 10,101 | 25,819 | 34,428 |
| Total earnings..... | \$2,350,518 | \$2,813,831 | \$3,384,294 | \$4,289,466 | \$4,686,445 |
| Expenses..... | 1,112,970 | 1,352,555 | 1,753,517 | 2,408,352 | 2,749,657 |
| Net earnings..... | \$1,137,548 | \$1,461,276 | \$1,630,777 | \$1,881,114 | \$1,936,788 |

From which were paid as follows :

| | | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Interest on bonds..... | \$730,162 | \$654,762 | \$656,393 | \$597,602 | \$595,480 |
| Interest, exchange and discount..... | 42,053 | 22,599 | 3,334 | * | 15,764 |
| State and local taxes..... | 57,963 | 57,680 | 50,996 | * | 78,356 |
| National taxes..... | ..... | 15,901 | 38,010 | * | 128,635 |
| Rent of Erie & Kal. R.R..... | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Contributions to Sinking Fund..... | 85,537 | 278,000 | 115,842 | 130,000 | 133,000 |
| Div. on Guar. stock..... | ..... | ..... | 259,905 | 218,360 | 166,280 |
| Div. on Com. stock..... | ..... | ..... | ..... | 553,338 | 277,664 |

* Not stated in report, no profit and loss account loss having been published.

All balances remaining have been expended on construction or equipment, or in settlement of claims against the company, &c. The total balance to the credit of the stockholders was, on March 1, 1866, \$1,802,446.56.

The following table shows the gross earnings made on the roads and branches operated by the company separately:

The passenger earnings were as follows—

| | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6. |
|---------------------------|-----------|-----------|-----------|-------------|-------------|
| Main line..... | \$476,855 | \$591,460 | \$849,776 | \$1,233,974 | \$1,468,027 |
| Air line..... | 49,997 | 63,917 | 87,060 | 161,779 | 172,532 |
| D. Mon. & Tol | 66,578 | 76,796 | 125,742 | 198,559 | 212,934 |
| Jackson Branch..... | 25,259 | 27,614 | 33,720 | 52,579 | 53,055 |
| Monroe & Adrian..... | 16,185 | 19,085 | 28,955 | 44,326 | 43,144 |
| Three Rivers Br'ch..... | 2,878 | 2,099 | 1,975 | ..... | ..... |
| Military transport'n..... | 72,665 | 111,166 | 116,901 | 183,845 | 71,554 |

And the freight earnings as follows—

| | 1861-2. | 1862-3. | 1863-4. | 1864-5. | 1865-6. |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Main line..... | \$1,102,289 | \$1,413,980 | \$1,599,132 | \$1,660,458 | \$1,841,279 |
| Air line..... | 157,038 | 192,215 | 195,135 | 291,422 | 288,444 |
| D. Mon. & Tol | 69,079 | 87,402 | 105,849 | 158,731 | 181,687 |
| Jackson Branch..... | 24,959 | 26,835 | 30,363 | 33,873 | 47,914 |
| Monroe & Adrian..... | 32,064 | 40,984 | 47,430 | 58,350 | 51,608 |
| Three Rivers Br'ch..... | 5,083 | 4,788 | 3,618 | 3,577 | ..... |
| Storage..... | 28,985 | 38,147 | 35,323 | 36,560 | 44,470 |

From the above it must be evident that the company does not operate the branch lines without loss, and this must be made up from the earnings of the main line to the detriment of dividends. These branches, indeed, have been the great drawback to which the company have had to contend.

ABSTRACT OF GENERAL BALANCE SHEET.

The financial condition of the company, as shown on the balance sheet yearly, at the close of the fiscal years Feb. 28, 1862-66, is set forth in the following abstract:

| | 1861-62. | 1862-63. | 1863-64. | 1864-65. | 1865-66. |
|--|-------------|-------------|-------------|-------------|-------------|
| Common stock..... | \$6,124,600 | \$6,124,600 | \$7,536,800 | \$7,536,600 | \$9,381,800 |
| Guaranteed stock..... | 2,893,600 | 2,893,600 | 2,588,600 | 2,188,600 | 1,089,700 |
| Total stock..... | \$9,018,200 | \$9,018,200 | 10,125,400 | \$9,725,200 | 10,471,500 |
| 1st gen. mort. less held by sinking fund ... | 3,030,000 | 5,073,000 | 4,512,000 | 4,822,000 | 4,855,000 |
| 2d do do do do do do | 2,572,000 | 2,656,500 | 2,194,500 | 2,194,500 | 2,253,500 |
| Goshen Air Line bonds*..... | 1,116,000 | 701,000 | 693,000 | 682,000 | 651,000 |
| Jackson Branch bonds*..... | 128,000 | 81,000 | 77,000 | 77,000 | ..... |
| Detroit, Monroe & Tol b'ds..... | 684,000 | 812,000 | 734,000 | 734,000 | 734,000 |
| Michigan Southern, 1st m.*..... | 850,000 | 14,000 | 2,000 | 1,000 | ..... |
| N. Indiana, 1st mortgage*..... | 904,000 | 42,000 | 21,000 | 6,000 | 4,000 |
| Mich. Southern plain b'ds†..... | 44,000 | 16,000 | ..... | ..... | ..... |
| North. Indiana, plain b'ds†..... | 100,000 | 20,000 | 10,000 | 7,000 | 1,000 |
| Erie and Kalamazoo..... | 300,000 | 103,000 | 41,000 | 38,000 | 37,000 |
| Scrip..... | 22,707 | 8,578 | 2,755 | 2,615 | 1,675 |
| Total funded debt..... | \$9,750,707 | \$9,527,078 | \$8,287,255 | \$8,564,115 | \$8,537,175 |
| Bill payable in New York..... | 239,530 | 81,236 | 15,000 | 10,000 | 310,000 |
| Div. & coup. unclaimed, &c..... | 40,935 | 22,592 | 22,229 | 43,326 | 26,864 |
| Due on guaranteed stock..... | ..... | ..... | 18,235 | 250,078 | ..... |
| February expenses, &c..... | 156,696 | 140,219 | 163,519 | 381,498 | 302,107 |
| Bills payable at Toledo..... | 12,999 | 1,000 | 5,267 | 25,000 | 25,000 |
| Total floating debt..... | 449,560 | 245,047 | 224,310 | 709,902 | 663,971 |
| Aggregate..... | 19,218,467 | 18,790,325 | 18,631,965 | 18,994,217 | 19,673,645 |
| Against which are charged as follows, viz.: | | | | | |
| Railroad..... | 13,616,404 | 13,613,624 | 13,619,185 | 13,619,185 | 13,619,185 |
| Equipment..... | 1,644,259 | 1,644,259 | 1,644,259 | 1,644,259 | 1,644,259 |
| Steamboats..... | 691,273 | ..... | ..... | ..... | ..... |
| Detroit, Monroe & Tol R.R. | 1,285,182 | 1,285,182 | 1,291,068 | 2,291,968 | 1,291,968 |

* Convertible into 1st general mortgage sinking fund bonds.
 † Convertible into Detroit, Monroe and Toledo bonds.

| | | | | | |
|------------------------------------|---------|---------|---------|---------|-----------|
| D. M. & T. R. R. stock at par..... | 275,000 | 368,200 | 372,500 | 406,800 | 409,500 |
| Fuel and materials on hand..... | 197,332 | 206,999 | 288,726 | 670,373 | 547,025 |
| Union stock lands at Chic. | | | | 33,333 | 150,000 |
| Outside property..... | 69,141 | 67,061 | 23,621 | 15,621 | 5,000 |
| Available assets..... | 229,872 | 282,402 | 478,985 | 353,182 | 175,686 |
| Nominal assets..... | 444,793 | 324,767 | 73,655 | 72,656 | 27,573 |
| Profit and loss..... | 765,205 | 997,830 | 839,966 | 856,940 | 1,802,446 |

Aggregate..... 19,218,467 18,790,325 18,631,965 18,994,217 19,672,646

PROPORTIONAL DEDUCTIONS.

The following table shows the cost of property per mile of road; the gross earnings, expenses, and profits per mile; the ratio of expenses to earnings per cent, and the ratio of profits to cost per cent:

| | 1861-62. | 1862-63. | 1863-64. | 1864-65. | 1865-66. |
|-------------------------------------|----------|----------|----------|----------|----------|
| Cost per mile of road..... | \$32,410 | \$32,584 | \$32,614 | \$32,632 | \$32,682 |
| Gross earnings, per mile..... | 4,336 | 5,421 | 6,521 | 8,295 | 9,030 |
| Expenses, per mile..... | 2,144 | 2,606 | 3,378 | 4,440 | 5,299 |
| Profits, per mile..... | 2,192 | 2,815 | 3,143 | 3,855 | 3,731 |
| Expenses to earnings, p. cent. | 49.45 | 48.07 | 51.80 | 56.14 | 58.68 |
| Profits to cost, per cent..... | 6.77 | 8.63 | 9.64 | 11.08 | 11.41 |
| Dividend: common stock..... | ..... | ..... | ..... | 7.00 | 3.50 |
| do guaranteed stock..... | ..... | ..... | 10.00 | 10.00 | 10.00 |

PRICE OF STOCKS AT NEW YORK.

The following table gives the lowest and highest prices of the company's stocks at New York for each month of the past three years:

| | Common. | | | Guaranteed. | | |
|------------|-----------|------------|-----------|-------------|------------|-------------|
| | 1863-64. | 1864-65. | 1865-66. | 1863-64. | 1864-65. | 1865-66. |
| March..... | 53½ @ 61¾ | 98 @ 118¾ | 49¾ @ 67 | 94¾ @ 109 | 143 @ 150 | ... @ ... |
| April..... | 55½ @ 67¾ | 84¾ @ 118¾ | 50¾ @ 74¾ | 98 @ 110 | 127 @ 165 | ... @ ... |
| May..... | 67¾ @ 83 | 85¾ @ 100¾ | 55 @ 72¾ | 108¾ @ 122¾ | 130 @ 143 | ... @ ... |
| June..... | 63¾ @ 81 | 93¾ @ 100 | 57 @ 65¾ | 110¾ @ 119 | 140 @ 143¾ | 125 @ 130¾ |
| July..... | 73¾ @ 89¾ | 80¾ @ 94¾ | 62 @ 68 | 111 @ 117 | 132 @ 140 | ... @ ... |
| Aug..... | 88 @ 113 | 8½ @ 92 | 60¾ @ 67¾ | 113¾ @ 140 | 140 @ 149¾ | ... @ ... |
| Sept..... | 77 @ 108¾ | 71 @ 85 | 65¾ @ 70¾ | 124 @ 137 | 125½ @ 147 | 130 @ 135¾ |
| Oct..... | 79 @ 89¾ | 57 @ 71¾ | 68 @ 84¾ | 134¾ @ 156 | 132 @ 132 | 135 @ 135 |
| Nov..... | 79 @ 87¾ | 68¾ @ 77¾ | 71¾ @ 82 | 135 @ 151 | 140 @ 146¾ | 135 @ 138 |
| Dec..... | 77 @ 89 | 68¾ @ 74¾ | 73¾ @ 76¾ | 130 @ 135 | 141 @ 146 | 140½ @ 113¾ |
| Jan..... | 81¾ @ 90 | 61 @ 75 | 66¾ @ 75¾ | 132¾ @ 141 | 135 @ 145½ | ... @ ... |
| Feb..... | 88¾ @ 99 | 63¾ @ 73 | 66¾ @ 71¾ | 133 @ 142¾ | 135 @ 140 | ... @ ... |
| Year..... | 53¾ @ 113 | 57 @ 118¾ | 49¾ @ 84¾ | 94¾ @ 156 | 125½ @ 165 | 125 @ 143¾ |

The history of the Michigan Southern and Northern Indiana Railroad appears in the November (1855) number of the MAGAZINE, and to this the reader is referred for other matters relating to the company.

ERIE RAILWAY.

The Erie Railway (successors to the New York and Erie Railroad) Company commenced business operations on the 1st January, 1862. The following tabulations present an analysis of the company's affairs annually from that date.

ROAD AND EQUIPMENT.

The several lines owned by the company are as follows:

| | Close of year | | | |
|---|---------------|-------|-------|-------|
| | 1862. | 1863. | 1864. | 1865. |
| Main Line—Jersey City to Dunkirk..... miles | 460 | 460 | 460 | 460 |
| Branch—Ramapo to Piermont..... | 18 | 18 | 18 | 18 |
| “ Chesterville to Newburg..... | 19 | 19 | 19 | 19 |
| “ Hornellsville to Attica..... | 60 | 60 | 60 | 60 |
| Total length owned by company..... | 557 | 557 | 557 | 557 |
| Second track..... | 180 | 190 | 191½ | 205 |
| Sidings..... | 123 | 131 | 145 | 157 |
| Total equiv. single track owned..... miles | 859 | 878 | 893¾ | 919 |

The branch roads leased and operated by the Erie Company in each year have been as shown below:

| | 1862. | 1863. | 1864. | 1865. |
|--|-------|-------|-------|-------|
| Chemung—Elmira Junct. to Jefferson.....miles | 18 | 18 | 18 | 18 |
| Canandalgua & Elmira—Jefferson to Can'gua..... | 48 | 48 | 48 | 48 |
| Buffalo Division—Corning to Buffalo..... | .. | 140 | 140 | 140 |
| Rochester Division—Avon to Rochester..... | .. | 18 | 13 | 18 |
| Hawley Branch—Lackawaxen to Hawley..... | .. | .. | 16 | 16 |
| Total length leased and operated..... miles | 66 | 224 | 240 | 240 |
| Second track and sidings..... | 5 | 19 | 19 | 21 |
| Total equivalent single track leased..... | 71 | 243 | 259 | 261 |

The Warwick Valley Railroad, 10 miles from Chester to Warwick, is also operated, but not leased. This road is operated in connection with the Newburg Branch Railroad the Company receiving payment in a fixed sum per mile run.

The average length of track operated in the several years (the Buffalo and Rochester Divisions having been taken into possession May 1, 1863) was as follows:

| | 1862. | 1863. | 1864. | 1865. |
|--|-------|-------|--------|-------|
| Length of route.....miles | 628 | 729 | 797 | 797 |
| Length of second track and sidings..... | 307 | 334 | 355 | 383 |
| Warwick Valley Railroad..... | 10 | 10 | 10 | 10 |
| Total equivalent single track..... miles | 945 | 1,073 | 1,162½ | 1,190 |

The equipment of the company's roads at the close of each fiscal year is shown in the following table:

| | 1862. | 1863. | 1864. | 1865. |
|--|-------|-------|-------|-------|
| Locomotive engines and tenders..... | 226 | 243 | 276 | 332 |
| Cars—Passenger..... | 101 | 109 | 114 | 133 |
| " Emigrant, baggage and caboose..... | 164 | 201 | 247 | 264 |
| " Box freight, cattle, milk and oil..... | 3,115 | 3,386 | 2,653 | 2,975 |
| " Flat freight..... | | | | |
| " Coal..... | | 310 | 540 | 884 |
| Total number of cars..... | 3,380 | 4,006 | 4,714 | 5,468 |

The equipment of the Buffalo Division is not included in the returns for 1863. It consisted of 28 locomotives and 459 cars, and made the total equipment 271 locomotives and 4,415 cars.

In estimating the freight capacity of the road, it should be borne in mind that the freight cars, on account of its wide gauge, are of greater capacity than those on narrow gauge roads.

BUSINESS OF THE ROAD.

The following table shows the miles run by engines, etc.; and the movement of passengers and freight over the road since the commencement of operations by the existing company in Jan. 1862, covering the years 1862, '63, '64, and '65:

Miles run by engines, and cost of renewals and repairs—

| | Miles run. | Cost. | Cost per mile. |
|-----------|------------|-----------|----------------|
| 1862..... | 4,835,359 | \$495,492 | \$10 05 |
| 1863..... | 5,858,687 | 597,499 | 9 77 |
| 1864..... | 6,916,324 | 908,023 | 13 38 |
| 1865..... | 6,839,028 | 1,423,297 | 20 88 |

Movement of passengers—

| | 1862. | 1863. | 1864. | 1865. |
|-----------------------------|---------|-----------|-----------|-----------|
| Through—East..... | 14,987 | 24,778 | 35,143 | 50,036 |
| " —West..... | 32,450 | 53,612 | 59,949 | 105,036 |
| Way—East..... | 434,025 | 586,465 | 844,511 | 1,007,886 |
| " —West..... | 427,061 | 570,651 | 846,003 | 1,012,222 |
| Total passengers moved..... | 908,533 | 1,236,506 | 1,785,606 | 2,175,965 |

| Movement of freight— | | | | |
|---------------------------------|-------------|-------------|-------------|-------------|
| | 1862. | 1863. | 1864. | 1865. |
| Through—East..... | 471,314 | 452,667 | 440,758 | 434,742 |
| “ —West..... | 149,896 | 169,920 | 164,118 | 205,612 |
| Way—East..... | 501,018 | 635,442 | 532,151 | 1,310,288 |
| “ —West..... | 553,006 | 616,605 | 677,268 | 584,149 |
| Total tons moved..... | 1,675,234 | 1,874,634 | 2,214,295 | 2,534,791 |
| Gross earnings from passengers— | | | | |
| | 1862. | 1863. | 1864. | 1865. |
| Through—East..... | \$115,861 | \$209,436 | \$315,112 | \$478,127 |
| “ —West..... | 180,516 | 279,864 | 458,986 | 864, 98 |
| Way—East..... | 432,361 | 642,968 | 1,757,202 | 1,295,539 |
| “ —West..... | 471,712 | 718,717 | 1,170,898 | 1,393,616 |
| Total..... | 1,200,450 | 1,850,984 | 3,002,198 | 4,031,680 |
| Gross earnings from freight— | | | | |
| | 1862. | 1863. | 1864. | 1865. |
| Through—East..... | \$3,639,765 | \$3,853,073 | \$4,748,533 | \$4,615,592 |
| “ —West..... | 1,196,750 | 1,371,186 | 2,031,184 | 2,655,070 |
| Way—East..... | 1,462,863 | 2,322,774 | 2,332,567 | 3,036,035 |
| “ —West..... | 765,985 | 929,807 | 1,130,593 | 922,074 |
| Total..... | 7,065,363 | 8,476,810 | 10,242,897 | 11,268,761 |

The report is deficient in not giving the mileage of passengers and freight, and consequently it is not possible to deduce the rates at which the business of the road has been done. Nor are there any data given from which we can learn the rates of cost to the company. The reports for the last three years are especially incomplete in these respects.

REVENUE ACCOUNTS.

The following is a statement of the receipts and expenses of operating the road for the four years since re-organization :

| | 1862. | 1863. | 1864. | 1865. |
|--|-------------|-------------|-------------|-------------|
| Passengers..... | \$1,200,450 | \$1,850,984 | \$3,002,198 | \$4,031,680 |
| Freight..... | 7,065,363 | 8,476,810 | 10,242,897 | 11,268,761 |
| Mails..... | 101,652 | 101,052 | 101,352 | 101,352 |
| Other sources..... | 32,869 | 40,635 | 83,196 | 32,982 |
| Gross earnings..... | 8,400,334 | 10,469,481 | 13,429,643 | 15,434,775 |
| Office and station exp'ses..... | \$671,905 | \$915,587 | \$1,224,907 | \$1,210,490 |
| Transportation..... | 1,274,833 | 1,355,549 | 2,284,660 | 3,136,025 |
| General expenses..... | 126,419 | 158,315 | 331,548 | 280,051 |
| Repairs of engines & cars..... | 1,177,241 | 1,455,761 | 1,920,433 | 2,607,297 |
| Repairs of track and road..... | 1,248,610 | 1,475,426 | 2,414,835 | 2,376,698 |
| Repairs of structures..... | 190,273 | 161,319 | 420,611 | 450,606 |
| Incidental..... | 36,859 | 48,324 | 54,504 | 22,348 |
| Miscellaneous..... | 134,608 | 198,805 | 232,562 | 284,749 |
| Total expenses..... | 4,860,748 | 5,949,086 | 8,882,040 | 10,368,264 |
| Net earnings..... | 3,539,586 | 4,520,395 | 4,547,603 | 5,066,511 |
| Disbursed as follows, viz : | | | | |
| Interest on mortgage debt..... | \$1,399,405 | \$1,406,405 | \$1,231,806 | \$1,399,770 |
| Rents of leased roads..... | 138,400 | 133,400 | 182,400 | 182,400 |
| Rent of Long Dock Property..... | 144,040 | 143,552 | 135,163 | 165,690 |
| Internal revenue taxes..... | 27,617 | 113,505 | 333,812 | 561,250 |
| Taxes on real estate..... | 71,820 | 104,259 | 259,819 | 225,416 |
| Hire of cars..... | ..... | 28,246 | 85, 83 | 29,264 |
| Pavonia Ferry..... | 25,006 | 39,352 | 34,159 | 22,948 |
| Loss ay fire..... | 91,736 | 10,000 | ..... | ..... |
| Interest..... | ..... | 5,243 | ..... | 49,329 |
| Sinking Fund—Buffalo Br..... | 2,200 | 2,354 | ..... | ..... |
| Buffalo, N. Y. & Erie R. R.: rents, repairs and expenses of operating..... | ..... | 322,780 | 372,484 | 532,242 |
| Disbursements before dividends..... | 1,903,235 | 2,309,096 | 2,635,427 | 3,218,311 |
| Old debts paid..... | 1,182,945 | ..... | ..... | ..... |
| Dividends July 1..... | ..... | 699,062 | 925,992 | 906,641 |
| “ Jan. 1..... | 426,785 | 761,046 | 906,662 | 283,579 |
| Total disbursed..... | 3,512,965 | 3,769,198 | 4,468,051 | 4,408,581 |

| | | | | |
|------------------------------|--------|---------|---------|-----------|
| Surplus income, Dec. 31..... | 26,621 | 751,197 | 79,552 | 657,980 |
| Surplus income, Jan. 1 ..... | ..... | 26,621 | 577,818 | 857,370 |
| Total surplus income..... | 26,621 | 777,818 | 857,370 | 1,515,350 |

From the surplus of Jan. 1, 1866, there was paid the usual dividend of 4 per cent on the common stock, amounting to \$656,004, which reduces the balance of surplus income to next account to \$859,346.

FINANCIAL CONDITION.

The financial condition of the company, as exhibited on the General Balance Sheet made up at the close of each of the last four years, is presented in the following statement:

| | 1862. | 1863. | 1864. | 1865. |
|---|--------------|--------------|--------------|--------------|
| Stock—Common..... | \$11,437,500 | \$11,569,500 | \$16,400,000 | \$16,570,100 |
| do Preferred..... | 8,535,700 | 8,535,700 | 8,535,700 | 8,535,700 |
| Total stock..... | 19,973,200 | 20,105,200 | 24,935,800 | 25,105,800 |
| 1st mortgage bonds, 1867..... | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| 2d do do 1879..... | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| 3d do do 1883..... | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| 4th do do 1880..... | 5,100,000 | 5,020,000 | 3,634,000 | 4,441,000 |
| 5th do do 1888..... | 1,791,500 | 1,739,500 | 1,002,500 | 926,500 |
| Buffalo branch bonds, 1889..... | 200,000 | 200,000 | 186,400 | 186,400 |
| Sterling bonds, 1875..... | ..... | ..... | ..... | 3,816,582 |
| Real estate bonds..... | 40,000 | 1,500 | 500 | 500 |
| Total funded debt..... | 20,131,500 | 19,961,000 | 17,823,400 | 22,370,982 |
| Skc fund, Buff. Br'ch b'ds..... | 2,200 | 4,554 | ..... | ..... |
| Accounts payable..... | 682,029 | 851,597 | 2,998,562 | 3,551,980 |
| Int. accrued but not due..... | 380,837 | 489,005 | 523,521 | 464,203 |
| Div. declared but not paid..... | 426,785 | 761,040 | 906,631 | 283,579 |
| Balance of income account..... | 26,621 | 777,818 | 857,370 | 1,515,350 |
| Aggregate..... | \$41,623,172 | \$42,950,214 | \$48,045,284 | \$53,291,895 |
| Road and equipment..... | \$39,021,293 | \$39,404,648 | \$42,582,058 | \$47,409,404 |
| Hawley Branch..... | 26,815 | 103,297 | 233,295 | 236,944 |
| Cash and cash items..... | 747,612 | 1,550,767 | 562,217 | 905,159 |
| Long Dock Company..... | 191,936 | ..... | 834,475 | 215,520 |
| Buff. N. Y. & Erie R. R. Co..... | ..... | 161,282 | ..... | ..... |
| Buffalo, Bradford, & Pittsburg Railroad Co..... | ..... | ..... | 76,793 | 40,358 |
| U. S. War Department..... | ..... | ..... | 467,786 | 502,576 |
| Accounts receivable..... | 482,390 | 486,860 | 575,569 | 617,500 |
| Materials on hand..... | 582,560 | 823,889 | 2,234,099 | 2,176,823 |
| Fuel on hand..... | 470,566 | 310,476 | 213,853 | 880,326 |
| Niagara Bridge stock..... | ..... | 350 | 4,140 | 4,140 |
| Unadjusted accounts..... | ..... | 108,645 | 162,100 | 303,132 |
| Aggregate..... | \$41,623,172 | \$42,950,214 | \$48,045,284 | \$53,291,895 |

The following table shows the amounts paid on account of construction in each year since the reorganization of the company in Jan., 1862:

| | 1862. | 1863. | 1864. | 1865. | Total. |
|---------------------------------|----------|-----------|-------------|-------------|-------------|
| Grading..... | \$465 | \$164,065 | \$361,016 | \$301,608 | \$827,154 |
| Superstructure..... | ..... | 209,486 | 441,008 | 513,892 | 1,164,281 |
| Land for road..... | ..... | 3,455 | 27,969 | 4,360 | 35,784 |
| Machine and workshops..... | 672 | 28,216 | 257,414 | 628,535 | 914,837 |
| Machinery in shops..... | 55,844 | 30,214 | 96,324 | 177,661 | 359,443 |
| Depots..... | ..... | 31,998 | 73,539 | 152,294 | 257,831 |
| Water stations..... | ..... | 916 | 12,601 | 18,513 | 32,039 |
| Locomotives and tenders..... | 56,681 | 188,511 | 601,640 | 1,571,344 | 2,418,176 |
| Passenger and baggage cars..... | 16,615 | 21,129 | 106,044 | 350,186 | 493,974 |
| Freight cars..... | 115,726 | 92,962 | 626,481 | 402,748 | 1,237,917 |
| Coal cars..... | ..... | 106,590 | 348,843 | 267,141 | 822,074 |
| Telegraph..... | 2,175 | 2,977 | 6,120 | 1,055 | 12,327 |
| Pavonia Ferry..... | 55,665 | 15,387 | ..... | 121,217 | 192,269 |
| Long Dock improvements..... | ..... | ..... | ..... | 215,520 | 215,520 |
| Hawley Branch..... | ..... | 103,297 | 129,997 | 3,652 | 236,947 |
| Discount on 4th m. bonds..... | ..... | ..... | ..... | 46,615 | 46,615 |
| Interest on do..... | ..... | ..... | ..... | 65,552 | 65,552 |
| Total..... | \$33,843 | \$999,204 | \$3,088,492 | \$4,941,293 | \$9,332,832 |

PROGRESS FOR SEVEN YEARS.

The following gives the length and cost of the railroads owned by the company, the miles operated, the gross earnings, expenses, and net earnings on account of operations and dividends, yearly, for the seven years ending December 31, 1865:

| Fiscal years. | Miles owned | Cost of roads and opera- equipment. | Miles ted. | Gross earnings. | Operating expenses. | Nett earnings. | Dividends paid. |
|---------------|-------------|-------------------------------------|------------|-----------------|---------------------|----------------|-----------------|
| 1859..... | 497 | \$36,420,907 | 563 | \$4,577,030 | \$2,944,507 | \$1,632,523 | ..... |
| 1860..... | 497 | 36,921,763 | 563 | 3,342,395 | 3,354,587 | 1,987,808 | ..... |
| 1861..... | 497 | 38,019,711 | 563 | 6,214,182 | 3,784,484 | 2,429,698 | ..... |
| 1862..... | 557 | 39,021,293 | 628 | 8,400,334 | 4,860,748 | 3,539,586 | 426,785 |
| 1863..... | 557 | 39,404,648 | 729 | 14,469,481 | 5,949,086 | 4,520,395 | 1,460,102 |
| 1864..... | 557 | 42,583,058 | 797 | 13,429,643 | 8,882,040 | 4,547,603 | 1,833,624 |
| 1865..... | 557 | 47,409,404 | 797 | 15,434,775 | 10,368,264 | 5,066,511 | 1,846,224 |

PROPORTIONAL DEDUCTIONS.

Taking the next preceding table as a basis the following deductions are drawn' showing the cost of the roads owned by the company per mile, the earnings, expenses and profits per mile expended, the ratio of expenses to earnings, the rate of profits to cost of road, and the rate of dividends paid;

| Fiscal Years. | Cost of road per mile. | —Per mile operated— | | | Expens's to earn- ings. | Profits cost. | Rate to of Div. |
|---------------|------------------------|---------------------|-----------|----------|-------------------------|---------------|-----------------|
| | | Earn'gs. | Expens's. | Profits. | | | |
| 1859..... | \$73,289 | \$8,129 | \$5,230 | \$2,899 | 64.33 | 4.48 | 1/4 |
| 1860..... | 74,289 | 9,491 | 5,958 | 3,533 | 62.79 | 5.38 | " |
| 1861..... | 76,299 | 11,039 | 6,722 | 3,317 | 60.89 | 6.39 | " |
| 1862..... | 70,056 | 13,376 | 7,740 | 5,636 | 57.86 | 9.07 | " |
| 1863..... | 70,744 | 14,363 | 8,161 | 6,202 | 56.82 | 11.49 | 3/4 |
| 1864..... | 76,451 | 16,850 | 11,144 | 5,706 | 16.13 | 10.69 | 8 |
| 1865..... | 85.115 | 19,336 | 13,009 | 6,327 | 67.28 | 10.68 | 8 |

The above dividend is on the common stock; the rate on the preferred stock was 5 per cent in 1862, and after that year 7 per cent per annum.

The profits would be materially reduced (say a third) by subtracting from them the rents of leased roads, taxes, &c., which are payable before interest and dividends on the proper capital of the company.

PRICE OF STOCKS AT NEW YORK.

The tables which follow show the range of prices paid for the stock of the company monthly and for the years 1862-64, both inclusive:

COMMON STOCK.

| | 1862. | 1863. | 1864. | 1865. |
|----------------|-----------------|-------------------|-------------------|-----------------|
| January..... | 31 1/2 @ 26 1/4 | 66 @ 85 1/2 | 106 1/2 @ 113 | 66 1/2 @ 86 1/2 |
| February..... | 33 @ 35 1/2 | 70 @ 80 1/2 | 107 @ 124 1/2 | 68 1/2 @ 78 |
| March..... | 34 1/2 @ 38 | 74 1/2 @ 80 1/2 | 113 @ 126 1/2 | 44 1/2 @ 73 1/2 |
| April..... | 36 1/2 @ 37 1/2 | 76 @ 84 1/2 | 107 @ 126 | 50 1/2 @ 85 |
| May..... | 35 1/2 @ 40 1/2 | 84 1/2 @ 105 | 107 @ 117 1/2 | 69 1/2 @ 84 1/2 |
| June..... | 35 1/2 @ 39 1/2 | 90 1/2 @ 98 | 110 1/2 @ 118 | 70 1/2 @ 79 1/2 |
| July..... | 33 @ 37 | 92 1/2 @ 103 1/2 | 108 1/2 @ 116 | 77 1/2 @ 98 1/2 |
| August..... | 33 1/2 @ 39 1/2 | 103 @ 122 | 108 1/2 @ 113 1/2 | 76 1/2 @ 91 1/2 |
| September..... | 36 1/2 @ 49 1/2 | 101 @ 118 1/2 | 93 @ 109 | 86 1/2 @ 91 1/2 |
| October..... | 49 @ 65 1/2 | 106 1/2 @ 110 1/2 | 84 @ 98 | 85 1/2 @ 93 1/2 |
| November..... | 59 @ 64 1/2 | 99 1/2 @ 110 1/2 | 93 1/2 @ 104 1/2 | 90 @ 97 |
| December..... | 60 @ 63 1/2 | 104 1/2 @ 109 | 82 @ 96 1/2 | 91 1/2 @ 91 |
| Year..... | 31 1/2 @ 65 1/2 | 66 @ 122 | 82 @ 126 1/2 | 44 1/2 @ 98 1/2 |

PREFERRED STOCK.

| | 1862. | 1863. | 1864. | 1865. |
|---------------|-----------------|-------------------|-------------------|-------------|
| January..... | 52 1/2 @ 58 1/2 | 97 @ 108 | 100 1/2 @ 104 1/2 | 90 @ 101 |
| February..... | 54 1/2 @ 59 1/2 | 99 @ 106 1/2 | 101 @ 109 | 90 @ 83 |
| March..... | 55 1/2 @ 62 1/2 | 93 1/2 @ 101 1/2 | 105 1/2 @ 115 1/2 | 70 @ 89 |
| April..... | 60 1/2 @ 62 1/2 | 96 @ 102 1/2 | 105 1/2 @ 116 | 77 @ 82 |
| May..... | 62 1/2 @ 67 1/2 | 101 1/2 @ 111 | 106 @ 109 | 82 @ 89 |
| June..... | 63 1/2 @ 67 1/2 | 100 1/2 @ 106 1/2 | 108 1/2 @ 113 | 81 1/2 @ 85 |

| | | | | |
|-----------------|----------|------------|------------|-----------|
| July | 60 @64 | 100% @105½ | 107 @115½ | 85 @ 88½ |
| August | 62½ @69¾ | 102½ @111¾ | 103¾ @112¾ | 80 @ 87½ |
| September | 67½ @83 | 102 @108¾ | 101 @109 | 82 @ 86 |
| October | 80 @93 | 104 @105¾ | 100 @104 | 82 @ 86 |
| November | 87 @92 | 99¾ @105 | 100 @106½ | 82 @ 84½ |
| December | 90½ @97 | 1 0½ @103¾ | 99¾ @105 | 84½ @100¾ |
| Year | 52½ @97 | 93 @111¾ | 99¾ @116 | 70 @100¾ |

In the number for March, 1866, will be found a history of the Erie Company, to which the reader is referred for further information.

CENTRAL RAILROAD OF NEW JERSEY.

The Central Railroad of New Jersey, one of the great through roads across that State, may be characterized at the close of each year as follows :

| | | | | | | | |
|--|-------|-------|-------|-------|------|------|------|
| Main Line—Phillipsburg to Elizabethport..... miles | 1859. | 1860. | 1861. | 1862. | '63. | '64. | '65. |
| Extension—Elizabeth City to Jersey City | .. | .. | .. | .. | .. | 10 | 10 |
| Total length of route | 64 | 64 | 64 | 64 | 64 | 74 | 74 |
| Second track | 49 | 49 | 49 | 56 | 64 | 74 | 74 |
| Sideings (including equivalent third track)..... | 56 | 61 | 64 | 68 | 69 | 71 | 77 |
| Total equivalent single track..... | 169 | 174 | 177 | 188 | 197 | 219 | 252 |

Originally this was almost entirely a local road, and dependent on the New Jersey Railroad for an entrance into Jersey City. The construction of an extension in 1863-4 made it independent in this respect, and the opening of new roads in Pennsylvania has given it an outlet to the West. It has thus become a favorite route for passengers to and from the interior. The construction of the South Branch from Somerville to Flemington, gives it a more Southern terminus through Lambertville and Trenton to Philadelphia, and it is possible that a better route to that city may be furnished by the construction of a short line between Lambertville and Doylestown, the terminus of a branch of the North Pennsylvania Railroad. The improvements already completed have more than doubled its general traffic in the past three or four years. But the great value of the road lies in its coal-carrying business, commenced ten years ago, and now aggregating a million tons a year. The mineral is brought both from the Lehigh and Lackawanna regions, that from the former being shipped at Phillipsburg, and that from the latter comes to the road at Hampton, the point of junction of the Warren Railroad, an extension into New Jersey of the Delaware, Lackawanna and Western Railroad. The depot of this trade is at Elizabethport, whence the coal is shipped to New York and other markets. The last named is a wide-gauge road, and to accommodate its cars the Central Company have laid down a third rail on both its tracks from Hampton to Elizabethport. The accommodations for the trade at Elizabethport are very efficient, and the works there have cost large sums. Indeed, it may here be stated, that the road itself has scarcely cost one half the aggregate expenditures of the company. The wharves and works at Elizabethport, Port Johnston, and Co-muni-paw, and the ferry interests, lands, and miscellaneous properties make up the other moiety of the general cost. To understand the grand progress of the works connected with this road, it is only necessary to state, that at the inauguration of the coal trade in 1856, the capital (shares and bonds) of the company was only \$4,500,000; it is now more than \$12,000,000, and probably three million more will be required to complete the immediate projects now being carried out by the company. In one year—the last of record—the cost of the company's property rose from \$114,865 to \$164,796 per mile of road, and yet so liberal were the nett earnings, that the usual dividend o

10 per cent was paid on the increased capital. The accounts which follow show the progress of the capital, business, and general interests of the company, yearly, for the seven years ending December 31, 1865.

The rolling stock—engines and cars—owned by the company at the close of each year, is shown in the following statement :

| Fiscal years. | Loco-motives. | Equivalent in 8-wheel cars. | | | | No. of cars. |
|---------------|---------------|-----------------------------|-----------|-----------|---------------|--------------|
| | | Pass. | Bag., &c. | Freights. | Coal. Work'g. | |
| 1859 | 32 | 21 | 7 | 196 | 26 | 276 |
| 1860 | 38 | 21 | 7 | 196 | 26 | 277 |
| 1861 | 39 | 21 | 8 | 219 | 29 | 307 |
| 1862 | 38 | 20 | 7 | 246 | 29 | 560 |
| 1863 | 51 | 22 | 7 | 307 | 30 | 604 |
| 1864 | 59 | 34 | 11 | 313 | 71 | 932 |
| 1865 | 65 | 52 | 17 | 368 | 71 | 1,223 |

The reports give no detailed statement of the ferry property, boats, &c. The works both at Jersey City and New York are still incomplete.

ROAD AND FERRY SERVICE.

The following statements exhibits the mileage of trains and ferry-boats, the number and mileage of passengers, and the tons and mileage of merchandise, coal and iron yearly.

Mileage of engines hauling trains and of ferry-boats :

| Fiscal years. | Miles runs by Transportation | | | | Work-ing trains. | Total New Jersey | |
|---------------|------------------------------|-----------|---------|-----------|------------------|------------------|--------------|
| | Pass'ger. | Merch'se. | Coal. | Total. | | engines, R.R.* | ferry boats. |
| 1859 | 141,918 | 110,827 | 276,490 | 529,235 | 25,637 | 554,872 | 42,528 |
| 1860 | 152,518 | 133,763 | 376,476 | 662,757 | 33,010 | 695,767 | 38,187 |
| 1861 | 181,446 | 144,055 | 317,573 | 643,074 | 19,219 | 662,293 | 45,890 |
| 1862 | 201,833 | 146,136 | 309,363 | 657,332 | 29,872 | 687,204 | 53,584 |
| 1863 | 214,483 | 187,159 | 383,451 | 785,093 | 26,947 | 812,041 | 59,164 |
| 1864 | 290,641 | 177,688 | 415,740 | 884,069 | 63,949 | 948,218 | 39,047 |
| 1865 | 431,334 | 230,361 | 593,693 | 1,055,388 | 132,590 | 1,187,978 | 47,072 |

Number of passengers and tons of freight carried, and the mileage thereof :

| Fiscal years. | Passengers. | | Merchan'se. | | Iron. | | Coal. | |
|---------------|-------------|---------|-------------|---------|--------|---------|-----------|---------|
| | Number. | Mil'ge. | Tons. | Mil'ge. | Tons. | Mil'ge. | Tons. | Mil'ge. |
| 1859 | 405,939 | 8,081 | 145,357 | 6,211 | 43,061 | 2,756 | 638,958 | 32,998 |
| 1860 | 429,288 | 9,433 | 151,373 | 6,908 | 55,355 | 3,525 | 854,769 | 46,616 |
| 1861 | 401,634 | 10,802 | 162,382 | 8,496 | 56,600 | 3,619 | 823,214 | 42,907 |
| 1862 | 419,303 | 11,760 | 196,985 | 11,768 | 70,302 | 4,487 | 816,570 | 43,448 |
| 1863 | 529,017 | 13,182 | 263,625 | 13,540 | 80,853 | 5,172 | 1,049,881 | 56,795 |
| 1864 | 698,808 | 19,397 | 272,266 | 14,611 | 69,225 | 4,430 | 1,149,964 | 62,372 |
| 1865 | 928,806 | 23,832 | 317,181 | 17,393 | 75,409 | 4,830 | 1,604,506 | 55,683 |

The merchandise is expressed in tons of 2,000, and the iron and coal in tons of 2,240 lbs. The mileage is stated in thousands (1,000'ds) of miles

The coal tonnage of the road yearly, since the transportation of coal was commenced, has been as follows :

| Year. | Lacka-wanna. | Lehigh. | Total. | Year. | Lacka-wanna. | Lehigh. | Total. |
|---|--------------|---------|---------|-------------------------------------|--------------|---------|-----------|
| 1856 | 98,670 | 33,325 | 131,995 | 1861 | 568,869 | 254,345 | 823,214 |
| 1857 | 209,950 | 84,841 | 294,791 | 1862 | 502,375 | 314,195 | 816,570 |
| 1858 | 417,726 | 122,923 | 540,649 | 1863 | 613,964 | 438,927 | 1,049,881 |
| 1859 | 455,681 | 152,277 | 608,958 | 1864 | 675,743 | 474,221 | 1,149,964 |
| 1860 | 590,863 | 269,906 | 860,769 | 1865 | 494,687 | 509,819 | 1,004,506 |
| Total since commencement of business, 10 years..... | | | | 4,628,518 2,676,779 7,305,297 | | | |

* Mileage of passenger trains run on New Jersey Railroad between Jersey City and Elizabeth drawn by engines of that company. Since 1863 these trains have passed over the new extension of the company's railroad.

TRANSPORTATION ACCOUNT—EARNINGS, EXPENSES, &C.

The following is a statement of the receipts and expenses yearly for the same seven years :

| Fiscal years. | Gross earnings. | | | | | Operating expenses. | Net earnings. |
|---------------|-----------------|-----------|-----------|-----------|-----------|---------------------|---------------|
| | Passenger. | Freight. | Coal. | Mail, &c. | Total. | | |
| 1859..... | \$187,227 | \$336,635 | \$432,422 | \$15,418 | \$971,702 | \$385,716 | \$585,986 |
| 1860..... | 206,281 | 362,482 | 597,324 | 19,761 | 1,185,848 | 475,457 | 710,391 |
| 1861..... | 222,090 | 382,599 | 568,276 | 28,930 | 1,201,895 | 522,452 | 679,443 |
| 1862..... | 230,305 | 481,977 | 661,281 | 24,024 | 1,397,587 | 623,245 | 774,342 |
| 1863..... | 287,959 | 605,335 | 1,021,152 | 27,530 | 1,941,976 | 814,732 | 1,127,244 |
| 1864..... | 488,224 | 731,722 | 1,317,954 | 39,234 | 2,537,184 | 1,231,554 | 1,305,630 |
| 1865..... | 688,774 | 898,287 | 1,388,493 | 60,836 | 3,036,390 | 1,748,493 | 1,287,897 |

Against net earnings are charged, as follows :

| Fiscal years. | Taxes | | Interest paid. | Depreciation, renewals, &c. | Dividends on stock. | Surplus income. |
|---------------|----------|---------|----------------|-----------------------------|---------------------|-----------------|
| | State. | U. S. | | | | |
| 1859..... | \$23,740 | \$..... | \$250,385 | \$91,660 | \$220,300 | \$..... |
| 1860..... | 24,502 | ..... | 192,037 | 40,218 | 361,460 | 92,174 |
| 1861..... | 24,517 | ..... | 139,296 | 71,949 | 363,000 | 80,681 |
| 1862..... | 24,523 | 8,263 | 142,512 | 175,732 | 363,000 | 60,321 |
| 1863..... | 24,576 | 21,731 | 147,712 | 186,568 | 401,578 | 345,079 |
| 1864..... | 26,417 | 49,602 | 155,134 | ..... | 569,573 | 504,304 |
| 1865..... | 31,219 | 90,041 | 170,859 | 134,156 | 861,676 | ..... |

An extra dividend of 10 per cent, amounting to \$515,000, was paid for 1863 from the surplus income, the balance of which at the end of that year was \$578,255. By this operation the balance was reduced to \$63,255. The surplus of 1864, \$504,904, made the total to credit at the end of that year \$568,159, at which it still remains, the net earnings for 1865 having been entirely consumed. The surplus income appears in the ledger under the title of "renewal fund," but this includes \$60,000 transferred to it in 1863 being the amount of premium on sale of new stock.

GENERAL ACCOUNT—BALANCE SHEET.

The financial condition of the Company as shown in the Yearly Balance Sheet is exhibited in the following statement :

| Close of year. | Paid up capital. | Funded debt. | Acc'ts payable. | Accr'd to date—divid'ns interest. | Renew'd fund. | Total amount. |
|----------------|------------------|--------------|-----------------|-----------------------------------|---------------|---------------|
| 1859..... | \$2,319,000 | \$3,235,000 | \$37,761 | \$9,300 | \$..... | \$5,755,061 |
| 1860..... | 3,630,000 | 2,000,000 | 35,335 | 90,750 | 47,833 | 5,896,092 |
| 1861..... | 3,630,000 | 2,000,000 | 20,058 | 90,750 | 47,833 | 5,970,496 |
| 1862..... | 3,630,000 | 2,000,000 | 330,434 | 90,750 | 47,833 | 6,322,193 |
| 1863..... | 4,620,000 | 2,000,000 | 292,277 | 110,355 | 47,833 | 7,708,880 |
| 1864..... | 6,500,000 | 2,000,000 | 429,349 | 159,118 | 47,833 | 9,704,509 |
| 1865..... | 10,685,940 | 1,500,000 | 543,665 | 261,721 | 33,250 | 13,661,735 |

Against which are charged as follows, viz.:

| Close of year. | Railroad account. | Stations, wh'ves, &c. | Engines & cars. | Ferry boats, &c. | Lands, docks, & mixed prop'ty, on hand. | Cash & Mat'ls. |
|----------------|-------------------|-----------------------|-----------------|------------------|---|----------------|
| 1859..... | \$4,480,897 | \$419,517 | \$442,700 | \$246,450 | \$35,044 | \$42,679 |
| 1860..... | 4,480,897 | 422,514 | 489,500 | 246,650 | 75,044 | 101,523 |
| 1861..... | 4,480,897 | 423,771 | 504,500 | 252,650 | 97,258 | 134,920 |
| 1862..... | 4,480,897 | 434,355 | 606,542 | 217,050 | 375,511 | 128,286 |
| 1863..... | 4,844,874 | 438,476 | 773,000 | 307,150 | 820,967 | 424,579 |
| 1864..... | 5,519,011 | 724,916 | 1,078,538 | 554,343 | 1,405,655 | 359,397 |
| 1865..... | 6,106,957 | 1,292,722 | 1,233,772 | 604,587 | 3,845,525 | 406,498 |

Under the caption of "Stations, Wharves, &c.," are included the following, viz. : station-houses, shops and water-stations; lands and works at Elizabethport; Port Johnston coal wharves, and the Communipaw filling and bulkheads, the cost of which in 1864 is stated at \$218,736; \$301,856; \$187,011 and 585,119 respectively.

PROPORTIONAL DEDUCTIONS.

The following, deduced from the above, exhibits the amount of capital (stock and bonds) expended per mile of road, the earnings, expenses and profits per mile, the

proportion of expenses to earnings and of profits to capital, and the rate per cent of dividends on stock, yearly, for the seven last years :

| Fiscal year. | Capital per mile. | —Amount per mile.— | | | Exp. to earnings. | Profits to capital. | Divid' p. c. |
|--------------|-------------------|--------------------|-----------|----------|-------------------|---------------------|--------------|
| | | Earn'gs. | Expens's. | Profits. | | | |
| 1859..... | \$88,234 | \$15,183 | \$6,027 | \$9,156 | 33.07 | 10.38 | 10 |
| 1860..... | 87,970 | 18,530 | 7,429 | 11,101 | 40.16 | 12.62 | 10 |
| 1861..... | 87,970 | 18,779 | 8,163 | 10,616 | 43.42 | 12.07 | 10 |
| 1862..... | 87,970 | 21,887 | 9,738 | 12,099 | 44.67 | 13.75 | 10 |
| 1863..... | 103,437 | 30,343 | 12,730 | 17,613 | 41.95 | 17.03 | 10 & 10ext |
| 1864..... | 114,865 | 34,286 | 16,642 | 17,644 | 4.51 | 15.35 | 10 |
| 1865..... | 164,796 | 41,032 | 23,627 | 17,405 | 57.62 | 10.56 | 10 |

PRICE OF STOCK AT NEW YORK.

The following statement exhibits the monthly range of price at which the company's stock sold at New York :

| Months. | 1860. | 1861. | 1862. | 1863. | 1864. | 1865. |
|----------------|----------|-----------|----------|---------|----------|-----------|
| January..... | 98 @100 | 107½@110 | 114@119 | ...@... | ...@... | ...@... |
| February..... | 99 @105½ | 110 @115 | 120@122 | 170@170 | ...@... | ...@... |
| March..... | 103½@105 | 115 @116 | ...@... | 175@175 | 175 @175 | ...@... |
| April..... | 105 @112 | 110 @115 | ...@... | ...@... | ...@... | ...@... |
| May..... | 112 @115 | 105 @106½ | ...@... | ...@... | ...@... | ...@... |
| June..... | 116 @120 | 108 @112 | ...@... | ...@... | ...@... | ...@... |
| July..... | 116 @116 | 110 @112 | 130@130 | ...@... | ...@... | ...@... |
| August..... | 113 @113 | ...@... | ...@... | 165@165 | ...@... | 120 @124 |
| Septemb'r..... | 116 @117 | 110 @112 | ...@... | ...@... | ...@... | 122 @125 |
| October..... | 115 @115 | 113 @113 | 150@150 | ...@... | ...@... | 122 @131 |
| November..... | 100 @114 | 113 @114 | 150@150½ | ...@... | ...@... | 120 @122½ |
| December..... | 105 @110 | ...@... | 155@155 | ...@... | ...@... | 118 @122 |
| Year..... | 98 @120 | 105 @116 | 114@155 | 165@175 | ...@... | ...@... |

The origin of the Central Railroad was extremely humble, but by consolidation and extension it has become one of the best properties in the Union. The Elizabeth and Somerville Railroad (25 miles) was chartered in 1831 and completed in 1839. The Somerville & Easton Railroad was chartered in 1847, and subsequently (in 1849) was authorized to purchase the first named road and change its title to that of the Central Railroad of New Jersey. Under the original charter nine and a half miles of road from Somerville to Whitehouse had already been constructed. In July, 1850, these two Companies were consolidated, and in September the construction of the remaining portion of the chartered route commenced. This was completed and the road opened to Phillipsburg on the Delaware July 2, 1852. The cost of the road to this date had been about \$3,000,000 and to the end of the years 1854-5 the cost had risen only to \$3,750,000.

The completion of the roads leading from the Lehigh & Lackawanna Coal regions gave a new impetus to the interests of the Central Company, and led to the formation which the Central Railroad became the channel of their trade to New York. This was in 1855; and for the accommodation of this business suitable and extensive improvements were made. From Hampton where the Lackawanna road comes in to Elizabethport a third rail was laid down for the accommodation of the wide cars of that line and a large coal depot formed at Elizabethport. A second track (also with a third rail) was subsequently laid down, and eventually the second track was extended from Hampton to Phillipsburg for the better accommodation of the Lehigh Coal trade.

Until 1864 the passenger business of the Central Company between Elizabeth and Jersey City was carried over the New Jersey Railroad for which privilege the Central Company had to pay fifteen cents per passenger. The freight business with New York was conducted by ferry boats between Elizabethport and that city. Under this high charge and these circumstances the development of business could at best be a slow process. To remedy this drawback the Company determined on construct-

ing an extension of their own road to Jersey City which was commenced in 1863 and completed in August 1864. This extension crosses Newark Bay and has been a very extensive undertaking. It also involved the establishment of an independent ferry to New York, &c. The Company are still proceeding with these and other improvements which when completed will have cost altogether about \$15,000,000.

Notwithstanding the difficulties with which the Central Company have had to contend, and which are yet scarcely overcome, they have never, except in a single year failed to pay dividends. This exception was the year 1854-5 when the net earnings were devoted to construction. In 1852-3 they paid 5 per cent, in 1853-4 and 1855-6 7 per cent, and in 1856-7, $3\frac{3}{4}$ per cent. Since this period regular 10 per cent dividends have been paid, and in 1863 an extra dividend of 10 per cent. Under these circumstances the stock of the Company has been a great favorite with investors and has always sold high in the market. Very little, however, is offered the great bulk being held for permanent investment.

NATIONAL AID TO AMERICAN STEAMSHIPS.

A memorial has been presented to Congress, we are informed, from the Commercial Navigation Company of the State of New York asking for the passage of a law authorizing the Postmaster General to arrange and contract with them for the weekly conveyance of the foreign and European mails of the United States between New York and Liverpool, for a term not exceeding twelve years. The proposition submitted by the Company is to establish a line consisting of seven sea-going steamships, two of them of two thousand and five of three thousand tons, all to be constructed in the best manner with all known modern improvements in model, machinery and outfit, so as to secure the greatest possible speed and safety. The purpose is said to be to secure a speed of from twelve to fourteen marine miles an hour, with a draught of water which shall not exceed sixteen feet when loaded; and in the plan of construction, to have their decks, one extending the entire length of the vessel, giving passengers every proper comfort and convenience. These steamships when constructed will constitute a United States Mail Steamship Line for the conveyance of the mails; the times of sailing and other details to be arranged between the Company and the Postmaster General.

The compensation proposed for carrying the mails is the postage. It will be remembered that a contract with a steamship company running vessels between this country and Brazil, gives that company those terms. The Commercial Navigation Company, however, ask beyond this in view of the expenditure of about eight millions dollars, required for building, equipping and operating such a line of steamships, that the Postmaster General shall be authorized to guarantee the payment of their bonds to the amount of some \$3,000,000. In order, however, to assure the Government against loss in this transaction, the company are to give to the United States a first lien upon the steamships, their tackle, apparel, machinery and furniture, which will be, it is shown by the exhibits of the company, worth full double the amount of the obligations so assumed; also, that the Postmaster-General shall receive all the moneys paid for postage on the mails so carried, applying it to pay the interest on the bonds, and retaining the excess for the liquidation of the principal till the

whole indebtedness shall have been met. The bonds so guaranteed shall be issued in such amounts and at such times during the construction of the steamships as the Postmaster-General shall determine; and shall be made payable at the expiration of twelve years, bearing interest at five per cent, gold, to be paid semi-annually. The company propose also, for additional security against loss on the part of the Government, to cause each of their steamships to be insured against the dangers of the seas in amounts equivalent to the amounts of the bonds so guaranteed and owing, by marine insurance companies in good standing; the policies to be made payable on the order of the Postmaster General. The diplomatic agents of the United States are to be received and carried as passengers on their ships free of expense to the Government, at such times and periods as shall be required of the Secretary of State. The Navy Department, in the event of war, may take the vessels and use them as transports or ships of war for an equitable sum, or may purchase them, as the Secretary of the Navy shall deem proper, for the public service.

The estimate upon which this proposal is based places the average annual amount to be received for postage at \$450,000; which would be more than ample to liquidate the interest and principal of the bonds so endorsed. By reference to the report of Postmaster General Dennison, for the fiscal year ending on the 30th of June, 1865, it will be seen that the amount paid to foreign steamship lines for postage on mail matter to Europe, was \$405,479; the total amount for the three years ending with that date being \$1,109,403. The company suppose that, with the return of peace, postal communication will be increased somewhat above these amounts, which is more than probable.

This proposition brings up again the whole question of the policy of granting governmental aid for these private enterprises. There is no need of defining the subject; it has been too often discussed for any one not to understand the arguments. The legitimate province of government, abstractly considered, is the administration of justice. The establishment of industrial pursuits and analogous legislation are hardly to be included in its purposes. It is to be presumed that the citizen will employ his talents and energies in the vocation that will be most lucrative, without asking for legislation to make it so. But the exigencies of the business world have often complicated these matters. The pursuits of commerce become essential in the way of making other departments of industry remunerative. Acting under this view, the British Government has given large subsidies to steamship lines running to America, the West Indies, and Australia. Mr. Cunard, when he projected his line of steamers, demonstrated that the magnitude of the capital which it must involve, and the vast expenditure attaching its maintenance, were such as not to be covered by any commercial returns to be expected from it; and that, consequently, it could only be sustained by a liberal subsidy. The government stipulated to grant him £60,000 a year, and he began his enterprise; but finding this amount insufficient, he obtained its increase to £100,000. This did not meet the exigency, and it was raised to £145,000 a year—which Doctor Lardner calculated to amount to ten shillings and eight pence a mile. The West India Steam Packet was afterward established, and received a still greater subvention, £240,000 per year. Recently, these subsidies have been discontinued, as was

obviously proper, the profits of the lines having become ample to remunerate the companies for the capital invested. England has received her compensation in the volume of the commerce obtained through the running of popular steamship lines.

In the United States there has been a strong feeling against this policy of subventions. The experiment of the Collins steamship lines has seemed to deepen rather than alleviate this prejudice. Nevertheless, aid has been granted to two Pacific Railroad Companies, and large grants of public lands have been made to the new States for railroad purposes. Every argument that can be employed in defence of these measures would seem to apply with equal force to the bestowment of governmental aid upon steamship lines. They increase the volume of commerce and direct it to our own ports, thus making industry remunerative and so developing the resources of the country. The example already set of granting to the line running between this city and Rio de Janeiro the amounts received for postage, affords a precedent. Whether it is sound policy after making a like contract with the Commercial Navigation Company, to take a further step and guarantee their bonds, may be somewhat questionable. It would seem at first blush that a company having a mail contract of twelve years would be able on its own security to obtain all the money required. There are, nevertheless, other facts to be taken into consideration. The capital of the country has been depleted by the recent civil war, and there is but a small amount comparatively now seeking investment. If it is ever proper for a government to step aside from its legitimate province to grant aid to private enterprise, it is at such periods. The Legislature of the State of New York, just after the Revolution, created a fund to be lent to citizens to enable them to carry on business; it has also made grants to railroad and other companies. Other governments have, under the pressure of similar emergencies, taken measures to aid men of enterprise. When we consider what Great Britain has done to promote steam navigation of the ocean, and the advantages which were thus secured for her merchants and manufacturers, it will go far to obviate whatever prejudice we may entertain about subventions. It is for our interest to keep up commercial intercourse with the ports on the Mediterranean and the countries lying on the Indian and Pacific Oceans. To effect this, it will be necessary to bring them into frequent communication with the United States. If the patronage of our Government can be prudently and judiciously employed to that end, it would, therefore, seem to be advisable to bestow it, either by subsidy or by liberal contracts. Upon the direct question of assuring, or rather guaranteeing private obligations, we are not so clear. It looks too much like a mixing up of public with private matters, and in such cases, in times past, the public interest was but too often liable to be a loser. But we would not be too nice and fastidious when an ulterior advantage is likely to ensue counterbalancing the risk of loss. It is now the time, if ever, when the Government should be generous to private enterprise, particularly when such an opportunity is likely to be afforded to initiate an era of commercial prosperity for the country. We trust, therefore, that Congress will weigh carefully the entire question, and determine wisely as to the course which shall be pursued.

THE PAST AND FUTURE COTTON SUPPLY.

Those who estimated the supply of cotton in the South at the close of the war at about two and a half millions of bales, appear likely to witness the fulfilment of their predictions. From the close of hostilities up to the present time, the receipts at all the ports aggregate about 2,300,000 bales, and it is probable that about 125,000 bales more remain still in the interior. Until a late date, the stock not yet brought forward was estimated at about double this amount. The large falling off in the receipts within the last three weeks has, however, modified this opinion; and now there are but few estimates exceeding the figures we have stated. The largely diminished arrivals at the ports have produced a very general belief that we are verging closely upon the last of the old crop. For the purpose of showing the extent of reduction in the arrivals, we present the following comparison of the receipts at the ports at the latest mail dates reported at New York, for the last three weeks, and for the three weeks ending May 4:

| | | Bales. | | | Bales. |
|-------------------------------|--|---------|-----------------------------|--|--------|
| For week ending April 20..... | | 40,000 | For week ending May 18..... | | 30,000 |
| " " " 27..... | | 35,000 | " " " 25..... | | 19,000 |
| " " " May 4..... | | 33,000 | " " " June 1..... | | 17,000 |
| Total..... | | 112,000 | Total..... | | 66,000 |
| | | 66,000 | | | |
| Decrease..... | | 46,000 | | | |

We have then a decrease of 46,000 bales in the last three weeks, compared with the aggregate for the three weeks ending May 4. This decided contraction in the receipts is so sudden as to give plausibility to the suggestion that cotton has been kept back from some motive; and it is readily supposed that the symptoms unfavorable to the prospects of the growing crop, which have been developed during the last month, may, with the present low prices, have supplied such a motive. Still we do not think it probable, since all the information we have from the interior clearly indicates an exhaustion of the supply, if we except the stocks at Memphis, Augusta, etc. As we are then approaching the close in the receipts of the old crop, it may be interesting to compare the movements of the staple at the principal ports. The following statement shows the receipts and exports since Sept. 1, 1865, and the stocks at the latest dates:

RECEIPTS AND EXPORTS OF COTTON (BALES) SINCE SEPT. 1, AND STOCKS AT DATES MENTIONED

| PORTS. | RECEIVED SINCE SEPT. 1. | EXPORTED SINCE SEPT. 1 TO— | | | | SHIPMENTS TO NORTH'N PORTS. | STOCK. |
|--------------------------|-------------------------|----------------------------|---------|---------------|-----------|-----------------------------|---------|
| | | Great Britain. | France | Other for'gn. | Total. | | |
| N. Orleans, May 25..... | 640,903 | 312,987 | 119,360 | 19,863 | 452,210 | 191,625 | 147,496 |
| Mobile, May 25..... | 395,754 | 213,717 | 37,318 | 1,579 | 252,614 | 96,091 | 42,407 |
| Charleston, May 25..... | 96,648 | 35,284 | 5,959 | 578 | 41,821 | 42,571 | 9,610 |
| Savannah, May 25..... | 226,865 | 84,060 | 1,492 | .... | 85,552 | 131,405 | 16,668 |
| Texas, May 19..... | 160,395 | 56,167 | 1,739 | 3,214 | 61,130 | 61,956 | 8,257 |
| New York, June 1*..... | 130,366 | 379,617 | 35,000 | 40,680 | 455,387 | .... | 149,000 |
| Florida, April 21..... | 136,752 | 31,772 | .... | .... | 31,772 | 113,433 | 6,742 |
| N. Carolina, June 1..... | 60,442 | 21 | .... | .... | 21 | 60,442 | .... |
| Virginia, June 1..... | 30,741 | .... | .... | .... | .... | 30,741 | .... |
| Other ports, May 29..... | .... | 18,049 | .... | 290 | 18,339 | .... | .... |
| Total..... | 1,878,866 | 1,131,674 | 200,358 | 66,204 | 1,398,836 | 728,264 | 380,280 |

* By Railroad, Canal and River.

The total receipts since September 1st thus appear to amount to about 1,878,866 bales. During the same period we have exported to foreign countries 1,398,836 bales, or within 480,000 bales of the whole receipts. Of the total shipments 1,131,674 bales have gone to Great Britain, and 200,958 bales to France. Great Britain has taken 60 per cent of the whole receipts, and France about 10 per cent. For the first time in the history of the cotton trade, New York has proved to be the chief cotton port, the exports from this port having been 455,387 bales, from New Orleans 452,210 bales, and from Mobile 252,614 bales.

The present stock of cotton at all the ports aggregates about 400,000 bales; so that, supposing there should be 125,000 bales still in the interior, we have a total supply for the remaining three months of about 525,000 bales. Our own spinners may be supposed to require, say 15,000 bales per week, or at the utmost not over 200,000 bales of this amount; and the question of chief interest is, How far will the balance, after allowing for moderate stock at the close of the year, suffer for the want of foreign spinners? The condition of the British market is deserving of special notice. On the 10th of May the combined stocks of London and New York amounted to 928,422 bales—in addition there was afloat for those ports 135,000 bales of American and 711,000 bales of Indian—making a total supply of 1,775,080 bales. Now, deducting from this amount say half a million bales as the ordinary stock at the close of the cotton year, there would remain for consumption and export 85,000 bales per week until the 1st September, or nearly 40,000 bales per week in excess of the average sales for consumption and export at Liverpool since January 1st. It appears, therefore, that the Liverpool market is being so heavily crowded with cotton, it can be of no serious consequence to the British cotton trade that our supplies are being rapidly exhausted, unless they need a larger proportion of the long staple cotton than they are receiving. Without assuming any immense receipts at Liverpool from the present time to the close of the cotton year, it would seem quite probable that, on the 1st September, the stock at that port will not stand below the extraordinary figure of 1,000,000 bales.

Should this prove to be the case, the trade will have an important offset against any disappointment in the crop that may occur here. Present indications are not at all flattering to the hopes of a three-fourths crop lately cherished. The fears of a lack of vitality in the old seed which planters were compelled to use have been realized, the plant having withered to such an extent that large tracts of land have to be replanted. The tax of five cents upon cotton and the panicky condition of affairs at Liverpool have induced some of the growers to plant corn instead of cotton upon lands where the seed has thus failed. In some districts the neglected condition of the lands has caused such a growth of weeds as has seriously injured the progress of the cotton plant. Storms and frosts, too, have done fully their average amount of damage to the crop. The crevasse on the Mississippi has caused the flooding of a very important cotton country; and there seems to be little hope that the waters will subside early enough to admit of the crop there being replanted with any prospect of its ripening in due time.

These facts are certainly discouraging, and do not favor the late estimates of two and a half to three millions of bales. There are, how-

ever, so many contingencies of weather, worm and labor, that it would be useless to attempt any definite estimate as to the total amount likely to be realized out of the growing crop. Time alone can furnish the solution of this question, upon which the value of such an immense amount of property depends.

COMMERCIAL CHRONICLE AND REVIEW.

Stagnation in Business—Panics—Derangement of Money Market—Return of Five-twenties from Europe—Rates of discount—Prices of American Securities at London—New York prices of Governments—Railroad Stocks—Course of Gold for month—Treasure movement—Exchange, &c.

The threatened war, the London panic, with the continued decline in cotton, and the consequent drain of about twenty five millions of gold, resulting in a rise of from 125½ to 140½, and unsettling all values, have been the prominent influences operating on the market during the month, producing general stagnation in business circles. With the rise in gold holders have become more firm, and in some cases put up prices, and checked even the little animation exhibited before. Among all classes, however, a feeling of great incertitude prevails in regard to the future, and the panic at London has seemed to increase rather than diminish it. With a certain class of financial men it has long been a prevailing theory that as a panic has usually invaded this country and England once in ten years, so in 1867 we ought, in the ordinary course of things, to look for a repetition of the disasters of 1857, 1847, and former decadic periods. It has also been suggested, that as we have now a deranged and depreciated paper currency, which has a constant tendency to produce a treacherous and inflated state of credit, the coming of the financial storm may probably be accelerated, and its force may strike us before the completion of the tenth year. Such suggestions from sagacious, far seeing men, have their uses; and with an intelligent people are productive of the most salutary general caution. Had not the worst abuses of which our expanded credit system is capable been continually kept in check, we might long ago have had enacted among us scenes in comparison with which the memorable events of 1857 would have seemed almost insignificant. A financial panic now would be much more serious in its consequences, more wide in its sweep, and more resistless in its course, than any similar previous convulsion recorded in our history; for at present our financial edifice is composed of and surrounded by combustible materials, so that a conflagration, should it break out, would be less under control. It is, therefore, of no small importance that we should be advised to be on our guard, to adopt every known precaution, to use every preventive in our power.

The recent panic in London adds another to the list of our warnings. In England the credit system has long had a tendency to expand beyond all safe limits, and the overstrained machinery has at last broken down. Had the other banking and finance companies been generally in a sound condition, the failure of a great house like that of Overend, Gurney & Co., could scarcely have failed to cause much commotion. But, as has happened here on the suspension of a lead-

ing banking firm, the commotion usually subsides without the wave of trouble being able to reach more than a very limited circle. The sufferers mostly obtain speedy and easy accommodation elsewhere; for, partly from sympathy, and more from policy, other banking houses are led to do all they can to prevent the panic from spreading or becoming general. Hence, in a short time the great wheels of the financial machine revolve as before. Now, every one who has intelligently watched the monetary movements of the last five years, can point out half-a-dozen occasions or more when the symptoms of approaching panic were appalling, but the glowing embers were extinguished before they could spread and rise into a conflagration.

What, then, shall we infer from this state of the facts? First, it is evident that a financial revulsion, if appropriate timely means be used, may be prevented. "A panic which everybody expects," says the proverb, "never comes." It was partly because of their fancied immunity from danger, that the recent disasters in England were so fatal; and it is because of our acknowledged exposure to financial troubles, that we have enjoyed such freedom from their most formidable consequences. For the mariner who carries too much sail, and too little ballast, is most in danger from the sudden squall. Let our richly freighted barque be more cautious beforehand, and it may safely ride out the storm, come when and with whatever violence it may. Moreover, as we have heretofore avoided the long prognosticated panics, so we shall perhaps continue exempt, if we only persist in making use of the same means as we have found effectual hitherto. A financial crisis is not like an earthquake or a volcanic eruption, or a malignant epidemic, produced by causes that are unknown or beyond our reach. It rather resembles an incendiary fire, the materials being heaped up by ourselves beforehand, on which, but for our own misdoing, the sparks, though cast by a careless, or ignorant, or malicious hand, would fail to do much harm. We must, however, be well assured that during the next year or two, nothing but the most firm circumspect and judicious care will preserve us from panics and revulsions of a most disastrous character.

The great lesson which the late English monetary crisis teaches us is the danger of over speculation. Bankers and finance companies, by offering high rates of interest, attracted heavy deposits. The money thus obtained they engaged to pay back to the owners on demand. Regardless of the danger that it might suddenly be demanded, they lent it out at very high rates for one year, two years, or even a longer time. Now, there are not a few of our own bankers, who, like Overend, Gurney & Co., and others, forget that high rates for money mean large risks, and should either be protected by adequate reserves, or preferably refused altogether.

From the statements of the London journals it appears that in this matter of reserves the most infatuated negligence seems to have prevailed among the finance companies and private banking houses of England. All those which have succumbed are reported to have invested their whole, or nearly their whole available means, trusting to the reserves of the Bank of England to help them out if any difficulty should occur. A more perilous course it is difficult to conceive. The reserve of ready money held by the Bank of England, according to

this method of banking, would be relied on as a basis not only for its proper and known liabilities, but for the vast unknown mass of floating obligations incurred by a multitude of independent and uncontrolled institutions, who are making the greater gain by working without adequate reserves of their own providing. In the conflicting mass of testimony on the subject, it is not easy to find out to how great an extent this vicious and dangerous practice has obtained; but it well deserves, and we trust will soon receive, a thorough exposure by a Parliamentary commission.

If there be one feature of our banking system which has chiefly and most of all tended to give solidity to the whole fabric, we think that feature is the positive obligation by which each institution has to keep a reserve of legal tenders equal to one fourth of all its liabilities for notes and for deposits. This provision is the great safeguard of the system, and has tended to neutralize and arrest many of its evils. We cannot too jealously guard the legal tender reserves of our banking institutions. And it is a gratifying fact, pointed out by Mr. Freeman Clarke in his last report, that the aggregate reserves of our National Banks are considerably in excess of the requirements of the law.

It is one of the many valuable functions discharged in our financial system by the compound legal tender notes that they act as a reserve and give strength to the banks, while as they earn interest, an inducement is offered to the banks to carry more compounds than they are actually compelled to hold by the law. This, doubtless, is one chief cause of the interesting fact relative to the excess of the legal tender reserve for which Mr. Clarke does not in his report attempt to account. It also furnishes us with an additional reason to those we have frequently detailed in these columns for disapproving the policy of withdrawing the compound notes which is advocated in influential quarters.

To sum up our whole argument, we may say that in proportion as we have abundant reserves in our banks and abstinence from inordinate speculation in all departments of financial enterprise shall we be likely to have an exemption from the worst evils of monetary panics.

The money market during the month has exhibited considerable derangement, in great part due to the sales of thirty millions of gold by the Government within the ten days ending May 24. The sudden increase of our foreign indebtedness by the return of Five-twenties from London, and the falling due of from eight to ten millions of coupons of Five-twenty bonds held abroad, at the same time with the stoppage in our exports of cotton, necessitated the shipment of an extraordinary amount of specie. To meet this demand and to prevent a rise in gold the Government very unwisely opened its coffers, and as the bulk of the payments fell due in one week, the result was a sudden and heavy drain on the banks, with considerable derangement in monetary affairs. Late in the month there has been a steady recovery. Below we give the current rates for loans each week :

RATES OF LOANS AND DISCOUNTS.

| | May 4. | May 11. | May 18. | May 25 |
|-------------------------------------|---------|---------|---------|---------|
| Call loans..... | 4 @ 5 | 4 @ 5 | 4 @ 5 | 7 @ - |
| Loans on Bonds and Mortgage..... | 6 @ 7 | 6 @ 7 | 6 @ 7 | 6 @ 7 |
| A 1, endorsed bills, 2 mos..... | 5½ @ 6 | 5 @ 6 | 5 @ 6 | 6½ @ 7 |
| Good endorsed bills, 3 & 4 mos..... | 6 @ 7 | 6 @ 7 | 6 @ 7 | 6½ @ 7 |
| “ “ single names..... | 7 @ 8 | 7 @ 8 | 7 @ 8 | 8 @ 10 |
| Lower grades..... | 10 @ 15 | 9 @ 12 | 9 @ 12 | 10 @ 18 |

There have been, during the month, about twelve millions of Five twenties returned from Europe, and the market here, towards the close of the month, has yielded somewhat until the rise in gold caused an increased demand, and the price rapidly recovered.

There are two things which, to us, render it probable that the return current of our securities from Europe will not, for any great length of time, be kept up. First, there are comparatively few of our Five-twenties in England. Of the 350 millions of these securities which are in the hands of European holders, it is computed that not more than 50 millions are owned by British capitalists. Hence, if on the Continent of Europe, in consequence of the troubled state of the political atmosphere, a considerable amount of bonds should be thrown on the market, they will be very likely to be taken up in Europe, where there is always an immense amount of capital waiting to invest itself in sound and safe securities. The firmness in consols indicates that the scare in the London money market is passing away, and that the financial atmosphere is clearing up. The same cause which has given a turn to British investments in the direction of consols, can scarcely fail to operate in favor of American securities, especially as all the securities of the Continental governments are temporarily depressed and avoided.

Secondly, there is in England a growing conviction which is permeating the masses of the people, and is obtaining more and more power over the moneyed and governing classes, that this country is well able to bear its load of debt, and that our unbounded faith in the vast resources and recuperative energy of the United States does not rest on a false foundation. This conviction has recently found expression in the House of Commons in a speech by the Chancellor of the Exchequer, Mr. Gladstone, whom no one will suspect of undue partiality. He observes that "the debt of the United States is in itself something wonderful—wonderful as the creation of four years, strictly of four years, and no more; and yet amounting to nearly \$3,000,000,000, or £600,000,000, and the rate of growth of the debt in the last year exceeded, I think, £200,000,000. That is a wonderful debt, and its charge is enormous. Well, now, looking at these figures, a man would be struck with something like despair; but if we look at the position of the country which has to bear the burden, I must confess that I think *the future of America*, as far as finance is concerned—political problems are not now in question—*will not be attended with any embarrassment. I do not believe the debt will constitute any difficulty for the American people.* I am confident that if they show with respect to finance, any portion of that extraordinary resolution which on both sides alike they manifested during the war, and of that equally remarkable resolution with which, on the return of peace, they have brought their monstrous and gigantic establishments within moderate bounds, I won't say that this debt, according to an expression which was once fashionable in this country, will be a fleabite, but that in a moderate time it will be brought within very small limits, and *may, even within the lifetime of persons now living, be effaced altogether.*" In these remarks we see not merely what is thought of American securities by Mr. Gladstone, but they are still more valuable as an echo of British opinion, and especially of the opinion of British capitalists and investors. With such testimony before us, we are still of the opinion we expressed recently, that in proportion as our securities leave Germany, they will have a growing

tendency to find a resting place in England. We do not wish to be understood as favoring the retention of our bonds in Europe. On the contrary, if we are able to absorb the whole of them in this country, our financial position would be stronger, or less open to disturbance than if they were held abroad.

The extent of the decline at London may be seen from the following table of the highest price at London daily, for the four weeks record during the month :

PRICES OF AMERICAN BONDS AND RAILROAD SHARES AT LONDON.

| | Week ending April 21. | | | | | | Week ending April 28. | | | | | |
|----------------------------|-----------------------|------|-----|------|------|------|-----------------------|------|-----|------|------|------|
| | Mon | Tues | Wed | Thur | Fri. | Sat. | Mon. | Tues | Wed | Thur | Fri. | Sat. |
| United States 5'20's, '82. | 69½ | 69¼ | 69¾ | 70¼ | 70½ | 70 | 70¾ | 70¾ | 70¾ | 70¾ | 70¾ | 70¾ |
| | Week ending May 5 | | | | | | Week ending May 12 | | | | | |
| | Mon. | Tues | Wed | Thur | Fri. | Sat. | Mon. | Tues | Wed | Thur | Fri. | Sat. |
| United States 5-20's, '82. | 69½ | .. | 69¾ | 68¾ | 69¾ | 68 | 68¾ | 66¾ | 66¾ | 65¼ | 63½ | 63 |

From the foregoing it will be seen that the decline is from 73½ on April 6, to 63 May 12. Below we give the price at the New York Stock exchange of the several leading Government securities represented by the closing sale of each day in May, 1866 :

PRICES OF GOVERNMENT SECURITIES, APRIL, 1866.

| Day of month. | 6's, 1881. | | 6's, 5-20 yrs. | | 5's, 10-40 yrs. | | 7-30's, 1867. | 1 y'r certif. |
|----------------|------------|------|----------------|------|-----------------|------|---------------|---------------|
| | Coup. | Reg. | Coup. | Reg. | Coup. | Reg. | | |
| Tuesday ... 1 | 108 | .. | 101½ | 101½ | 94½ | .. | 101¾ | 100% |
| Wednesday 2 | 108 | 108¾ | 101½ | 101½ | 95 | .. | 101¾ | .. |
| Thursday ... 3 | 108¾ | 108¾ | 101½ | 102 | 96 | .. | 101¾ | .. |
| Friday ... 4 | 109 | .. | 102½ | .. | 95½ | .. | 102 | .. |
| Saturday ... 5 | 109¾ | .. | 102½ | .. | 95½ | .. | 102 | .. |
| Sunday ... 6 | .. | .. | .. | .. | .. | .. | .. | .. |
| Monday ... 7 | 109 | .. | 102½ | 102 | 95½ | .. | 102 | .. |
| Tuesday ... 8 | 109½ | .. | 102 | 102 | 95½ | 96 | 102½ | .. |
| Wednesday 9 | 109 | .. | 102 | .. | 96 | .. | 102½ | 100¾ |
| Thursday ..10 | 109½ | 109¾ | 102 | 102½ | 95½ | .. | 102½ | 100¾ |
| Friday ...11 | 109¾ | 109¾ | 102 | .. | 96 | .. | 102½ | 100¾ |
| Saturday ..12 | 109¾ | 109¾ | 102 | .. | 96 | .. | 102½ | .. |
| Sunday ...13 | .. | .. | .. | .. | .. | .. | .. | .. |
| Monday ...14 | 109 | .. | 101½ | 102 | 95½ | .. | 102½ | .. |
| Tuesday ...15 | 108¾ | .. | 101½ | .. | 96½ | 95½ | 102½ | 100¾ |
| Wednesday16 | 108¾ | 108¾ | 101½ | .. | 96½ | .. | 102½ | 100¾ |
| Thursday ..17 | .. | .. | 101½ | .. | .. | .. | 102½ | 100¾ |
| Friday ...18 | 109 | .. | 101½ | 101½ | .. | .. | 102½ | 100¾ |
| Saturday ..19 | .. | .. | 101½ | .. | .. | .. | 102½ | .. |
| Sunday ...20 | .. | .. | .. | .. | .. | .. | .. | .. |
| Monday ...21 | 108¾ | 109 | 101½ | 102½ | 96 | 96½ | 142½ | 100% |
| Tuesday ...22 | .. | 108¾ | 100½ | .. | 95½ | .. | .. | .. |
| Wednesday23 | 107½ | .. | 100½ | .. | 94½ | .. | 101½ | .. |
| Thursday ..24 | 108¾ | 108 | 100½ | .. | 94½ | .. | 101½ | .. |
| Friday ...25 | .. | .. | 101½ | .. | 94½ | 94½ | .. | .. |
| Saturday ..26 | 108¾ | .. | 101½ | 104½ | 95½ | .. | .. | .. |
| Sunday ...27 | .. | .. | .. | .. | .. | .. | .. | .. |
| Monday ...28 | 108¾ | .. | 102½ | 101½ | .. | .. | 102½ | 100% |
| Tuesday ..29 | 109¾ | 109¾ | 102½ | .. | 96 | .. | 102½ | .. |
| Wednesday30 | 109¾ | .. | 102½ | .. | 96 | .. | 102½ | .. |
| Thursday ..31 | 109¾ | .. | 102½ | .. | 95½ | .. | 102½ | .. |
| Opening. | 108 | 108¾ | 101½ | 101½ | 94½ | 96 | 101¾ | 100% |
| Highest | 109¾ | 109¾ | 102½ | 102½ | 96½ | 96½ | 102½ | 100% |
| Lowest | 108 | 108 | 100½ | 101½ | 94½ | 94½ | 101¾ | 100% |
| Closing | 109¾ | 109¾ | 102½ | 101½ | 95½ | 94½ | 102½ | 100% |

The railroad returns for the month of April show very satisfactory results ; since instead of the large decrease in earnings anticipated on the close of the war very many of the roads show an increase. Below we give the earnings for the month compared with the corresponding periods of 1865.

RAILROAD EARNINGS FOR THIS YEAR.

| Railroads. | 1865 | 1866 | Difference. |
|--------------------------------------|-------------|-------------|----------------------|
| Atlantic and Great Western..... | \$399,870 | \$388,480 | Decrease.. \$11,390 |
| Chicago and Alton..... | 258,480 | 370,889 | Increase.. 112,409 |
| Chicago and Great Eastern..... | 75,514 | 102,801 | Increase.. 27,287 |
| Chicago and Northwestern..... | 468,358 | 5 8,736 | Increase.. 50,378 |
| Chicago and Rock Island..... | 186,172 | 197,886 | Increase.. 11,714 |
| Erie..... | 1,538,314 | 1,153,295 | Decrease.. 385,010 |
| Illinois Central..... | 516,608 | 406,773 | Decrease.. 109,835 |
| Housatonic..... | 33,237 | 37,558 | Increase.. 4,321 |
| Marietta and Cincinnati..... | 86,184 | 82,782 | Increase.. 536 |
| Michigan Central..... | 337,340 | 343,736 | Increase.. 6,496 |
| Michigan Southern..... | 366,245 | 409,427 | Increase.. 43,182 |
| Milwaukee and St. Paul..... | 106,269 | 121,904 | Increase.. 15,635 |
| Ohio and Mississippi..... | 271,527 | 277,423 | Increase.. 5,896 |
| Pittsburg, F. Wayne and Chicago..... | 733,866 | 606,078 | Decrease.. 127,788 |
| Toledo, Wabash and Western..... | 144,001 | 270,309 | Increase.. 125,299 |
| Western Union..... | 32,972 | 43,333 | Increase.. 9,361 |
| Total..... | \$5,551,859 | \$5,331,341 | Decrease.. \$220,518 |

The decrease appears thus to have occurred in the great through lines, as the Erie, the Atlantic and Great Western, the Pittsburg, Fort Wayne and Chicago and the Central Illinois. In all others noted above, there has been more or less increase. It may, however, be observed that in the case of the Toledo, Wabash and Western, the mileage operated this year is double that of last year, which converts the apparent increase into a decrease.

The market for railroad and other stocks has been quite active during the month. The speculative ardor of Wall street was momentarily checked by the unfavorable advices from the money centres of Europe and a temporary depression of prices resulted. Very soon, however, the street appeared to reach a unanimous conclusion that the Bourse and 'Change had little direct bearing upon Wall Street, and the flurry was consequently succeeded by a fresh activity in speculation for higher prices. In the latter part of the month, however, this buoyant tendency was checked by an extraordinary movement in Erie. On Monday about twenty thousand shares of the stock was thrown upon the market, causing a decline of 5 per cent. On Tuesday about twenty thousand more sold, producing a further fall of 5 per cent, the price closing on that day at 57½. On Wednesday about ten thousand shares more were sold, but the price reacted and closed at 61½—a recovery of 4½. Yesterday the price opened at 59½, and closed at 60½; and to-day on the street the stock was quoted 61½@61¾.

This extraordinary movement is explained by the supposition that the speculative director of the road had thrown a large portion of the stock he holds as collateral on a loan to the company upon the market. We understand that the company recently borrowed a further sum from Mr. Drew—augmenting his loan to \$1,800,000—depositing fourteen thousand shares of common stock, thereby increasing the amount of stock held by him as collateral to twenty-eight thousand shares. It is understood, further, that the company has negotiated with Mr. Drew for a new loan of \$1,700,000, to run two years, advancing as collateral \$3,000,000 of the convertible bonds of the company, which bonds Mr. Drew is to have the right to convert into stock at his discretion, and either of which he may use as he pleases, only being obligated to return an equivalent amount of either bonds or stock on the liquidation of the loan. The total floating debt of the company is stated to \$3,500,000, which, when the last mentioned loan is taken up, will be represented by Mr. Drew's loans. There has been rather more

activity in the miscellaneous list, especially in Boston Water Power and Canton, both of which are under clique manipulation. The following are the closing quotations for leading stocks, compared with those of previous weeks:

| | April 20. | April 27. | May 4. | May 11. | May 18. | May 25. | May 31. |
|--------------------------|-----------|-----------|--------|---------|---------|---------|---------|
| Cumberland Coal..... | 45 | 45 | 44½ | 45 | 47 | 45½ | .... |
| Quicksilver..... | 53 | 55½ | 54 | 55½ | 54½ | 52½ | 53½ |
| Canton Co..... | 53 | 57½ | 59 | .. | 61% | 57% | 60 |
| Mariposa pref..... | .. | 23% | 25½ | 24½ | 22 | 23½ | 24½ |
| New York Central..... | 92½ | 93 | 92½ | 92½ | 94% | 94½ | 98 |
| Erie..... | 72½ | 73% | 73% | 73½ | 74% | 68½ | 60½ |
| Hudson River..... | 108% | 110½ | 110½ | 109½ | 111% | 113½ | 113½ |
| Reading..... | 103 | 105 | 107½ | 107½ | 107% | 110% | 109% |
| Michigan Southern..... | 81% | 82% | 78½ | .. | 79% | 80 | 80% |
| Michigan Central..... | 103½ | 107½ | .. | .. | .. | 108 | 107 |
| Cleveland and Pittsburg. | 80½ | 82½ | 82 | 83½ | 86 | 86% | 84½ |
| Cleveland and Toledo.... | xd.101½ | 104½ | 104½ | 104½ | 105 | 104% | .. |
| Northwestern..... | 27 | 29½ | 29 | 28% | 29% | 28% | 28% |
| " preferred.. | 56% | 59 | 61½ | 58% | 59 | 58 | 58% |
| Rock Island..... | 120 | 123 | 123½ | xd.94% | 93% | 93 | .. |
| Fort Wayne..... | 96 | 98½ | 100 | 99 | 98% | 96½ | 97% |
| Illinois Central..... | 114½ | 122 | 121½ | 122 | 120% | 118 | 118% |

The imports of foreign dry goods at this port for May show, as we stated would be the case, a still further decrease compared with the previous months of 1866 and the last half of 1865, and yet the total entered at the port is larger than for the same period of either of the previous three years. The whole value landed here during the last four weeks was \$6,687,733 of which \$4,346,822 went directly into consumption and \$2,340,916 went into warehouse. There was also withdrawn from the warehouse during the same period \$2,098,963, making a total thrown on the market in May of \$6,445,785. Below we give the figures for the month:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR THE MONTH OF MAY.

| | ENTERED FOR CONSUMPTION. | | | |
|------------------------------------|--------------------------|-------------|-------------|-------------|
| | 1863. | 1864. | 1865. | 1866. |
| Manufactures of wool..... | \$652,927 | \$891,927 | \$865,699 | \$1,325,970 |
| do cotton..... | 160,199 | 371,889 | 309,057 | 869,475 |
| do silk..... | 700,511 | 906,379 | 819,920 | 887,601 |
| do flax..... | 432,029 | 687,485 | 520,930 | 908,053 |
| Miscellaneous dry goods..... | 156,604 | 247,642 | 151,863 | 355,724 |
| Total entered for consumption..... | \$2,102,270 | \$3,105,322 | \$2,667,469 | \$4,346,822 |

WITHDRAWN FROM WAREHOUSE.

| | 1863. | 1864. | 1865. | 1866. |
|------------------------------------|-------------|-------------|-------------|-------------|
| Manufactures of wool..... | \$519,076 | \$1,429,166 | \$1,415,065 | 868,246 |
| do cotton..... | 144,960 | 460,843 | 585,591 | 399,889 |
| do silk..... | 412,641 | 508,708 | 590,118 | 458,345 |
| do flax..... | 178,257 | 489,680 | 944,227 | 298,898 |
| Miscellaneous dry goods..... | 73,307 | 140,231 | 163,799 | 73,991 |
| Total with'd'n from warehouse..... | \$1,328,141 | \$3,028,628 | \$3,698,800 | \$2,098,963 |
| Add entered for consumption..... | 2,102,270 | 3,105,322 | 2,667,469 | 4,346,822 |
| Total thrown on the market..... | \$3,430,411 | \$6,133,950 | \$6,366,269 | \$6,445,785 |

ENTERED FOR WAREHOUSING.

| | 1863. | 1864. | 1865. | 1866. |
|---------------------------------|-------------|-------------|-------------|-------------|
| Manufactures of wool..... | \$538,930 | \$1,299,462 | \$651,749 | \$834,206 |
| do cotton..... | 516,834 | 302,465 | 138,914 | 311,359 |
| do silk..... | 208,285 | 674,994 | 118,344 | 651,961 |
| do flax..... | 369,733 | 642,794 | 272,814 | 456,350 |
| Miscellaneous dry goods..... | 76,459 | 56,159 | 64,187 | 87,040 |
| Total ent. for warehousing..... | \$1,510,241 | \$2,975,814 | \$1,245,999 | \$2,340,916 |
| Add ent. for consumption..... | 2,102,270 | 3,105,322 | 2,667,469 | 4,346,822 |
| Total entered at the port..... | \$3,612,511 | \$6,081,136 | \$3,913,468 | \$6,687,738 |

If now we add these figures to those for the previous months of the year, we will find that the imports are still largely in excess of any of the previous years we give. The following will show the comparative imports since Jan. 1:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR FIVE MONTHS FROM JANUARY 1.

| | ENTERED FOR CONSUMPTION. | | | |
|---------------------------------|--------------------------|--------------|--------------|--------------|
| | 1863. | 1864. | 1865. | 1866. |
| Manufactures of wool..... | \$7,514,069 | \$12,951,782 | \$4,779,320 | \$14,241,528 |
| do cotton..... | 2,672,363 | 4,156,135 | 1,762,516 | 8,753,752 |
| do silk..... | 4,333,992 | 8,311,484 | 2,977,667 | 9,219,964 |
| do flax..... | 3,52,772 | 4,690,970 | 2,496,840 | 6,885,851 |
| Miscellaneous dry goods..... | 1,279,554 | 2,074,394 | 798,470 | 3,547,745 |
| Total ent. for consumption..... | \$19,323,750 | \$32,184,765 | \$12,814,813 | \$42,650,840 |

| | WITHDRAWN FROM WAREHOUSE. | | | |
|-----------------------------------|---------------------------|--------------|--------------|--------------|
| | 1863. | 1864. | 1865. | 1866. |
| Manufactures of wool..... | \$1,770,639 | \$4,223,418 | \$3,785,234 | \$6,713,625 |
| do cotton..... | 708,699 | 1,652,524 | 1,956,740 | 3,635,728 |
| do silk..... | 1,322,986 | 2,126,372 | 1,934,705 | 3,324,143 |
| do flax..... | 673,107 | 1,856,893 | 2,473,611 | 2,399,868 |
| Miscellaneous dry goods..... | 227,571 | 371,056 | 505,341 | 565,028 |
| Total withdr'wn from wareh'e..... | \$4,703,002 | \$10,230,263 | \$10,655,681 | \$16,637,887 |
| Add entered for consumption..... | 19,323,750 | 32,184,765 | 12,814,813 | 42,650,840 |
| Total thrown on the market..... | \$24,026,752 | \$42,415,028 | \$23,470,494 | \$59,338,727 |

| | ENTERED FOR WAREHOUSING. | | | |
|----------------------------------|--------------------------|--------------|--------------|--------------|
| | 1863. | 1864. | 1865. | 1866. |
| Manufactures of wool..... | \$3,118,939 | \$4,360,485 | \$2,522,689 | \$8,672,545 |
| do cotton..... | 1,627,032 | 1,094,609 | 1,130,877 | 3,350,862 |
| do silk..... | 1,560,978 | 2,010,675 | 825,588 | 2,015,120 |
| do flax..... | 1,537,533 | 1,614,007 | 1,584,826 | 3,052,201 |
| Miscellaneous dry goods..... | 329,900 | 293,735 | 303,305 | 632,527 |
| Total entered warehouse..... | \$8,174,387 | \$9,373,511 | \$6,367,285 | \$17,723,255 |
| Add entered for consumption..... | 19,323,750 | 32,184,765 | 12,814,813 | 42,650,840 |
| Total entered at the port..... | \$27,498,137 | \$41,558,276 | \$19,182,098 | \$60,374,095 |

From the foregoing it appears that the total values of dry goods landed here since January 1st is \$60,374,095, or more than three times the total for the same period of 1865. If now we compare the figures from the beginning of the fiscal year July 1st we will find that the imports for the eleven months of 1865-66, are still very largely in excess of previous years. Below we give the total imports of foreign dry goods at this port for the first eleven months of each fiscal year beginning with July 1, 1855:

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

| Year. | Value. | Year. | Value. | Year. | Value. |
|--------------|--------------|--------------|-------------|--------------|--------------|
| 1855-56..... | \$80,723,432 | 1859-60..... | 102,308,163 | 1863-64..... | \$78,433,263 |
| 1856-57..... | 88,964,962 | 1860-61..... | 82,104,933 | 1864-65..... | 44,411,871 |
| 1857-58..... | 64,517,058 | 1861-62..... | 34,620,618 | 1865-66..... | 128,689,027 |
| 1858-59..... | 85,834,046 | 1862-63..... | 59,061,614 | | |

We thus see that the total for the eleven months of this year now amounts to \$128,689,027; and as there is another month to complete the fiscal year, the total for the year will probably reach \$135,000,000. From these figures it must be evident that a high or low tariff does not regulate the value of our imports.

Gold has been very active during the month on account of the large demand for shipment. The following is a statement of the Treasure movement at New York weekly since January 1, up to the close of May:

TREASURE MOVEMENT FOR 1866.

| 1866. week ending | Receipts. from California. | Exports. to foreign countries. | Sub-Treasury Customs receipts. | Interest payments. | Gold Certificates issued. | Returned. at close of week. | In banks |
|-------------------------|----------------------------------|--------------------------------------|--------------------------------------|-----------------------|------------------------------|-----------------------------------|--------------|
| Jan. 6 | | \$552,027 | \$2,107,341 | \$3,597,240 | \$3,122,440 | \$1,34,883 | \$15,773,741 |
| " 13 | \$685,610 | 640,503 | 2,334,694 | 1,130,789 | 3,206,180 | 1,578,194 | 16,352,568 |
| " 20 | 799,706 | 635,894 | 2,754,369 | 574,162 | 2,706,409 | 1,928,641 | 15,262,272 |
| " 27 | | 656,812 | 3,226,040 | 279,842 | 2,598,400 | 2,157,048 | 13,106,759 |
| Feb. 3 | 944,378 | 292,568 | 3,347,422 | 115,204 | 2,081,280 | 2,321,423 | 10,937,474 |
| " 10 | 1,449,074 | 43,409 | 3,351,734 | 120,179 | 1,916,700 | 2,376,735 | 10,129,306 |
| " 17 | | 445,489 | 2,893,008 | 94,828 | 2,992,900 | 2,153,009 | 10,308,758 |
| " 24 | 1,209,048 | 560,198 | 3,608,796 | 119,879 | 5,593,280 | 1,995,796 | 14,213,251 |
| Mar. 3 | | 75,453 | 3,386,934 | 1,183,343 | 2,125,000 | 2,664,934 | 17,181,130 |
| " 10 | 1,469,286 | 559,234 | 2,297,836 | 882,712 | 2,101,000 | 1,706,835 | 16,563,237 |
| " 17 | 1,423,353 | 236,671 | 2,464,482 | 328,593 | 1,498,400 | 1,919,483 | 15,015,242 |
| " 24 | 859,837 | 170,297 | 2,509,419 | 174,911 | 361,380 | 1,886,419 | 13,945,651 |
| " 31 | 673,615 | 3,500 | 2,451,345 | 225,414 | 1,376,000 | 1,895,334 | 11,930,925 |
| Apr. 7 | | 216,842 | 2,563,010 | 63,140 | 3,016,840 | 2,120,100 | 11,436,295 |
| " 14 | 729,862 | 122,628 | 2,857,704 | 49,800 | 5,098,460 | 2,274,704 | 11,035,129 |
| " 21 | 809,459 | 117,312 | 2,535,565 | 35,169 | 4,301,000 | 1,971,568 | 9,495,463 |
| " 28 | | 73,880 | 2,246,307 | 40,506 | 4,137,140 | 1,760,307 | 8,243,937 |
| May 5 | 1,318,271 | 1,247,249 | 2,711,181 | 7,061,900 | 4,653,500 | 2,327,181 | 10,914,997 |
| " 12 | 1,072,830 | 1,064,496 | 2,417,391 | 2,648,000 | 3,110,000 | 1,943,391 | 13,970,402 |
| " 19 | | 8,763,295 | 2,542,814 | 1,702,000 | 2,842,000 | 2,069,814 | 13,595,465 |
| " 26 | 1,276,505 | 9,421,766 | 2,358,455 | 940,100 | 9,177,000 | 1,929,454 | 19,376,929 |

Since Jan 1..... \$14,254,521 26,565,431 56,165,850 21,367,711 68,158,730 42,114,112 \$.....

The following exhibits the amount of treasure exported from New York to foreign countries from January 1 to the last Saturday in May for fifteen years :

| | | | | | |
|-----------|--------------|-----------|-------------|-----------|--------------|
| 1866..... | \$26,565,431 | 1861..... | \$3,005,196 | 1856..... | \$11,130,080 |
| 1865..... | 11,716,932 | 1860..... | 12,360,832 | 1855..... | 13,889,274 |
| 1864..... | 22,281,600 | 1859..... | 25,684,544 | 1854..... | 12,925,758 |
| 1863..... | 19,248,210 | 1858..... | 11,785,217 | 1853..... | 7,034,262 |
| 1862..... | 18,108,737 | 1857..... | 18,021,607 | 1852..... | 10,513,262 |

From the above it will be seen that the exports of Treasure for the month have reached over twenty three millions of dollars. This supply came in great part from the sales of the Assistant Treasure at New York. In sympathy with this new demand gold has risen during the month, and closed at 140¼. Below we give the course of gold for the month :

COURSE OF GOLD FOR MAY.

| Date. | Open'g | High'st. | Lowest. | Closing. | Date. | Open'g | High'st. | Lowest. | Closing. |
|-----------|---------|----------|---------|----------|-----------|--------|----------|---------|----------|
| Tuesday | 1 125½ | 127 | 125½ | 126¾ | Sunday | 20 | 130½ | 132½ | 132½ |
| Wednesday | 2 126½ | 128½ | 126½ | 127½ | Monday | 21 | 130½ | 132½ | 132½ |
| Thursday | 3 128½ | 128½ | 127½ | 127½ | Tuesday | 22 | 130½ | 134½ | 130½ |
| Friday | 4 127½ | 127½ | 127½ | 127½ | Wednesday | 23 | 133½ | 138½ | 133½ |
| Saturday | 5 127½ | 127½ | 127½ | 127½ | Thursday | 24 | 139 | 139 | 137½ |
| Sunday | 6 | | | | Friday | 25 | 141½ | 141½ | 139 |
| Monday | 7 127½ | 128½ | 127½ | 128½ | Saturday | 26 | 139½ | 139½ | 138 |
| Tuesday | 8 128½ | 129½ | 128½ | 129½ | Sunday | 27 | | | |
| Wednesday | 9 129½ | 129½ | 128½ | 128½ | Monday | 28 | 137½ | 137½ | 137 |
| Thursday | 10 128½ | 129½ | 128½ | 129½ | Tuesday | 29 | 137½ | 138½ | 137½ |
| Friday | 11 129½ | 129½ | 129 | 129½ | Wednesday | 30 | 138½ | 138½ | 138 |
| Saturday | 12 129½ | 129½ | 128½ | 128½ | Thursday | 31 | 138½ | 140 | 139 |
| Sunday | 13 | | | | | | | | |
| Monday | 14 130½ | 130½ | 130½ | 130½ | May, 1866 | 125½ | 141½ | 125½ | 140½ |
| Tuesday | 15 130½ | 130½ | 129½ | 129½ | " 1865 | 145½ | 145½ | 128½ | 137 |
| Wednesday | 16 130½ | 130½ | 130 | 130½ | " 1864 | 177 | 190 | 163 | 190 |
| Thursday | 17 130 | 130½ | 129½ | 129½ | " 1863 | 151 | 154¾ | 143¾ | 145 |
| Friday | 18 129½ | 130 | 129½ | 130 | " 1862 | 102½ | 104½ | 102½ | 103½ |
| Saturday | 19 130½ | 130½ | 130 | 130½ | " 1861 | 100 | 100 | 100 | 100 |

The following table shows the daily fluctuations of exchange (long) on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for May, 1866 :

COURSE OF EXCHANGE FOR MAY.

| Days. | London. cents for 54 pence. | Paris. centimes for dollar. | Amsterdam. cents for florin. | Bremen. cents for rix daler. | Hamburg. cents for M. banco. | Berlin. cents for thaler. |
|-------|-----------------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| 1. | 108½@109½ | 520 @515 | 41 @41½ | 78½@79½ | 36 @36½ | 71 @71½ |
| 2. | 109½@109½ | 518½@515 | 40½@41½ | 78½@79½ | 36 @36½ | 71½@72½ |
| 3. | 109½@109½ | 517½@515 | 41 @41½ | 78½@79 | 36½@36½ | 71½@72½ |
| 4. | 109½@109½ | £17½@515 | 41 @41½ | 78½@79 | 36½@36½ | 71½@72½ |
| 5. | 109½@109½ | 517½@515 | 41 @41½ | 78½@79 | 36½@36½ | 71½@72½ |
| 6. | | | | | | |
| 7. | 109½@109½ | 516½@513½ | 41 @41½ | 78½@79½ | 36½@36½ | 71½@72½ |
| 8. | 109½@109½ | 518½@513½ | 41 @41½ | 79 @79½ | 36½@36½ | 72 @72½ |
| 9. | 109½@109½ | 515 @512½ | 41½@41½ | 79½@79½ | 36½@36½ | 72½@72½ |
| 10. | 109½@109½ | 515 @512½ | 41½@41½ | 79½@79½ | 36½@36½ | 72½@72½ |
| 11. | 109½@109½ | 515 @512½ | 41½@41½ | 79½@79½ | 36½@36½ | 72½@72½ |
| 12. | 109½@109½ | 516½@513½ | 41½@41½ | 79½@79½ | 36½@36½ | 72 @72½ |
| 13. | | | | | | |
| 14. | 109½@109½ | 515 @512½ | 41½@41½ | 79½@79½ | 36½@37 | 72½@72½ |
| 15. | 109½@109½ | 515 @512½ | 41½@41½ | 79½@80 | 36½@36½ | 72½@73 |
| 16. | 109½@109½ | 515 @512½ | 41½@41½ | 79½@80 | 36½@36½ | 72½@73 |
| 17. | 109½@109½ | 513½@511½ | 41½@41½ | 79½@80 | 36½@37 | 72½@73½ |
| 18. | 109½@109½ | 513½@511½ | 41½@41½ | 79½@80 | 36½@37 | 72½@73½ |
| 19. | 109½@109½ | 513½@511½ | 41½@41½ | 79½@80 | 36½@37 | 72½@73½ |
| 20. | | | | | | |
| 21. | 109½@109½ | 515 @511½ | 41½@42½ | 79½@80 | 36½@37½ | 73 @73½ |
| 22. | 109½@109½ | 513½@510 | 41½@42 | 79½@80 | 36½@37½ | 73½@74 |
| 23. | 109½@109½ | 513½@510 | 41½@42 | 79½@80 | 36½@37½ | 73½@74 |
| 24. | 109½@109½ | 513½@512½ | 41½@42 | 79½@80 | 36½@37 | 73½@74 |
| 25. | 109 @109½ | 516½@513½ | 41½@41½ | 79½@79½ | 36½@37 | 73½@73½ |
| 26. | 109 @109½ | 516½@513½ | 41½@41½ | 79½@79½ | 36½@37 | 73½@73½ |
| 27. | | | | | | |
| 28. | 109½@109½ | 516½@512½ | 41½@41½ | 79½@80 | 36½@37½ | 73½@73½ |
| 29. | 109½@109½ | 516½@512½ | 41½@41½ | 7 @80 | 36½@37½ | 73½@73½ |
| 30. | 109½@109½ | 515 @511½ | 41½@41½ | 79½@80 | 36½@37½ | 73½@73½ |
| 31. | 109½@109½ | 512½@510 | 41½@41½ | 79½@80 | 36½@37½ | 73½@73½ |
| May | 108½@109½ | 520 @510 | 40½@42½ | 78½@80 | 36 @37½ | 71 @74 |
| Apr | 106½@108½ | 537½@517½ | 39½@41 | 76½@78½ | 35 @36½ | 69½@71½ |
| Mar | 106½@108½ | 530 @ 518½ | 40 @41 | 77 @78½ | 35½@36½ | 70½@71½ |
| Feb | 107½@108½ | 532½@517½ | 40½@41 | 77 @79 | 35½@36½ | 70½@71½ |
| Jan | 108 @109½ | 523½@515 | 40½@41 | 75 @79½ | 36 @36½ | 71 @71½ |

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Failure of the Merchants' National Bank at Washington—Government Deposits in Banks—The Bill Providing for the Redemption of National Bank Notes, &c.—New York, Boston, and Philadelphia Bank Returns.

THE month among banking circles which has just passed is especially notable on account of the disastrous collapse of the Merchants' National Bank at Washington. The opprobrious circumstances attending this failure are detailed in an official preliminary report which has been issued and published by the daily press, but we have not room for it here. Moreover, if we are not misinformed, the truth is not all known as yet, and further surprising disclosures will shortly be made. One of the most noteworthy circumstances connected with this failure is the small extent to which the customers of the bank are sufferers. On the first of January last the deposits of private persons were officially reported at \$602,309. Had the bank failed, then the loss of individual depositors would have been very heavy. From some causes, which require explanation however, these private deposits, on the day of the failure, were reduced to \$38,610. In other words, more than half a million of dollars appears to have been paid to preferred creditors a short time before the crash. Now, from this point of view, it is a singular coincidence that the government deposits between 1st January,

and the failure increased from \$94,225 to \$762,312, and a more remarkable circumstance still is that over a quarter of a million of government money was placed in the bank within a fortnight of the closing of its doors by complete insolvency.

It has for a long time been no secret that the Merchants' National Bank did not enjoy the high credit which should be indispensable to every bank which is permitted to enjoy the prestige of being a depository of public money. The United States Treasurer, Mr. Spinner, it has accordingly been in some quarters supposed, must have known something of the loss of credit of the bank. It is certain that he has acted with commendable caution in drawing down his deposits. On this subject, Mr. Spinner, in a letter to an evening paper, makes the following statement :

" Now the facts are, that there was standing to the credit of the Treasurer of the United States only \$3,858 83. On the day of the failure the bank issued a certificate that \$1,155 31 was deposited on account of its semi-annual duty, and on the same day General Robinson directed the bank to *pass from his credit to that of the Treasurer of the United States the sum of \$51,258 93*. No money passed in either of these last two transactions, and both were made when it was known that the bank had failed. So far as the Treasurer's account was concerned, there was and is now standing legitimately to his credit *less than four thousand dollars*, while he holds in his hands securities, exclusive of what will be required to redeem the entire circulation of the bank, that would on a sale to-day exceed *one hundred and thirty thousand dollars*. The truth is, that but for the disobedience of orders of a military officer, and the indiscretion of two officers in the Treasury Department—of neither of which the Treasurer had knowledge—no harm could by any possibility have come to the government."

Under the 45th section of the National Banking law, it is the right of Mr. Freeman Clarke, as Comptroller of the Currency, to order, with the approval of the Secretary of the Treasury, an official examination of the affairs of any National Bank. That, in the case of the Merchants' National Bank this examination should have been deferred until after the failure is on every account greatly to be regretted. By falsifying its returns, or by some other contrivances, a disingenuous shabby bank might deceive everybody in the office of the Comptroller of the Currency; but it could scarcely deceive many watchful officers in other bureaus of the Treasury Department. Several disbursing officers, at any rate, must have been in the secret. Now, it is the obvious duty of these subordinates to report to their chief, the Secretary of the Treasury, any and every case of irregularity on the part of the depositors of public money. If there be no regulation requiring this, such a rule should be made without delay. For how, otherwise can it be known by Mr. McCulloch what banks require looking after, and what public depositories should have their deposits of government money reduced or removed.

How long ago certain disbursing officers have been aware of the dangerous position of the bank we are not told, but there is every reason to believe that the meeting of the 20th April, at which the official examiner says that Lieut. Col. E. E. Paulding, Paymaster United States Army, was present, was the last of a series of anxious consultations of the "friends of the bank." After this meeting, when the insolvent condition of the bank was well known, Col. Paulding, instead of taking measures to draw out the \$300,000 of Government funds

which he had deposited there, proceeded next day to place \$200,000 more in the bank, two other dishonest officers of the Government adding \$43,000 more. Notwithstanding this evidence of fraudulent and concerted purpose we do not hear that any of the parties to the crime have as yet been arrested, with the exception of Col. Paulding himself, who will probably be tried by court martial, and the President of the bank. The preliminary inquiries are, indeed, still going on, and some of the features of this disgraceful affair may assume a different color as more light is shed upon them. In view of this investigation we have only to ask on the part of the public that the fullest publicity be given to the facts, and the severest punishment to the men who shall be found guilty of contriving and conniving at so heinous a crime. Among the subordinate points on which the public desire information is the almost unlimited command which Paulding seems to have had of Government money. We have every reason to believe that our paymasters and other disbursing officers have, with very few exceptions, proved themselves worthy of the highest trust; but we must object in the most positive and emphatic manner to the allowing of Government funds to lie in the hands of any pay officer longer than is absolutely necessary. His office is to disburse and not to hold the public money. His bonds are fixed at a rate which indicates that he is never to hold more than a very limited amount and for a very limited time. Our disbursing officers must be made to understand that the money entrusted to them must be placed, with the least possible delay, in the hands of the creditors of the Government. So far, however, have we diverged from the right and safe rule, that Paymaster Paulding accommodate his friends with a loan of half a million of dollars, and certain banks, it is reported, are accustomed to offer inducements of a pecuniary character to disbursing officers to place Government funds on deposit with them. Any paymaster who receives any such gratuities, whether as interest or any other form, should be instantly disgraced and dismissed the service.

It is worthy of note that no less than sixteen officials in various bureaus had money deposited in the Merchants' National Bank. As its capital was \$306,000, the stockholders will, of course, be responsible for the debts of the bank under the stockholders' liability clause of the National Banking law. The currency now outstanding amounts to \$179,810. It is supposed by some persons that as the Government will redeem broken bank notes from the proceeds of the bonds deposited at Washington for that purpose, these notes will pass as freely now as before the bank stopped payment. This is a mistake. The notes of a broken National Bank are no longer legal tender from or to the Government. They will be eventually paid by the Treasury, and destroyed. But the law does not provide that they shall be paid except after such a day as may be fixed for that purpose.

The subject of the redemption of National Bank notes is again prominently brought forward by the introduction into the Senate of a bill, providing that "each bank must select, subject to the approval of the Comptroller, a bank in New York, Boston, or Philadelphia at which to redeem its circulating notes at par." It is to be regretted that a bill making this necessary reform should not have been introduced till so late a period in the session. The time has now come when efficient redemption of the bank note circulation can no longer be dispensed

with. In the interests of economy it is urged by many persons that all the National Bank notes should be called in, because the profit of the issue accrues to private persons ; while the greenbacks should remain out, because the profit is all gained by the Government. We are not prepared to concur in this view. One of the reasons for preferring bank currency to irredeemable government notes, has been usually said to be that irredeemable notes can be kept afloat to an amount beyond the wants of business. These wants are not fixed, but vary with the season of the year, and with numerous other circumstances. In proportion as there is an excess of paper money afloat, depreciation takes place, and inflation of prices naturally results. Bank notes, on the other hand, if redeemable, can scarcely be long kept out in excess of the monetary wants of the country. Hence, they are not so liable to become redundant, and to produce perturbation of values ; for they flow back in a constant stream to the issuer for payment, and the current of the circulation is thus kept at its proper height. Since, without redemption in New York, it is impossible to keep bank notes at par, efforts have been making ever since the National Banking law was passed to have it made more perfect. That enactment, it will be remembered, does not appoint the monetary centre of the country as the place of redemption, but allows the banks to select any one of a dozen other places in preference to and instead of New York. Experience has abundantly shown the truth of the position we have always taken on this question, that our bank notes cannot be permanently kept as a sound uniform currency, except they be compulsorily redeemable in New York, or what is the same thing, in one of the three great cities.

As might be expected the obligation of redemption entails a loss of profit, and is objected to by some of the interior banks. These institutions, however, must learn to rise above the sordid views of private advantage. It is for their interest that the National banking system should be permanent ; and without redemption of the bank note this will be impossible. Had an unredeemed paper currency been tolerable to the people of the United States, the National Bank currency would never have been allowed to be issued at all. When these institutions were authorized by Congress, greenbacks were already out, and would have answered the purpose of a currency well if their quantity could have been kept adequate. The profits of issuing such an irredeemable currency are immense. Put those profits, for reasons that appeared sufficient, Congress refused to the National Treasury. Irredeemable notes being out to the extent of 400 millions, and further issues being inadmissible, we created the new banks for the special purpose of issuing 300 millions of notes that should be redeemed, and so redeemed as to be kept steadily at par throughout every State in the Union. The franchise bestowed on the banks was more valuable than any ever given to private persons in this country before. The people have a clear right, therefore, to exact that each National bank, wherever situated, shall take care of its own notes ; and that its stockholders while they enjoy their privileges shall perform their duties

The second section of Mr. Clarke's bill is of interest as providing that no bank "shall make loans or discounts or pay dividends" except it has on hand the full amount of its reserve of 25 per cent on its notes and its deposits. This is a conservative provision and will, we suppose, be adopted as will also per-

haps the clause which repeals the exemption from State taxes. We trust, however, that Congress will strike out the opening section which authorizes the issue of \$100,000,000 of bank notes in addition to the \$300,000,000 already authorized. The country has suffered too much from the evils of an inflated paper currency to submit to any increase in its amount.

The following is the section of the New York Clearing House Constitution which has just been amended by the addition of the words in italics:

The checks, drafts, notes, or other items in the exchanges, returned as "not good," or mis sent, shall be returned the same day directly to the Bank from whom they were received. *And the said Bank shall immediately refund to the Bank returning the same, the amount which it had received through the Clearing House for the said checks, drafts, notes, or other items, so returned to it, in specie or legal tender notes.* But checks, drafts, notes, or other items to be returned for indorsement, or informality, may, after being certified by the Bank returning it, be returned through the exchanges the following morning, not exceeding \$5,000 in amount to any one Bank.

As far as this applies to the questions in dispute between the Commonwealth and Continental, it will simply require the former to refund the money it collected from the latter upon the disputed check, without at all affecting its legal claim to make such collection. If the Commonwealth can legally establish the truth of its assumptions, the Continental will probably be compelled to pay the check.

The Bank returns of the three cities we give below. It will be seen that the specie in New York banks has largely increased during the month and especially the last week, having reached \$19,736,929. This is probably due to the payment of gold interest on the five-twenties. The legal tender reserve is also drawn down quite close, but it is still \$9,845,000 in excess of the legal requirement.

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 | \$370,617,628 |
| " 13..... | 234,938,193 | 16,852,568 | 19,162,917 | 197,766,999 | 73,019,957 | 608,082,837 |
| " 20..... | 239,837,726 | 15,265,327 | 20,475,707 | 198,816,248 | 72,799,892 | 598,949,311 |
| " 27..... | 240,407,836 | 13,106,759 | 20,965,883 | 195,012,454 | 70,319,146 | 516,323,672 |
| Feb. 3..... | 242,510,882 | 10,937,474 | 21,494,234 | 191,011,695 | 68,796,250 | 508,569,125 |
| " 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 | 189,777,390 | 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 |
| Apr. 7..... | 242,643,753 | 11,486,295 | 24,127,061 | 189,094,961 | 71,445,065 | 602,315,748 |
| " 14..... | 244,009,839 | 11,035,129 | 24,533,981 | 193,153,469 | 73,910,370 | 578,537,853 |
| " 21..... | 242,067,063 | 9,495,463 | 24,045,857 | 196,808,578 | 75,583,778 | 535,834,778 |
| " 28..... | 245,017,692 | 8,243,937 | 25,377,280 | 202,713,574 | 80,559,022 | 545,339,068 |
| May 5..... | 233,974,134 | 10,914,997 | 25,415,677 | 210,373,303 | 81,204,447 | 603,556,177 |
| " 12..... | 257,621,317 | 13,970,402 | 24,693,259 | 217,552,853 | 85,040,659 | 523,093,538 |
| " 19..... | 255,690,463 | 13,595,465 | 25,189,864 | 217,427,729 | 85,710,107 | 579,342,488 |
| " 26..... | 257,969,593 | 19,736,929 | 26,223,867 | 208,977,905 | 73,839,947 | 713,575,444 |

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 | \$590,822 | \$7,226,369 | \$35,342,306 |
| " 8..... | 17,236,320 | 46,774,150 | 983,685 | 7,319,523 | 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 | 36,214,658 |
| " 29..... | 16,244,277 | 47,607,558 | 1,008,825 | 7,432,534 | 35,460,881 |

| | | | | | |
|---------|------------|------------|-----------|-----------|------------|
| Feb. 3 | 16,481,005 | 47,293,661 | 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 | 46,981,937 | 953,207 | 7,843,002 | 33,926,542 |
| " 24 | 17,382,602 | 46,865,592 | 1,026,408 | 7,732,070 | 33,052,252 |
| Mar. 3 | 17,447,635 | 46,604,752 | 1,041,392 | 8,121,049 | 32,835,094 |
| " 10 | 17,292,584 | 46,546,878 | 1,055,694 | 8,248,100 | 32,504,508 |
| " 17 | 16,375,608 | 46,690,788 | 1,026,063 | 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 |
| April 7 | 16,622,233 | 46,028,641 | 946,282 | 8,730,270 | 32,762,280 |
| " 14 | 18,323,759 | 45,114,699 | 949,116 | 8,743,396 | 34,640,864 |
| " 21 | 18,660,513 | 45,762,733 | 996,876 | 8,761,213 | 35,448,955 |
| " 28 | 18,949,719 | 46,832,734 | 890,241 | 8,779,166 | 36,032,862 |
| May 5 | 19,144,660 | 48,006,654 | 912,023 | 8,794,348 | 36,987,007 |
| " 12 | 19,646,263 | 48,236,256 | 896,741 | 8,930,430 | 38,414,688 |
| " 19 | 19,648,232 | 48,336,567 | 897,913 | 8,918,938 | 37,296,645 |
| " 26 | 19,715,093 | 48,036,984 | 867,094 | 8,988,742 | 37,078,418 |

The returns of the Boston Banks are as follows:

BOSTON BANK RETURNS.

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

| | Loans. | Specie. | Tenders. | Deposits. | Circulation | |
|------------|--------------|-----------|--------------|--------------|--------------|-------------|
| | | | | | National. | 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 | 40,300,619 | 22,034,612 | 1,215,675 |
| " 29 | 92,877,783 | 1,008,013 | 20,544,830 | 39,153,816 | 21,899,318 | 1,157,848 |
| February 5 | 94,578,858 | 805,237 | 20,568,135 | 40,426,163 | 22,325,428 | 1,125,728 |
| " 12 | 94,083,827 | 632,591 | 20,412,589 | 38,768,019 | 22,248,638 | 1,057,328 |
| " 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 | 1,018,092 |
| March 5 | 92,990,512 | 556,856 | 20,031,968 | 35,581,876 | 22,606,835 | 1,006,719 |
| " 12 | 90,705,159 | 623,938 | 19,905,120 | 35,297,498 | 22,730,329 | 921,809 |
| " 19 | 91,902,811 | 606,992 | 20,470,018 | 36,696,321 | 24,018,916 | 910,740 |
| " 26 | 91,931,236 | 513,153 | 20,913,531 | 35,887,368 | 23,019,887 | 901,620 |
| April 2 | 92,351,979 | 532,556 | 20,761,014 | 36,697,227 | 23,087,693 | 869,329 |
| " 9 | 92,142,975 | 487,455 | 20,334,570 | 37,426,560 | 23,266,612 | 820,069 |
| " 16 | 91,270,832 | 457,648 | 19,932,647 | 37,006,696 | 23,625,043 | 777,193 |
| " 23 | 86,120,897 | 411,693 | 19,209,145 | 36,946,132 | 22,460,488 | 744,041 |
| " 30 | 86,723,001 | 401,113 | 19,549,614 | 38,396,210 | 22,856,056 | 744,425 |
| May 7 | 90,369,569 | 576,150 | 21,415,716 | 41,305,276 | 23,516,330 | 719,688 |
| " 14 | 90,328,554 | 501,013 | 22,462,522 | 42,021,976 | 23,551,579 | 695,527 |
| " 21 | 89,634,864 | 472,172 | 22,979,509 | 41,611,149 | 23,195,968 | 661,819 |
| " 28 | 91,833,402 | 436,391 | 23,658,956 | 41,631,746 | 23,722,217 | 644,658 |

THE UNITED STATES DEBT.

We give below the statement of the public debt, prepared from the reports of the Secretary of the Treasury, for April 1, May 1, and June 1, 1866:

DEBT BEARING INTEREST IN COIN.

| Denominations. | April 1. | May 1. | June 1. |
|-------------------------------------|-------------|-------------|-------------|
| 6 per cent. due December 31, 1867 | \$9,415,250 | \$9,415,250 | \$9,415,250 |
| 6 do July 1, 1868 | 8,908,342 | 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 | 139,284,650 | 139,213,150 | 139,314,500 |
| 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) | 65,175,500 | 71,009,500 | 80,734,500 |
| 5 do March 1, 1874-1904 (10.40s) | 171,219,100 | 171,219,100 | 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 \$1,177,867,292 \$1,180,236,342 \$1,191,825,192

DEBT BEARING INTEREST IN LAWFUL MONEY.

| | | | | |
|-------------------------------|----------------------|---------------|-------------|---------------|
| 4 per cent Temporary Loan | } 10 days' notice. } | \$121,751,970 | 131,497,854 | \$124,561,486 |
| 5 do do | | | | |
| 6 do do | | | | |
| 6 do Certificates (one year) | | 62,258,000 | 62,620,000 | 43,025,000 |
| 5 do One and two-years' notes | | 8,536,900 | 6,036,900 | ..... |

| | | | | |
|---|---|-----------------|-----------------|-----------------|
| 6 do | Three years' com. int. notes | 172,012,141 | 167,012,141 | 162,012,140 |
| 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.) | 2,272,000 | 2,272,000 | 2,130,000 |
| 7.20 do | Three years' treasury notes, 1st series | } \$16,512,650 | } 818,044,000 | } 812,221,600 |
| 7.30 do | do do 2d series | | | |
| 7.30 do | do do 3d series | | | |
| Aggregate of debt bearing lawful money interest | | \$1,186,207,011 | \$1,188,313,545 | \$1,147,222,226 |
| DEBT ON WHICH INTEREST HAS CEASED. | | | | |
| Debt on which interest has ceased | | \$930,680 | \$877,730 | \$4,900,430 |
| DEBT BEARING NO INTEREST. | | | | |
| United States Notes | | \$422,749,252 | \$415,164,318 | \$402,128,318 |
| Fractional currency | | 28,005,452 | 28,192,017 | 27,334,965 |
| Currency | | \$451,754,704 | \$443,356,335 | \$429,463,283 |
| Gold certificates of deposit | | 9,665,160 | 9,036,420 | 22,568,320 |
| Aggregate of debt bearing no interest | | \$461,419,864 | \$452,392,755 | \$452,031,603 |
| Amount in Treasury— | | | | |
| Coin | | \$62,069,701 | \$76,676,407 | \$50,678,953 |
| Currency | | 60,077,680 | 61,310,622 | 79,011,125 |
| Total in Treasury | | \$122,147,381 | \$137,987,029 | \$129,691,083 |
| RECAPITULATION. | | | | |
| Debt bearing interest in coin | | \$1,180,236,342 | \$1,186,092,842 | \$1,195,825,192 |
| Debt bearing interest in lawful money | | 1,186,207,011 | 1,188,313,545 | 1,147,222,226 |
| Debt on which interest has ceased | | 930,680 | 877,730 | 4,900,430 |
| Debt bearing no interest | | 461,419,864 | 452,392,755 | 452,031,603 |
| Aggregate debts of all kinds | | \$2,827,793,896 | \$2,827,676,872 | \$2,799,479,451 |
| Cash in treasury | | 122,147,381 | 137,987,029 | 129,691,083 |
| Amount of debt, less cash in Treas | | 2,705,646,515 | 2,689,689,843 | 2,670,288,368 |
| LEGAL TENDER NOTES IN CIRCULATION. | | | | |
| One and two years' 5 per cent notes | | \$3,536,900 | \$6,036,900 | \$ |
| United States notes (currency) | | 422,749,252 | 415,164,318 | 402,128,318 |
| Three years' 6 per ct comp. int. notes | | 172,012,141 | 167,012,141 | 162,012,140 |
| Aggregate legal tender notes in circulation | | \$603,298,293 | \$588,213,359 | \$564,140,458 |

MICHIGAN.—ITS MINERAL WEALTH.*

Michigan consists of two peninsulas, between which enters Lake Michigan, widely separating the two. Their geological formation is dissimilar—the northern is primitive, composed of gneiss rock and metamorphic slates, with overlying slates and sandstones, the latter containing the great copper veins, and the former immense bodies of magnetic and specular iron ore. The southern peninsula is of the secondary formation its rocks are horizontal strata of limestone, sandstone and slate, the sandstone appearing at the surface in the central and elevated parts of the interior, the limestone underlying it can be traced from the rapids of the Maumee, in Ohio to Saginaw Bay. This southern peninsula is composed almost wholly of groups of the Appalachian series of rocks, the highest of which, the coal formation, occupies the central part of the country, while the shales of the Portage and Chemung group stretch along the shores of Lake Michigan and Lake Huron. This southern peninsula abounds in gypsum coal and salt.

The copper mines of Michigan are situated on the north part of the northern

* This article is a condensation of a very interesting letter written by J. A. Blake, Esq., Editor of the *Pittsburg Oil News*, and recently published in that paper. The letter is dated from Marquette, the centre of the iron interest of the northern peninsula.

peninsula, confined chiefly to the Keweenaw peninsula, forty-three miles in length and with an average width of fifteen miles, and divided into the Keweenaw, Portage Lake and Ontonagon districts. In 1864

| | | |
|--|----|------------|
| Keweenaw district, from its eighteen mines, shipped..... | lb | 25,480,818 |
| Portage Lake, from its thirteen mines, shipped..... | | 42,921,691 |
| Ontonagon, from its nineteen mines, shipped..... | | 17,220,500 |
| Total | lb | 85,610,999 |

of ore, producing about 6,850 tons of copper. The principal mines of the Keweenaw district are the Pittsburg and Boston, Northwestern and Medora ; of the Portage Lake district, the Quincy, Franklin and Pewabic ; of the Ontonagon, the National, which produced in 1864, 705,981 pounds ore, with the labor of one hundred and seven miners, the estimated production of the full year from the mine being \$100,000. Pittsburg was the pioneer in the Lake Superior copper mining enterprise. The second government permit was granted to the Pittsburg and Boston Mining Company in 1844, then known as the Cliff Mining Company. There are now nine Pittsburg companies in active operation, and much of the copper produced is refined in that city. The total number of companies is ninety-four, divided into 1,960,000 shares—the amount claimed to be paid in is \$13,109,124, not including the original cost of mining, nor the sums derived from the sale of copper which have been expended in developing the mines. The aggregate dividend is claimed to be \$5,600,000.

The iron region is situated in the western and northern parts of the northern peninsula. The iron occurs in a metamorphic formation, bounded by two granite belts—one on the north the other on the south. This formation consists of hornblend, talcose, and chlorite slates, with associated beds of hornblende and felspar rocks. The ore consists mainly of the specular or per-oxide of iron, with an admixture of the fine-grained magnetic. It often happens that a whole ridge or knob is one mass of pure ore. The ore is sometimes mixed with seams of quartz or jasper. The first Michigan iron used was produced from bog ore in various parts of the State. The shipments of ore has been as follows :

| | | | |
|-----------|--------|-----------|---------|
| 1855..... | 1,445 | 1860..... | 130,000 |
| 1856..... | 11,595 | 1861..... | 45,430 |
| 1857..... | 26,184 | 1862..... | 125,720 |
| 1858..... | 31,135 | 1863..... | 185,575 |
| 1859..... | 65,679 | 1864..... | 273,000 |

Or a total of 895,763 tons ore, equivalent to nearly 600,000 tons of iron. The total product last year was nearly 300,000 tons of ore. The indirect wealth produced by this great development of mining industry cannot be easily estimated, but we may instance Cleveland, which has arisen from it since 1855, in which there are already iron factories having an aggregate capital of \$3,000,000, giving wages to the value of \$1,080,000. The receipts there have been.

| | |
|----------------------------|---------|
| Of Lake Superior iron..... | 106,439 |
| From all other points..... | 4,857 |
| Total | 111,296 |

Pittsburg manufactures, from this ore, her best varieties of iron and steel. Buffalo and Erie have added millions to their business by it. All the furnaces and rolling mills of the Mahoning Valley have sprung up since its discovery.

The introduction of this pure and rich ore has increased the iron making business west of the Alleghanies to an extent of which few are aware. Before introduction, in 1855, there were but ten blast furnaces in all the region which is now supplied with this ore. Of these three used charcoal and seven bituminous coal (smelting the native ores of Ohio and Pennsylvania), and the aggregate capacity was about twenty thousand tons of pig iron per annum. In the same territory are now fifty-five blast furnaces, of which twelve are charcoal, thirty-nine bituminous, and four anthracite coal, with an aggregate capacity of about 216,000 tons of pig iron per annum. Every one of these fifty-five furnaces uses the Lake Superior ore, some but to a small extent, while thirty-two use it exclusively.

It seems strange that Michigan herself is last to appreciate the importance of her vast iron interests. The immense extent of the district, the mountain masses of the ore, its purity and adaptation to the manufacture of the most valuable kinds of iron, and the immense forests suitable for charcoal render it by far the most extensive and valuable in the world for the manufacture of iron. Add to these prime facilities in abundance of capital and skilled labor, and channels of communication unrivaled, and we see no reason why the northern peninsula of Michigan should not become pre-eminently the iron district of the country. There is a great lack of furnaces in the Lake Superior region, as is evidenced by the enormous quantities of ore that are being shipped to ports down the lake, where the cost of smelting is greatly enhanced. Furnaces at the mines is the cheapest and best economy. Marquette is a natural iron city, and yet her furnaces are few. Detroit and Wyandotte lie near enough to become great manufacturing cities, and yet the total capital invested in this business in the two cities does not exceed \$2,500,000, and the annual manufactured product is not over \$3,500,000. Pittsburg, to-day, manufactures more of the Lake Superior iron than the whole State of Michigan. It has been urged against extensive iron manufactures in the Lake Superior region, that the supplies of timber would soon be exhausted. A single furnace in these iron regions, with a capacity of twenty thousand tons, will consume five hundred acres of heavily timbered land every year, or thirty-seven thousand cords of wood. With this ratio of consumption, and hundreds of furnaces to feed, it would require but a few years before the supply of fuel would give out. But it has lately been discovered that in all the area of the upper peninsula where the carboniferous limestone exists, there are indications of the existence of bituminous coal.

The coal fields of the southern peninsula possess an area of 12,000 square miles. The Jackson and the Corunna mines are already at work. The total receipts at Detroit last year being 34,355 tons. The produce compares favorably with the best bituminous coal in this country and Europe, as will be seen by the annexed table :

| Where mined. | Specific gravity. | Vol. Matter. | Fixed Carb'n. | Ash. |
|-----------------------|-------------------|--------------|---------------|------|
| Jackson, Mich..... | 1.264 | 36.14 | 58.63 | 3.97 |
| La Salle, Ill..... | 1.237 | 39.90 | 55.10 | 3.00 |
| Belleville, Ill..... | 1.246 | 36.30 | 57.70 | 4.50 |
| Cannelton, Ind..... | 1.272 | 36.59 | 59.47 | 3.9 |
| Pittsburg..... | 1.020 | 32.95 | 64.72 | 2.3 |
| Breckinridge, Ky..... | 1.150 | 64.30 | 27.16 | 8.4 |
| Grayson, Ky..... | 1.371 | 62.03 | 14.36 | 23.6 |

| | | | | |
|----------------------|-------|-------|-------|-------|
| Atkinson, Md..... | 1,313 | 15.53 | 76.69 | 7.33 |
| James River, Va..... | ..... | 32.57 | 58.79 | 8.64 |
| Albert, N. B..... | 1,229 | 61.74 | 36.04 | 2.22 |
| New Castle, Eng..... | 1,256 | 31.50 | 67.65 | 0.85 |
| Scotch Cannel..... | 1,420 | 53.70 | 4.90 | 38.80 |

The Saginaw Salt, which five years ago was unheard of, produced in 1864 3,000,000 bushels valued at \$1,250,000. The whole eastern part of the southern peninsula north of a line drawn from Monroe to Granville contains inexhaustible reservoirs of the strongest brine. Salt can be sent thence to New York at a less price than the same can be furnished from Onondaga or Syracuse. Last year the produce reached 529,073 barrels, the value at shipping port being only 25c per barrel.

ARMY MORTALITY.

WHEN President Lincoln, on the 15th day of April, 1861, called for 75,000 militia for three months' service, the army of the United States had the names of about 14,000 men on its rolls. During the ensuing four years, 2,688,523 men were enlisted for the following periods of time :

| | | | |
|-----------------------|---------|----------------------|-----------|
| For three months..... | 191,985 | For two years..... | 43,113 |
| For six months..... | 19,076 | For three years..... | 1,950,792 |
| For nine months..... | 87,558 | For four years..... | 1,040 |
| For one year..... | 394,959 | | |
| Total..... | | | 2,688,523 |

The records of the office of the Provost-Marshal-General show from what State, county or town these men came, and what became of each one. These records tell us that of this large number of troops, 2,408,103 left the army alive. Some of them deserted, a few were dismissed before their term of service expired; a glorious band went home armless, legless, eyeless, through their patriotic endeavors to save their country from dismemberment. But the majority returned safe and sound to the place of enlistment, there to be mustered out for home.

But 280,420 men, good, true and loyal, sealed their patriotism with their blood. Death met them in every shape. Over 40,000 died on the field of battle; 35,000 survived the shock of the conflict only to die of wounds, while 184,000 died of disease in tent or hospital, or by the way-side. To give the exact figures, 96,089 died of battle or of wounds, while 184,331 died of disease. This proves that the great mortality of war does not arise from the deadly bullet. It is the hardship of the campaign, the change of mode of life, the difference in climate, that rolls up the terrible record of dead. Two persons died of disease in this war for every one that fell from an enemy's weapon. Yet this percentage of disease is far less than that of other countries and other ages. In the Crimean war, seven-eighths of the mortality of the British troops during the entire campaign were due to disease, and one-eighth only to deaths from wounds received in action. In January, 1855, the month of the greatest mortality of that campaign, *ninety-seven per cent* of the entire mortality of the British troops resulted from disease. "At this rate," says Elliot, "to supply the loss occasioned merely by death, this army would need to be replaced by a new army of equal numbers once in about ten months."

The following tables show the causes of mortality in our armies during the whole war, and the arms of service in which that mortality occurred :

| Arm of Service. | KILLED | | DIED OF DISEASE | | Total. |
|--------------------------------------|-----------|--------|------------------------------------|---------|---------|
| | Officers. | Men. | Officers. | Men. | |
| REGULARS. | | | | | |
| Cavalry | 23 | 284 | 18 | 470 | 795 |
| Artillery | 32 | 308 | 12 | 472 | 824 |
| Infantry | 102 | 1,298 | 53 | 1,807 | 3,260 |
| Total | 157 | 1,890 | 83 | 2,749 | 4,879 |
| VOLUNTEERS. | | | | | |
| Cavalry | 522 | 10,834 | 331 | 24,702 | 36,389 |
| Artillery | 126 | 2,585 | 99 | 8,725 | 11,535 |
| Infantry | 4,246 | 72,732 | 1,718 | 119,623 | 198,319 |
| Total | 4,894 | 86,151 | 2,148 | 153,058 | 246,243 |
| COLORED TROOPS. | | | | | |
| Cavalry | 4 | 131 | 1 | 883 | 1,019 |
| Artillery | 4 | 67 | 16 | 3,508 | 3,595 |
| Infantry | 162 | 2,629 | 73 | 21,820 | 24,684 |
| Total | 170 | 2,827 | 90 | 26,211 | 29,298 |
| CAVALRY. | | | | | |
| Regulars | 23 | 284 | 18 | 470 | 795 |
| Volunteers | 522 | 10,834 | 331 | 24,702 | 36,389 |
| Colored | 4 | 131 | 1 | 883 | 1,019 |
| Total | 549 | 11,249 | 350 | 26,055 | 38,203 |
| ARTILLERY. | | | | | |
| Regulars | 32 | 308 | 12 | 472 | 824 |
| Volunteers | 126 | 2,585 | 99 | 8,725 | 11,535 |
| Colored | 4 | 57 | 16 | 3,508 | 3,595 |
| Total | 162 | 2,960 | 127 | 12,705 | 15,954 |
| INFANTRY. | | | | | |
| Regulars | 102 | 1,298 | 53 | 1,807 | 3,260 |
| Volunteers | 4,246 | 72,732 | 1,718 | 119,623 | 198,319 |
| Colored | 162 | 2,629 | 73 | 21,820 | 24,684 |
| Total | 4,510 | 76,659 | 1,844 | 143,250 | 226,263 |
| GRAND TOTALS. | | | | | |
| Whole number of deaths in Reg. Army. | 4,879 | | Whole number of deaths in Cavalry. | | 38,903 |
| “ “ Volunteers. | 246,243 | | “ “ Artillery.. | | 15,954 |
| “ “ Col. Troops | 29,298 | | “ “ Infantry... | | 226,263 |
| Total | 280,420 | | Total | | 280,420 |

From these tables it appears that 5,221 officers and 90,868 enlisted men were killed on the battle-field, or subsequently died of their wounds; while 2,321 officers and 182,010 enlisted men died of disease. So that about one officer was slain in battle for about every 18 men, while only one officer died for every 80 men in the hospital. This excess of loss of life among the officers in battle is partly due to the fact that in battle they are expected to lead their men on; and still more, it may be, that when sickness intervenes they have medicines, care, and nourishing food, that circumstances forbid to be given to the bulk of the army.

The number of white troops enlisted was almost exactly 2,500,000 men; the number of deaths among them, 251,122 or one death out of 10. The number of colored troops was 180,000, of whom 29,298 died, or about one out of six. The death rate of the colored troops was therefore nearly double that of the white, but the death rate from disease alone was far worse than this. Out of every eight deaths among the white troops, three died on the field of battle, and five from disease. Out of every nine deaths among the blacks, one died on the field of battle and eight from disease. The negro, as slavery has left him, feeble of will and with but little moral stamina, is less capable than the white man of enduring the physical trials of the military services.

The above tables show that the regular service is far safer, both on the battle-field and in the hospital, than the volunteer force. Out of the same number of troops of either force, seven volunteers would die to six regulars; the mortality among the former was nearly 15 per cent greater than among the latter.

These army records give the precise number of men who died while in their country's service. It does not tell us of that great host who, dismissed at their own request for disability, went home to die. An examination of the pension records would partly supply this want; but the full number of those who gave their lives to their country can never be known.

GRAIN TRADE OF MINNESOTA.

A slip from the office of the *Winona Republican* gives some statistics of the grain trade of that town, and of the new State of Minnesota, from which we compile the leading statements. The rapid growth of wheat culture in Minnesota is approximately indicated by the following figures :

| | Acres in Wheat. | Bushels harvested. | Proportion of tilled land in Wheat. |
|-----------|--------------------|-----------------------|--|
| 1859..... | 124,792 | 2,374,415 | 34.45 |
| 1860..... | 231,315 | 5,101,432 | 53.38 |
| 1865..... | 400,000 | 10,000,000 | 63.00 |

The grain statistics of Winona give the following result :

| | Bushels. |
|--|------------------|
| Received by railroad and shipped from elevator..... | 6,656,000 |
| Received otherwise than by railroad and shipped from warehouses..... | 845,116 |
| Total..... | 2,501,116 |
| Barrels of flour shipped 8,406, which, reduced to wheat, gives in bushels..... | 42,030 |

Grand total of wheat and flour exported..... 2,543,146

The following table gives a comparative exhibit of the shipments of Wheat from this port for a series of years, commencing with 1859 :

| Year, | Exports. | Year. | Exports |
|----------------|-----------|----------------|-----------|
| 1859..... bush | 130,000 | 1863..... bush | 1,251,830 |
| 1860..... bush | 405,000 | 1864..... bush | 1,854,795 |
| 1861..... bush | 993,133 | 1865..... bush | 2,543,146 |
| 1862..... bush | 1,203,161 | | |

Besides Winona, the principal exporting towns in the State are as follows :

| | Bushels. | | Bushels. |
|------------------|-----------|------------------------|------------------|
| Red Wing..... | 1,298,639 | Wabashaw..... | 185,826 |
| Hastings..... | 948,405 | Reed's Landing..... | 65,549 |
| Lake City..... | 660,394 | Other points, say..... | 50,000 |
| Brownsville..... | 576,000 | Total..... | 4,411,373 |
| St. Paul..... | 326,560 | Exports of Winona..... | 2,543,146 |
| Minneiska..... | 300,000 | | |

Aggregate exports from the State..... 6,954,519

The following partial comparison will show the rapid increase of the Wheat trade of the State :

| | Bushels. | | Bushels. |
|-----------|-----------|-----------|-----------|
| 1859..... | 350,000 | 1865..... | 6,954,519 |
| 1860..... | 1,600,000 | | |

The wheat now in store in the several elevators on the line of the Winona and St. Peter Railroad is as follows :

| | Bushels. | | Bushels. |
|--|----------------|-------------------|----------------|
| Winona..... | 75,000 | Evota..... | 20,000 |
| Rochester..... | 50,000 | Lewiston..... | 15,000 |
| St. Charles..... | 25,000 | Total..... | 185,000 |
| In store outside of elevators in the foregoing places, except Winona, (estimated)..... | 50,000 | | |
| In warehouses at Winona, (estimated)..... | 125,000 | | |
| Other river towns, (estimated)..... | 565,000 | | |
| Total in store..... | 925,000 | | |

In addition to the Wheat in store, there is still a very large quantity in the hands of the producers, awaiting an advance in prices. It is probably not an exaggeration to say that there is a surplus of at least 2 500,000 bushels in the State, to be shipped next spring. Previous to 1858, the breadstuffs consumed in Minnesota were imported.

TAXATION OF STOCKHOLDERS OF BANKS—ACT OF NEW YORK LEGISLATURE.

The following is a certified copy of the act passed by the Legislature of New York on the 23d of April of this year :

An Act authorizing the taxation of stockholders of Banks, and the surplus funds of Savings Banks.

Passed April 23, 1866.

The People of the State of New York, represented in Senate and Assembly, do enact as follows :

SECTION 1. No tax shall hereafter be assessed upon the capital of any bank or banking association organized under the authority of this State, or of the United States, but the stockholders in such banks and banking associations shall be assessed and taxed on the value of their shares

of stock therein; said shares shall be included in the valuation of the personal property of such stockholder, in the assessment of taxes at the place, town, or ward where such bank or banking association is located, and not elsewhere, whether the said stockholder reside in said place, town or ward, or not, but not at a greater rate than is assessed upon other moneyed capital in the hands of individuals in this State. And in making such assessment there shall also be deducted from the value of such shares such sum as is in the same proportion to such value as is the assessed value of the real estate of the bank or banking association, and in which any portion of their capital is invested, in which said shares are held, to the whole amount of the capital stock of said bank or banking association. And provided, further, that nothing herein contained shall be held or construed to exempt from taxation the real estate held or owned by any such bank or banking association; but the same shall be subject to State, county, municipal and other taxation to the same extent and rate and in the same manner as other real estate is taxed.

Sec. 2. Every individual banker doing banking business under the laws of this State, is hereby required to declare upon oath before the assessor the amount of capital invested in such banking business, and each one hundred dollars of such capital for the purpose of this act, and for the purpose of taxation shall be held and regarded as one individual share in such banking business, and such shares are hereby declared to be personal property. If such banker have partners he shall declare upon oath before the assessor the number of shares held by each of them in such banking business, ascertained as above provided, and the shares so held by any partner shall be included in the valuation of his taxable property in the assessment of all taxes levied in the town, school district, or ward where such individual banker is located, and not elsewhere; and such individual banker shall pay the same and make the amount so paid a charge in his accounts with such partners; and if such individual banker have no partners he shall be held to be sole owner of all the shares in such business of banking, and the same shall be included in the valuation of his personal property in the assessment of all taxes levied in the town, school district or ward where his bank is located, and not elsewhere.

Sec. 3. There shall be kept at all times in the office where the business of such bank or banking association, organized under the authority of this State or the United States, shall be transacted, a full and correct list of the names and residences of all the stockholders therein, and of the number of shares held by each; and such list shall be subject to the inspection of the officers authorized to assess taxes during the business hours of each day in which business may be legally transacted.

Sec. 4. Sections ten and eleven of chapter ninety-seven of the session laws of eighteen hundred and sixty-five are hereby repealed.

Sec. 5. When the owner of stock in any bank or banking association, organized under the laws of this State, or of the United States, shall not reside in the same place where the bank or banking association is located, the collector and county treasurer shall, respectively, have the same powers as to collecting the tax to be assessed by this act, as they have by statute, when the person assessed has removed from the town, ward or county in which the assessment was made; and the county treasurer, receiver of taxes, or other officers authorized to receive said tax from the collector, may all or either of them have an account to collect the tax from the avails of the sale of his shares of stock, and the tax on the share or shares of said stock shall be and remain a lien thereon till the payment of said tax.

Sec. 6. For the purpose of collecting such taxes, and in addition to any other laws of this State, not in conflict with the constitution of the United States, relative to the imposition of taxes, it shall be the duty of every such bank or banking association, and the managing officer or officers thereof, to retain so much of any dividend or dividends belonging to such stockholders as shall be necessary to pay any taxes assessed in pursuance of this act, until it shall be made to appear to such officers that such taxes have been paid.

Sec. 7. The privileges and franchises granted by the legislature of the State, to savings banks or institutions for savings, are hereby declared to be personal property, and liable to taxation as such in the town or ward where they are located, to an amount not exceeding the gross sum of their surplus earned, and in the possession of said banks or institutions; and the officers of such institutions or banks, may be examined on oath by assessors, as the amount of such surplus; and the property of such banks and institutions shall be liable to seizure and sale for the payment of all taxes assessed upon them for said privilege and franchises.

Sec. 8. This act shall take effect immediately.

STATE OF NEW YORK,
Office of the Secretary of State.

I have compared the preceding with the original law on file in this office, and do hereby certify that the same is a correct transcript therefrom and of the whole of said original law.

FRANCIS C. BARLOW,
Secretary of State.

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