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LEGISLATIVE LOBBYING.

The recent libel suit in the city of Brooklyn, which related principally to the alleged complicity of a Senator in "some of the rascalities of Albany legislation," may serve to indicate to the public the agencies employed to "accomplish legislative results." There is necessarily a vagueness in the testimony when enquiries are directed to specific measures, as a full disclosure might be attended with disagreeable contingencies. But enough of fact percolates through to enable the intelligent reader to apprehend the character of the transactions, as well as of the men concerned in them.

The evidence shows that there exists a peculiar guild, or "close corporation" at the State capital, the members of which make it their principal business to traffic in legislation. Common rumor has long ago indicated the prominent individuals thus operating together. It is no part of our purpose in this article to deal with them personally, and we shall studiously refrain from directing attention specifically to individuals. We will state simply that they are known in their collective capacity as "the Lobby," and act together in all their principal operations. They may gamble in stocks and other speculations, but that is "outside."

Every one will perceive that measures of real merit and importance, especially when they concern private business, require the personal attention of somebody to see them properly supported, moved forward in the usual course of legislation, and their passage furthered by honorable and legitimate means. Individuals who may be immediately interested sometimes remain for weeks at the capital for that purpose, and sometimes employ a person in whose sagacity and integrity they have

confidence to do that labor for them. Although such work as this is not improperly designated as "lobbying," yet every intelligent man at the State capital knows that it is not the kind which entitles the person doing it to be considered as a member of "the lobby" in the accepted sense of that designation, any more than the fact of being a bricklayer entitles the person to be regarded as belonging to the order of Free and Accepted Masons.

The Lobby employs its agents in every direction to ascertain what measures "have money in them," principally, it would seem, from the declaration of an adept, for the purpose of learning the amount to be received for defeating them, as being the most remunerative service. If the friends of such measures neglect to comply with the requirements imposed upon them, they will find every species of imaginable difficulty in their way. Particular members of a legislative committee will suggest objections; or if there are no such, there will be a man on the floor of the House making a display of conscientiousness, who will manage to delay their progress by the usual parliamentary tactics, till "reasons" shall have been produced to convince him of their unobjectionable character. It is hardly necessary to add that the expression *reasons* is a slang term, meaning a pecuniary consideration.

Of late years, it is stated that members of the Legislature have become sufficiently expert to arrange their own negotiations, so that none of these measures which formerly were taxed solely for the benefit of the Lobby are passed without contributing to the personal emolument of many of the members voting for them. Certainly, it has become common for the Lobby, after their business has been transacted or spoiled, to denounce members of the Legislature as corrupt—truthfully enough, but probably from pique or disappointment rather than because of any conscientious emotion.

In 1860 the manipulations in connection with the passage of the New York City Railroad bills produced a political rupture. The Lobby had laid down the programme, and the bills were introduced into the Assembly by obscure and unobtrusive members, apparently as "harmless as sucking doves." About this time another actor appeared on the scene. A bill was introduced into the Senate authorizing one company to lay a railroad in forty-seven streets. It was reported, printed, and passed with apparently reckless haste, to be reported against in the Assembly, and killed with every show of virtuous indignation. A singular transformation took place shortly afterward in the bills which had been incubating in the Committee of the Assembly, and they were reported and passed, the names of the granters of the monstrous Senate bill having first been divided among them. The Governor did not sign them, nor seriously oppose them. Subsequently, every member of the dominant political party who took part in the passage of the mammoth bill of the Senate was discarded from communion with his former associates. The dissensions and singular combinations of several public men of different factions which took place soon afterward were in this way the sequence of this legislation.

It is not to be supposed from these expositions that the legislation of our State is especially tarnished beyond that of others. The peccadilloes of the legislature of New Jersey have often been the theme of curious

remark, champagne suppers being said to constitute an argument which few of its representatives are capable of resisting. But the scandals are not so noteworthy as those of other and larger commonwealths. Pennsylvania is, perhaps, worse talked about than any other State. There legislation is openly declared to be matter of bargain and sale; and the election of Senators to represent that commonwealth at Washington has more than once been accomplished under circumstances indicative of shameless bribery. Whether that imputation has become less deserved during the few years past, we cannot undertake to decide. Similar criticisms have been made in regard to the Legislatures of Indiana, Illinois and Wisconsin, one or two Governors having been more or less implicated in the transactions. There is too good reason to believe, after all due allowance shall have been made for false reports and misrepresentation, that much is still true. It is morally certain that although members of legislatures may return to their constituencies at the close of a session wiser, they by no means return better men.

These imputations, however, are not confined to this country, this continent, or the present period of history. A Roman Senator, as Sallust informs us, was bribed by the Numidian King Jugurtha; and the bestowment of gifts to obtain the suffrages of the Roman people was notorious. At Athens, Themistocles was reproached by his great rival for corruption; and Philip of Macedonia, it is a well established fact, suborned the principal orators of the city. In Sparta also, where money was less prized, it was often potent enough to swerve kings from their fealty to their country. The monarchs of Persia maintained leading men among the Greeks. We read that the Apostle Paul was detained two years in prison because the procurator Felix hoped to obtain money from him for a release. Subsequent history has kept up its resemblance in this respect to the ancient. Hardly the court or country exists in the eastern hemisphere where money will not open any door, or procure any verdict. In China the *cash* is omnipotent; in Turkey *backshish* controls all from the meanest to the *cadi* and *padisha*. Once the Russian autocrat Nicholas attempted to examine and reform his civil administration, and procured reports from his subordinate officers; but on perusing them declared to the Tzarowitch: "They all steal but you and I." England herself can claim no exemption from the general misfortune. Her history is disgraced as badly by peculation as by perfidy or cruelty. Stanley, through whom Richard III., "Dickon his master was bought and sold" at Bosworth, was but a single instance of the mercenary character of noblemen as well as of the commoners of England. While the Angevine kings used to maintain the barons of Scotland, many of the men about their own court were under the pay of France. Louis XIV. obtained his advantage in making the English kings themselves his pensioners. William III. ruled as effectively by money as with arms; and subsequent monarchs have continued the practice—so commendable at least for simplifying the art if not the science of government.

The expenses of electing members of Parliament are exactly in point. For the present members, they were enumerated by Mr. Lowe, of the House of Commons, several of them as follows:—For Stafford, £5,400; for Stoke-upon-Trent, £6,200; for Sunderland, £5,000; for Westminster, £12,000. The justly celebrated John Stuart Mill represents the West

minster borough and refused to give anything but personal exertion, yet the cost to his friends was £2,300. Mr. Lowe went on :

But look to the state of our election practices when such an outburst of popular feeling could not be given effect to without that enormous sacrifice of money. I will now call attention to two or three counties. The subject has not been sufficiently dwelt upon, but it bears materially upon the question before us to-night. I will take the southern division of Derbyshire. The election cost £8 500, and this is the cheapest I shall read. The northern division of Durham cost £14,620, and the southern division £11,000. South Essex cost £10,000, and North Essex £16,000. West Kent cost £12,000, South Lancashire £17,000, South Shropshire £12,000, North Staffordshire £14,000, North Warwickshire £10,000, South Warwickshire £13,000, North Wiltshire £13 000, South Wiltshire £12,000, and the North Riding of Yorkshire £7,000. Now, I ask the House how it is possible that the institutions of this country can endure if this kind of thing is to go on and increase.

These figures leave no opportunity for others to harangue about the corruption of American politics. The employment of money to secure the popular suffrage is as old as representative government; and we apprehend that it has been the experience of old countries that the more general and liberal the suffrage the more easy has been its purchase. That a similar mercenary spirit should pervade Cabinets and Halls of legislation is no greater marvel. Human nature is pretty nearly identical in the prince and peasant, in the statesman and the "bribed elector," and its imperfections will crop out.

Moralising upon the subject is of little use; declamation about it, as we often notice in the daily newspapers, is more than idle. The root of the evil is not well understood; and, if it was, there is hardly a public journal that would dare expose it to public reprehension. The evil of corruption at elections, and of dishonesty in the lobbies of legislative bodies, is incidental to the infirmities of mankind; and, like other offenses, can only be checked in some of its outbreaks, but not eradicated till human nature itself shall have undergone renovation.

We may expect that close organizations, like political committees, lobbies and legislatures, rings in common councils, and other municipal bodies, will arise as quickly as mushrooms and with greater tenacity of life. We regret that legislation should be made mercenary, or that speculation on the bench should be suspected. We would not have the idea of official honesty treated as a very jest. But we are disposed to take a more cheerful view of the matter than the misanthropic are disposed to be. It has been the rule for many centuries, and yet the world has lasted; nations have lived out their time, and there has been general prosperity. Statesmanship appears to be little else than judicious employment of human motives in the business of governing, and he is the wisest who is best able to maintain a due equilibrium of human passions and ambitions. Still the whole world moves, and will continue to move.

We have to expect to be often deceived. Politicians are proverbially inconstant. Good legislation is often defeated if its supporters do not pay the fees of a ring and lobby. We shall denounce this whenever we detect it, and shall delight to see princes of the lobby arraigned before courts of justice. But these are only checks to the offence. Instead, therefore, of predicting all manner of calamities, and making ourselves unhappy and dyspeptic over the matter, we shall be wiser to go on with

our business, pay our "backshish" to the lobby-chief whom we meet, rejoice that it is no higher, and regard it as one of the conditions of human society to which it becomes us to submit with as good a grace as possible. It ought to be better; it is fortunate for us that it is no worse.

OUR RAILROADS.

The late war has proved to be coincident with a very remarkable development of the railroad interest of the country. The business of the roads has so far increased that, while floating debts have been extensively liquidated and the condition and capacity of the roads has been improved, yet most of the companies have assumed a steady dividend-paying position.

This improvement is, to some extent, due to circumstances connected with the war, and yet not wholly. That large portion of the traffic in Western products which, before the war, took the route of the Mississippi river has since the commencement of hostilities been diverted to the railroads; nor is there now any very apparent tendency for it to return to its former channel. Traffic routes change so slowly that it is not at all improbable that the roads may retain for years what they have taken from the Mississippi; and the probability is all the greater from the fact that every year the river becomes more difficult of navigation. The derangement of values connected with the suspension of specie payments has involved a very large enhancement of the rates of freight, so that the net earnings, as represented in currency, have borne a larger ratio to the capital than they would had affairs been upon a specie basis; and the percentage of dividends has consequently ranged higher. This consideration is more important than it may appear at first sight. The capital of the roads represents a specie investment; the dividends are paid in a depreciated currency; so that to-day a six per cent. dividend is equal to a much less amount in gold. Important errors may easily arise in estimating the value of the earnings of the roads if this consideration is not kept in view.

The close of the war was attended with the stoppage of a large amount of military transportation; and the lightness of the crops of last year left an unusually small surplus of products to be moved to the seaboard for exportation; so that it has been very generally anticipated that the earnings of the roads this year would fall below those of 1865. Hitherto, however, a contrary result has appeared. The following comparison of earnings of sixteen of the principal roads for the first six months of the year will show the relation between the business of this year and last:

| Railroads. | 1865. | 1866. | | Differ- ce. |
|---------------------------------------|--------------|--------------|------|----------------|
| Atlantic & Great Western (5 mos)..... | \$1,759,311 | \$2,148,352 | Inc. | \$389,041 |
| Chicago & A ton..... | 1,791,875 | 1,795,563 | Inc. | 4,688 |
| Chicago & Great Eastern..... | 482,746 | 609,871 | Inc. | 127,125 |
| Chicago & Northwestern..... | 3,374,388 | 3,629,654 | Inc. | 305,566 |
| Chicago & Rock Island..... | 1,565,900 | 1,990,503 | Dec. | 175,397 |
| Cleveland & Pittsburgh..... | 1,233,673 | 1,554,689 | Dec. | 178,984 |
| Erie..... | 7,084,008 | 6,739,582 | Dec. | 344,426 |
| Illinois Central..... | 3,313,036 | 3,086,305 | Dec. | 226,731 |
| Marietta & Cincinnati..... | 544,455 | 542,000 | Dec. | 2,455 |
| Michigan Central..... | 2,034,048 | 1,929,406 | Dec. | 104,642 |
| Michigan Southern..... | 1,534,885 | 1,642,955 | Inc. | 108,070 |
| Milwaukee & St. Paul..... | 827,462 | 994,776 | Inc. | 167,334 |
| Ohio & Mississippi..... | 1,679,182 | 1,654,366 | Dec. | 24,817 |
| Pittsburgh, Ft. Wayne & Chicago..... | 4,244,278 | 3,607,895 | Dec. | 636,383 |
| Toledo & Wabash..... | 916,468 | 1,589,057 | Inc. | 672,789 |
| Western Union..... | 293,310 | 353,339 | Inc. | 59,939 |
| Total..... | \$32,613,056 | \$32,768,733 | Inc. | \$155,677 |

Upon the roads here compared there is an average increase of earnings for the six months of $\frac{1}{2}$ per cent.; and as it may be safely presumed that the expenses of the current year range lower than those of last, it would follow that the profits of the roads for the last six months exceed those of the corresponding period of 1865.

For the purpose of ascertaining the condition of the railroad interest at large, as respects earnings, expenses and dividends, we have compiled the following details from the latest annual reports of thirty-seven of the leading roads of the Eastern, Middle and Western States:

| Road. | Miles. | Cost of road. | Earnings. | Expenses. | Profits. | Div's |
|----------------------|---------------------|---------------|-------------|-------------|------------|-----------------|
| Boston & Worcester | 71 | \$4,500,000 | \$1,697,164 | \$1,160,107 | \$537,057 | 10 |
| Western | 174 | 11,271,856 | 3,431,584 | 2,204,926 | 1,226,658 | 12 |
| Hartford & N. Hav. | 75 | 2,498,319 | 1,459,711 | 1,046,183 | 413,528 | 10 |
| N. York & N. Haven | 62 | 5,626,522 | 1,983,213 | 1,432,379 | 549,834 | 09 |
| Hudson River | 144 | 14,661,857 | 4,132,600 | 2,545,907 | 1,587,693 | 08 |
| Harlem | 133 | 10,616,038 | 1,860,429 | 1,409,720 | 450,709 | — |
| N. Y. Central | 556 | 32,702,919 | 13,975,524 | 11,278,510 | 2,697,014 | 06 |
| Erie | 557 | 47,646,351 | 15,431,775 | 10,368,264 | 5,066,511 | 08 |
| Buffalo & State Line | 83 | 2,784,414 | 1,915,466 | 1,176,438 | 739,028 | 10 |
| New Jersey | 34 | 4,641,325 | 1,875,851 | 1,072,658 | 803,193 | 10 |
| Camden & Amboy | 34 | 5,502,296 | 5,799,980 | 4,659,192 | 1,140,788 | 35 |
| Central of N. J. | 74 | 13,193,584 | 3,036,390 | 1,748,434 | 1,287,956 | 10 |
| Reading | 153 | 26,046,722 | 11,145,119 | 6,330,243 | 4,814,871 | 10 |
| Pennsylvania | 388 | 31,809,324 | 17,459,169 | 11,270,058 | 6,189,111 | 10 |
| Phil., Wil. & Balt. | 96 | 9,106,547 | 3,884,609 | 2,687,805 | 1,196,804 | 10 |
| Balt. & Ohio | 27 | 24,945,093 | 6,509,945 | 1,965,544 | 4,544,007 | 06 |
| Washington Branch | 20 | 1,650,000 | 702,122 | 273,233 | 428,889 | 06 |
| Cleve. & Pittsb'g | 203 $\frac{1}{2}$ | 9,320,163 | 2,636,377 | 1,650,583 | 736,794 | 05 |
| Cleveland & Erie | 97 | 4,789,121 | 2,239,322 | 1,148,561 | 1,210,661 | 35 |
| P., Ft. W. & Chicago | 463 | 23,183,351 | 8,489,162 | 5,205,515 | 3,283,547 | 10 |
| Clev., Col. & Cinn. | 191 | 4,750,000 | 2,499,248 | 1,264,188 | 1,235,060 | 15 |
| Little Miami | 84 | 4,126,278 | 2,433,286 | 1,318,643 | 614,641 | 30 |
| Cin., Ham & West. | 160 | 5,101,213 | 1,361,566 | 829,277 | 532,289 | 9 |
| Dayton & Michigan | 142 | 6,106,449 | 1,511,357 | 611,422 | 399,934 | — |
| Sand., Dayton & Cin. | 206 | 4,583,895 | 719,924 | 564,024 | 155,900 | — |
| Kvanv. & Crawfor'vo | 132 | 2,600,599 | 559,123 | 312,402 | 246,722 | 12 |
| Terre H. & Indianap. | 73 | 1,988,150 | 1,248,726 | 650,055 | 598,671 | 12 |
| Ohio & Mississipp. | 310 | 33,423,000 | 2,759,133 | 2,742,511 | 1,016,622 | — |
| Michigan Central | 285 | 23,805,576 | 4,121,213 | 2,406,150 | 1,715,063 | 10 |
| Michigan Southern | 524 | 16,555,412 | 4,668,445 | 2,749,657 | 1,918,788 | 3 $\frac{1}{2}$ |
| Clev. & Toledo | 109 | 7,424,032 | 1,691,266 | 856,486 | 834,780 | 10 |
| Tol., Wab. & West. | 212 | 10,080,918 | 2,050,322 | 1,104,830 | 945,492 | 3 $\frac{1}{2}$ |
| Chic. & N. Western | 679 | 37,323,791 | 6,820,750 | 5,013,473 | 1,807,277 | 10 |
| Chic. & Rock Island | 182 | 8,051,133 | 3,154,246 | 1,711,458 | 1,442,781 | 10 |
| Chicago & Alton | 280 | 8,308,919 | 3,841,092 | 2,006,575 | 1,834,517 | 8 $\frac{1}{2}$ |
| St Louis, A. & T. H. | 210 | 10,700,000 | 2,240,744 | 1,752,186 | 488,558 | — |
| Illinois Central | 708 | 30,529,844 | 7,181,203 | 5,006,284 | 2,174,924 | 10 |
| | 8,232 $\frac{1}{2}$ | 495,899,029 | 159,194,587 | 102,497,917 | 56,696,670 | — |

This statement shows the cost of these 8,232 miles of first class roads, with their appurtenances and rolling stock, to have aggregated \$495,899,029, or at the average rate of \$60,236 per mile. The results of the operations cannot be considered otherwise than as highly satisfactory. The total earnings of these roads is \$159,194,587, or \$19,337 per mile. The expenses aggregate \$102,497,917, or \$12,451 per mile; the proportion of expenses to gross earnings being 64.39 per cent. The profits, or net earnings, reached the large total of \$56,696,670, or \$6,886 per mile.

The question of chief importance to investors in this class of securities concerns the relation between the net earnings and the capital. The legal rate of 7 per cent. upon the capital invested in the roads would yield \$34,712,932. The actual profits, however, amount to \$11,983,738 more than that sum, and average 11.43 per cent. It is necessary, however, here again to call to mind the fact that these figures represent cur-

rency. Were the profits reduced to gold, at its present market price, so as to correspond with the character of the original investment, the ratio of net earnings to the cost of the road would be about $7\frac{1}{2}$ per cent. in specie. This result is most gratifying, and betokens the really substantial value of railroad investments. A government bond yielding 6 per cent. in gold is considered a most valuable investment; but it may be questioned whether roads yielding a profit of $7\frac{1}{2}$ per cent. in gold upon the capital invested will not ere long be deemed even still more desirable.

Nor would it seem reasonable to consider this prosperity as merely temporary. The roads appear to have now reached that condition of completeness of construction and adequacy of traffic which has been long anticipated as the ultimate basis of large and permanent profits. It will be observed that, of the above thirty-seven roads, only seven failed to pay dividends during last year; two paid $3\frac{1}{2}$ per cent.; one, 5 per cent.; two, 6 per cent.; two, 8 per cent.; one, $8\frac{1}{2}$ per cent.; three, 9 per cent.; thirteen, 10 per cent.; two, 12 per cent.; one, 15 per cent.; one, 30 per cent., and two 35 per cent. Considering that, while these liberal dividends have been made, large amounts have also been appropriated from the earnings for construction and equipments, and that the roads are now in such a condition of comparative completeness as to require lighter appropriations for these purposes than in former years, it must be allowed that the roads of the country, exclusive of those of the Southern States, are in a condition justifying the large but long deferred expectations cherished at the time of their projection.

MONEY AND BANKS.

BY J. L. TELLKAMPF, L.L.D., P.D.*

Aurum per medios ire satellites
Et perumpere amat saxa potentius
Ictu fulmineo.

Before treating a subject which has recently been the occasion of much *party* animosity, I would remind the reader that *science* knows no parties, —that it can adopt no opinions of a party, except so far as that party has

* This essay was written several years since and was addressed to Prussian readers, but is on that account none the less interesting to us now, and we publish it, therefore, just as we have received it from the author. Professor J. L. Tellkampff is an economist of high standing, both in Europe and America. Some of our readers are, undoubtedly, acquainted with him personally. It will be remembered that he was in this country about eight years, and at that period contributed many valuable articles to the pages of the MERCHANTS' MAGAZINE, occupying at the same time important positions, first in the faculty at Union College, and subsequently filling the Gibbard German Professorship in Columbia College, New York city. He left the latter place very unwillingly, but felt called upon to do so, having been selected by the Prussian Government for an important mission to France and England, and, after that, tendered the Professorship of Political Economy at the University of Breslau, which position he still occupies. For two or more terms, also, he was chosen a mem-

borrowed them from truth,—that *truth*, eternal, unchanging and complete, is its only end and aim. I request him to remember, further, that it is the province of the scientific inquirer to ascertain abstract and general principles, rather than to teach how these principles are to be applied in particular cases, and that in this way he will sometimes reach conclusions for which the country in which he writes may not yet be ripe, and which he would be the last to recommend for immediate adoption. The writer may also add, by way of caution, that he discusses questions only in their *financial* or *economical* aspects, and that many considerations of a political nature,* which the statesman would be required to weigh before deciding on measures, must in this place, for the sake of simplicity, be omitted. He approaches the subject only as an *economist* who, for the time, knows nothing of general politics, who owes allegiance to no party, who would write only as a citizen of the world, and who, far from assuming to have mastered the whole truth, is but a humble inquirer, yet ready as he proceeds to communicate to others the result of his impartial inquiries.

FUNDAMENTAL PRINCIPLES.

What is money? What is currency?

The second of these questions can be understood only by defining the first.

By *money* we mean, first, a common *measure* of values, and, secondly, a *common medium of exchange* as a real equivalent of values, as a power of purchasing;—two functions intimately connected, and yet admitting of separate examination.

Considering money as a

Measure of Value.

we have to enquire what are the essential qualities of a good measure. They are, that it be *invariable*, *easily ascertained*, and susceptible of division into parts. Money is to *value* what standard *weights* and *measures* are to *quantity*. The rights and interests of both buyer and seller, require that the standard bushel, gallon, yard, &c., should be a *fixed and known*

ber of the Second Chamber of Deputies—House of Representatives—and was finally elected and confirmed by the King of Prussia as a member of the First Chamber, which is a life office. The First Chamber is similar to the English House of Lords. His partiality for the Government and Constitution of the United States is well known, as he has frequently in the Prussian Parliament referred to them for precedents when important measures were pending. This same feeling will be seen exhibited in the essay we publish. We state these facts, knowing that they will give pleasure to those of our readers who were formerly acquainted with Professor Tellkamp, and will serve to increase the interest of all in what he has written.—Ed HUNT'S MERCHANTS' MAGAZINE.

* In countries where the acquisition of wealth is the prime object of the the majority of the people, money power is one of the greatest, and most difficult to guard against:

“The age of bargaining hath come,
And noble name and cultured land,
Palace and park and vassal band,
Are powerless to the notes of hand
Of Rothschilds and the Barings.”

quantity, subject to no variations, easily verified, and admitting of convenient subdivisions; so money, which is considered for the present but a common standard measure of value, should possess, as far as possible, the same properties. We say as far as possible, because in the case of money, as of all values, absolute stability is unattainable. What we require, then, is that the measure of values adopted should approximate as nearly as possible to this *idea* of a perfect standard.

In modern times, both metals and paper have been adopted as a *measure* of value, and both have their advantages. The precious metals existing only in limited quantities, and not liable to sudden increase or diminution, inasmuch as they are produced with great labor and are very enduring, have much the advantage in respect of *stability*. As the commercial intercourse of the ancient world was very limited, so much the greater and more sudden were the variations in the value of gold and silver. So, now, the smaller the amount of the precious metals in a country, so much the more easily can great fluctuations in their value be produced by influx from without. The modern world has attained to a far greater degree of *stability* in the relative value of the precious metals through the universality and rapidity of commercial transactions (which produces the niveau of values), and through the now immense aggregate of gold and silver in private use or in circulation. However sudden and great the influx of precious metals from newly discovered sources now may be, their values do not suddenly sink, because the increase, in comparison to the great masses in use, is but a small percentage, and hence makes itself felt only in a long series of years. While almost all other productions of human labor are sooner or later consumed, the precious metals are preserved, often under the most curious forms, and can be, at any time, melted up and coined, and thus as coins pass at once into circulation. Hence the precious metals, in whatever form they may be, are to be considered in their aggregate, and their present amount is the aggregate production of all lands and for thousands of years. The constant increase of this aggregate by new supplies has, however, had the natural effect of causing their value slowly to decrease when compared with the common necessities of life, with corn for instance. This decline in the value of gold and silver is so slow as to be hardly perceptible in short periods of time; hence for such periods they may be considered as affording a staple measure of value; and yet if we compare their value at intervals, say of centuries, the decline is strikingly large. Thus taking corn as our standard of comparison and extending our inquiries only to England, France and Germany, we find that the value of gold and silver, during the period between the discovery of the mines of Mexico and Peru and the beginning of the present century decreased from four to sixfold.*

If we now, with Adam Smith, consider corn as measure or standard of value, it follows that, as the medium or average price of that article has in the course of centuries risen, precisely in the same ratio or percentage the price or value of the precious metals has fallen. There is, however, a remarkable difference as to the production of corn and precious metals to be mentioned; viz.: while the most productive mines determine the

* A. v. Humboldt, Deutsche Vierteljahrsschrift von 1838, part 4, pages 15-17.

cost of production for the metals and cause the closing of those which are less productive, the least productive cornfields, whose crops are still demanded by a dense and rich population, determine the price of corn, the more productive yielding their owners a comparatively high ground-rent. Consequently in this respect the cases of the metals and corn are exactly reversed; the reason of this being the greater demand for corn as a necessary of life.

From the careful investigations which have been recently made in regard to the amount and relative value of precious metals, at different periods, we find the value of them, as circulating in commerce under the form of money, in Europe and its western colonies, to have been in the year

| | | | | | | |
|------|-------|------|----------|----|----------|----------|
| 1492 | about | 250 | millions | of | Prussian | thalers. |
| 1600 | " | 1250 | " | " | " | " |
| 1700 | " | 3250 | " | " | " | " |

The increase was then about one thousand millions of thalers during the sixteenth century, and two thousand during the seventeenth.

The introduction of the process of treating the ores of silver with quicksilver (1580) increased greatly the production of that metal, and towards the close of the sixteenth century there was consequently a rise in the prices of goods and merchandise, corresponding to the increase in the amount of money. Then followed a period of slight increase, lasting until the fall in the price of quicksilver (since 1778) when there was a rise in prices caused by the more systematic and extensive workings of the Spanish silver mines, and a corresponding increase of their productivity. During that period of slight increase, population, industry, commerce and, of course the demand for the precious metals, had advanced almost in the same ratio, and the value of money had remained almost the same; but with the sudden increase in the productivity of mines that value immediately fell again. The same facts are repeated in our own time as consequences of the immense discoveries of gold in California and Australia, with the additional circumstance of a great change in the relative worth of gold and silver,—a change likely to be felt still for a long time.

In round numbers the annual production of the precious metals may be estimated as follows:

| | | | | |
|--------------|------|----|-----------|----------------|
| For the year | 1500 | at | 1,000,000 | thalers. |
| " | " | " | 1550 | " 4,000,000 " |
| " | " | " | 1600 | " 14,000,000 " |
| " | " | " | 1650 | " 22,000,000 " |
| " | " | " | 1700 | " 29,000,000 " |
| " | " | " | 1750 | " 46,000,000 " |
| " | " | " | 1800 | " 68,000,000 " |

According to Alexander von Humboldt, in the above aggregates the amount of silver is about forty-five times that of the gold, while the value of the latter is but about fourteen or fifteen times that of the former; silver being a much more useful and necessary metal, and therefore in far

greater demand. The production of the two metals as calculated for the year 1800 was about :

| | | |
|--------|-----|----------------------|
| gold | 20½ | millions of thalers, |
| silver | 47½ | “ “ |

aggregate of both 68 millions of thalers.

Again, according to Baron Humboldt*, the New World produced at the beginning of this century annually :

| | |
|---------|---------------------|
| 17,000 | kilogrammes of gold |
| 800,000 | “ of silver. |

The production is estimated to have been for the years—

| | | | | | |
|------|---------|-------------|-----------|------------|-----------|
| 1842 | of gold | 43,000,000, | of silver | 49,000,000 | thalers ; |
| 1848 | “ | 58,000,000, | “ | 50,000,000 | “ |

Thus the production of gold was in 1848 nearly three times that of 1800 ; while that of silver had increased but a few millions. This inequality of production, vastly increased since the discoveries in California and Australia, as the metals pass from the mints, is felt at once in the money markets.

The annual production for the last few years is calculated (in thalers) † as follows :

| | | Gold. | Silver. |
|--------------|------|----------------|-------------|
| For the year | 1849 | at 91,000,000, | 52,500,000. |
| “ | 1850 | “ 132,500,000, | 53,000,000. |
| “ | 1851 | “ 159,500,000, | 54,000,000. |
| “ | 1852 | “ 250,000,000, | 55,000,000. |
| “ | 1853 | “ 266,000,000, | 56,500,000. |

Or as Mr. Soetheer of Hamburg estimates it : ‡

| | | Gold. | Silver. |
|--------------|------|----------------|-------------|
| For the year | 1848 | at 47,700,000, | 45,000,000. |
| “ | 1849 | “ 55,500,000, | 46,000,000. |
| “ | 1850 | “ 119,900,000, | 58,600,000. |
| “ | 1851 | “ 143,400,000, | 61,600,000. |

These estimates, it is true, are but approximations to the truth, but they are sufficient to prove the vast augmentation of late years in the production of gold, and the great change in the relative value of that metal and silver. This ratio, formerly 16 to 1, and in North America, since 1792, 15 to 1, was reduced by Act of Congress, July, 1853, to 14.45 to 1. In consequence of this reduction, the standard value of American silver coinage has been lowered to the amount of seven per cent. This has led to the importation of a vast amount of silver in the form of French five franc pieces, which ~~is~~ reissued in the form of American coins, giving the government, after deducting all the costs of transportation, insurance and

* *Essai Politique sur le Royaume de la Nouvelle Espagne*. T. IV. page 218.

† Andre Cochut in the *Revue des deux Mondes*,—“ On the Gold mines of Australia.” *Deutsche Vierteljahrsschrift*. 1856. Nr 74, page 151. *Minerva* July, 1854. Vid. also J. D. Whitnes. Ir. “ On the Mineral Resources of the United States, &c.”

‡ *Die Banken*, by Otto Hubner. Page 47.

coinage, a clear profit of 4 per cent. This exportation of silver from France has already so reduced the supply of five franc pieces in silver as to bring into circulation a new gold coin of the same value in which the value of the gold is fixed at $15\frac{1}{2}$ times that of silver. The Bank of France makes its payments mostly in gold, and so gradually this metal has become the measure of value in France, as heretofore in England and the United States of America. Compared with this standard, the prices of the necessaries and luxuries of life are found to be rising slowly, as the amount of gold coins in circulation increases.

There is no certainty that the present ratio of gold to silver will long continue, especially if the rich productiveness of the gold mines of California and Australia does not fall off.

Even now, the payment in gold of debts formerly incurred in francs or dollars, that is under the old standard of silver, is a source of gain to the debtor—and of consequent loss to the creditor—of from 3 to 4 per centum; a change of value likely to increase.

All, consequently, are losers who made investments of their property before the recent influx of gold; for instance, capitalists interested in English life insurance companies or such as formerly invested in France and North America, making their payments according to the standard of the silver, and now receiving their returns according to that of the gold dollar. Such only as may by chance obtain their returns in silver can escape this loss. But silver, no more than gold, can retain its old value when measured by the standard of other articles.

Finally we must note the fact that the great mass of paper money, in the form of bank notes and so forth, tends to depress the value of the precious metals, by circulating in their stead,—by being used in payments, where else the metals would of necessity be used,—and thus consequently lessening the demand for them.

It follows from this course of reasoning that there must ever be some fluctuations in the value of the precious metals. Their market values depend, like those of all other articles, upon the ratio between the demand and supply. Where they exist in quantities greater than is immediately needed either for currency or manufacturing purposes, they must decline in price, but as this decline causes them to be transferred almost immediately to other places where they are in greater demand, the depression is slight. The principal fluctuation is one which affects the whole world and results in part from the relative quantities mined in different periods and centuries,—in part from the variations in commerce and industry leading to a corresponding variation in the amounts needed for purposes of trade,—and in part from the different proportion of those metals which is worked up in the useful and ornamental arts. Thus the prices of gold and silver have gradually declined since the discovery of the American mines;* within a few years they had, on the other hand, increased on the continent of Europe, in consequence of the wear and tear, and the greater

* See A. Von Humboldt, *Essai politique sur le Royaume de la Nouvelle Espagne*. T. IV. page 218, and A. Von Humboldt, 'Ueber die Schwankungen der Goldproduction, mit Rücksicht auf staatswirtschaftliche Probleme.' (In the *Deutsche Vierte jahrs-Schrift* of 1838, part 4, pages 15-17.)

demand for plate, jewelry, &c.; while, at the present time, their prices have slightly again declined since the discovery of the gold mines in California and Australia. It will be seen, then, that the precious metals are by no means an invariable standard of value. Yet their natural scarcity, and the small increase in comparison with the existing amount of gold and silver, and the great amount of labor which has to be expended in their production, renders all fluctuations in their value extremely slow and gradual and thus fits them pre-eminently for a *measure*. Governments have by *coining* provided an accurate designation of their value as well as convenient subdivisions.

A bill of exchange or a check has, in case of large values, this advantage over metal and bank-notes, that it is much more safe. A single *check* or *draft* is sufficient to exchange any value, however large, and, when being payable only to order, it can be carried any distance, or be transmitted by mail, or even be lost, and yet the owner suffers no injury; but it has the inconvenience that he who pays and endorses it is responsible for its value.

Bank-notes, on the other hand, are liable to such sudden and great fluctuation, according as those who emit them find it for their interest to expand or contract their issues, that the public have no safety except in such paper as is based on an equal value of the metals. In such case they are but a substitute for them, and convertible into them at pleasure. Such vast evils have resulted in America from irredeemable paper money that *American laws have made specie or metallic coins the only lawful tender in payment of debts*. The importance of this will be more fully seen when we come to consider money in regard to its second function as

A Medium of Exchange.

It is evident that there can be no division of employments, and of course no high civilization, unless men can exchange with each other the surplus products of their labor. It is also evident that *barter* is a very inconvenient mode of exchange, since it by no means follows that we always want the surplus produce of him who may want our surplus produce. Hence in every civilized country the need of something which can be exchanged at pleasure for any and every purchaseable object; a general medium through which each producer may deal with any other producer, near or remote; a sort of universal language which, by establishing a ready communication between all classes of employments, shall incite each to new activity and a larger production of exchangeable value. No nation can subsist without such a medium—even the Krees Indians, according to Capt. Franklin, use beaver skins as their medium—and in proportion as a nation advances in industry and civilization, in the same proportion will it seek a more perfect instrument of exchange, because with each step of its progress it feels more and more the importance of facility of exchange.

Now why is it that all nations, whether ancient or modern, have, as they have risen to the civilized state, invariably adopted as their medium the precious metals? Was it done by a general agreement, or by ascribing to these metals an imaginary worth? No; but from the conviction that they possessed a real value: the result of labor, usefulness, and scarcity, and which made them proper equivalents of the objects for which they were exchanged. Let it not be supposed, because an exchanging

medium is indispensable, and because things of no intrinsic value, such as pieces of paper, would serve as well as metal to represent the properties exchanged, that therefore the former may be substituted for the latter. Wherever this has been attempted, as in the assignats of France and the continental paper money of America, experience has shown that the currency depreciates and at last becomes almost worthless. The reason is plain. The farmer or mechanic who parts with his articles for *money* which he may have to retain in his possession for some days or weeks, needs assurance that his money has an intrinsic or unchanging value. This assurance he cannot have unless the substance itself have such value, or is certainly and easily convertible into one which has. Hence the use of grain, oxen, &c., as an exchanging medium, has been found objectionable on account of the difficulty of verifying their quality as well as quantity, and yet more on account of the fluctuations in value to which they are always liable. In the case of a medium having neither intrinsic value nor convertibility, the holder will always insist upon a premium for the risk which he incurs in taking it; this risk must increase as the bill is older, and thus there will be a decline in its value.*

We have insisted, above, upon the great necessity of employing as a *measure* money which does not vary greatly in value. This is not less important when we consider money as an *exchanging medium*. It is by means of exchanges that those who are employed in production distribute among themselves their respective shares of the produced value; but this cannot be done on just and equal terms if we use a medium which has varied materially in value between the time that a contract was made and that in which it is to be fulfilled. If a man who contracts to pay or receive £100 six months hence is uncertain whether that sum may not increase or diminish in value by one fourth or one-tenth before this period elapses, all business becomes unsafe, and will either be avoided or be prosecuted in the spirit of gambling. When engagements are made for a still longer period, as in the purchase of real estate, the evils are still greater. Nor are they confined to men in active life; men retired from business, widows, orphans, &c., who live on the income of their estates, even incumbents of office who live on fixed salaries, and salaries which, with the saving spirit characteristic of most governments, will be even in times of common prices only sufficient for a decent subsistence, all these may, by a sudden and artificial inflation of the currency and of prices, be reduced to comparative indigence. Hence we see the importance of infusing a large proportion of coin into the exchanging medium or currency employed by any people.

On this point, however, let us beware of two errors. The one is that all exchanges can under any circumstances be made by means of gold and silver exclusively. Where very large sums are in question, such as are daily needed in the great bargains made on the exchange, bills and checks have long been substituted for the cumbrous loads of coin which could be counted and transferred only by the agency of a vast multitude of hands and with much loss of time. Here promises to pay or checks come in as

* Checks and bills of London have often a premium value, because of their convenience as a medium. Capability of being used as a *medium* will add to the value of a thing.

a labor-saving machine, and to advocate their discontinuance would be as unwise as to recommend the substitution of the old-fashioned spinning-wheel and hand-loom in place of the self-acting mule which enables one woman to do the work of eight hundred. Even in what are called hard money countries only a small proportion of exchanges,—such as those for necessaries of life, wages, &c.,—are made by means of coin.

On the other hand, we are not to infer, because the precious metals have hitherto formed so small a share of the whole circulating medium of some countries, that therefore specie would be entirely inadequate for the purpose. Were all engagements now pending cancelled or discharged, and had not the habits of some people become adjusted through a long course of years to an expanded currency,—in other words, were all the operations of business about to commence anew and were gold and silver to form our only medium of exchange, it is evident that prices would at once adjust themselves to the quantity of coin. The price of an article, which is but another name for its value estimated in the current medium of exchange, may as well be expressed by *one* as *five*. If *one* dollar of an unmixed specie currency will command as many necessaries and luxuries as could have been commanded by *five* dollars of a mixed medium, it is evident that in itself it is just as useful. It is incorrect, therefore, to say as is often done, that there is not enough metallic money on earth to measure and exchange the values which are employed in trade. The only effect of employing such a medium exclusively would be to advance its value greatly and thus enable a given amount of it to effect a much greater number of exchanges. It should also be remembered that in any case but a part of the exchanges over the world *are* consummated by means of money of any kind. The surplus produce of different countries is exchanged by means of bills which circulate over the whole globe and supersede the use of gold and silver, except so far as considerable balances may remain, while in the internal exchanges of every country, the use of money in the form of coin is to a great extent superseded by bills, drafts and checks.*

Let me add here that in the term exchanging or circulating medium we do not include the bills, drafts, &c., above-mentioned. Only such paper as has been issued with the sanction of government, and purports to be payable in specie on demand, fulfils the definition of money,—such are bank-notes.

We are now prepared to consider the proper function of bank-notes and paper money, which are but one branch of the great system of credit which distinguishes and, as implying mutual fidelity and honor, signalizes modern industry and commerce.

PAPER MONEY AND BANK-NOTES.

What is paper money? What are its uses, and what the evils to which it is liable?

Paper money is a promise given by authority of the government to pay a certain sum in metallic money, that thus all debts may be legally paid by means of it. Its value, therefore, depends upon its *convertibility*, i. e.

* See "The System of the London Bankers' Clearances," by W. Tate.

upon the power which the holder has of replacing it at pleasure by an equal amount of gold or silver. Without this it would not be taken with confidence, and could not, therefore, long maintain its par value. It is evident that this money may be issued by the government, by incorporated companies, or by individuals. Government paper issued as the ordinary currency and without great caution usually proves to be a bubble. There has rarely been an instance in which it has been redeemed punctually and to its full nominal amount. Witness the issues of this sort made by the American Colonies before the War of Independence. The continental money put forth during that war, the assignats of France issued during the Revolution, and the currency of Russia and Austria almost always depreciated.

In former times governments defrauded their people, or taxed them in disguise by debasing the current coin. In modern times the same object is often effected by an issue of government paper. If it be asked why the government may not pledge a certain amount of capital for the redemption of its paper and keep its pledge, there are two answers: 1st. The duty of payment frequently devolves upon an administration different from that which contracted the obligation, and in that case there is but a feeble sense of responsibility. This is especially the case under a government where economy is popular, taxation unpopular, and where the incumbent of office and, perhaps, a candidate prefers tarnishing the public credit to the right and honorable but unpopular alternative of imposing a tax. 2d. Another reason is, that this capital thus pledged must be managed, and a vast deal of skill and economy is requisite in managing a redeemable paper currency; and, of all managers, the agents of a government are the least thrifty and economical. Moreover, the government is very apt to ruin the credit of its own paper by excessive issues in times of emergency, and when the loss of credit is most disastrous. We conclude, therefore, that a government ought not to trust itself to be a banker or to issue paper money.

Is money the only *medium* of exchange? Only for the smaller exchanges.

Why is it required for such? Because, being made by those not in business, they require a medium which will command universal confidence.

What is such a medium? Gold and silver or their representatives, *i.e.* paper convertible at sight.

Why use the representative (the bank notes)? Because, 1st, it is convenient,—2d, saves interest on the coin which it replaces; this is the case with all paper.

What dangers are to be guarded against? 1st, excessive issues or loans. 2d, sudden contractions or expansions. 3d, insecurity.

(To be continued.)

TRADE WITH BRITISH AMERICA.

PREPARED BY MR. JAMES W. TAYLOR, SPECIAL AGENT OF THE TREASURY DEPARTMENT.

The records of the Treasury Department for the year ending June 30, 1865, show that our trade with British America is only second in magnitude to that with Great Britain. Its aggregate was \$69,150,613, while

the commerce with Great Britain was \$225,709,263. The external trade of the United States for 1865 consisted of \$339,768,220 exports and \$234,434,167 imports—an aggregate of \$574,202,387. The statement in detail is as follows:

Statement in detail.

| Countries. | Exports to. | Imports from. | Total. |
|-------------------------------------|---------------|---------------|---------------|
| England, Ireland, and Scotland..... | \$140,376,771 | \$85,832,482 | \$225,709,263 |
| British North America | 31,842,145 | 37,308,468 | 69,150,613 |
| Spanish West Indies..... | 23,969,455 | 34,258,367 | 58,227,822 |
| Hamburgh..... | 9,590,464 | 4,199,111 | 13,789,575 |
| Bremen..... | 13,900,970 | 5,368,408 | 19,269,378 |
| France..... | 15,474,193 | 5,688,662 | 22,162,855 |
| Mexico..... | 18,205,906 | 7,353,521 | 25,564,427 |
| Brazil..... | 6,629,182 | 9,849,359 | 16,478,541 |
| China..... | 7,105,435 | 5,130,643 | 12,236,078 |
| All other countries..... | 72,673,689 | 33,940,146 | 111,613,835 |
| Total..... | 339,768,220 | 234,434,167 | 574,202,387 |

Another statement furnished by the Register of the Treasury Department shows that the tonnage of vessels clearing from American ports during the year ending June 30, 1865, for ports of British America was 3,537,752 tons, and the entrances from British America were 3,193,193 tons—the total of 6,730,945 tons; exceeding the tonnage of vessels employed in trade with any other country. This detailed statement is also annexed:

| Countries. | Vessels cleared for. Tons. | Vessels entered from. Tons. | Total. Tons. |
|------------------------------------|-------------------------------|--------------------------------|-----------------|
| Canada..... | 2,497,045 | 2,332,886 | 4,829,931 |
| British Provinces, east..... | 903,023 | 746,682 | 1,649,705 |
| British Columbia..... | 137,684 | 113,625 | 251,309 |
| | 3,537,752 | 3,193,193 | 6,730,945 |
| England, Ireland and Scotland..... | 869,759 | 965,181 | 1,834,940 |
| Spanish West Indies..... | 554,170 | 624,313 | 1,178,983 |
| New Granada..... | 216,828 | 205,124 | 421,752 |
| British West Indies..... | 135,639 | 129,430 | 265,069 |
| France..... | 75,912 | 68,954 | 144,866 |
| China..... | 75,477 | 39,644 | 115,121 |
| Other countries..... | 1,154,920 | 934,289 | 2,089,209 |
| Total.... | 6,620,257 | 6,160,628 | 12,780,885 |

Of the clearances for British America, 1,750,548 tons were of American vessels, and 1,787,204 tons were of Canadian and other foreign vessels. Of the entrances from British America, 1,689,829 tons were American, and 1,503,364 were Canadian and other foreign.

Before proceeding to a separate statement of Canadian trade for the years 1854 and 1864-'65, a general review of the commerce of the United States with the British Provinces of North America from the 1st day of July, 1851, to the 30th day of June, 1865, is presented. This period will represent the condition of the trade for three years prior to the late reciprocity treaty, one year passed in exchanging the legislation required by the treaty, (1865), and ten years of its practical operation. The statement is prepared in the Register's office of the Treasury Department; and while

the values of imports are returned in gold, no such practice exists in regard to statements of exports, and, in all probability, during the years 1863, 1864, and 1865 the currency values of most of the exchanges, especially of articles admitted free of duty, have been adopted in the statistical returns. The annexed table until 1861 was a customary appendix of the finance report, and is now brought down to the close of the last fiscal year for the purpose of exhibiting the progress and volume of trade with the provinces.

Statement exhibiting exports to and imports from Canada and other British possessions in North America, from July 1, 1851, to June 30, 1865.

| Year ending June 30. | EXPORTS. | | | Imports. | Total trade. |
|-------------------------|-------------|-------------|--------------|-------------|--------------|
| | Foreign. | Domestic. | Total. | | |
| 1852..... | \$3,853,919 | \$6,655,097 | \$10,509,016 | \$6,110,299 | \$16,619,315 |
| 1853..... | 5,736,555 | 7,404,087 | 13,140,642 | 7,550,718 | 20,691,360 |
| 1854..... | 9,362,716 | 15,204,144 | 24,566,860 | 8,927,560 | 33,494,420 |
| 1855..... | 11,999,378 | 15,806,642 | 27,806,020 | 15,136,734 | 42,942,754 |
| 1856..... | 6,314,652 | 22,714,697 | 29,029,340 | 21,310,421 | 50,339,761 |
| 1857..... | 4,326,369 | 19,936,113 | 24,262,482 | 22,124,296 | 46,386,778 |
| 1858..... | 4,012,768 | 19,638,959 | 23,651,727 | 15,806,519 | 39,458,246 |
| 1859..... | 6,384,547 | 21,769,627 | 28,154,174 | 19,727,551 | 47,881,725 |
| 1860..... | 4,033,399 | 13,667,429 | 22,700,828 | 23,851,331 | 46,557,709 |
| 1861..... | 3,861,398 | 18,883,715 | 22,745,613 | 23,062,933 | 45,808,546 |
| 1862..... | 2,061,432 | 18,652,012 | 20,713,444 | 19,299,995 | 40,013,439 |
| 1863..... | 2,651,920 | 28,629,110 | 31,281,030 | 24,021,264 | 55,302,294 |
| 1864..... | 2,419,926 | 26,567,221 | 28,987,147 | 38,922,015 | 67,909,162 |
| 1865..... | 1,809,862 | 30,032,233 | 31,842,145 | 37,308,468 | 69,150,613 |

Most of this trade was with Canada and the maritime provinces of Nova Scotia, New Brunswick, Prince Edward's Island, and Newfoundland. Recently, however, a considerable commerce has been developed between Minnesota and the territory of the Hudson Bay Company, and between the Pacific States and the English colonies of British Columbia and Vancouver's island. The trade with the Pacific provinces during 1864-65 consisted of \$1,349,463 exports and \$1,131,491 imports, amounting to \$2,480,954, which the Minnesota trade with Central British America will increase to \$3,000,000 annually. It will be safe to deduct this amount annually since 1860 from the aggregates of the foregoing table, on account of the western provinces; while from 1852 to 1860 the average commerce with British America west did not probably exceed \$500,000 annually.

THE CANADIAN TRADE.

As the House resolution calls for a separate statement of the trade of the United States with Canada, the following table has been prepared to express the aggregates of exports and imports from 1852 to 1865. Until 1864 the Canadian fiscal year was identical with the calendar year, while the accounts at the treasury of the United States close on 30th June.

Statement exhibiting exports to and imports from Canada, from July 1, 1851, to June 30, 1865. (From American reports.)

| Year ending June 30. | EXPORTS. | | | Imports. | Total trade. |
|-------------------------|-------------|-------------|-------------|-------------|--------------|
| | Foreign. | Domestic. | Total. | | |
| 1852..... | \$2,712,097 | \$4,004,963 | \$6,717,060 | \$4,589,969 | \$11,307,029 |
| 1853..... | 3,823,587 | 4,005,512 | 7,829,099 | 5,278,116 | 13,107,215 |
| 1854..... | 6,790,333 | 10,510,373 | 17,300,706 | 6,721,539 | 24,022,245 |

| | | | | | |
|-----------|-----------|------------|------------|------------|------------|
| 1855..... | 8,769,580 | 9,950,764 | 18,720,344 | 12,182,314 | 30,902,658 |
| 1856..... | 5,683,453 | 15,194,788 | 20,883,241 | 17,483,197 | 38,371,438 |
| 1857..... | 3,550,187 | 13,024,708 | 16,574,865 | 18,291,834 | 34,866,723 |
| 1858..... | 3,365,789 | 13,663,465 | 17,029,254 | 11,581,571 | 28,610,825 |
| 1859..... | 5,501,125 | 13,439,667 | 18,940,792 | 14,208,717 | 33,149,509 |
| 1860..... | 2,918,524 | 11,164,590 | 14,083,114 | 18,861,673 | 32,944,787 |
| 1861..... | 3,740,049 | 11,749,981 | 15,490,030 | 18,645,457 | 34,135,487 |
| 1862..... | 1,560,397 | 11,282,107 | 12,842,504 | 15,253,152 | 23,095,636 |
| 1863..... | 1,468,113 | 18,430,605 | 19,898,713 | 18,813,840 | 38,712,553 |
| 1864..... | 1,301,563 | 15,356,866 | 16,858,429 | 30,974,118 | 47,832,547 |
| 1865..... | 905,968 | 18,366,499 | 19,212,467 | 30,547,267 | 49,769,734 |

A statement compiled from Canadian records, commencing with a half year of 1851, to make the period identical with that covered by the foregoing table, is also annexed.

Statement showing the whole trade in imports and exports between Canada and the United States during fourteen years.

| Years. | Imports from the U. S. into Canada. | Exports from Canada to the United States. | Total trade. |
|------------------------|---|---|--------------|
| 1851, (half year)..... | \$4,162,882 | \$2,035,775 | \$6,218,654 |
| 1852..... | 8,477,693 | 6,284,520 | 14,762,213 |
| 1853..... | 11,782,144 | 8,986,380 | 20,778,524 |
| 1854..... | 15,533,096 | 8,649,000 | 24,182,096 |
| 1855..... | 20,828,676 | 16,737,276 | 37,565,952 |
| 1856..... | 22,704,508 | 17,979,752 | 40,684,260 |
| 1857..... | 20,224,648 | 13,206,436 | 33,431,084 |
| 1858..... | 15,635,565 | 11,950,094 | 27,585,659 |
| 1859..... | 17,592,916 | 13,922,314 | 31,515,230 |
| 1860..... | 17,273,157 | 13,427,968 | 30,701,125 |
| 1861..... | 21,069,383 | 14,336,427 | 35,405,810 |
| 1862..... | 25,173,157 | 15,068,730 | 40,241,887 |
| 1863..... | 23,109,362 | 20,050,432 | 43,159,794 |
| 1864, (half year)..... | 10,426,572 | 7,722,397 | 18,148,969 |
| 1864-'65..... | 19,589,055 | 22,939,691 | 42,528,746 |

In addition to the annual statements of exports and imports, representing the trade between the United States and Canada, the following table has been prepared from Canadian reports. It is a statement of American and Canadian tonnage, inward and outward, to and from Canadian ports, exclusive of ferriage, between United States and Canada.

Statement of American and Canadian tonnage, outward and inward, to and from Canadian ports, exclusive of ferriage, between the United States and Canada.

| | AMERICAN | | CANADIAN | |
|------------------------|-----------|-----------|-----------|-----------|
| | In. | Out. | In. | Out. |
| 1854..... | 1,284,523 | 1,246,051 | 2,279,529 | 1,519,518 |
| 1859..... | 2,409,163 | 2,273,226 | 1,222,454 | 1,131,432 |
| 1861..... | 1,629,153 | 1,468,034 | 1,412,076 | 1,343,262 |
| 1862..... | 2,306,883 | 2,161,347 | 1,793,303 | 1,790,824 |
| 1863..... | 1,337,974 | 1,739,569 | 1,630,727 | 1,628,863 |
| 1864, (half year)..... | 780,199 | 753,688 | 795,837 | 769,710 |
| 1864-'65..... | 2,119,125 | 2,070,028 | 2,080,771 | 1,995,713 |

The years designated in the resolution, 1854 and 1864-'65, are not favorable for a comparative statement of the Canadian trade. The year first named witnessed an unusual excitement of markets, which resulted from the application of a large amount of English capital to the construc-

tion of the Great Western and Grand Trunk railroads; the total imports of Canada in 1854 reaching \$40,528,324, while the exports were only \$23,019,188. The purchases of contractors were largely made in the United States, swelling our exports to Canada from \$7,829,099 in 1853 to \$17,300,706 in 1854. These disbursements on account of railway construction, and the speculative spirit excited by them, concurred with the first operation of the reciprocity treaty, to increase our exports beyond the imports from Canada during 1855 and 1856; then followed the revulsion of 1857, which bore heavily upon Canadian trade, while since 1860 and during the late war, our great domestic exigencies have not only prevented foreign and manufactured goods from leaving the country, but have materially added to the American demand for Canadian products. The American reports show a movement from Canada to the United States, since July 1, 1863, exceeding that from United States to Canada by nearly \$25,000,000 a balance which has probably been invested in United States bonds, of which \$50,000,000 are estimated to be held in Canada. It will thus be seen that the battle-year of 1864-'60, when all our energies and supplies, with whatever could be drawn from our neighbors, were absorbed by great military campaigns, is even more unfavorable than 1834 to represent a normal condition of commerce. They were probably indicated, because the earlier date marks a course of trade prior to the reciprocity treaty, and the fiscal year closing June 30, 1865, was the last annual statement which was accessible at the date of the resolution. With these explanations the following tables are presented:

Comparative statement of exports, in values, from Canada to the United States, for the years ending December 31, 1854, and June 30, 1865. (From Canadian records.)

| | | THE MINE. | | | |
|----------------------------|-----------|----------------|----------------------------|------------|-----------|
| Articles. | 1854. | 1864-'65 | Articles. | 1854. | 1864-'65 |
| Copper | 87,148 | \$1,511 | Stone ..... | ..... | 10,052 |
| Copper ore..... | ..... | 81,746 | Mineral (or earth) oil .. | 31,480 | 7,356 |
| Iron ore..... | ..... | 27,222 | | | |
| Pig and scrap iron..... | 159,532 | 40,762 | Total produce of mine. | 278,260 | 168,649 |
| | | THE FISHERIES. | | | |
| Articles. | 1854. | 1864-'65 | Articles. | 1854. | 1864-'65 |
| Dried and smoked | 146 | 310 | Furs or skins the prod- | | |
| Pickled..... | 72,988 | 53,027 | uce of fish or creatures | | |
| Fresh | 11,297 | 28,468 | living in the sea .... | ..... | 7,452 |
| Oil..... | 1,041 | ..... |  |  |  |
| | | | Total produce of fish'ries | 85,472 | 89,257 |
| ANIMALS AND THEIR PRODUCE. | | | | | |
| Horses | \$202,416 | \$1,812,334 | Furs, dressed..... | } \$53,464 | } \$3,234 |
| Horned cattle..... | 174,016 | 1,781,995 | Furs, undressed... |  |  | 60,518 |
| Swine | 7,117 | 613,933 | Hides..... | 21,809 | 127,483 |
| Sheep..... | 26,941 | 253,044 | Horns and hoofs.. | 1,568 | 2,550 |
| Poultry | 4,409 | 17,509 | Honey..... | ..... | 21 |
| Produce of animals: | | | Lard..... | 1,335 | 20,999 |
| Bacon and hams. | 160 | 44,433 | Pork..... | 27,752 | 426,461 |
| Beef | 5,858 | 13,996 | Sheep's pelts ..... | ..... | 77,574 |
| Beeswax | 5 | 311 | Tallow..... | 861 | 657 |
| Bones..... | 235 | 1,593 | Tongues ..... | ..... | ..... |
| Butter..... | 117,040 | 340,899 | Venison ..... | ..... | 801 |
| Cheese..... | 560 | 5,277 | Wool | 30,243 | 1,351,722 |
| Eggs..... | 22,925 | 95,660 | | | |
| Feathers | 12 | 45 | Total animals and | | |
| | | | their products... | 697,926 | 7,053,079 |

THE FOREST.

| Articles. | 1854. | 1864-'65 | Articles. | 1854. | 1864-'65 |
|---|----------|----------|-----------------------|-----------|-----------|
| Ashes—Pot | \$91,434 | 227,102 | Scantling | \$34,448 | \$14,825 |
| Pearl | 16,984 | 23,105 | Deals | 6,916 | 499 |
| Timber— | | | Deal ends | | |
| Ash | | 3,038 | Plank and boards. | 1,579,820 | 3,292,451 |
| Birch | 149 | 425 | Spars | 20,517 | 1,910 |
| Elm | 282 | 3,753 | Masts | 100 | 1,140 |
| Maple | | 29 | Handspikes | | |
| Oak | 24,520 | 171,380 | Lath and lathwood | 12,885 | 15,834 |
| White pine | 96,730 | 225,864 | Firewood | 46,202 | 364,249 |
| Red pine | 4,564 | 1,048 | Shingles | 20,641 | 44,010 |
| Tamarac | | 28,470 | Saw logs | 58,489 | 147,721 |
| Walnut | 9,482 | 5,281 | Sleepers | 1,172 | |
| Basswood, butternut, and hickory | 6,193 | 17,423 | Treenails | | |
| Standard staves | 1,525 | 75,573 | Railroad ties | 18,809 | 26,912 |
| Other staves | 3,761 | 80,544 | Oars | | |
| Knees | 795 | 13,060 | Other woods | 26,926 | 223,100 |
| Battens | | | Total prod. of forest | 2,083,544 | 5,008,746 |

AGRICULTURAL PRODUCTS.

| | | | | | |
|-----------------------------|-----------|-----------|------------------------|-----------|-----------|
| Balsam | \$440 | \$2,836 | Indian corn | \$13,496 | \$59,329 |
| Barley and rye | 94,185 | 2,879,870 | Malt | 75 | 1,000 |
| Barley, pot and pearl | | | Maple sugar | 468 | 476 |
| Beans | 569 | 63,534 | Meal | 4,568 | 85,467 |
| Bran | 5,045 | 88,089 | Oats | 16,506 | 1,561,088 |
| Flax | | 37,435 | Other seeds | 54,334 | 37,047 |
| Flax-seeds | 448 | 13,796 | Peas | 58,604 | 198,971 |
| Flour | 3,370,319 | 1,916,255 | Tobacco | | 29,702 |
| Fruit, green | 2,792 | 6,231 | Vegetables | 8,232 | 11,615 |
| Hay | 80 | 4,258 | Wheat | 1,670,632 | 1,227,363 |
| Hemp | | | Total agricult'l prod. | 5,329,324 | 8,246,987 |
| Hops | 33,431 | 22,625 | | | |

MANUFACTURERS.

| | | | | | |
|----------------------------------|--------|---------|----------------------|---------|-----------|
| Books | | \$2,019 | Rags | 9,772 | 64,524 |
| Biscuit | \$450 | | Soap | | 212 |
| Candles | | | Straw | 12,464 | 2,675 |
| Carriages | | 31,122 | Sugar boxes | | 56,422 |
| Cottons | 952 | 1,770 | Tobacco | | 66,957 |
| Furs | | 100 | Wool | 65,610 | 37,645 |
| Glass | 36 | 608 | Woolens | 246 | 8,494 |
| Ground plaster and lime | 8,048 | 2,806 | Liquors : | | |
| Hardware | 13,938 | 115,079 | Ale, beer, cider .. | 1,187 | 699 |
| Indian bark work .. | 15,646 | | Whisky | 4,988 | 5,250 |
| India-rubber | 100 | 21 | Other spirits | 4,736 | 10,473 |
| Leather | 2,108 | 22,603 | Vinegar | 434 | 18 |
| Linen | | 2,918 | Total manufactures. | 141,145 | 469,172 |
| Machinery | | 31,501 | | | |
| Musical instruments | | 4,122 | Coin and bullion .. | | 1,599,341 |
| Oil cake | 530 | 861 | Other articles | 33,331 | 304,460 |

RECAPITULATION.

| | 1854. | 1864-'65. | | 1854. | 1864-'65. |
|-------------------------------------|-----------|-----------|----------------------|-----------|------------|
| Prod. of the mine .. | \$278,260 | \$168,649 | Manufactures | \$141,145 | \$469,172 |
| Prod. of the fisheries | 85,472 | 89,257 | Coin and bullion .. | | 1,599,341 |
| Prod. of the forest .. | 2,083,544 | 5,008,746 | Other articles | 33,331 | 304,460 |
| Animals and their products | 697,926 | 7,053,079 | | | |
| Agricultural prod'ts | 5,329,324 | 8,246,987 | | 8,649,000 | 22,939,691 |

Comparative statement of values of leading articles imported into Canada from the United States for the years ending December 31, 1854, and June 30, 1865. (From Canadian records.)

| Articles. | 1854. | 1864-'65. | Articles. | 1854. | 1864-'65 |
|-----------------------------------|-----------|-----------|--------------------------------------|------------|------------|
| Coffee..... | \$151,336 | \$70,382 | Iron (including rail-road bars)..... | \$488,344 | \$70,469 |
| Cigars..... | 47,284 | 8,056 | Printing presses, &c | 66,380 | 21,367 |
| Tobacco and snuff.. | 422,196 | 15,161 | Tallow..... | 304,636 | 75,381 |
| Tea..... | 1,335,464 | 177,787 | Books..... | \$48,884 | 219,772 |
| Sugar and confectionary | 489,732 | 781,720 | Indian corn..... | 710,940 | 781,288 |
| Spirits, wine, and cordials..... | 891,916 | 5,227 | Salt..... | 172,364 | 195,598 |
| Molasses..... | 182,212 | 273,335 | Seeds..... | 98,384 | 102,146 |
| Fruit, dried & green | 120,120 | 460,077 | Settlers' goods..... | 298,500 | 507,650 |
| Fish, fresh and salted | 74,848 | 202,620 | Trees and shrubs.. | 53,544 | 65,015 |
| Lumber or planks.. | 62,812 | 167 | Wheat..... | 138,912 | 2,879,625 |
| Clocks and watches. | 86,840 | 19,654 | Cabinetware or furniture..... | ..... | 39,368 |
| Cotton manufactures | 684,538 | 89,068 | Carriages..... | ..... | 46,053 |
| Drugs & medicines. | 225,636 | 37,681 | Machinery not otherwise specified... | 550,356 | 128,062 |
| Fancy goods and millinery..... | 116,368 | 71,439 | Small wares..... | 71,944 | 100,405 |
| Glassware..... | 103,504 | 113,983 | Horses..... | 87,352 | 115,334 |
| Hats and caps..... | 212,509 | 94,319 | Horned cattle..... | 10,340 | 77,846 |
| India rubber..... | 81,916 | 14,049 | Bark for dyeing, &c. | 2,372 | 58,966 |
| Iron and hardware. | 1,353,408 | 452,489 | Broom corn..... | 15,924 | 43,699 |
| Leather, manufactured and other.. | 799,728 | 75,562 | Butter..... | 1,092 | 47,512 |
| Musical instruments | 131,208 | 122,319 | Cheese..... | 33,404 | 306,613 |
| Oil..... | 185,764 | 32,999 | Cotton-wool..... | 24,920 | 88,786 |
| Paper..... | 87,680 | 9,259 | Flour..... | 17,540 | 690,124 |
| Silk..... | 116,892 | 13,085 | Barley and rye.... | 1,960 | 79,017 |
| Straw goods..... | 82,900 | ..... | Oats..... | 11,164 | 107,738 |
| Wool, manufactured | 379,652 | 63,936 | Lard..... | 35,520 | 86,408 |
| Woolens..... | 579,740 | 115,906 | Stones, unwrought. | 8,428 | 49,258 |
| Meat pork*..... | 510,504 | 876,968 | Timber and lumber, unmanufactured.. | 2,176 | 139,654 |
| Rice..... | 46,392 | 6,106 | Tobacco, unmanufactured | 67,108 | 277,007 |
| Coals..... | 220,380 | 544,511 | Wool..... | ..... | 174,070 |
| Cordage..... | 76,748 | 14,467 | Other articles..... | 2,109,688 | 1,590,345 |
| Cotton yarn & warp | 72,636 | 17,205 | Coin and bullion... | ..... | 4,768,478 |
| Flax, hemp, and tow | 104,940 | 120,897 | | | |
| Hides..... | 253,068 | 535,351 | | | |
| Total..... | | | | 15,533,097 | 19,589,055 |

The Canadian returns have been chosen as the basis of the foregoing statements, since the officers of the Canadian customs are understood to estimate values exclusively in gold.

Of the total trade in 1854, amounting to \$69,303,312, a valuation of \$24,182,096, or 34 per cent., was with the United States. In 1864-'65 the aggregate was \$86,801,620, of which \$42,528,746, or 48 per cent., was with the United States.

The articles exclusively exported from Canada to the United States were, in 1854, pig and scrap iron, fresh fish, scantling, railroad ties, horses, horned cattle, swine, sheep, poultry, hides, eggs, hops, malt, hay, flaxseed, manufactures of India rubber, straw hats, and Indian bark work; but in 1861-'65 the list was greatly reduced, consisting of pig and scrap iron, firewood, railroad ties, saw-logs, sheep pelts, venison balsam, cotton manu-

* The later reports only mention "meats, fresh, smoked, and salt," amounting to \$576,968 in 1864-'65.

factures, ground plaster, and sugar boxes. The values of these articles will be found in the first of the foregoing tables.

In a review of the comparative statement of Canadian exports, we first notice that the products of the mine and sea were nearly the same in 1854 as in 1865, while the lumber trade has advanced from \$2,083,544 to \$5,008,746, a large increase, but not more than the constant and increasing demand of American markets would have caused in any event. Since the abrogation of the reciprocity treaty, American purchasers are paying higher rates for Canadian timber, and in larger quantities than in 1865, notwithstanding the necessity of paying a duty of 20 per cent. on the frontier of the United States.

It is in the division of "animals and produce" that the most remarkable contrast appears between the trade of 1865 and ten years ago. Then the valuation of this class of exports was only \$697,926; now it is \$7,053,079. The supply of Canadian horses during the war was as follows:

| | Number. | Value. | | Number. | Value. |
|-----------|---------|-----------|-----------------------|---------|-----------|
| 1861..... | 8,198 | 667,315 | 1864 (half year)..... | 6,418 | 508,687 |
| 1862..... | 8,606 | 664,795 | 1864-'65 | 23,106 | 1,812,334 |
| 1863..... | 19,335 | 1,465,540 | | | |

The exportation of cattle and swine was no less remarkable—15,704 cattle, valued at \$384,599 in 1861, and 59,566, valued at \$1,781,965 in 1864-'65, while of swine the export to the United States in 1861 was 27,091, valued at \$161,279, and in 1864-'65, 46,305, valued at \$613,993. The movement of wool and sheep, having, perhaps, less connection with the commissary of an army, is still worthy of observation from the relation to manufacturing industry. The exportation of sheep to the United States was as follows:

| | Number. | Value. | | Number. | Value. |
|-----------|---------|---------|-----------------------|---------|---------|
| 1861..... | 54,941 | 149,220 | 1864 (half year)..... | 10,316 | 48,326 |
| 1862..... | 88,141 | 217,724 | 1864-'65..... | 69,931 | 253,044 |
| 1863..... | 72,208 | 198,651 | | | |

The exchanges of wool during the same period in value were:

| | To Canada. | To U.States | | To Canada. | To U.States |
|-------------|------------|-------------|-----------------------|------------|-------------|
| 1861 | 197,895 | 424,930 | 1864. (half year) ... | 118,320 | 392,373 |
| 1862 | 333,570 | 724,815 | 1864-'65 | 174,071 | 1,353,168 |
| 1863 | 208,853 | 974,153 | | | |
| Total | | | | 1,032,714 | 3,869,439 |

It appears from the Canadian trade returns that during the half year closing December 31, 1865, 15,000 horses, 103,810 horned cattle, (swine not stated in the newspaper report at hand,) and 158,000 sheep were exported to the United States; the total value of this class of exports being \$7,923,355. A Canadian newspaper, the *Globe* of Toronto, adds that "the cattle are wanted not only for beef, but for the manufacture of butter and cheese, now fast becoming leading articles of export to England."

At the annual meeting of wool manufacturers held at Philadelphia, September 6, 1865, Mr. J. L. Hayes, secretary of the association, remarked as follows of the trade in sheep and wool with Canada:

"The wool known in our markets as Canada wool consists wholly of fleeces from the long-wooled Leicester and Cotswold sheep, and crosses of

these breeds with the Southdown, recently introduced from England. Mr. Stone, of Guelph, Canada West, has taken the lead in the introduction of these sheep. The flocks in Canada are small, averaging from twenty to fifty head. It has been estimated that 6,000,000 pounds of long wool will be grown in 1865, with a consumption in the United States of 5,500,000 pounds. The success of the Lowell Manufacturing Company in fabricating alpaca goods from Canada lustre wools has demonstrated that the wool does not deteriorate on this continent. The Canada wool has been found equal to the best English lustre wool, imported expressly for comparison. The free wool of Canada has been an inestimable boon to our worsted manufacturers. It does not compete with the production of our farmers, as we grow hardly more than 200,000 pounds of long wool, while Canada consumes 300,000 pounds annually of our clothing wool. It is not possible that our own production of long wool will keep up with the demand."

The wool here described is now subject to a duty of twelve cents per pound and ten per cent. *ad valorem*, its value being seldom below thirty-two cents; and sheep, as well as other animals, are charged with duty at the rate of twenty per cent. *ad valorem*. It is too soon to determine how this taxation will affect the course of trade.

Proceeding to the consideration of "agricultural products" exported from Canada to the United States, we first notice "barley and rye," of which a valuation of \$94,185 in 1854 had become \$2,879,870 in 1864-'65. This large sum was mostly paid for Canadian barley, which is described, in a recent memorial of brewers to Congress, as of a superior quality, usually commanding twenty to thirty cents per bushel more than barley grown in the United States. The Canadians cultivate the four-rowed variety, but their great advantage is the perfect adaptation of soil and climate to the production of this cereal. At present not more than one-third of the amount required by manufacturers of malt liquors is grown in the United States; and the statement has been made that if the barley now grown in Canada were reduced one-half, it would cripple the manufacture of malt liquors to such an extent as to involve a loss to the United States Treasury, annually of about \$2,000,000. Barley was free of duty under the reciprocity treaty. The present duty is fifteen cents per bushel.

In 1854 Canada exported flour to the United States of the value of \$3,370,316, reduced in 1864-'65 to \$1,916,255. This large exportation of flour before the reciprocity treaties indicates that Canadian white wheat will always be required for domestic consumption in New England and New York, notwithstanding the duty of twenty per cent. Another singular fact is, that the value of wheat exported in 1854 was \$2,870,652, while in 1864-'65 it was only \$1,227,363, an excess in the former year of \$1,642,645. Add this sum to the amount in which the export of flour in 1854 exceeded that of 1864-'65, and the aggregate more than balances the difference of agricultural which is recorded in favor of 1864-'65.

The observations suggested by the list of exports from the United States to Canada will occur in connexion with the next topic of inquiry, viz., "the nature and extent of the changes made in the Canadian tariff since 1854."

THE CANADIAN TARIFF.

By the Canadian tariff of 1849, spirits, wine, tobacco, tea, coffee, sugar, molasses, spices, &c., were charged with duties partly specific and partly *ad valorem*, which were gradually made exclusively specific. On the 26th March, 1859, this was altogether changed, *ad valorem* duties, ranging from thirty to one hundred per cent., and averaging forty per cent., were adopted, and mostly prevail at this time although additional specific duties have been imposed on the articles named above by the tariffs since 1862. When the duties were exclusively specific there was great encouragement of purchases in American markets; but with the policy of 1859, substituting *ad valorem* rates, the Canadian purchaser finds it for his interest to trade directly with Europe and countries producing the articles in question.

In regard to American manufactures, the Canadian tariff is not immoderate, and is of impartial application. There is no discrimination in favor of English fabrics, while the vicinity of the American manufacturer affords him a positive advantage. A large class of articles, consisting of iron, steel, metals, and articles entering into the construction of railways, houses, ships, and agricultural implements, are admitted at 10 per cent. duty; but 20 per cent. is the prevalent rate upon manufactured articles. Excluding the class of luxuries and stimulants first mentioned, the average taxation by Canada in 1864 '65 upon dutiable goods was 18.7 per cent.; while of the total importations, 43 per cent. were of articles free of duty. Of course this large percentage was owing to the operation of the reciprocity treaty, but it is likely to continue.

The average per centage on goods paying duty by Canadian tariffs was 13 per cent. in 1854, 19 per cent. in 1859, and during the last fiscal year ending June 30, 1865, it was 22.3 per cent.

The rate of taxation by the American tariff upon dutiable goods has been ascertained by Dr. William Elder, statistician of the Treasury Department, at the following averages for corresponding years: In 1854, 25.6 per cent.; in 1859, 19.5 per cent.; and in 1865, 50.4 per cent.

The Canadian advance of rates is less than might have been anticipated when attention is directed to the public debt of Canada, which was officially stated in 1864 at the sum of \$76,223,061. Of this amount the following expenditures by the Canadian government have been for the construction of canals and railways, which have been of great value to the western States as communications with the ocean and the Atlantic cities:

| | |
|---|-------------------|
| 1. The St. Lawrence canals, by which vessels of 300 tons burden avoid the rapids between Kingston and Montreal..... | \$7,406,269 |
| 2. The Welland canal, passing vessels of 400 tons burden from Lake Erie to Lake Ontario..... | 7,309,849 |
| 3. Chambly canal and river Richelieu, enabling vessels to pass from the St. Lawrence into Lake Champlain..... | 433,807 |
| 4. Lake St. Peter improvements, dredging a channel for sea-going vessels drawing 20 feet of water to Montreal..... | 1,098,225 |
| 5. Harbors and light-houses, mostly in aid of the navigation of the lakes and the St. Lawrence..... | 2,549,617 |
| 6. Grand Trunk railway..... | 15,312,894 |
| 7. Great Western railway, from Niagara to Detroit..... | 2,810,500 |
| 8. Northern railway, connecting Lake Huron with Lake Ontario..... | 2,311,666 |
| 9. Interest on railway debentures, &c..... | 9,642,025 |
| Total..... | 42,254,852 |

Fully fifty per cent. of the debt of Canada has been assumed for objects which are directly for the advantage of the American communities in the valley of the St. Lawrence—a consideration which should restrain any violence of remonstrance against the fiscal legislation of Canada.*

The relations of that legislation to exports from the United States to Canada will appear from the following statement, compiled from Canadian trade returns, which gives our exports for 1854, the year before the reciprocity treaty; for 1859, or midway of the operation of the treaty under the advanced Canadian tariff of that year, and from 1831 to 1865, or during the period of the war, exhibiting separately the amounts of free and dutiable goods and the average rates imposed by Canadian tariffs on dutiable goods:

| Years. | Free goods. | Dutiable goods. | Rate per cent. |
|------------------------|-------------|-----------------|----------------|
| 1854..... | 2,520,555 | 16,307,326 | 13.1 |
| 1859..... | 8,556,545 | 9,036,371 | 18.9 |
| 1861..... | 12,722,755 | 8,346,633 | 19.0 |
| 1862..... | 19,044,374 | 6,128,783 | 19.4 |
| 1863..... | 19,134,966 | 3,974,896 | 22.5 |
| 1864. (half-year)..... | 8,249,569 | 2,178,934 | 21.4 |
| 1864 '65..... | 15,589,955 | 3,991,226 | 22.3 |

Of manufactures and foreign merchandise there was a larger importation to Canada from the United States in 1854 than in 1864-'65, for reasons already assigned. The leading articles taken by Canada in the latter year are coal, mostly anthracite, \$544,511; meats, \$876,968; Indian corn, largely for distillation, \$781,288; wheat and flour, \$3,559,749; cheese, \$306,618; tobacco, unmanufactured, \$277,007, and wool, \$174,040. Total in 1864-'65, \$6,510,211. Total of same articles in 1854, \$1,498,888.

Passing from this special statement of the Canadian trade, a brief analysis will be attempted of the commercial relations of the United States to the following divisions of British America; 1. New Brunswick; 2. Nova Scotia; 3. Prince Edward Island; 4. Newfoundland; 5. Central British America or the territory of the Hudson Bay Company northwestern of Minnesota; and 6. The Pacific colonies of British Columbia and Vancouver's Island.

NEW BRUNSWICK.

The area of this province is 27,700 square miles, or 17,730,560 acres, of which 7,551,909 had been disposed of by sale or grant on Jan. 1, 1864, and 885,108 acres are under cultivation. A large portion of this surface is covered with dense forests of pine, hemlock, cedar, &c., which furnish immense quantities of timber, both for export and shipbuilding. Coal and iron ore are abundant—the former said to extend over 10,000 square miles, or about one-third of the area of the province. The fisheries of the Atlantic coast are inexhaustible, and very profitable.

* There is, unquestionably, a growing party in Canada who advocate an advance of duties with a view to encourage manufactures. Hon. Isaac Buchanan, of Hamilton, is the prominent exponent of such a policy. While advocating a Zollverein or Customs Union with the United States, he argues, with much force and persistence in favor of restrictions upon trade with Europe. Mr. Galt, the Canadian minister of finance, insists that the Canadian tariff is not protective, in the usual sense of that term; but it is easy to see that Mr. Buchanan's views are making way in Canada.

The following statistics of New Brunswick are compiled from the latest official reports. The revenue for the fiscal year ending Oct. 31, 1864, was \$1,060,815; for 1863, \$844,894; increase, \$215,921; and derived as follows:

| | 1863. | 1864. |
|--|----------------|------------------|
| Railway impost..... | \$138,300 | \$181,944 |
| Import duty..... | 585,069 | 743,315 |
| Export duty on lumber..... | 61,834 | 67,640 |
| Territorial and casual..... | 23,293 | 30,738 |
| Miscellaneous..... | 36,398 | 37,128 |
| Total..... | 844,894 | 1,060,815 |
| Importations for 1864, dutiable..... | | \$6,692,488 |
| do do free..... | | 2,252,864 |
| Total..... | | 8,945,342 |
| Rate of impost on dutiable goods..... | | 13.57 per ct. |
| Rate of impost on all goods..... | | 10 15 per ct. |
| Importations from the United States..... | | \$3,316,824 |
| Exportations to all countries..... | | 5,053,897 |
| Exportations to the United States..... | | 1,266,148 |

The exports to the United States are largely of lumber, but otherwise the trade with this country is of the same nature as that of Nova Scotia, which will be given in more detail. The population of New Brunswick in 1864 was 272,780.

The Financial Secretary of the province, in his last report, says: "The reciprocity treaty had been ten years in operation on the 12th of November, 1864. During ten years ending Dec. 31, 1864, importations from the United States amounted in value to 6,728,896*l.* sterling, against 3,730,752*l.* during ten years immediately preceding the treaty." The same officer remarks that the only instance of coal mining in New Brunswick is by an American company.

In regard to the shipbuilding interest, it is stated by the same authority that the number of vessels built in New Brunswick during 40 years has been 4,169, measuring 1,584,386 tons, and the structures of 1864 were much above the average of those years.

The funded debt of New Brunswick, mostly incurred for railroads, was \$5,702,991 in 1863.

NOVA SCOTIA.

The peninsula of Nova Scotia, including the island of Cape Breton, has an area of 18,746 square miles; in acres, 11,996,440, and probably no equal surface of the world combines so many natural advantages. Among these are a fertile soil, a climate softened by insular position and the vicinity of the Gulf Stream, capacious harbors never closed in winter, immense coal-beds accessible by vessels, and a productive gold district, besides deposits of iron, copper, manganese, gypsum, and slate. Although agriculture is prosperous, yet seafaring pursuits so largely engross the people that large importations of breadstuffs and provisions are made from the United States.

The following statements of the trade of Nova Scotia are official for the year ending Sept. 30, 1865:

The amount of customs and excise duties collected in 1865 was \$1,047,-

\$91, against \$990,169 in 1864—an increase of \$57,721. The amount in the hands of the Receiver-General at the close of the last fiscal year was \$222,932, against \$225,150 at the end of September, 1864. The income and outlay for the fiscal year 1865 were thus nearly balanced.

The imports of the province have been rapidly increasing for the past four years. The official figures for those years are: 1862, \$8,445,042; 1863, \$10,201,392; 1864, \$12,604,642; 1865, \$14,381,662.

Here is an average increase of \$2,000,000 a year for a province containing only about 350,000 people. The imports for 1864 and 1865 were divided between the various countries with which the Nova Scotians trade as follows:

| Countries. | 1864. | 1865. | Increase. |
|--------------------------------------|-------------|-------------|-----------|
| Great Britain..... | \$6,815,988 | \$5,407,843 | \$908,145 |
| British North American colonies..... | 1,592,773 | 1,188,746 | 404,027 |
| British West Indies..... | 667,206 | 440,767 | 226,439 |
| United States..... | 4,325,857 | 4,303,016 | 22,841 |
| Other countries..... | 1,479,838 | 1,234,270 | 215,568 |
| Total | 14,381,662 | 12,574,642 | 1,807,020 |

The imports from the United States in 1865 are classed thus:

| | |
|-----------------------------|-------------|
| Subject to duty..... | \$1,186,160 |
| Free under reciprocity..... | 1,747,806 |
| Free under tariff..... | 1,392,891 |

Those articles free both under the tariff and under reciprocity are put in the former class. Nearly the whole of the imports which are classed as free of duty under the reciprocity treaty consisted of wheat flour, no less than \$1,529,819 of flour having been imported. The imports—beef, pork, and hams—from the United States, during the year, were valued at \$170,282, and of butter and lard at \$23,051. The principal dutiable articles imported from the United States were:

| | | | |
|---|----------|-----------------------------|---------|
| Cordage and canvas..... | \$24,966 | Molasses..... | 10,443 |
| Cottons and woollens..... | 102,656 | Paper manufactures, &c..... | 22,994 |
| Drugs and patent medicines.... | 43,990 | Spirits..... | 46,447 |
| Leather and leather manufactures | 137,690 | Sugar, raw and refined..... | 17,326 |
| Hardware..... | 243,610 | Tea, black..... | 65,505 |
| Rock and coal oil and burning fluid..... | \$93,477 | Tobacco, manufactured..... | 82,520 |
| | | Woodware, manufactured..... | 118,864 |

The principal articles free under the tariff were:

| | | | |
|------------------------------|-----------|-----------------------------|---------|
| Flour, other than wheat..... | \$102,315 | Salt..... | \$2,119 |
| Fish, all, and oil of..... | 34,793 | Stone, including lime..... | 14,754 |
| Grain..... | 23,142 | Tobacco-leaf..... | 53,841 |
| Hardware..... | 17,843 | Vegetables..... | 12,274 |
| Hides and skins..... | 26,828 | Woodware, manufactured..... | 10,576 |
| Printed books, &c..... | 35,821 | | |

The total exports of the province for the last fiscal year were valued at \$8,830,639. The leading articles were fish, coal, lumber, and its manufactures. A portion of the exports, however, consisted of articles not produced in Nova Scotia, which had evidently been imported and then sold into the other maritime provinces.

(To be continued.)

THE BANK OF ENGLAND.

BY MERCATOR.

The story of the establishment of the Bank of England, and its subsequent remarkable career, has been so often related—and with so much ability and in such ample detail—that to attempt any new narrative of the subject may appear, in the opinion of a pretty large and enlightened class, more tedious and trite than a twice or even a thrice told tale, and quite a work of supererogation. What the few have learned and are familiar with, they think to answer all useful purposes, particularly if it be thought that the spread of knowledge would tend to inconvenience or danger. There is, however, an old adage that there are two ways of telling a story, and from the experience of most persons—with statesmen, historians, lawyers and witnesses—they would be apt to arrive at the conclusion that there are far more; and we may therefore reasonably obtain pardon if we have fallen into the error of believing that we might be able to give a brief and plain account of the Bank of England, from the period it was founded down to the present time, interspersed with some observations and reflections of our own, which, if displaying no striking quality, may have the merit of leading such readers as are familiar with the subject into a path hitherto untrodden by them, and inducing them to contemplate the narrative from a new point of view. There is, however, a vast multitude—and it is to it we chiefly address ourselves—composing not only thousands, but millions, who are as ignorant of the Bank of England as they are of the invention of pounds, shillings and pence by William the Conqueror, and to whom, we trust, what we shall feel it our duty to recount, will be as interesting and serviceable as it will undoubtedly be novel.

There is no question that, sometime previous to the starting of the Bank of England, all classes, but more especially the commercial class, required greater facilities in obtaining monetary accommodation than it was possible to procure under the existing state of things; and various plans had been proposed by projectors, in numerous pamphlets, tracts, and other publications, for the establishment of a national bank, which attracted much attention, and was received with considerable favor. The accommodation which the goldsmiths, who were then the only persons engaged in the business of banking in the country, had in their power to afford, was so inadequate to meet the growing demands of commerce, and they were, moreover, in the habit of applying “the screw”—to use a modern phrase well understood—with much severity, that a general desire prevailed for the abolition of this growing monopoly.

If the Bank of England had started into existence to supply this want, and had confined itself to assist and extend commercial enterprise, by a judicious employment of the enormous capital at its command, it would have been a real national blessing, and its founders would have been entitled to be regarded as benefactors of their country. But such was, unfortunately, not the case, and the bank, which was recommended to public patronage and support, as the means of securing for trade and commerce substantial advantages, by an extinction of monopoly, and an equitable reduction of interest, became itself one of the most grievous and withering monopolies with which the country has ever been cursed, and an

engine in the hands of avaricious men to wring extortionate profits from the industrial classes of society. When James II., at the revolution of 1688, which Hallam, a distinguished constitutional historian, denies to have been a glorious one, left his throne vacant for his ungrateful and undutiful nephew and son-in-law, William III., and his unnatural daughter, Mary Stuart, the affairs of the kingdom were in a happy and prosperous condition. The burdens were light upon the people, a tax-gatherer was almost unknown in England, a circumstance which will excite little surprise when we collect that the national debt, which now amounts to about 900,000,000*l.*, at the close of the reign of the sovereign who was exiled for his attachment to Popery and the Jesuits, though an Archbishop of Canterbury, and a large section of the clergy preferred to be reduced to indigence rather than take the oath of allegiance to his successor, did not exceed the modest proportion of 664,263*l.*

William Patterson, the projector and founder of the Bank of England, was a native of Scotland, and born in Traillflatt, in the county of Dumfries. He was educated for the church, and afterwards pursued for a length of time a course of life inconsistent with the profession for which he was intended. He was engaged in the Darien scheme, and was evidently a person of adventurous spirit and fertile imagination—just one of the class who are qualified by boldness, industry, perseverance, and originality, to become the pioneers in great social and political changes. He, however, does not deserve much credit upon the score of originality for having proposed the establishment of a Bank of England, as we had only to look to Hamburg, Amsterdam, Venice, and Genoa—where banking institutions, similar to the one he contemplated founding, existed and flourished—to find models for his guidance. After Patterson generated his scheme, he became little more than an instrument in the hands of an intriguing and unscrupulous man, named Michael Godfrey, who was one of the creatures of William 3d, and was appointed by him to the office of first Deputy-Governor of the Bank of England. The advocates of the scheme supported it upon political and commercial grounds, and among the most ardent of its champions, we find in the front rank Michael Godfrey, stating in a pamphlet that some “pretended to dislike the Bank only for fear that it should afford their majesties the supplies required to be raised,” and after complaining that all the company of oppressors “were extortioners and usurers, were never so attacked as they were likely to be by it.” The course pursued by the Bank of England for more than 150 years has not tended to fulfil this prediction.

Smollet observes that the project had been recommended to the ministry for the following reasons: That it would rescue the nation out of the hands of extortioners, lower interest, raise the value of land, revive public credit, extend circulation, improve commerce, facilitate the annual supplies, and connect the people more closely to the government. The opponents of the movement, including the Goldsmiths and the Tory party—with more truth and reason—justified their resistance to it, upon the ground that the proposed Bank would become a monopoly, and engross the whole money of the kingdom, that it might be employed to the worst purposes of arbitrary power, that it would weaken commerce by tempting people to withdraw their money from trade, that it would enable brokers and jobbers to prey upon their fellow creatures, that it would encourage frauds and gaming, and corrupt the morals of the nation.

Thus advocated and denounced, the scheme was submitted to the Privy Council, and fully discussed in the presence of Queen Mary. The King, her husband, was absent at the time, but he was made acquainted with its details, and approved of it because he perceived that it would afford him the means of raising large sums of money to prosecute the war, in which he was engaged against France. William, however, with that habitual caution and foresight, for which he was distinguished, aware of the hostility which prevailed towards the measure, instead of introducing it boldly and prominently—to borrow the words of an able financial authority—smuggled it at the tail of an act of Parliament for raising money generally and in the preamble this statute is described, *as a means for securing certain recompenses and advantages to such persons as should voluntarily advance the sum of fifteen hundred thousand pounds, to enable their majesties to carry on the war against France.*

By the act of 5 William & Mary, it was declared that a royal charter should be granted, under the title of "The Governor & Company of the Bank of England," to such persons as should *voluntarily advance a loan of £1,200,000 to the Government*, at the rate of 8 per cent. per annum interest, and £4 per cent. for management. This amount was to be subject to redemption, if Parliament should think it expedient to cancel it, by giving twelve months' notice after the 1st August, 1705—but, instead of repaying it, the debt has from time to time enormously increased, and it remains unredeemed to the present day. There was still £300,000 of the £1,500,000 deficient, and this was also to be raised by subscription, each subscriber receiving an annuity for one, two or three lives upon the following terms: Every subscriber who advanced £100 on *one* life, was to receive an annuity of £14; on two lives, an annuity of £12 for every £100 advanced; and on three lives, an annuity of £10 for every £100. There was a provision in the act that in case the sum of 1,500,000*l.* was not raised before October, 1694, the deficiency was to be made up by a loan at 8 per cent. In the space of ten days the entire amount was advanced, and 25 per cent. of the money paid down, and on the 27th July, 1694, the charter was duly signed and sealed. The Bank then immediately commenced operations in Grocers' Hall, and consisted of a governor, a deputy governor, and a proprietary of holders of capital stock.

The property qualification of a Governor was, and still is, that he should possess 4,000*l.* *on his own right*; for a Deputy Governor, 3,000*l.*; for a Director, not less than 2,000*l.* *of the stock of the corporation*; and every elector was obliged to have 500*l.* capital stock to entitle him to *one vote*. It is a remarkable circumstance—just as if the Governor of this corporation of money dealers would not be likely to take care of his own interest and that of his associates—that he was required to make the following oath, which each of his successors has been obliged, down to the present time, also to do upon entering upon office:

"I, A. B—, being nominated or elected to be Governor of the company of the Bank of England, do promise and swear that I will, to the utmost of my power, and by all lawful ways and means, endeavor to support and maintain the *body politic of fellowship* of the Governor and company of the Bank of England, and the *liberties and privileges* thereof; and that in the execution of the said office of Governor, I will faithfully and honestly demean myself, according to the best of my skill and understanding, so help me God."

It is difficult to reconcile this oath, which the chief officer of a national monetary institution is even now required to take, with a passage in the charter, wherein it is stated that the bank was established with a view of *promoting the public good and benefit of the people.*

In glancing at the history of the bank and consulting the testimony of distinguished individuals and numerous commercial bodies in the kingdom, it will be found that, in observing the letter and the spirit of this oath, the Governors of the Bank of England have, in numerous instances, inflicted serious injury upon society. We have now seen the bank fairly started, having lent its capital of 1,200,000*l.* at the handsome remuneration of 100,000*l.*, to be paid annually for the loan.

FOREIGN TRADE AT NEW YORK FOR MAY.

The official Custom House figures showing the foreign trade at the port of New York for May have just been furnished. We trust that many years (?) will not elapse before some way will be found of making up these returns earlier, so that they can possess a little more present interest. The figures now made public enable us to bring down our tables to the close of the eleventh month of the fiscal year, and we give in comparison the same periods of previous years.

IMPORTS.

For the month of May, as our readers have seen from our weekly tabl the imports were very large, being in fact this year more than twice the amount for May, 1865. The following are the imports for May of each of the last three years:

| | 1864. | 1865. | 1866. |
|-------------------------------|--------------|--------------|--------------|
| Entered for consumption..... | \$7,531,200 | \$6,592,157 | \$13,563,551 |
| Entered for warehousing..... | 14,727,176 | 5,288,049 | 13,902,407 |
| Free goods..... | 1,056,576 | 818,818 | 959,416 |
| Specie and bullion..... | 660,092 | 177,085 | 393,073 |
| Total entered at port..... | \$23,975,144 | \$12,876,109 | \$28,818,447 |
| Withdrawn from warehouse..... | 659,869 | 10,277,170 | 9,450,591 |

From the above it will be seen that the total goods thrown on the market during each year in May was as follows:

FOREIGN GOODS MARKETED IN MAY.

| | 1864. | 1865. | 1866. |
|-------------------------------|-------------|--------------|--------------|
| Entered for consumption..... | \$7,531,200 | \$6,592,157 | \$13,563,551 |
| Free goods..... | 1,056,576 | 818,818 | 959,416 |
| Withdrawn from warehouse..... | 659,869 | 10,277,170 | 9,450,591 |
| | \$9,267,745 | \$17,688,145 | \$23,973,558 |

The total imports for the first five months of the year are as below:

FOREIGN IMPORTS AT NEW YORK FOR THE FIVE MONTHS FROM JANUARY 1ST.

| | 1864. | 1865. | 1866. |
|-------------------------------|---------------|--------------|---------------|
| Entered for consumption..... | \$70,520,704 | \$29,583,127 | \$78,077,039 |
| Entered for warehousing..... | 37,837,458 | 30,637,327 | 55,469,417 |
| Free goods..... | 4,793,780 | 4,070,486 | 6,027,286 |
| Specie and bullion..... | 1,280,283 | 815,791 | 1,085,637 |
| Total entered at port..... | \$114,432,225 | \$65,156,731 | \$140,666,379 |
| Withdrawn from warehouse..... | 30,204,823 | 35,279,863 | 41,026,423 |

It will be noticed that the increase this year in imports is considerably more than 100 per cent., being \$65,156 1,73 in 1865 and \$140,666,379 in 1866. This is for the

five months since January 1. If now we add the figures since July 1, we have as follows:

FOREIGN IMPORTS AND AMOUNT MARKETED AT NEW YORK FOR ELEVEN MONTHS.

| | 1865-66. | | 1864-65 | |
|------------------------|----------------|-------------------------|----------------|-------------------------|
| | Total imports. | Total thrown on market. | Total imports. | Total thrown on market. |
| Six months..... | \$142,730,367 | \$135,457,584 | \$79,767,221 | \$69,201,651 |
| January..... | 30,109,830 | 27,219,868 | 10,620,117 | 11,711,178 |
| February..... | 30,692,557 | 26,560,301 | 11,473,668 | 11,472,456 |
| March..... | 26,204,940 | 24,224,630 | 16,012,373 | 13,692,088 |
| April..... | 24,840,605 | 23,269,391 | 14,174,464 | 14,369,609 |
| May..... | 28,818,447 | 23,973,558 | 12,876,109 | 17,688,145 |
| Total for 11 mos..... | \$283,396,746 | \$259,705,332 | \$144,923,952 | \$138,135,127 |
| Deduct specie..... | 2,157,395 | | 1,654,399 | |
| Total merchandise..... | \$281,239,651 | | \$143,269,553 | |

In the foregoing we have not only given the total imports each month, but also a column showing the total amount thrown on the market.

WAREHOUSE MOVEMENT.

This year, about one-half of the imports (\$13,902,407) were entered for warehousing, but as \$1,246,288 was re-exported in bond, and \$9,450,591 were withdrawn for consumption, the increase for the month in stock is only about three millions. Below we give a statement of the warehouse movement for May, with the stock on hand June 1:

WAREHOUSE MOVEMENT AT NEW YORK IN MAY.

| | | |
|---------------------------------------|-------------|--------------|
| Stock in warehouse May 1, 1866..... | | \$30,135,543 |
| Entered for warehousing in May..... | | 13,902,407 |
| Received from other ports in May..... | | 166,186 |
| Supply..... | | \$44,204,136 |
| Withdrawn for consumption..... | \$9,450,591 | |
| Exported from warehouse..... | 1,246,288 | |
| Transported to other ports..... | 210,342 | 10,907,221 |
| Stock in bond June 1, 1866..... | | \$33,296,915 |
| do do 1865..... | | 22,249,743 |
| do do 1864..... | | 18,816,114 |
| do do 1863..... | | 19,321,534 |
| do do 1862..... | | 11,862,642 |

CUSTOM RECEIPTS.

On account of a large proportion of the imports being entered for warehousing, the duties collected are not in proportion to the increased imports. The following table gives the Custom's receipts at this port for the eleven months:

RECEIPTS FOR CUSTOMS AT THE PORT OF NEW YORK.

| | 1864. | 1865. | 1866. |
|------------------------------|-----------------|-----------------|------------------|
| Six months..... | \$35,042,976 45 | \$24,473,902 73 | \$65,007,328 87 |
| January..... | 6,180,536 09 | 4,231,737 47 | 12,437,474 16 |
| February..... | 7,474,027 93 | 4,791,247 10 | 12,008,273 74 |
| March..... | 7,659,770 47 | 5,392,099 26 | 11,173,154 62 |
| April..... | 13,982,555 60 | 6,309,994 34 | 10,909,896 78 |
| May..... | 3,855,186 46 | 8,133,423 06 | 11,418,492 10 |
| Total for eleven months..... | \$74,195,053 00 | \$53,332,403 96 | \$123,065,620 27 |

EXPORTS.

The exports this year during the month of May have also been in excess of previous years, given in our comparative table. It should be remembered, however, that they are recorded at their market currency value, while the imports are given in their invoiced gold value, without freight and duty being added. The following will show the comparative exports from this port for the month of May:

EXPORTS FROM NEW YORK TO FOREIGN PORTS IN THE MONTH OF MAY.

| | 1864. | 1865. | 1866. |
|--------------------------------|--------------|--------------|--------------|
| Domestic produce..... | \$14,610,493 | \$7,883,565 | \$12,281,623 |
| Foreign free goods..... | 40,898 | 54,500 | 151,393 |
| do dutiable..... | 569,888 | 320,210 | 759,857 |
| Specie and bullion..... | 6,460,930 | 7,255,071 | 28,744,194 |
| Total exports..... | \$21,682,209 | \$15,513,316 | \$36,937,067 |
| do do exclusive of specie..... | 15,221,279 | 8,258,275 | 13,192,873 |

This shows a gain on May of last year, but is a little below the corresponding totals of several previous years. In specie, it shows the largest monthly export on record. The heaviest shipments in any previous month were in May, 1859, when the total was \$11,421,032. We present also the exports from this port from January 1 to the close of May :

EXPORTS FROM NEW YORK TO FOREIGN PORTS FOR FIVE MONTHS FROM JANUARY 1ST.

| | 1864. | 1865. | 1866. |
|--------------------------------|--------------|--------------|---------------|
| Domestic produce..... | \$67,390,427 | \$60,068,965 | \$94,653,047 |
| Foreign free goods..... | 281,956 | 599,479 | 403,720 |
| do dutiable..... | 2,849,637 | 2,011,597 | 2,419,733 |
| Specie and bullion..... | 22,619,012 | 12,716,287 | 29,891,474 |
| Total exports..... | \$93,141,032 | \$75,396,328 | \$127,367,973 |
| do do exclusive of specie..... | 70,522,020 | 62,680,041 | 97,476,499 |

This shows a large increase the last five months over the same period of 1865. If now we add the figures for the previous six months we have the following as the exports for the eleven months of the fiscal year :—

EXPORTS (EXCLUSIVE OF SPECIE) FROM NEW YORK TO FOREIGN PORTS FOR ELEVEN MONTHS OF THE FISCAL YEAR.

| | 1864. | 1865. | 1866. |
|----------------------------------|---------------|---------------|---------------|
| Six months ending Jan. 1..... | \$79,049,334 | \$131,946,100 | \$107,699,914 |
| January..... | 12,150,670 | 16,561,598 | 20,108,207 |
| February..... | 14,196,409 | 15,750,807 | 17,955,507 |
| March..... | 15,082,677 | 14,397,713 | 23,068,817 |
| April..... | 13,870,985 | 7,711,648 | 23,311,095 |
| May..... | 15,221,279 | 8,258,275 | 13,192,873 |
| Prod. and Mdse. 11 months..... | \$149,571,354 | \$194,626,141 | \$205,176,413 |
| Add of Specie..... | 51,741,111 | 34,389,787 | 41,979,396 |
| Total Exports for 11 months..... | \$201,312,465 | \$229,016,928 | \$247,155,811 |

In estimating the trade of the country from these figures for the port of New York, it should be remembered that they do not represent the same proportion of that trade as formerly. The last year nearly all the imports for the South have been entered at New York, while the exports from the South have been very large ; in cotton alone amounting to about 700,000 bales.

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

COTTON, BREADSTUFFS, PROVISIONS, ETC.

Our London correspondent furnishes us an analysis of our trade with Great Britain during the first five months of the present year, compared with the corresponding period in 1865 and 1864. The figures presented to us exhibit many features of great interest at the present moment, and show how extensively our inward and outward trade with Great Britain has been augmented.

The total declared value of the exports of British and Irish produce from Great Britain to all quarters from Jan. 1 to May 31 was £78,227,710, whilst in the corresponding period last year, it amounted to only £60,901,576 ; and in 1864 to £64,069,060

There is, therefore, an increase in the present year in this department of trade of nearly £18,000,000 as compared with 1865, and of £14,000,000 as compared with 1864. For each month the figures stand thus :

| | 1864. | 1865. | 1866. |
|---------------|-------------|-------------|-------------|
| January..... | £10,413,586 | £10,489,339 | £14,354,743 |
| February..... | 12,698,121 | 1,376,214 | 15,116,063 |
| March..... | 13,555,674 | 18,770,154 | 17,520,354 |
| April..... | 13,225,039 | 12,071,111 | 15,366,414 |
| May..... | 14,176,640 | 18,194,738 | 15,870,131 |
| Total..... | £64,069,060 | £60,901,576 | £78,227,710 |

The details for each country embrace a period of only four months, and for that period the return gives the following results so far as the United States are concerned :

| | 1864. | 1865. | 1866. |
|----------------------------------|------------|------------|-------------|
| To Atlantic ports, Northern..... | £8,216,370 | £3,857,997 | £10,334,340 |
| " Southern..... | 49,934 | 18,718 | 390,249 |
| Pacific ports..... | 233,036 | 132,500 | 277,683 |
| Total..... | £8,499,340 | £4,009,215 | £11,502,272 |

The computed real value of the principal imports into Great Britain for the four months ending April 30 was £68,804,895, against £45,337,850 in 1865, and £54,719,390 in 1864. For each month in each of the last three years the figures were as follows :

| | 1864. | 1865. | 1866. |
|-----------------|-------------|-------------|-------------|
| In January..... | £7,520,356 | £6,398,932 | £9,847,564 |
| February..... | 13,214,541 | 12,891,252 | 16,610,159 |
| March..... | 16,396,923 | 13,005,394 | 19,891,204 |
| April..... | 17,587,565 | 13,078,755 | 22,455,968 |
| Total..... | £54,719,390 | £45,337,850 | £68,804,895 |

COTTON.

Cotton continues to be imported freely into Great Britain from the United States. In May the largest supply was received from that quarter the receipts from American ports being very nearly one half of the total importation. The total import in May was 1,490,636 bales being an increase of 880,000 bales as compared with May last year, and an increase of 500,000 bales as compared with the same month in 1864. The total receipts for the five months ending May 31, were 5,180,070 bales, against 2,637,022 bales last year, and 2,756,664 bales in 1864. The details are as under :

IMPORTS OF COTTON INTO THE UNITED KINGDOM IN FIVE MONTHS.

| | 1864. | 1865. | 1866. |
|---------------------------|-----------|-----------|-----------|
| | Cwts. | Cwts. | Cwts. |
| From United States..... | 50,791 | 60,144 | 2,471,929 |
| Bahamas and Bermudas..... | 127,271 | 141,959 | 2,734 |
| Mexico..... | 127,539 | 173,400 | 2,145 |
| Brazil..... | 133,960 | 198,700 | 332,708 |
| Turkey..... | 52,597 | 130,657 | 76,794 |
| Egypt..... | 590,676 | 660,208 | 551,251 |
| British India..... | 1,247,875 | 925,891 | 1,649,553 |
| China..... | 300,164 | 206,495 | ..... |
| Other countries..... | 85,801 | 139,568 | 91,956 |
| Total..... | 2,756,664 | 2,637,033 | 5,180,070 |

The computed real value of the cotton imported during the *four* months ending April 30 was as follows :

| | 1864. | 1865. | 1866. |
|---------------------------|-------------|-------------|-------------|
| From United States..... | £133,749 | £289,048 | £15,483,361 |
| Bahamas and Bermudas..... | 1,230,478 | 1,197,855 | 23,227 |
| Mexico..... | 1,276,280 | 994,587 | 128,591 |
| Brazil..... | 1,199,432 | 1,309,732 | 2,361,925 |
| Turkey..... | 573,397 | 449,937 | 367,939 |
| Egypt..... | 4,324,432 | 4,923,073 | 3,996,556 |
| British India..... | 7,211,413 | 3,363,543 | 6,342,468 |
| China..... | 1,806,422 | 683,514 | ..... |
| Other countries..... | 716,408 | 811,130 | 619,683 |
| Total..... | £18,472,061 | £13,967,469 | £29,244,790 |

The export of cotton from Great Britain in May were less than in the corresponding month in 1865. This circumstance arose from the fact that a probability then existed of a Fenian war, the decline in the export being chiefly as regards the Hanse Towns. The total for the month is 268,945 cwts.; against 323,864 cwts. in 1865, and 275,801 cwts. in 1864. For the five months ending May 31, the exports to each of the leading countries were of the following magnitude:

| | 1864. cwts. | 1865. cwts. | 1866. cwts. |
|----------------------|----------------|----------------|----------------|
| To Russia: | | | |
| Northern ports..... | 60,491 | 27,639 | 86,542 |
| Prussia..... | 6,058 | 4,841 | 29,542 |
| Hanover..... | 28,339 | 13,096 | 5,618 |
| Hanse Towns..... | 293,045 | 201,717 | 306,076 |
| Holland..... | 164,986 | 111,691 | 210,134 |
| Other countries..... | 346,625 | 384,308 | 567,117 |
| Total..... | 809,554 | 743,292 | 1,295,029 |

BREADSTUFFS.

Now that war has been commenced on the Continent of Europe, and that a considerable rise has taken place in the value of wheat in England, statistics relating to the extent of the imports of wheat and flour into Great Britain are of valuable importance. The most significant fact to be drawn from the latest statement of imports into Great Britain is the extent to which the export trade in wheat and flour from French ports has been augmented during the present year. Russia, in the export of wheat, shows a very large increase; but, as regards the United States the figures are quite unimportant. The quantity shipped from Prussian ports is small as compared with the exports from France and Russia. Our latest advices from London, Liverpool, and the other principal markets of the United Kingdom, state that, in consequence of the fineness of the weather, the continuance of a high rate for money in the discount market, and an increasing importation, the wheat trade had become most inactive; but, in consequence of the Continental war, holders of wheat were quite indisposed to make any concessions in prices. It appeared doubtful whether the advance in the quotations of 6s. @ 8s. per quarter could be wholly maintained, there being a tendency to a lower range of values. The statement of imports into the United Kingdom is as follows:

IMPORTS OF BREADSTUFFS INTO THE UNITED KINGDOM IN FIVE MONTHS.

| | WHEAT. | | |
|---|----------------|----------------|----------------|
| From | 1864. cwts. | 1865. cwts. | 1866. cwts. |
| Russia..... | 796,909 | 2,054,251 | 3,250,423 |
| Prussia..... | 1,892,185 | 1,473,266 | 929,544 |
| Denmark..... | 367,362 | 146,050 | 97,158 |
| Schleswig, Holstein, and Lauenburg..... | 138,906 | 98,179 | 54,880 |
| Mecklenburg..... | 247,243 | 236,755 | 202,742 |
| Hanse Towns..... | 326,573 | 171,655 | 188,680 |
| France..... | 436,891 | 277,214 | 2,387,920 |
| Turkey, Wallachia, and Moldavia..... | 212,489 | 290,855 | 244,757 |
| Egypt..... | 357,283 | ..... | ..... |
| United States..... | 3,310,792 | 141,211 | 315,160 |
| British North America..... | 17,338 | 2,294 | 8,789 |
| Other Countries..... | 181,480 | 497,402 | 1,762,525 |
| Total..... | 8,258,541 | 5,389,222 | 9,342,578 |

It will be observed that Egypt has not yet assumed her position as a wheat exporting country.

| | FLOUR. | | |
|----------------------------|----------------|----------------|----------------|
| From | 1864. cwts. | 1865. cwts. | 1866. cwts. |
| Hanse Towns..... | 160,137 | 109,014 | 97,869 |
| France..... | 1,287,723 | 1,005,671 | 2,387,055 |
| United States..... | 962,136 | 100,455 | 163,712 |
| British North America..... | 4,305 | 11,385 | 6,137 |
| Other Countries..... | 46,229 | 73,600 | 104,011 |
| Total..... | 2,460,530 | 1,300,125 | 2,758,794 |

BRITISH AND IRISH PRODUCE.

The exports of British and Irish produce and manufactures in May show, as regards many articles, a diminution from previous years, not so much, indeed, from last year, at which period comparatively little business was then passing between the United States and Great Britain, but from 1864 and previously to that period. The aggregate for the present year, however, is large, and compares very favorably with many previous years:

DECLARED VALUE OF EXPORTS OF BRITISH AND IRISH PRODUCE FROM GREAT BRITAIN TO THE UNITED STATES FROM JAN. 1 TO MAY 31.

| | 1864. | 1865. | 1866. |
|--|-----------|----------|-----------|
| Alkali..... | £196,056 | £172,502 | £414,532 |
| Beer and ale..... | 26,379 | 14,497 | 39,243 |
| Coals..... | 50,746 | 37,306 | 33,823 |
| COTTON MANUFACTURES— | | | |
| Piece goods..... | 1,059,614 | 511,785 | 1,858,833 |
| Thr. ad..... | 113,530 | 35,063 | 150,486 |
| Earthenware and porcelain..... | 197,052 | 138,704 | 314,351 |
| Haberdashery and millinery..... | 553,249 | 263,757 | 701,605 |
| HARDWARES AND CUTLERY— | | | |
| Knives, forks, &c..... | 60,526 | 50,916 | 122,181 |
| Anvils, vices, saws, &c..... | 50,776 | 23,632 | 52,907 |
| Manufactures of German silver..... | 155,759 | 64,861 | 292,358 |
| LINEN MANUFACTURES— | | | |
| Piece goods..... | 1,363,841 | 894,044 | 1,909,597 |
| METALS— | | | |
| Iron—Pig..... | 155,024 | 47,838 | 142,949 |
| Bar, &c..... | 485,718 | 61,618 | 256,197 |
| Railroad..... | 523,529 | 93,367 | 341,110 |
| Castings..... | 9,396 | 1,157 | 8,450 |
| Hoops..... | 151,040 | 20,272 | 141,749 |
| Wrought..... | 166,569 | 66,124 | 104,438 |
| Steel—Unwrought..... | 292,076 | 115,515 | 271,900 |
| Copper, wrought..... | 11,900 | 12,630 | 24,666 |
| Lead, pig..... | 168,557 | 6,212 | 59,684 |
| Tin plates..... | 426,924 | 316,186 | 645,172 |
| Oilseed..... | 45,742 | 39 | 72,316 |
| Salt..... | 13,630 | 11,197 | 61,316 |
| SILK MANUFACTURES— | | | |
| Piece goods..... | 52,448 | 22,804 | 80,261 |
| Handkerchiefs, scarfs, &c..... | 13,325 | 999 | 5,559 |
| Ribbons..... | 26,204 | 11,207 | 22,399 |
| Other articles..... | 56,227 | 38,021 | 51,770 |
| Other articles mixed with other materials..... | 23,415 | 12,527 | 30,448 |
| Spirits, British..... | 7,457 | 544 | 4,351 |
| Wool..... | 33,006 | 250 | 242 |
| WOOLLEN AND WORSTED MANUFACTURES— | | | |
| Cloths of all kinds..... | 552,128 | 154,364 | 451,288 |
| Carpets and druggets..... | 233,534 | 47,581 | 32,087 |
| Shawls, rugs, &c..... | 50,031 | 7,528 | 16,777 |
| Worsted stuffs of wool only, and of wool mixed with other mat..... | 1,291,022 | 668,531 | 1,754,972 |

PROVISIONS.

In the imports of provisions the principal increase is in lard and eggs. The former of these articles is selling at high prices in the United Kingdom, although they exhibit a considerable decline from the quotations current at the close of last year. Of other provisions the arrivals show no material variation from last year:

IMPORTS OF PROVISIONS IN FIVE MONTHS.

| | 1864. | 1865. | 1866. |
|---------------------------|-------------|-------------|-------------|
| Bacon and hams, cwts..... | 639,191 | 3,8,685 | 365,900 |
| Beef, salt, cwt..... | 197,355 | 119,625 | 108,652 |
| Pork, salt, cwt..... | 100,935 | 74,072 | 110,452 |
| Butter, cwt..... | 344,077 | 388,618 | 385,670 |
| Cheese, cwt..... | 204,458 | 207,126 | 155,344 |
| Eggs, number..... | 139,280,520 | 157,328,520 | 196,955,769 |
| Lard, number..... | 59,631 | 71,283 | 165,925 |

LIVE STOCK.

In consequence of the war, the import of live stock from Austria into Great Britain

is stopped. The British Government, however, have modified their recent orders, and the import of fat stock is now permitted from ports in Friesland and Groningen. The imports of live stock into Great Britain for the five months ending May 31, were as under:

| | 1864. | 1865. | 1866. |
|------------------------------------|--------|---------|---------|
| Oxen, bulls and cows, number | 33,200 | 55,713 | 54,323 |
| Calves, number | 9,821 | 10,356 | 6,699 |
| Sheep and lambs, number..... | 91,194 | 159,418 | 324,273 |
| Swine and hogs, number | 10,137 | 27,537 | 24,889 |

SHIPPING.

In May, 40 vessels, of a tonnage of 41,897 tons entered at ports in the United Kingdom. In the corresponding time last year, the aggregate was only 23, of 22,590 tons burden; but in 1864 the total reached 40, whilst the tonnage was 48,398 tons. During the five months the entries were 191, against 106 last year, and 173 in 1864, the tonnage in those years being 194,486, 115,862, and 199,987 tons respectively. The clearances of American vessels in May were 45, against 44 in 1865, and 40 in 1864. During the five months ending May 31, the total entries of American vessels were 233, of 231,011 tons; against 138, of 142,286 tons last year, and 183, of 203,930 tons in 1864. In May, 159 vessels entered at ports in the United Kingdom from American ports, the total during the corresponding month last year being only 45, and in 1864 95. The total entries of vessels from the United States during the five months ending May 31 were 705, of 653,116 tons; against 201, of 230,042 tons last year; and 428, of 425,977 tons in 1864. The clearances of vessels of all nationalities at ports in Great Britain for American ports were as follows: In May, current year, 126; do. last year, 83; do. in 1864, 112; in the five months ending May 31, 1866, 648; in 1865, 270, and in 1864, 395.

ANALYSES OF RAILROAD REPORTS. No. 11.

I. St. Louis, Alton & Terre Haute Railroad.—II. Lehigh Coal & Navigation Company.—III. Cumberland Valley Railroad.

The Financial Statement of the Illinois Central, Pittsburg, Fort Wayne & Chicago and Chicago and Rock Island Companies appeared in the July number. We now give brief historical sketches of each, which were received too late for insertion in their appropriate places.

ILLINOIS CENTRAL RAILROAD.

The Illinois Central Railroad Company was chartered by the State of Illinois February 10, 1851, and authorized to construct a railroad from La Salle, northwest, to the Mississippi River opposite Dubuque, Iowa, and southwardly to Cairo at the confluence of the Ohio with the Mississippi and also a branch from the main line to Chicago. The Company's capital was fixed by this charter at \$1,000,000, and might be increased to whatever sum the cost of construction might involve.

The charter also surrendered to the Company all the property acquired by the State in the course of previous efforts made to construct a railroad between the same points; and all the lands donated by the United States under the act of Congress of September 30, 1850. These latter consisted of nearly 2,600,000 acres in alternate sections within six miles on both sides of the road. This property was placed in trust to be applied only to the construction of the works projected. Upon

compliance with these conditions and the completion of fifty miles of road, one fourth of the donated lands was to be held free of incumbrance and disposable by the company for its general exigencies and the remaining three-fourths were to be retained by the trustees as securities for the payment of bonds which the Company was authorized to issue. The trustees were to sell the last named bonds either for cash or in exchange for the bonds, the payment of which was intended to be thus secured, and if in cash the same to be invested in the bonds, which on receipt were to be cancelled.

The charter also provided for the exemption of the Company's property from local taxation ; but required for this privilege a payment to the State 7 per centum of the gross receipts of the road when in operation.

The main line of the road as defined by the charter extends through the whole length of the State north and south. The Chicago Branch leaves the main line at Centralia and extends northwesterly to Lake Michigan. The aggregate length of both lines is about 708 miles.

The Company was organized, March 10, 1851. The first engineering party organized May 21st following and soon after commenced the preliminary survey of the Chicago Branch, and by mid-summer seven other parties had been organized, and were in the field ; and before the end of the year the whole line had been surveyed and located.

The first contract for graduation was made, March 15, 1852, for that portion of the branch between Chicago and Calumet, 14 miles. This was hurried through for the purpose of allowing the Michigan Central Railroad to enter the city, and was completed May 15, of the same year.

Public contracts were first made in June, 1852, when the grading of six divisions of the road was let, and on October 14, following the remaining six divisions were put in hand. The work was carried on with such vigor that both the main line and branch were completed and brought into operation within the next four years, having been opened in sections as follows :

| | | | |
|----------------------------------|---------------|--------------------------------------|----------------|
| Chicago to Calumet.....14 miles, | May 15, 1852 | Warren to Scales Mound.....14 miles, | Sept. 11, 1854 |
| La Salle to Bloomington.....60 " | " 16, 1853 | Clinton to Decatur.....21 " | Oct. 13, 1854 |
| Calumet to Kankakee.....42 " | July 11, 1853 | Scyles Mound to Galena.....12 " | Oct. 30, 1854 |
| LaSalle to Mendota.....16 " | Nov. 14, 1853 | Cairo to Sandoval.....118 " | Nov. 22, 1854 |
| Kankakee to Spring Cr'k 31 " | Dec. 2, 1853 | Decatur to Sandoval.....85 " | Jan. 1, 1855 |
| Report to Warren.....35 " | Jan. 9, 1854 | Mendota to Freeport.....65 " | Feb. 1, 1855 |
| Bloomington to Clinton .33 " | Mar. 14, 1854 | Galena to Dunleith.....17 " | June 12, 1855 |
| Spring Creek to Peru .32 " | May 18, 1854 | Urbana to Mattoon.....44 " | June 25, 1855 |
| Peru to Urbana.....20 " | July 24, 1854 | Mattoon to Centralia.....77 " | Sept. 27, 1855 |

The several series of bonds issued by the Company for construction and other purposes may be described as follows :

Construction Bonds.....\$17,000,000

of which were 7 per cents \$12,885,000, and 6 per cents \$4,115,000. These bonds bear date April 1, 1851 and are payable April 1, 1875 ; coupons semi-annually April 1 and October 1—the 7's at New York, and the 6's at London. This issue provided the means for constructing the road. They are secured by a mortgage covering the company's road and franchises and 2,000,000 acres of land, and all sales of these lands are to be applied to their redemption, which may be made at any time, the Company paying 20 per cent. additional on the original amount. The company have also superadded to the security above named 250,000 acres of land not included in the two million aforesaid and the net earnings of the road. Of the total amount \$7,266,500 have already been redeemed and cancelled.

Free land Bonds, 7's.....\$3,000,000

—dated Sept. 1, 1854, and payable Sept. 1, 1860; coupons semi-annually March 1 and Sept. 1 at New York.

These bonds were issued to complete the work, the original estimates having been exceeded. They were secured on 345,000 acres *without encumbrance* (hence their title). The whole issued was redeemed before maturity.

Optional Rights Bonds, 7's.....\$3,200,000

—dated Feb. 20, 1858, and payable 1868; coupons semi-annually, Jan. 1 and July 1, at New York. All except \$32,000 have already been converted or otherwise retired

Debenture Bonds, 7's.....\$970,000

—dated July 1, 1859, and payable 1861; interest Jan. 1 and July 1, at New York. These were temporary loans and have all been retired.

Eight per cent bonds.....\$500,000

—dated March 1, 1860 and payable 1865; coupons March 1 and Sept. 1 at New York. These bonds were issued for the payment of such Free Land Bonds as were not paid in upon stock at maturity. The amount issued was \$332,100, all of which but \$3,000 have been retired by conversion into stock.

Redemption Bonds, 6's.....\$2,563,000

—dated April 1, 1865, and payable 1890; coupons April 1, and October 1, at New York. Exchanged for construction bonds.

The yearly condition of the above debt is shown in a special table. The result is that it has been reduced from \$18,008,650 in 1857 to \$12,331,300 at the close of 1865. The stock in the meantime has been increased from \$6,556,435 to \$23,374,400 partly by conversion, partly by stock dividends, and partly by instalments of the original subscriptions.

The amount expended in constructing and equipping the road has been \$30,519,844.

The Illinois Central Railroad Company has been one of the most successful of the land-grant companies. It constructed the longest continuous line of railroad in the Northern States through an almost unpeopled country. In ten years thereafter a large population covered the land for many miles on each side of the road, and by their persistent industry the country has become so productive as to support the road with an affluent commerce and the land-grant has become so productive as to promise to do much more than extinguish the debt incurred in construction, &c. The amount of land already sold is 1,599,564 acres for \$18,191,362 of which \$2,844,730 was paid in cash and the remainder in notes. Of these notes \$8,785,035 are still outstanding and there is still remaining of the original grants 998,069 acres of the present value of \$8,772,264. These assets are ample to retire the debt, and when so retired the stock alone will have to be provided for from the annual earnings. This at the present day is worth more than 120—what will be its value when the Company is clear of its funded incumbrances. The future of the Company, indeed, is magnificent. With an ever increasing population and production along its route the commerce of the road is increasing wonderfully, and requires continued increase of equipment to accommodate its wants. In the ten years ending with 1865 the number of engines and cars has been doubled. In ten other years another duplication will have been made, and this probably without any large increase in the capital account. Should such be the actual result the increase must benefit alike the settler and the stockholder

—the former by making high rates for travel and freight unnecessary, and the latter by enhancing the value of the stock held.

PITTSBURG, FORT WAYNE, AND CHICAGO RAILWAY.

The Pittsburg, Fort Wayne and Chicago Railway Company is a consolidation of three separate companies whose conjoint line extends from Pittsburg, Pennsylvania, to Chicago, Illinois. These were the Pennsylvania and Ohio, the Ohio and Indiana, and the Fort Wayne and Chicago.

The Ohio and Pennsylvania Railroad Company was chartered in Ohio February 14 and in Pennsylvania April 11, 1848; construction was commenced July 4, 1849, and the road completed in sections as follows: from Pittsburg to Rochester July 30, to Clark's Summit, October 22, to Enon Valley November 19 and to Palestine December 8, 1851; to Columbiana January 2, to Alliance (13 miles of which had been opened March 27, 1851) January 6, to Massillon March 11, and to Wooster August 10, 1852; to Mansfield April 8, and to Crestline April 11, 1853. As authorized by its charter this company had the right to construct a road to the Indiana line, but the company determined to stop at the last named point, Crestline, and the remainder of the road in Ohio was built by the Ohio and Indiana Company. The total length of the road belonging to this company was 187 miles, of which 49 miles were in Pennsylvania.

The *Ohio and Indiana Railroad* Company was chartered in Ohio, March 28, 1850, and in Indiana January 15, 1851, and the company organized July 4, 1851. The road was placed under contract January 28, 1852, and construction commenced in the early spring; and the road completed in sections as follows: from Crestline to Forest January 18, to Delphos June 10, and to Fort Wayne November 1, 1854. Length 138 miles—in Ohio 112 $\frac{1}{2}$, and in Indiana 19 $\frac{1}{2}$ miles.

The *Fort Wayne and Chicago Railroad* Company was chartered in Illinois February 5 and in Indiana April 8, 1853, and construction commenced in the summer of the same year. The section from Fort Wayne to Columbia, 20 miles, was opened January 23, 1855. Work between Columbia and Plymouth was being prosecuted at the date of the consolidation, but all beyond Plymouth west had been suspended since July 1, 1854. The road was finally completed to Chicago January 1, 1859. Length 147 miles—in Indiana 134, and in Illinois 13 miles.

At consolidation the financial condition of the several companies was as follows:

| | Capital. | Bon's. | Floating. | Cost of Ro'd |
|------------------------------|-------------|-------------|-------------|--------------|
| Pennsylvania and Ohio | \$2,651,930 | \$4,691,000 | \$398,124 | \$6,186,088 |
| Ohio and Indiana | 1,504,377 | 1,702,000 | 341,050 | 3,432,053 |
| Fort Wayne and Chicago | 1,787,484 | 1,204,000 | 312,760 | 1,916,704 |
| Total | \$5,942,891 | \$6,997,000 | \$1,051,936 | \$11,534,845 |

In the process of consolidation the stocks of the several companies were equalized by adding 20 per cent. to that of the Pennsylvania and Ohio, and 6 per cent. to that of the Fort Wayne and Chicago. Protests against the consolidation were made by several stockholders of the Pennsylvania Railroad whose stocks, to the amount of \$125,350, were paid in cash at par, thereby saving the 20 per cent. proffered by the consolidated company on exchange.

The Fort Wayne Company had assets besides what were represented in the work done, amounting to \$1,480,000, which passed to the consolidated company.

At that time the number of locomotives and cars constituting the rolling stock of the several roads was as follows :

| | Locomotive | | Cars | | Total. |
|--------------------------------------|------------|------------|----------|--|--------|
| | Engines. | Passenger. | Freight. | | |
| Pennsylvania and Ohio Railroad..... | 51 | 55 | 608 | | 663 |
| Ohio and Indiana Railroad..... | 13 | 18 | 245 | | 263 |
| Fort Wayne and Chicago Railroad..... | 6 | .. | 12 | | 12 |
| Total..... | 71 | 73 | 865 | | 938 |

The consolidation of these companies was authorized by the Legislatures of the four States which the line of road traversed, viz.: of Pennsylvania April 16, 1856; of Ohio and Indiana by their general laws, and of Illinois February 28, 1856. The articles of consolidation dated May 6, 1856, were agreed to by the Pennsylvania and Ohio company June 2, by the Ohio and Indiana company June 24, and by the Fort Wayne and Chicago company June 12, of the same year; and the consolidation was perfected August 1, 1856, on which day the new company assumed possession of the joint property.

At the date of consolidation the road was in operation from Alleghany City, Pa., to Columbia, Ind.—338 miles. It was opened to Plymouth November 29, 1856, and to Chicago, January 1, 1859. The bridge over the Alleghany River was completed and, for the first time, trains entered the city of Pittsburg September 27, 1857.

The consolidation secured but one division of its intended purposes—it secured unity of action over the whole line, and thereby reduced expenses. It failed, however to secure the means for the completion of the road, and its appropriate equipment. To forward its plans the company executed a general mortgage of their entire property, January 1, 1857, subject to existing mortgages, for \$10,000,000 in 7 per cent bonds; of this amount \$3,500,000 were termed construction bonds, and were set aside for the purpose of completing the road into Chicago; and \$6,500,000 were termed redemption bonds, and set aside as a timely provision by sale or exchange for the redemption of the current debt. Financial embarrassments, however, had attended the company from the outset and led to various expedients for relief. The coupons due in October, 1857 were not paid, and in the following month the company suspended payment on their floating liabilities. To relieve the position, and to allow the earnings to be applied to the discharge of current liabilities, the bondholders consented to fund the coupons falling due to April, 1859, into 10 per cent five year bonds, dated April 1, 1858; this scheme was only partially carried out, and default was again made on the interest falling due July 1, 1859. Under these circumstances the road was placed in the hands of a receiver, excepting that portion lying in Pennsylvania which had previously been placed in the hands of a sequestrator on the suits of local creditors.

The relief sought by these measures was not attained, and it was soon seen that temporizing would only hasten the impending ruin; to meet these circumstances a plan of reorganization was proposed and adopted by the several parties in interest; this plan provided for the sale of the property and the formation of a new company for which the proper legislation was procured, and to which the road, &c., was to be conveyed by the purchasing trustees, and the several kinds of indebtedness or liabilities of the three original companies to be funded anew.

The property was sold and purchased October 24, 1861, and subsequently conveyed to the reorganized company on the basis of its present constitution. The capital stock was fixed at \$6,500,000 and could only be increased by permission of

the bondholders; this was obtained in 1864 (April 7), the issue for 1864 being limited to \$3,500,000; the new stock to be applied to construction and equipment.

The war succeeding on the reorganization of the company with its increased travel and traffic brought immediate prosperity to the company. Not only has the company been enabled thereby to pay its coupons regularly, but also to distribute, for the past two years, quarterly dividends of $2\frac{1}{2}$ per cent; But for this turn in the aspect of affairs it is scarcely probable that the replacing of the capital invested in the property could have saved the company from final bankruptcy; thus, war has its compensations as well as its drawbacks, and few other railroads have been better compensated by it than has the Pittsburg, Fort Wayne and Chicago Railway. Nearly seven and a half millions have been expended on it since reorganization and of this amount one-half has been from net earnings after paying coupons and dividends in full.

CHICAGO AND ROCK ISLAND RAILROAD.

The history of this company, brought down to the close of the fiscal year, 1864-5, appears in the last volume of this magazine. The history of the year 1865-6 shows a liberal continuation of the improvements and of the increase of rolling stock, which has been so conspicuous during the last few years. This year is also signalised by the contracts made with the Mississippi and Missouri Railroad Company for the immediate management of their property by the Rock Island Company and the conditional sale and purchase of the same.

These two contracts are dated November 1, 1865, and when consummated and the projects completed, will give this company a continuous line of railroad from Chicago to the Missouri River, with a branch from the main line to Washington, Io. The cost of the Iowa works to the company, as they now stand, is fixed at \$5,000,000, which is to be paid in 25 years bonds bearing interest at 7 per cent. The total of such bonds to be issued is \$9,000,000. the remainder, after the above is paid, being destined: to complete the road to Des Moines, \$1,500,000; to pay off the present mortgage of the Chicago and Rock Island Company, \$1,400,000; and, to pay off the bonds of the Mississippi River Bridge, \$600,000.

These arrangements were carried out under a decree obtained from the United States District Court at Des Moines, May 12, 1866, which ordered the property of the Mississippi and Missouri Company to be sold at Davenport on June 25 ensuing. The decree forecloses all the mortgages on the road, viz: the first and second mortgages on the first division from Davenport to Iowa City; the first mortgage on the Oskaloosa branch from Muscatine to Washington and the West; and the second land grant mortgage covering the whole road. The Court found that there was due upon the several mortgages \$7,482,545 34, and entered a decree for that amount. The sum at which the property is to be purchased, as above stated, is \$5,500,000, which is to be distributed as follows:

| | |
|--|--------------|
| First Mortgage, First Division, and the income bonds given for interest on that mortgage and interest to July 1, 1865..... | par |
| Second Mortgage, First Division..... | 80 per cent |
| Oskaloosa Mortgage, including income bonds given for interest on that mortgage..... | 62½ per cent |
| Land Grant Mortgage, including income bonds given for interest..... | 70 per cent |
| Second Mortgage, Construction..... | 30 per cent |
| Stock..... | 16 per cent |

These distributions and the expenses of foreclosure will absorb the entire amount of \$5,500,000. The Chicago and Rock Island Company, on taking possession, will proceed to extend the road westward to Des Moines and ultimately to the Missouri.

Since the close of the year, the stock of the Chicago and Rock Island Company has been increased by the issue of \$2,600,000, which was distributed to the stockholders at 20 per cent of its face in cash. This was equivalent to an extra dividend of 32 per cent on the existing capital.

ST. LOUIS, ALTON AND TERRE HAUTE RAILROAD.

The constituents of the St. Louis, Alton and Terre Haute Railroad are as herewith stated :

| | | |
|---|--------|--------|
| Main Line—Terre Haute to Alton..... | miles. | 172.50 |
| Branch—Wood River Junction (4.04 miles E. Alton) to Illinoistown..... | | 19.75 |
| do Illinoistown to Bloody Island..... | | 1.25 |
| Belleville Division—Illinoistown to Belleville..... | | 14.75 |
| Total length of road..... | | 208.25 |

This Company is a re-organization of the Terre Haute, Alton and St. Louis Company, which went into the hands of Trustees December 12, 1859, and so remained until July 1, 1862, when it was transferred to the present Company, re-organized on the basis of \$10,600,000, as the cost of the property. This amount is represented as follows :

| | | |
|--|-------------|--------------|
| First mortgage, 7 per cent. bonds..... | | \$2,200,000 |
| Second do do do..... | \$2,800,000 | |
| do do do do (Income) bonds..... | 1,700,000 | 4,500,000 |
| Total mortgage bonds..... | | \$6,700,000 |
| Seven per cent preferred stock..... | \$1,700,000 | |
| Common stock..... | 2,200,000 | 3,900,000 |
| Total stock and bonds..... | | \$10,600,000 |

—at which amount the construction account was closed.

The number of engines and cars at the incoming of the existing Company, July 1, 1862, and at the close of the fiscal years 1863-64 and '65 is shown in the following :

| | July 1, 1862. | Dec. 31— 1863. | 1864. | 1865. | | |
|---|------------------|-------------------|-------|-------|-----|-----|
| Locomotives..... | 37 | 38 | 42 | 46 | | |
| Passenger cars, first class..... | 25 | 25 | 23 | 25 | | |
| Second class, baggage, express, &c..... | 13 | 13 | 14 | 14 | | |
| Freight cars—Caboose..... | 240 | 340 | 20 | 21 | | |
| do do Box..... | | | 235 | 242 | | |
| do do Compromise..... | | | 81 | 93 | | |
| do do Stock..... | | | 60 | 76 | 94 | 92 |
| do do Platform..... | | | 85 | 102 | 165 | 188 |
| do do Coal..... | 163 | 213 | 319 | 328 | | |
| do do Lime..... | .. | .. | 29 | 29 | | |
| Total number of cars..... | 586 | 769 | 983 | 1,032 | | |

It may here be well to state that the improvement and repairs of the road, and the increase of rolling stock, are chargeable to earnings, the construction account being closed.

RESULTS OF OPERATING THE ROAD.

The following is a statement of the earnings, expenses, and profits of the Company since the re-organization :

| | 6 mos. 1862. | Calendar year | | |
|-------------------------------|-----------------|---------------|-------------|-------------|
| | | 1863. | 1864. | 1865. |
| Earnings from passengers..... | \$174,026 | \$511,235 | \$655,447 | \$853,961 |
| do do Freight..... | 429,659 | 969,886 | 1,324,396 | 1,251,161 |
| do do Mails..... | 10,706 | 21,391 | 21,398 | 28,137 |
| do do Expresses..... | 7,609 | 26,479 | 38,442 | 44,769 |
| do Miscellaneous..... | 10,712 | 31,923 | 44,391 | 62,716 |
| Total earnings..... | \$632,712 | \$1,554,914 | \$2,081,074 | \$2,240,744 |

| | | |
|------------------------|-----------|-----------|
| Ordinary expenses..... | 1,429,604 | 1,591,270 |
| Net earnings..... | \$654,470 | \$649,474 |
| Construction..... | 153,703 | 160,915 |
| Balance to income..... | \$500,767 | \$488,559 |

The income account, giving the receipts from all sources and the disbursements on all accounts since the reorganization, shows the following results :

| | 1862-3. (18 months.) | 1864. (12 months.) | 1865. (12 months.) |
|-------------------------------------|-------------------------|-----------------------|-----------------------|
| Balance from last account..... | \$37,667 73 | \$294,228 48 | \$201,449 42 |
| Gross earnings..... | 2,172,441 37 | 2,084,074 32 | 2,240,743 63 |
| Sales of property..... | 29,973 97 | ..... | ..... |
| Interest, premiums, &c..... | 10,857 73 | ..... | ..... |
| Total..... | \$2,250,940 85 | \$2,378,302 80 | \$2,442,193 05 |
| Against which are charged : | | | |
| Transportation expenses..... | \$1,027,936 48 | \$1,429,603 79 | \$1,591,270 11 |
| Permanent improvements..... | 46,828 33 | 153,703 79 | 160,315 14 |
| Comp's and div. on pref. stock..... | 456,857 64 | 593,545 80 | 600,500 00 |
| Sundry payments and expen's..... | 2,209 92 | ..... | ..... |
| Balance to credit..... | 294,228 48 | 201,449 42 | 89,507 80 |
| Total..... | \$2,250,940 85 | \$2,378,302 80 | \$2,442,193 05 |

BALANCE SHEET, JANUARY 1, YEARLY.

The condition of the company, (exclusive of capital account, which is closed,) is shown in the following statement :

| | 1864. | 1865. | 1866. |
|---|----------------|----------------|----------------|
| Earnings to date..... | \$2,187,625 34 | \$4,271,699 66 | \$6,512,443 29 |
| Accounts current..... | 219,242 07 | 302,361 23 | 200,113 12 |
| Sales of real estate..... | 14,790 00 | 39,0 25 | 43,080 25 |
| Receivers of T. H., A. & St. L. R. R. Co..... | 37,667 78 | 37,682 78 | 37,682 87 |
| Total..... | \$2,459,325 19 | \$4,650,823 93 | \$6,793,319 44 |
| Against which are charged— | | | |
| Accounts audited to date..... | \$1,485,615 24 | \$3,068,922 82 | \$4,821,103 07 |
| Paid charter liabilities..... | 12,149 57 | 12,490 38 | 13,495 02 |
| Profit and loss..... | ..... | 1,490 97 | 1,998 91 |
| Accounts current..... | 300,489 84 | 391,835 79 | 389,923 87 |
| Bank of North America..... | 661,070 54 | 205,647 80 | ..... |
| First mortgage coupons..... | ..... | 302,864 75 | 448,709 75 |
| Second do pref..... | ..... | 32,240 95 | 517,325 91 |
| do do inc'me..... | ..... | 211,207 79 | 328,941 91 |
| Preferred stock dividends..... | ..... | 111,123 67 | 234,311 00 |
| Sinking fund..... | ..... | 25,000 00 | 37,500 00 |
| Total..... | \$2,459,325 19 | \$4,650,823 93 | \$6,793,319 48 |

GENERAL RESULTS OF OPERATIONS.

The following statement exhibits the gross earnings, the expenditures for operating and improvements and the net revenue for the years 1860-65 both inclusive :

| Fiscal Years. | Gross Earn'gs. amount. | per mile. | Expenditures. amount. | per mile. | Net Rev'e. \$(loss) | p. mile. |
|---------------|---------------------------|-----------|--------------------------|-----------|------------------------|----------|
| 1860..... | \$860,625 | \$4,137 | \$912,654 | \$4,383 | \$(522,029) | ..... |
| 1861..... | 762,997 | 3,669 | 602,732 | 2,899 | 1,026,265 | 770 |
| 1862..... | 1,140,271 | 5,482 | 756,591 | 3,637 | 383,680 | 1,845 |
| 1863..... | 1,554,914 | 7,475 | 1,331,761 | 6,306 | 422,982 | 1,169 |
| 1864..... | 2,084,474 | 10,019 | 1,583,307 | 7,612 | 500,767 | 2,407 |
| 1865..... | 2,240,744 | 10,772 | 1,752,185 | 8,424 | 488,559 | 2,348 |

PRICES OF STOCK AT NEW YORK.

The monthly range of prices of the stocks of the St. Louis, Alton and Terre Haute Railroad Company at the New York Stock Exchange for the last three years have been as follows :

| | Common Stock | | | | Preferred Stock | | | |
|------------|--------------|---------|---------|----------|-----------------|---------|-------|--|
| | 1863. | | 1864. | | 1865. | | 1866. | |
| Jan..... | 30 @42 | 57 @64 | 40 @43 | 50 @71½ | 68½ @77 | 65½ @70 | | |
| Feb..... | 31½ @37 | 62 @73½ | .. @.. | 63½ @72 | 77 @92 | 60 @70 | | |
| March..... | 29 @35 | 70½ @90 | 25 @35 | 65 @69½ | 87½ @101½ | 55 @70 | | |
| April..... | 31 @42½ | 65 @88½ | 25 @46 | 57½ @71½ | 82½ @103 | 60 @73 | | |
| May..... | 42½ @59 | 58 @67 | 35½ @38 | 72 @90 | 72½ @82 | .. @.. | | |
| June..... | 41½ @51½ | 61 @69 | 30 @35 | 66½ @84 | 76 @82½ | 94 @94 | | |
| July..... | 41 @68½ | 58 @65 | 30 @36 | 69½ @85 | 71 @79 | 60 @60 | | |
| Aug..... | 55 @67½ | 59 @65 | 33 @36 | 82½ @88 | 77 @78 | 60 @63 | | |
| Sept..... | 55 @64½ | 51 @57½ | 36 @38½ | 75 @86 | 65 @92 | 63 @67½ | | |
| Oct..... | 59 @66 | 47 @57 | 35 @38½ | 82 @90 | 60 @74½ | 65 @71½ | | |
| Nov..... | 55 @65 | 51 @57 | 38½ @53 | 75 @82½ | 71 @76 | 71 @82 | | |
| Dec..... | 43 @65 | 46 @55 | 42 @44½ | 70 @78 | 70 @75½ | 70 @71 | | |
| Year..... | 29 @68½ | 46 @90 | 25 @53 | 50 @90 | 60 @101 | 55 @94 | | |

The company by which this road was constructed was incorporated under a special charter granted by the Legislature of Illinois, in an act passed Jan. 28, 1851, and in conformity with the provisions of the general law of Nov. 5, 1849. The *Terre Haute and Alton Railroad Company*, as it was originally called, was authorized to construct the road from the Indiana line west to Alton, on the Mississippi, and, with the assent of the Indiana Legislature, to extend it east to Terre Haute. Such authority was granted by the Legislature of the latter State by an act passed Feb. 11, 1851. The capital stock of the company was fixed at \$2,000,000, and the company were also authorized to borrow money on bonds, to bear interest not exceeding 8 per centum. Other acts were subsequently passed—one Feb. 12, 1853, authorizing an increase of the capital to \$4,000,000; another, Feb. 28, 1854, authorizing the construction of a branch from Paris, in a northwesterly direction, to the Indiana line, with power to take stock in any Indiana road with which such branch might be made to connect; and a third Feb. 14, 1855, which authorized a connecting road between the Terre Haute and Alton Railroad and the Chicago and Mississippi Railroad, and the leasing or purchase of the Bellevedere and Illinoistown Railroad, etc. The above laws, together with the general law of 1849, present the chief legal points connected with the affairs of this company. The charters of Illinois and Indiana required, as a preliminary to organization, a subscription of \$500,000 to the capital. To obtain this, the city of Alton and the counties through which the road was to pass, were appealed to, and responded with alacrity by liberal subscriptions; and the requisite amount having been obtained, the organization of the company was perfected in April, 1852. Immediately, therefore, the entire line of 173 miles was let to contract, to be completed by May, 1855, for \$3,000,000, seven-eighths in cash, and the remainder in stocks and bonds. The work of construction was commenced within the ensuing month, and by the end of the first fiscal year, June 1, 1853, the grading, masonry and bridging upon 98 miles had been completed, viz., from Alton to Hardinsburg, 88 miles, and from Terre Haute to the Chicago Branch of the Illinois Central Railroad, at a cost of \$455,049, and the iron, chairs, spikes, etc., for the entire length of the road purchased, and 9,000 tons delivered. The total costs of labor and materials had been \$1,788,549, and at this time the sum required to complete the road, 98 miles, was estimated at only \$390,000. The remaining portion of the line between Hardinsburg and the Chicago Branch was about to be finally located. The means employed to forward the work were a call of 80 per cent. on the capital stock and an issue of bonds, and credits furnished by the contractors. Other bonds had been prepared, but were not yet brought into the market for special reasons—one, and the most important of which, was the determination of certain parties to construct a parallel line from Terre Haute to St. Louis. This project, however, was negated by the Legislature six different times, and ultimately died a natural death.

| | |
|---|-------------|
| The resources of the company at this time consisted of subscriptions..... | \$2,025,000 |
| Seven per cent. mortgage bonds negotiated in the purchases of rails | 1,000,000 |
| And 8 per cent. mortgage bonds to be issued..... | 1,000,000 |
| Total | \$4,025,000 |

These two mortgages were secured on the whole line and equipment, and were convertible into stock. The second annual report of the company brings matters down to Jan. 1st, 1855. At this time the branch of the Bellville and Illinois town Railroad was being constructed between Illinois town and Alton. The new road, indeed, was expected to be completed simultaneously with the Terre Haute and Alton Railroad. The condition of the Terre Haute and Alton line was this: there were in actual operation 82 miles, viz: from Terre Haute westward about 45 miles, and from Alton eastward about 37 miles. The rails have been laid beyond those points, and parties were actively engaged in laying down the track, with a view of completing the road to the two junctions of the Illinois Central Railroad, from each end of the line, at the earliest practicable day. The line between Alton and Illinois town was looked upon as a most promising adjunct to the Terre Haute line, and its only mode of access to St. Louis. The equipment owned by the Terre Haute company at this time consisted of nine locomotives, ten passenger cars, and 198 freight cars. The financial condition of the company showed the capital stock at \$2,948,950, of which \$2,281,420 had been paid in, and of the bonds \$1,254,000 of the \$2,000,000 provided had been issued. This left \$662,530 stock, and \$714,000 bonds for future use. But besides this a million more was required, which was obtained by increasing the amount of the second mortgage. During the year 1855 the road was opened from Grand River to Mattoon, 28 miles, and from Litchfield to Pana, 39 miles. On the 10th of March, 1856, the whole line was so far completed as to admit of the passage of a daily train, and on the 1st of April, succeeding, one freight and two passenger trains were placed upon the road. The results of the partial operation of the line from the 13th of November, 1854, to March 1, 1856, show the gross earnings to have been \$163,345.97, and the operating expenses \$81,964.67, or about 50 per cent. The sums thus realized were expended upon the road as earned and included in the construction account. Shortly after this date the contractors surrendered the road to the company in its unfinished state, and agreed that the cost to final completion should be deducted from the contract price.

The Belleville and Illinois town Railroad before mentioned was incorporated under an act of the Illinois Legislature, passed Jan. 21, 1852, for the construction of a road from Bellville 15 miles to Illinois opposite St. Louis. This was completed in the Fall of 1854. Under a clause of this charter the road was extended from Illinois town to Wood River Junction, a point on the Terre Haute and Alton Railroad $4\frac{1}{2}$ miles east of Alton, and opened in October, 1856. The great importance of this connection to the main line in furnishing an outlet for its business to St. Louis induced this company to acquire a controlling interest in the stock of the Belleville company. The extension formed part of the through line from Terre Haute to St. Louis, and was operated wholly as such from the commencement of its through business; while the lower portion, or Belleville Division, relied upon its coal and local traffic. On the 3d of October, 1856, a consolidation was effected between the companies thus so intimately connected in business, and thence; after the consolidation was known as the *Terre Haute, Alton and St. Louis Railroad Company*, which owned, besides the railroad, a large body of coal lands on the Belleville line, the St. Louis Ferry franchise, and privileges in St. Louis of large prospective value. The stocks and funded debts of the consolidation were as follows:

| | |
|---|-------------|
| Terre Haute and Alton stock..... | \$2,672,050 |
| Belleville and Illinoistown stock..... | 498,750 |
| Total stock..... | \$3,170,800 |
| Terre Haute and Alton 1st mort. 7 per cent. bonds..... | \$1,000,000 |
| do do 2d do 8 do do..... | 2,000,000 |
| Belleville and Illinoistown 1s mort. 7 per cent. bonds..... | 600,000 |
| do do 2d do 7 do do..... | 500,000 |
| Total bonds..... | \$4,100,000 |

—making a total of stock and bonds representing the capital of the consolidation \$7,270,800, or \$35,000 per mile of road only partially balasted, and by no means in good running order. This cost largely exceeded the original estimates, and yet the road could not be worked in its then present condition with economy. Hitherto, indeed, all the net earnings had gone into construction, and the same state of matters certain to continue unless additional resources could be called into requisition. With the view, therefore, to the proper finishing and equipping the line, and thus enable it to earn and pay dividends, the directors concluded to issue \$500,000 in 10 per cent bonds, which were taken by the stockholders, who paid therefor one-half in cash and the remainder in interest bonds. This brought partial relief to the company and supplied some of their more pressing necessities. The first report of the consolidated company embraces the ten months to December 31, 1856.

| | |
|---|-----------|
| During this period the gross earnings had been..... | \$662,860 |
| And the operating expenses..... | 330,520 |
| Leaving a balance of..... | 332,340 |

—all of which was expended in construction. The general account remained nearly as in the previous March only with the addition of the new bonds. The property was set down at \$7,596,716. The next report of the company brings down its affairs to May 1, 1858, and covers sixteen months. The period had been disastrous, and the result a large increase of debt and unpaid coupons, interest, &c. The net floating debt amounted to \$777,922. The road and rolling stock had also become dilapidated, and considerable expenditures would be necessary to make the road safe, even for travel. The annual interest to be provided for was now \$363,525, while the net earnings from which the payment was to be made had been in the sixteen months only \$175,853. The final result might now be foretold, and bankruptcy was imminent.

In this year, the income of the company was increased by \$66,000, that amount having been agreed upon for the use of its track between Alton and St. Louis by the St. Louis, Alton, and Chicago Railroad.

The next document issued on the part of the company was a circular dated New York, February 1, 1859. This exhibited the operating accounts for the fourteen months ending December 31, 1858, and the condition of the company at that date. No improvement was in either. Of \$42,066 earnings, only \$64,503 was available for interest, and \$234,449 was due and unpaid on the coupon account. In the mean time, repairs were becoming more and more urgent, and it was impossible to raise more money on credit. In June, a new directory was elected, who, on taking possession, found affairs in inextricable confusion. At a meeting of the bondholders in September, the whole matter was placed before them. The result of the consultations at this meeting was a series of resolutions directing the appointment of a committee of eight members. This committee reported in October, and the following general plan of relief was submitted:

The immediate surrender of the property to the trustees under the second mort-

gage—the property to be sold and the company to be reorganized on the following basis:

The first mortgages to remain intact, but one year's interest beyond the current coupons to be deferred until 1861–1862.

The second mortgage bonds to be exchanged for new bonds maturing 1892, and the new bonds to be given for the coupons up to March, 1862, and the holders to advance on the new bonds ten per cent. in cash.

The third and fourth mortgage bondholders to convert their holdings into preferred stock at par, upon condition of advancing ten per cent. as above.

The general creditors to be made preferred stockholders on the same terms.

Stockholders to receive 44 per cent. in new stock.

This plan was subsequently adopted in all material points. The principle alteration was in allowing 50 instead of 40 per cent. to the stockholders.

The trustees and receivers took possession of the property Dec. 12, 1859, and conducted the affairs of the company until June 30, 1862; and on the next day the new company reorganized under the title of the *St Louis, Alton, and Terre Haute* Railroad Company, came into existence, with property represented by the following bonds and stocks:

| | |
|---|--------------|
| First mortgage, 7 per cent. bonds | \$2,200,000 |
| Second " " " preferred | 2,800,000 |
| Second " " " income | 1,700,000 |
| Preferred stock, 7 per cent. | 1,700,000 |
| Common stock | 2,200,000 |
| Total representing cost of property | \$10,600,000 |

Hitherto the great drawback against the success of the companies that had held the road, had been the fact that the road had never been finished and equipped sufficiently to secure its economical working. In endeavors to complete the works and provide rolling stock for the business, offering the earnings, had been diverted from their legitimate objects and the credit of the companies involved, terminating in ruin and repudiation, and eventually in bankruptcy and reorganization. Nor did the reorganization wholly overcome these great obstacles to success, and still, though the property had, during the receivership, been greatly improved, much remained to be done before the works could be pronounced complete. The estimate of moneys required for this purpose was about \$800,000. The amount expended on construction and equipment account, from July 1, 1862, to Jan. 1, 1864, was \$469,828; in 1864, \$152,708, and in 1865, \$160,915, or a total in the three and a-half years from reorganization of \$784,446, all of which was derived from income. These expenses will probably be extended into the future; but as the earnings of the road have already become considerable, it is not improbable that at a not far distant date, the stock of the company will share in the profits. No default has been made in the bonds or preferred stock since the resumption under the auspices of the new company.

LEHIGH COAL AND NAVIGATION COMPANY.

In the following analysis the railroad and canal accounts of the company are consolidated. Their property is as follows:

| | | |
|---|------|------------|
| Canal—Easton to head of navigation on the Lehigh River, two miles above Mauch Chunk | | 48 miles. |
| Railroad—Easton to Wilkesbarre, 91 miles | open | 28 miles. |
| do Branch | | 0 do |
| do Leased road | | 6 do 34 do |

The company own in connection with their canal 354 boats, and there are owned and run by other parties 1,036 boats.

The railroad equipment owned consists of—11 engines, 44 freight and 819 coal cars, rated as 8-wheel cars.

Connected with the mines there are also about 50 miles of railroad used specially for mining purposes.

The freight of all kinds (tons) carried on the canal yearly, has been as follows, viz.:

| Year. | Asc'ding. | Desc'ding. | Total. | Year. | Asc'ding. | Desc'ding. | Total. |
|-------|-----------|------------|-----------|-------|-----------|------------|-----------|
| 1856 | 133,965 | 1,343,921 | 1,482,586 | 1861 | 84,987 | 1,060,893 | 1,145,880 |
| 1857 | 98,580 | 1,042,070 | 1,140,650 | 1862 | 108,565 | 443,232 | 551,818 |
| 1858 | 91,786 | 1,034,974 | 1,126,760 | 1863 | 122,521 | 739,162 | 861,683 |
| 1859 | 116,774 | 1,190,374 | 1,307,118 | 1864 | 145,677 | 800,539 | 946,216 |
| 1860 | 124,608 | 1,208,767 | 1,333,375 | 1865 | 133,552 | 914,086 | 1,047,638 |

Previous to 1864 the railroad business was not given separately. The railroad indeed, had hitherto been considered merely as an accessory to the canal and was nearly altogether out of use from the period of the great flood of 1862 to June, 1864, at which date the Penn Haven and White Haven Branch of the Lehigh Valley Railroad also was brought into operation. In June, 1865, that part of the Lehigh and Susquehanna Railroad between the Hazleton Railroad and the head of the canal, about six miles, was opened to trade in connection with it. The company are now constructing, or perhaps have completed, an independent road between Penn Haven and White Haven.

OPERATIONS OF THE COMPANY YEARLY.

The following shows the tonnage carried on the railroad between White Haven and Wilkesbarre since the reopening of the road :

| | 1864 (½ year.) | | | 1865 (full year.) | | |
|-----------------------|----------------|--------------|-------------|-------------------|--------------|-------------|
| | Going north. | Going south. | Total tons. | Going north. | Going south. | Total tons. |
| Coal | 18,195 | 94,980 | 113,175 | 85,478 | 251,966 | 337,444 |
| Lumber | 247 | 9,987 | 10,234 | 4,282 | 15,127 | 19,409 |
| Cork wood & bark | ..... | ..... | ..... | ..... | 66 | 66 |
| Lime and limestone | ..... | ..... | ..... | 102 | ..... | 102 |
| Oth. stone, plastr&c. | ..... | ..... | ..... | 40 | 364 | 404 |
| Merchandise | 571 | 135 | 706 | 232 | 24 | 256 |
| Total tons | 19,013 | 105,102 | 124,115 | 90,234 | 267,547 | 357,781 |
| Passengers carried | ..... | ..... | 18,536 | ..... | ..... | 26,332 |

The coal going north was transported from the planes to the Wyoming Canal.

The shipments of coal from Mauch Chunk, East Mauch Chunk, Penn, Haven, Lockport, and White Haven, by canal, with the distribution thereof for the years ending December 31, 1858-65, both inclusive, have been as follows :

| Fiscal Years. | Tons Coals Shipped. | Distributed thus— | | | Dis'n from Del. Div. C. reached Bristol. | | |
|---------------|---------------------|--------------------|----------|------------|--|------------|------------------|
| | | cons. on the line. | Mor's C. | D. Div. C. | cons. on the line. | D. Div. C. | Div. C. Bristol. |
| 1856 | 908,999 | 114,537 | 281,950 | 512,512 | 54,888 | 164,149 | 293,475 |
| 1859 | 1,050,659 | 188,779 | 255,404 | 600,506 | 41,342 | 301,419 | 363,745 |
| 1860 | 1,091,032 | 174,626 | 277,083 | 639,323 | 36,774 | 318,516 | 384,733 |
| 1861 | 994,705 | 139,875 | 272,728 | 582,102 | 26,171 | 267,347 | 288,584 |
| 1862 | 396,227 | 72,594 | 106,431 | 217,201 | 13,400 | 97,410 | 106,392 |
| 1863 | 699,557 | 114,164 | 208,596 | 376,996 | 24,419 | 196,559 | 150,016 |
| 1864 | 758,487 | 93,039 | 194,096 | 470,952 | 27,426 | 241,201 | 202,325 |
| 1865 | 888,734 | 82,235 | 217,813 | 588,736 | 28,930 | 399,067 | 160,739 |

INCOME ACCOUNT, EARNINGS, EXPENSES, ETC.

| Year ending Dec. 31. | Rents and sales of R. Estate. | Coal sold and Mine rents. | Canal tolls, less collection. | Profits on Railroad. | Total receipts. |
|----------------------|-------------------------------|---------------------------|-------------------------------|----------------------|-----------------|
| 1856 | \$27,142 | \$137,889 | \$699,626 | ..... | \$864,657 |
| 1857 | 30,031 | 81,787 | 481,472 | ..... | 593,290 |
| 1858 | 24,053 | 105,592 | 466,212 | ..... | 595,857 |
| 1859 | 31,616 | 186,609 | 454,463 | ..... | 672,688 |
| 1860 | 73,589 | 198,611 | 481,118 | ..... | 753,318 |
| 1861 | 18,514 | 107,626 | 402,106 | ..... | 528,246 |
| 1862 | 26,159 | 89,112 | 165,457 | ..... | 307,347 |
| 1863 | 25,880 | 759,680 | 346,729 | 20,405 | 1,152,694 |
| 1864 | 25,300 | 960,325 | 497,820 | 47,610 | *1,568,522 |
| 1865 | 11,789 | 584,748 | 612,803 | 170,797 | 1,380,137 |

Against which are charged as follows, viz :

| | State tax on stock. | Bal. of int. account. | Repairs and improvmts. | Divds and U. S. tax. | Balance to credit. |
|-----------|------------------------|--------------------------|---------------------------|--------------------------------|-----------------------|
| 1856..... | \$7,440 | \$175,019 | \$237,176 | \$148,744 | \$296,278 |
| 1857..... | 7,440 | 154,278 | 127,126 | 148,794 | 156,019 |
| 1858..... | 7,440 | 159,795 | 84,758 | 148,794 | 195,071 |
| 1859..... | 7,440 | 151,847 | 97,763 | 148,974 | 266,844 |
| 1860..... | 7,440 | 134,188 | 83,091 | 148,797 | 379,805 |
| 1861..... | 7,440 | 112,795 | 81,079 | 148,797 | 278,125 |
| 1862..... | 7,440 | 116,047 | 583,792 | 148,797 [<i>def.</i> 648,728] | |
| 1 63..... | 7,440 | 121,670 | 229,057 | 148,797 | 645,750 |
| 1864..... | 17,132 | 119,928 | 101,245 | 357,881 | 964,397 |
| 1865..... | 23,467 | 189,145 | 105,635 | 542,272 | 519,618 |

CAPITAL ACCOUNT—GENERAL LEDGER.

The financial condition of the company at the close of the fiscal year 1856 to 1865, both inclusive, is shown in the following statements :

| | Stock Capital. | —Funded Debt— | | Floa- ting debt. | Interest and divid ^{ds} unpaid. | Profits and Loss. | Total Liabili- ties. |
|-----------|-------------------|----------------|-------------|------------------------|---|-------------------------|----------------------------|
| | | Mort- gage. | Plain. | | | | |
| 1856..... | \$2,479,700 | \$829,422 | \$3,091,498 | \$322,512 | \$57,887 | \$2,548,064 | \$9,329,983 |
| 1857..... | 2,479,900 | 829,222 | 3,091,498 | 286,202 | 59,258 | 2,704,983 | 9,451,063 |
| 1858..... | 2,479,900 | 829,222 | 2,790,082 | 231,531 | 60,367 | 2,900,054 | 9,291,116 |
| 1859..... | 2,479,950 | 829,172 | 2,790,082 | 265,823 | 60,271 | 3,166,898 | 9,592,116 |
| 1860..... | 2,479,950 | 623,789 | 2,790,082 | 303,927 | 56,481 | 3,546,708 | 9,803,932 |
| 1861..... | 2,479,950 | ..... | 2,788,182 | 352,608 | 62,121 | 3,824,838 | 9,406,699 |
| 1862..... | 2,479,950 | ..... | 2,788,182 | 725,181 | 64,327 | 3,176,110 | 9,233,750 |
| 1863..... | 2,479,950 | ..... | 2,786,682 | 453,293 | 61,745 | 3,821,840 | 9,603,510 |
| 1864..... | 4,282,950† | ..... | 2,846,882 | 1,300,321 | 67,530 | 3,939,237 | 11,350,920 |
| 1865..... | 6,091,700 | ..... | 3,081,434 | 1,256,497 | 64,833 | 3,502,854 | 13,997,318 |

Against which are charged property and assets as follows, viz. :

| | Canal and river works. | Lehigh and Susq. RR. | Real estate, lands, &c. | Mov- able effects. | Con- tingent fund. | Cash on hand. | Total prop- erty, &c. |
|-----------|------------------------------|----------------------------|-------------------------------|--------------------------|--------------------------|---------------------|-----------------------------|
| 1856..... | \$4,455,000 | \$1,380,000 | \$1,406,654 | \$1,074,296 | \$968,067 | \$45,966 | \$9,329,983 |
| 1857..... | 4,455,000 | 1,380,000 | 1,428,971 | 1,179,234 | 957,191 | 50,669 | 9,451,063 |
| 1858..... | 4,455,000 | 1,380,000 | 1,453,273 | 942,339 | 983,139 | 77,405 | 9,291,156 |
| 1859..... | 4,455,000 | 1,380,000 | 1,453,789 | 1,071,490 | 1,210,254 | 21,663 | 9,592,196 |
| 1860..... | 4,455,000 | 1,380,000 | 1,452,365 | 1,132,462 | 1,335,038 | 49,067 | 9,803,932 |
| 1861..... | 4,455,000 | 1,380,000 | 1,522,473 | 1,019,002 | 913,069 | 47,155 | 9,406,699 |
| 1862..... | 4,455,000 | 1,380,000 | 1,619,366 | 900,341 | 795,647 | 82,896 | 9,233,750 |
| 1863..... | 4,455,000 | 1,389,988 | 1,729,852 | 1,235,526 | 680,372 | 112,772 | 9,603,510 |
| 1864..... | 4,455,000 | 1,917,895 | 2,072,985 | 2,128,112 | 640,952 | 165,976 | 11,350,920 |
| 1865..... | 4,455,000 | 3,127,708 | 2,037,090 | 2,907,157 | 680,247 | 790,116 | 13,997,318 |

The column headed "Real estate, lands, &c." represents real estate, coal mines and other lands, mine railroads, &c., and the works at Philadelphia, &c.

The column "Movable effects," aggregates debts due, bills receivable, bonds and mortgages, &c.

The column "Contingent Fund," consists of securities specially pledged for the payment at maturity of the loan of 1870, &c.

The "Funded Debt" is now constituted as follows, viz. :

| | |
|--|-----------|
| 6 per cent. loan, due March 1, 1870..... | \$414,157 |
| 6 per cent. loan, due April 1, 1884..... | 2,667,276 |

—the latter being a refunding of the original loan of 1870, anticipated in 1864.

The Lehigh Coal and Navigation Company, a consolidation of the Lehigh Coal and the Lehigh Navigation Companies, was organized May 1, 1821. As early as 1793 a company had been incorporated for the purpose of coal mining on the Lehigh. This Company had made some improvements in the river, but eventually abandoned the whole enterprise on account of the great cost of getting their coal to the seaboard. In 1818 a new company was formed with a capital of \$55,000 for the improvement of the navigation of the Lehigh, so as to allow the passage of boats laden with coal. The amount sent to market in 1820, which year may be regarded as the commencement of the anthracite trade, was 365 tons. The coal was floated down in rude

boats or arks which were broken up on reaching Philadelphia. In 1823 the stock of the Company was increased to \$500,000, and the river rendered navigable for 16 miles above Mauch Chunk. This improvement was mainly for the purpose of realizing valuable forests of pine. In 1827, the Mauch Chunk (Gravity) Railroad, the second railroad in the United States, was completed and commenced bringing coal to the river. In this year, the State having determined upon the construction of the Delaware Division of the Pennsylvania canals, the Company commenced the construction of a slack-water navigation with an available depth of five feet. This involved a succession of locks and dams which were completed in 1829. Other improvements were subsequently made, in all constituting a navigation from Wright's Creek to the Delaware River 72.27 miles in length, and a clearance of the river above Wright's Creek to Stoddardsville so as to permit of a descending navigation 12.30 miles in length. As finally completed the navigation was constituted as follows ;

| Kinds of Navigation. | Length in miles. | No. of Locks. | No. of dams. | Size of Canals. | Size of Locks. | Lift of Locks. | Height of dams. | Total Rise. | | | |
|--|------------------------|---------------|--------------|--|----------------|----------------|---------------------------------------|-------------|---------|---------|-------------|
| Slackwater—Delaware River to Mauch Chunk .. | 10.00 34.58 1.64 | 46 | 8 | 60@5 ft top 45 ft bottom 5 ft deep | 22 feet | 6 feet | 8 feet | 360.87 ft | | | |
| Slackwater—Mauch Chunk to Wright's Creek | 20.53 4.67 | | | | 29 | 20 | 6 ft top 40 ft bottom 5 ft deep | | 22 feet | 10 feet | 16 feet |
| Channels: descend naviga—Wright's Cr. to Stoddardsv.) | 12.30 | | | | | | | | 3 | 8 | 18 in. deep | 22 feet | 3 feet | 6 feet |
| | | | | | 100 feet | 4 feet | 13 feet | | | | |
| Total..... | 84.57 | 78 | 31 | | | | | 1,296.70 ft | | | |

In 1831 the Gravity Railroad to Room Run mines, and in 1835 the extension of the works of the Company to the Beaver Meadow Region, were commenced. These were completed in 1838. The Lehigh and Susquehanna Railroad was commenced in 1837 and completed in 1840. Up to 1841 the company had been prosperous and paid dividends yearly. In that year their works were greatly injured by freshets. The cost of repairing them and improving the canal involved the Company in embarrassment which resulted in 1842 in bankruptcy, when the property was placed in trust for the benefit of the creditors. The principal provision of the deed was that no dividends should be paid so long as the principal or interest of any of the loans of the Company were due and unpaid, and in no case were these to exceed six per cent—any balance remaining to be held as a sinking fund for the redemption of the loans not due. No dividends were paid from Jan. 1840 to July, 1852 a period of twelve years, but the affairs of the Company had been gradually improving and in the latter year a six per cent dividend was paid. This rate was continued to 1863. In the next year 8 per cent was paid, and in 1865, 10 per cent.

The destructive freshets which have visited the Lehigh Valley at different times, sweeping away every dam constructed by the company, have proved it to be an almost physical impossibility to maintain a constant navigation. Such a freshet occurred in 1863, and almost totally destroyed the entire works. Moreover, the navigation, at best, is open only a part of the year, being closed through the long winter. Fortunately, the railroad has superseded the canal, so that what was formerly a necessity is now acknowledged to be so no longer, and a railroad alone is now competent to do the business of the country. With the view of making the change indicated, the company have been authorized by the Legislature to construct a line from the Delaware to Whitehaven. This has been commenced and partially completed. The Beaver Meadow Railroad has also been taken by the company by consolidation. The new road will start from Phillipsburg, N. J., crossing the Delaware by an iron bridge

(already nearly completed) immediately above the bridge of the Lehigh Valley Railroad. On reaching the Pennsylvania side, after a pretty heavy cut, the line will strike the Lehigh, crossing up the opposite side within the borough of Easton. At Bethlehem and Allentown the company have authority to build bridges with branch lines to the western shore. The main stem will continue to follow the eastern margin of the river to a point one mile below Mauch Chunk, where it will cross over to the opposite bank and pass through that borough. About a mile and a half higher up it will recross to the eastern side, which it will continue to follow, most of the way, to Whitehaven. For short distances, the Lehigh Valley Railroad will run alongside the railroad of this company on the same bank, only on different elevations. For the present, the company are constructing but a single track and sidings. The design, however, is to follow this by a second track at an early day, when labor and materials become cheaper. Probably the single track will be open by the close of this year's navigation. The graduation is favorable, the steepest gradient below Mauch Chunk being under 25 feet, and from that place to Whitehaven not exceeding 32 feet to the mile. The curves are frequent and steep, especially in the neighborhood of Mauch Chunk and Allentown, where the river describes a series of loops, which must, however, be followed by any railroad entering the coal region through that route. At Whitehaven the new line will connect with the Lehigh and Susquehanna Railroad, the original road built by the company, and which will continue the line to Wilkesbarre on the Susquehanna. The quantity of coal now seeking markets by this route exceeds 62,000 tons a week, and it is estimated that this amount will be doubled when the works now being constructed are complete. If such be the result, a magnificent business is in prospect, both for the road and canal of this company, and also for the Lehigh Valley Railroad. To receive this tonnage there are now open three lines of railroad in New Jersey, besides the Delaware and Raritan and the Morris Canals, all terminating in New York waters.

CUMBERLAND VALLEY RAILROAD, (PA.)

The Cumberland Valley Railroad consists of the original Cumberland Valley Railroad and the Franklin Railroad which were consolidated on May 31, 1865. The length of the constituents are as follows:

| | |
|---|-----|
| Cumberland Valley Railroad, Bridgeport to Chambersburg..... | 114 |
| Franklin Railroad, Chambersburg to Hagerstown..... | 11 |
| Total length of road..... | 125 |
| Length of sidings..... | 3 |

This is almost entirely a local road, having no branches or connections, except at its eastern end, where it connects with the Harrisburg and Lancaster Railroad. It is, however, of great importance to the country it traverses, which is becoming substantially developed and wealthy. Eventually, it will be connected at Hagerstown, Md., with the Western Maryland Railroad and the Metropolitan, the first named road being nearly completed to the point of junction. The principal products on the line of the road and the chief materials of freight are coal, iron, and iron ores, lime and other stone, agricultural products, live stock, lumber, &c., &c. The equipment of the road has been largely increased, and at the close of each of the last three years was as follows:

| | 1862-3. | 1863-4 | 1864-5. |
|--------------------------------------|---------|--------|---------|
| Locomotive engines..... | 12 | 12 | 14 |
| Passenger cars..... | 8 | 9 | 12 |
| Baggage, Mail, and Express cars..... | 4 | 4 | 5 |
| Freight cars..... | 79 | 82 | 100 |

The following shows the number of miles run by engines hauling trains and the number of passengers and tons of freight carried in the same years:

| | 1862-3. | 1863-4. | 1864-5. |
|-------------------------|---------|---------|---------|
| Mileage of engines..... | 163,712 | 173,001 | 175,889 |
| Passengers..... | 256,926 | 309,950 | 336,914 |
| Tons of freight..... | 106,722 | 144,290 | 123,781 |

ACCOUNTS CURRENT—OPERATING AND INCOME.

The gross earnings, operating expenses, and profits from operations for the ten years ending September 30, 1865, are shown in the following statement:

| Fiscal Year. | Gross earnings | | | Total. | Operating expenses. | Profits from op. |
|--------------|----------------|----------|---------|-----------|---------------------|------------------|
| | Pass'r. | Freight. | Mail | | | |
| 1855-56..... | \$63,752 | \$90,805 | \$5,200 | \$159,757 | \$80,662 | \$79,095 |
| 1856-57..... | 68,613 | 114,321 | 5,200 | 188,134 | 88,868 | 99,266 |
| 1857-58..... | 61,775 | 88,649 | 5,200 | 155,624 | 79,271 | 76,353 |
| 1858-59..... | 67,886 | 96,160 | 5,200 | 169,126 | 62,049 | 107,077 |
| 1859-60..... | 70,177 | 107,296 | 5,200 | 182,673 | 65,851 | 116,822 |
| 1860-61..... | 115,433 | 129,145 | 5,200 | 249,778 | 90,247 | 159,531 |
| 1861-62..... | 90,315 | 144,252 | 5,000 | 239,767 | 90,132 | 149,635 |
| 1862-63..... | 125,222 | 124,943 | 5,200 | 255,365 | 153,044 | 97,321 |
| 1863-64..... | 185,646 | 154,604 | 5,200 | 345,450 | 201,052 | 144,398 |
| 1864-65..... | 215,137 | 183,280 | 5,200 | 403,953 | 320,931 | 83,022 |

The receipts of the company from all sources, including balances in cash and accounts for the same years, were as follows:

| Fiscal years. | Balance last year. | Receipts. | | | | Other securities. | Total Amount |
|---------------|--------------------|---------------|----------------|---------------|----------|-------------------|--------------|
| | | C. Val. R. R. | Franklin R. R. | Stock issued. | | | |
| 1855-56..... | \$31,221 | \$159,757 | ..... | \$33,800 | \$18,436 | \$243,410 | |
| 1856-57..... | 50,753 | 188,134 | ..... | 9,100 | 4,923 | 252,920 | |
| 1857-58..... | 45,702 | 155,624 | ..... | ..... | 2,291 | 203,617 | |
| 1858-59..... | 51,883 | 169,126 | ..... | ..... | 3,489 | 224,498 | |
| 1859-60..... | 59,664 | 182,673 | \$6,251 | ..... | 3,673 | 252,261 | |
| 1860-61..... | 56,393 | 249,778 | 16,816 | ..... | 1,661 | 3 4,648 | |
| 1861-62..... | 121,742 | 239,797 | 34,210 | ..... | 750 | 396,469 | |
| 1862-63..... | 69,377 | 255,365 | 37,752 | ..... | 557 | 363,051 | |
| 1863-64..... | 89,396 | 345,450 | 48,401 | ..... | 1,102 | 484,349 | |
| 1864-65..... | 161,101 | 441,620 | 17,503 | ..... | 2,588 | 622,812 | |

Against which are charged as follows, viz.:

| Fiscal years. | Ord'y expenses— | | Extra ordinary expen's. | Interest and divid's. | Sinking Fund. | Other Disbursements. | Cash, &c., balances |
|---------------|-----------------|----------------|-------------------------|-----------------------|---------------|----------------------|---------------------|
| | C. Val. R. R. | Franklin R. R. | | | | | |
| 1855-56..... | \$80,662 | ..... | \$51,609 | \$57,132 | ..... | \$3,254 | \$50,753 |
| 1856-57..... | 88,863 | ..... | 47,684 | 70,666 | ..... | ..... | 45,702 |
| 1857-58..... | 70,132 | ..... | 9,059 | 72,463 | ..... | ..... | 51,883 |
| 1858-59..... | 62,049 | ..... | 16,348 | 86,437 | ..... | ..... | 59,664 |
| 1859-60..... | 65,851 | \$3,119 | 4,950 | 86,412 | \$32,861 | 1,674 | 56,393 |
| 1860-61..... | 90,247 | 13,366 | 5,273 | 87,356 | 6,662 | ..... | 121,742 |
| 1861-62..... | 90,132 | 19,177 | ..... | 167,782 | 50,000 | 190 | 69,377 |
| 1862-63..... | 158,044 | 17,436 | ..... | 91,529 | 6,455 | ..... | 89,396 |
| 1863-64..... | 201,052 | 16,134 | ..... | 84,579 | 21,463 | ..... | 161,101 |
| 1864-65..... | 320,931 | 12,546 | ..... | 107,626 | 20,084 | ..... | 161,615 |

GENERAL STATEMENT—ANNUAL BALANCE SHEET.

The balances at the close of each fiscal year, showing the financial condition of the company for the time being, have been as follows:

| Fiscal years. | Capital stock. | Funded debt. | Div. & int. accrued. | Div. & int. accrued. | Sundry | Profit & loss. | Total amount. |
|---------------|----------------|--------------|----------------------|----------------------|----------|----------------|---------------|
| 1855-56..... | \$1,218,200 | \$..... | \$33,251 | \$6,610 | \$18,937 | \$1,277,098 | |
| 1856-57..... | 1,149,410 | 78,000 | 38,462 | 12,641 | 7,178 | 1,285,682 | |
| 1857-58..... | 1,013,900 | 213,500 | 42,342 | 5,470 | 17,114 | 1,292,326 | |
| 1858-59..... | 981,900 | 245,500 | 42,743 | 3,080 | 25,971 | 1,299,194 | |
| 1859-60..... | 956,900 | 270,500 | 43,865 | 4,494 | 20,810 | 1,296,569 | |
| 1860-61..... | 956,900 | 270,500 | 46,096 | 6,666 | 28,757 | 1,268,919 | |
| 1861-62..... | 956,900 | 270,500 | 46,096 | 10,449 | 100,511 | 1,384,456 | |
| 1862-63..... | 956,900 | 270,500 | 46,096 | 18,486 | 97,475 | 1,389,457 | |
| 1863-64..... | 956,900 | 378,600 | 49,339 | 12,113 | 225,986 | 1,622,938 | |
| 1864-65..... | 1,316,900 | 470,500 | 49,339 | 2,128 | 263,529 | 2,102,396 | |

Against which the following charges appear, viz.:

| Fiscal years. | Road and equipment. | Materials on hand. | Sinking fund. | Balances of accts. | Cash & assets. | Total amount. |
|---------------|---------------------|--------------------|---------------|--------------------|----------------|---------------|
| 1855-56 | \$1,215,642 | \$10,703 | \$..... | \$..... | \$50,753 | \$1,277,098 |
| 1856-57 | 1,226,675 | 12,065 | ..... | ..... | 44,477 | 1,283,632 |
| 1857-58 | 1,226,675 | 12,468 | ..... | ..... | 53,183 | 1,292,326 |
| 1858-59 | 1,225,972 | 12,258 | ..... | ..... | 60,064 | 1,299,194 |
| 1859-60 | 1,192,111 | 12,904 | 33,861 | ..... | 57,693 | 1,296,569 |
| 1860-61 | 1,126,574 | 15,770 | 99,398 | 4,311 | 62,866 | 1,308,919 |
| 1861-62 | 1,128,687 | 36,994 | 149,798 | 5,781 | 63,595 | 1,384,466 |
| 1862-63 | 1,131,037 | 13,171 | 155,853 | 20,853 | 68,538 | 1,389,457 |
| 1863-64 | 1,131,037 | 45,385 | 285,416 | 7,383 | 152,718 | 1,622,938 |
| 1864-65 | 1,582,937 | 52,944 | 305,500 | 8,557 | 153,057 | 2,102,996 |

The *capital stock* is of three series, viz. :

| | | |
|---|-----------|-----------|
| First preferred stock, claiming 8 per cent. | 1860-64. | 1865. |
| Second " " " | \$241,900 | \$241,900 |
| Common stock. | 243,000 | 243,000 |
| | 472,000 | 832,000 |

—and the *funded debt* as follows :

| | | | |
|---|-----------|-----------|-----------|
| First mortgage 8 per cent. bonds. | 1860-63. | 1864. | 1865. |
| Second " " " | \$161,000 | \$161,000 | \$161,000 |
| Six per cent. bonds (exchange ^d for Franklin R. R. 7s) | 109,500 | 109,500 | 109,500 |
| Seven per cent. bonds (Franklin R.R.) | ..... | 108,100 | 108,100 |
|  | ..... | ..... | 91,900 |

The account for 1865 includes the Franklin Railroad stock, \$360,000, and Franklin Railroad 7 per cent. bonds, \$20,000, of which \$108,100 were purchased in 1864 with Cumberland Valley Railroad 6 per cent. bonds.

PROPORTIONAL DEDUCTIONS.

The following statement shows the cost of the property and the yearly gross earnings, expense and net earnings per mile of road, with the rate of expenses to earnings and of net earnings to cost of property, and the dividend on the common stock, 8 per cent. having always been paid on the preferred stocks :

| Years closing Sept. 30. | Cost of property per mile. | Amount per mile— | | | Expen's to gross earnings. | Profits of road. | Divid's to com. |
|-------------------------|----------------------------|------------------|------------------|--------------------|----------------------------|------------------|-----------------|
| | | Gross earnings. | Opera'g expen's. | Earn'gs less exps. | | | |
| 1856 | \$2,377 | \$3,072 | \$1,551 | \$1,521 | 50.49 | 6.51 | nil. |
| 1857 | 23,590 | 3,618 | 1,709 | 1,909 | 47.24 | 8.09 | " |
| 1858 | 23,590 | 2,992 | 1,349 | 1,643 | 45.09 | 6.96 | " |
| 1859 | 23,575 | 3,252 | 1,193 | 2,059 | 36.69 | 7.73 | " |
| 1860 | 22,425 | 3,513 | 1,266 | 2,247 | 36.04 | 9.81 | 6 |
| 1861 | 21,665 | 4,803 | 1,735 | 3,068 | 35.73 | 14.16 | 6 |
| 1862 | 21,765 | 4,612 | 1,733 | 2,879 | 37.61 | 13.27 | 6 |
| 1863 | 21,751 | 4,911 | 3,039 | 1,872 | 62.02 | 8.61 | 6 |
| 1864 | 21,751 | 6,643 | 3,867 | 2,776 | 58.21 | 12.78 | 6 |
| 1865 | 21,751 | 8,473 | 6,172 | 2,301 | 72.84 | 10.59 | 8 |

The Cumberland Valley Railroad Company was chartered by the legislature of Pennsylvania by an act passed April 2, 1831. Construction was commenced early in 1836 and the road completed from the Susquehanna River to Chambersburg in 1837. On the 2d of February, 1846 another act was passed which empowered the Company to construct a bridge across the Susquehanna and extend the road through Harrisburg to the Pennsylvania Canal and also to connect with the Harrisburg and Lancaster and other railroads diverging from Harrisburg. This bridge is about 4,400 feet long. The road thus constructed was not remunerative its receipts being scarcely sufficient to pay the expenses on a debt of about \$275,000 which had been applied to construction, and to which was to be added the debt created on account of the bridge and extensions, making the entire debt \$422,250. The stock at this time was \$472,000. In 1849 it was resolved to reconstruct the road and iron it with heavy (50 in) T. rail for which purposes an act had been passed February 15, 1848. This required a thorough reorganization of the company, and in effecting this the creditors advanced about \$400,000 for the improvement and exchanged the debt for eight per cent preferred stock. The original stock was pre-

served at its nominal amount. The work was commenced and completed during the year 1849-50, and at the close of that year the cost was stated at \$1,212,912, represented by stock \$1,184,500 viz.: 1st pref. \$360,000, 2d preferred \$552,500 and common \$472,000, and debt \$28,412. By an act passed in 1856 authority was given to convert the preferred stock into 8 per cent bonds, which were taken to the extent of \$270,500 subsequent improvements and additional equipment have been mainly paid from earnings and the capital account stands at this time materially as at the close of 1850. The Franklin Railroad extending from Chambersburg to Hagerstown has been operated by the Cumberland Valley Company since its re-construction in 1860 and with the profit Company. On the 16th May, 1861, an act was obtained for the consolidation of the two companies which was not, however, carried into effect until May 31, 1865, since which date no separate operating accounts have been kept. The receipts on account of the Franklin in the statements given above show only the share of them coming to the Cumberland Valley Company being about one half. During the five year the road was operated under lease the receipts were \$160,933 and the expenses \$81,778, leaving a net profit of \$79,155. Probably no other local road in the country is doing so well as this which now pays 8 per cent on all its stocks and bonds and holds a large sinking fund and surplus.

CHESAPEAKE AND DELAWARE CANAL.

This work, though of short extent, is nevertheless one of the most important, and also one of the first canals constructed in the United States. The near approach of the two great indentations of the Atlantic coast, forming the Chesapeake and Delaware Bays, naturally suggested their connection by artificial means for commercial purposes, as well as for the maintenance of internal communication in time of war. So early as 1808 careful surveys had been made to ascertain the feasibility of the work; but it was not until 1824 that construction was commenced. The canal was completed and formally inaugurated in 1829.

The canal* as it now exists, extends across the neck of the Delaware Peninsula, entering the Delaware at Delaware City, 42 miles below Philadelphia, and the Chesapeake through Back Creek—a tributary of Elk River, a stream which enters Chesapeake Bay a few miles below the confluence of the Susquehanna River. Its length is 13.63 miles. In this short distance, however, many obstacles had to be overcome, which greatly increased its cost above the original estimates. It was also a work in advance of the necessities of the times, and almost without connections, neither the canals of Pennsylvania, Maryland, nor New Jersey having as yet been brought into use. Baltimore and Philadelphia, however, were largely benefitted by it, and for many years it was the principal trade avenue between the two cities. But this was not a sufficient support for so costly a work, and, hence, for many years its revenues were comparatively small, and the finances of the company in an embarrassed condition; nor was it until some fifteen years after its completion that it earned enough to pay the interest on its debt.

The extension of canals and railroads in the adjoining States gradually augmented the business of the canal. By 1847 its revenues had so increased as to afford a pros-

* The canal has three lift locks—one of 16 feet on the Chesapeake side, and two of 8 feet on the Delaware side. The locks are 220 feet by 24 feet, and pass vessels drawing 9 feet of water. There is also a tide-lock at either terminus. Water is supplied by pumping engines. The canal is 10 feet deep and 66 feet wide.

pect that for the future the earnings would discharge the calls of the debt; and a proposition to convert the arrears, now amounting to \$796,592, into twenty year bonds, was acceded to by the bondholders. In 1853 and 1854 a further loan, amounting to \$400,000 was made for the construction of new locks, and in 1856 the original bonds of 1836, amounting to \$1,593,185, became due. The liquidation of so large an amount required a thorough re-organization of the financial basis of the company, and, to this end, a mortgage on the property was given for \$2,800,000, due in 30 years from July 1, 1856, into which all the liabilities of the company were subsequently consolidated.

The interest on the debt of the company has been paid regularly since the funding process of 1847, but the capital stock had always been unproductive. The business of the canal, however, was being more and more developed, and, by a provision of the mortgage of 1856, setting aside \$25,000 a year for the purchase and reduction of the debt, the principal had, by the end of the fiscal year 1865-66, become reduced by \$640,000, and the annual interest by \$38,400. This last sum is equivalent to an annual dividend of three per cent on the company's stock, and was appropriated to the payment of the first dividend ever declared by the company in June last. The business on the canal was largely increased during the period of the late war, and the general result of the four or five last years has been the placing of the company on a sound financial basis, which insures for the future regular interest on the debt, and as the principal of the debt is reduced, a corresponding increase in the rate of dividends.

The balance sheet of the Company, as of May 31, 1866, gives the following figures:

| | |
|--|----------------|
| Capital Stock, including united, new, old and \$303,000 of stock issued under the mortgage of 1856 | \$1,575,963 50 |
| Mortgage Loan | 2,356,509 58 |
| Total | \$3,932,473 08 |
| Cost of Canal (incl. of feeder \$110,925) | 3,135,917 44 |
| Sinking Fund | 240,511 03 |
| Contingent Fund | 37,050 00 |
| Dividend Fund (incl. \$303,000 stock) | 518,994 61 |
| Total | \$3,932,473 08 |

The following tables will show the business done on the Canal yearly for the ten years ending May 31, 1866:—

VESSELS PASSED THROUGH THE CANAL, ETC.

| | Vessels Going | | Total. | Tonnage. | Tolls. |
|---------|---------------|-----------|--------|----------|-----------|
| | Westward. | Eastward. | | | |
| 1856-57 | 7,348 | 7,280 | 14,628 | 616,174 | \$329,081 |
| 1857-58 | 6,535 | 6,328 | 12,863 | 563,510 | 297,006 |
| 1858-59 | 6,021 | 6,113 | 12,134 | 496,100 | 292,350 |
| 1859-60 | 6,411 | 6,299 | 12,710 | 623,150 | 216,255 |
| 1860-61 | 5,683 | 5,664 | 11,347 | 596,294 | 195,946 |
| 1861-62 | 5,750 | 5,963 | 11,713 | 501,389 | 231,555 |
| 1862-63 | 6,813 | 7,840 | 14,293 | 671,305 | 293,124 |
| 1863-64 | 7,430 | 8,157 | 15,417 | 732,670 | 369,113 |
| 1864-65 | 5,780 | 7,031 | 12,811 | 916,973 | 24,312 |
| 1865-66 | 5,216 | 6,280 | 11,496 | 729,918 | 350,940 |

PRINCIPAL ARTICLES CARRIED.

| | Lumber. sq. ft. | Timber. cubic ft. | Grain. bushels. | Coal. tons. | Flour. bbls. | Groceries, pounds. | Dry Goods, pounds. |
|---------|--------------------|----------------------|--------------------|----------------|-----------------|-----------------------|-----------------------|
| 1856-57 | 65,144,450 | 2,899,700 | 1,908,359 | 202,983 | 201,391 | 36,641,696 | 14,755,419 |
| 1857-58 | 52,544,100 | 2,903,800 | 1,896,177 | 177,862 | 154,657 | 34,192,622 | 16,978,824 |
| 1858-59 | 35,648,230 | 2,151,540 | 1,065,422 | 175,144 | 100,510 | 34,358,372 | 26,812,465 |
| 1859-60 | 58,832,882 | 3,142,530 | 1,645,589 | 193,404 | 147,630 | 43,071,816 | 31,302,765 |
| 1860-61 | 55,079,998 | 3,184,971 | 1,277,114 | 194,680 | 198,226 | 43,800,534 | 31,591,894 |
| 1861-62 | 32,211,495 | 4,148,053 | 2,350,006 | 150,385 | 117,307 | 69,069,861 | 31,654,723 |
| 1862-63 | 59,600,480 | 4,023,935 | 2,882,807 | 176,773 | 180,104 | 59,884,730 | 20,155,800 |
| 1863-64 | 57,740,400 | 5,309,272 | 1,340,646 | 217,943 | 207,005 | 76,470,500 | 19,997,700 |
| 1864-65 | 33,597,000 | 7,037,060 | 866,409 | 360,781 | 167,850 | 67,419,400 | 14,671,500 |
| 1865-66 | 28,665,370 | 4,722,870 | 706,585 | 268,387 | 121,523 | 61,057,440 | 17,573,700 |

The amount of tolls received from the several kinds of vessels and from timber passed during the two last years is shown in the following statement :—

| | Steamboat. | Sailing Vessel. | Barge. | Timber. | Total. |
|--------------|--------------|-----------------|-------------|-------------|--------------|
| 1865-66..... | \$154,244 66 | \$75,793 68 | \$65,983 38 | \$54,913 23 | \$350,939 94 |
| 1864-65..... | 167,255 70 | 80,773 27 | 96,262 78 | 80,014 84 | 424,312 59 |
| Deer..... | \$13,011 04 | \$4,985 59 | \$36,279 40 | \$25,096 62 | \$73,372 65 |

The expenses of maintaining the Canal in 1865-66 were \$127,668 08, leaving net earnings amounting to \$223,271 86, from which were paid interest, &c.

TOLLS IN DETAIL FOR SEVEN YEARS.

| | 1859-60. | 1860-61. | 1861-62. | 1862-63. | 1863-64. | 1864-65. | 1865-66. | |
|-------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| Baltimore..... | \$79,153 | \$70,690 | \$95,674 | \$118,953 | \$147,093 | \$169,766 | \$167,759 | |
| Havre de Grace..... | 38,379 | 37,959 | 25,324 | 37,988 | 34,160 | 25,146 | 24,189 | |
| Port Deposit..... | 34,573 | 37,406 | 40,078 | 42,506 | 60,816 | 82,645 | 57,052 | |
| Norfolk, &c..... | 5,880 | 4,925 | ..... | 1,116 | 613 | 1,577 | 9,808 | |
| Dist't of Columbia..... | 9,742 | 9,608 | 34,756 | 60,015 | 80,462 | 85,812 | 44,104 | |
| Canal Levels..... | 1,713 | 1,642 | 2,077 | 2,153 | 1,924 | 2,492 | 3,111 | |
| Chesap'e Bay. | Wood..... | 10,627 | 9,302 | 4,370 | 2,769 | 4,328 | 3,479 | 4,373 |
| | Oysters..... | 12,405 | 3,655 | 5,203 | 8,964 | 15,085 | 13,076 | 11,123 |
| | Fish..... | 2,214 | 2,304 | 1,377 | 1,110 | 378 | 789 | 1,251 |
| | Merchandise..... | 19,264 | 16,836 | 20,731 | 14,691 | 19,889 | 33,787 | 25,764 |
| | Empty Vess..... | 2,165 | 1,559 | 1,964 | 2,858 | 4,404 | 5,743 | 4,406 |
| Total..... | \$216,255 | \$195,946 | \$231,555 | \$293,124 | \$369,112 | \$424,312 | \$350,940 | |

FINANCIAL AND COMMERCIAL CONDITION OF CHILE.

At a time when the republic is attracting the attention and sympathies of the world by her dignified attitude in defending herself from the aggression of Spain, the following information regarding her financial and commercial position will be found interesting. It is extracted from the report of the Minister of Finance, presented in August of last year to the Congress then in session. From that report, it appears that the public debt of the country as at 1st of January, 1866, would stand thus :

INTERIOR DEBT.

| | | |
|---|-----------|-------------|
| Consolidated three per cents..... | | \$2,259,514 |
| Floating debt bearing interest at 7.90 per cent..... | \$226,000 | |
| Floating debt bearing interest at 7.75 per cent..... | 143,000 | |
| Floating debt bearing interest at 7.50 per cent..... | 34,000 | |
| Floating debt bearing interest at 8 per cent..... | 139,150 | 542,150 |
| Meiggs' bonds, bearing interest at 6 per cent., with 4 per cent. amortization.... | | 2,116,000 |
| Loan of 1865, bearing interest at 8 per cent., with 3 per cent. amortization..... | | 3,000,000 |
| Total..... | | \$8,017,673 |
| Average interest, 5.99 per cent. per annum. | | |

FOREIGN DEBT.

| | | |
|---|-------------|--------------|
| English loan of 1822, at 3 per cent. interest..... | \$2,261,500 | |
| English loan of 1822, at 6 per cent. interest..... | 1,113,500 | |
| English loan of 1853, at 4½ per cent. interest..... | 7,193,500 | |
| Average interest, 4.34 per cent., on a total of..... | | 10,768,500 |
| Grand total..... | | \$18,786,173 |
| —the average interest upon which is 5.5-100 per cent. | | |

Of the floating debt, a sum of \$200,000 was paid off in February last, and the balance will become due and be paid in August of this current year, except a sum of \$7,377, due only in 1867 for balance of purchase of shares in the Central Railroad, now the exclusive property of the Government.

THE ENGLISH LOAN OF 1858.

was negotiated through Messrs. Baring Brothers and was intended for the construction of the railways from Valparaiso to Santiago and from Santiago to

San Fernando. But in consequence of some political troubles in 1859 the funds proceeding from that loan were not immediately applied for the purposes generally contemplated, but were partly used by the Government for the pressing exigencies of the time in quelling the revolution, and partly loaned out in haciendados (farmers) and others, so as to be gaining interest during the time the revolutionary troubles lasted, and the works on the railways were suspended. This diversion of the funds from their legitimate object has been the fruitful source of all the financial troubles of the Government since that period, involving as it did, the payment of part of the railway contract for the completion of the road to Santiago in bonds instead of cash and causing deficits in the national balance sheet which culminated in the necessity for a loan of \$3,000,000, which was negotiated in 1865. The railways, however, were completed, and good faith was and has been kept with the English creditors. The contractor, Mr. Henry Meiggs, was paid partially in bonds, bearing interest at six per cent. per annum, and this explains the item of "Meiggs' bonds" in the interior debt. The Government is now the sole proprietor of the valuable line of railway from Valparaiso to Santiago (called the Central Railway), two-thirds owner of the line from Santiago to Sanferando, and sole owner of that (not yet completed) from San Fernando to Curico; and the value of these railways would be more than sufficient to pay off the entire national debt of the republic.

REVENUE AND EXPENDITURE IN TIME OF PEACE.

In the memorial of the Finance Minister, he estimated the total income for the financial year at \$11,198,839, and the expenditure at \$10,065,087, leaving a surplus of \$233,752. But in consequence of the war with Spain, the blockade of the Chilean ports, the suspension of the Custom House duties, the necessity of purchasing ships, guns, arms, and munitions of war, and all the other expenses and outlays incident to the equipment of fleets, augmentation of the army and prosecution of an active war, these calculations will now be altogether wide of the mark, and instead of surplus the Government will again have to contend with deficits, and ere the war is ended and peace restored the national debt will have increased by at least \$6,000,000 or \$7,000,000.

IMPORTS AND EXPORTS.

The imports of the country in 1864 amounted to \$18,867,345, which, although less than those of 1863 by \$1,420,152, were in excess of the average of last four years by \$552,902, and \$2,191,051 in excess of the imports for 1861.

The exports in 1864 amounted to \$27,242,853, of which the principal items were:

| | | | |
|---------------------|-------------|-----------------|-------------|
| Copper in bars..... | \$9,506,957 | Flour..... | \$2,321,000 |
| Copper regulus..... | 4,714,912 | Wheat..... | 1,039,071 |
| Copper ores..... | 1,268,588 | Bar silver..... | 1,628,272 |

As compared with 1861, the exports for 1864 give an increase of \$6,893,219.

The wonderful increase of the public revenue during the last forty years is demonstrated in the following proportion:

| | | | |
|-----------|-------------|-----------|-------------|
| 1823..... | \$1,770,761 | 1853..... | \$5,552,485 |
| 1843..... | 3,001,220 | 1863..... | 6,700,659 |

The revenue of the custom houses, which, at the time of the breaking out of

the revolution of independence, gave only a monthly yield of \$12,000, is exhibited in its uninterrupted increase by the following data :

| Years. | Net product. | Propor. for each inhab. | Years. | Net product. | Propor. for each inhab. |
|-----------|--------------|-------------------------|-----------|--------------|-------------------------|
| 1833..... | \$1,025,385 | \$1 01 | 1853..... | \$3,358,540 | \$2 35 |
| 1843..... | 1,735,432 | 1 60 | 1863..... | 4,259,534 | 2 51 |

THE COASTING TRADE,

being now thrown open to vessels of all nations, has increased to almost 60 per cent. in three years, as shown by the following statistics :

| | | | |
|-----------------------------|--------------|-----------------------------|--------------|
| In 1861 it amounted to..... | \$16,696,921 | In 1863 it amounted to..... | \$25,003,789 |
| In 1862 it amounted to..... | 23,919,972 | In 1864 it amounted to..... | 28,896,783 |

These data show the rapidly increasing commerce and prosperity of the country. Indeed, it may be said of Chile that she is only standing on the threshold of her developments. With the railways made and now making, leading from the seaboard to her mines and rich agricultural districts, the limit to her progress can be bounded only by the supply of labor.

STABILITY OF THE REPUBLIC.

A nation whose exports are always in excess of its imports, whose mineral and agricultural wealth and unbounded resources are assiduously developed by an industrious and enterprising people, whose Government, institutions, and legislation guarantee that people in the peaceable possession and enjoyment of the fruits of their industry, and secure them that full freedom which ennobles a man and dignifies a State, must become progressive and occupy a position of stability, solvency, and endurance, from whatever quarter assailed, or from whatever quarter molested.

THE WAR WITH SPAIN.

Chile has been forced into a war with Spain and has accepted the issue of a conflict at a time when her people so little thought of war and were so much occupied with the enterprise of peaceful commerce that they had neither ships, guns, nor men to oppose to the formidable fleet sent to her ports by the enemy ; but firm in the consciousness of the integrity of her own conduct and justly offended at the arrogant menaces and pretensions of the Spanish Admiral, she had no alternative but to vindicate her own dignity by an appeal to the grand arbitrament of war ; a war which will probably involve the expenditure of many millions of dollars, but which will be cheerfully borne by the Government and people, in order to be done at once and forever with the overbearing and intolerable insolence and pretension of a power which at one time they had pride in speaking of as the mother country, but which now they despise and detest with a strength of hatred which is beyond expression.

THE LAST ENGLISH LOAN—THE STOCK AT A PREMIUM.

For the purpose of placing funds at the disposal of the Government agent in Europe, a loan of £450,000 was negotiated in London in March last on terms rather onerous, the Barings (the Government bankers) having declined to lend any money for war purposes. The terms of the loan were 90 per cent. issue, 8 per cent. interest, and the capital payable one-half in eighteen months and the other half in twenty-four months from the 15th of March last. Eight times the

amount required was tendered for on the terms mentioned, and the bonds have since gone up to a considerable premium on the London Stock Exchange. It is to be regretted that the urgency of the compromise for which the funds were necessary in Europe—being, no doubt, for purchase of ships or war material—gave so little time to the Government agent for negotiations that he was obliged to accept the best terms offered him at the moment. The loan, however, is of small amount, has been taken for a short term, was required for important purchases, and the difference of interest is trifling compared to the object gained; hence the nation is satisfied, but would be unwilling that such onerous terms should be considered as an index to the state of the national credit abroad.

TAXING THE SALES OF BANKERS.

OPINION OF JUDGE NELSON.

The following is the opinion of Justice Nelson, of the United States Supreme Court, on the question of taxing the sales of bankers, while acting as both bankers and brokers for their own account:

UNITED STATES CIRCUIT COURT.

Before Judge Nelson.

Clarke, Dodge & Co. *vs.* the United States and S. Shook, Collector, and S. P. Gilbert, Assessor. In June last a motion was argued by Mr. John E. Burrill, Counsel for Clarke, Dodge & Co., to continue an injunction to restrain the collection of taxes claimed by the Collector of Internal Revenue to be payable on sales of stocks and securities.

In the bill plaintiffs stated that they were bankers, duly licensed as such, and that their transactions were as follows:

1. They receive such securities for sale and discount, and in such cases make sales.
2. They lend and advance on such securities, and in such cases sell to reimburse themselves.
3. They buy and sell such securities on their own account.
4. In the fourth paragraph of the bill they stated that they received orders to buy, and in such cases bought in their own names and transferred to their principal on repayment, and in case of non-payment sold to reimburse themselves.

The Commissioner of Internal Revenue claimed that plaintiffs were liable to pay taxes on all sales made by them in the classes of transactions above enumerated, and also that even if they would have been exempt from taxation on such transactions had they confined themselves to the business of bankers, the fact that they did business as brokers deprived them of that exemption, and subjected them to taxation in regard to all their sales, in the same manner as if they were not bankers.

In support of the application, affidavits were read, showing the course and custom of dealing in New York.

In opposition to the motion, Mr. S. G. Courtney, United States District Attorney, read an opinion of the Attorney General, and the instructions from the Commissioner of Internal Revenue to the Collectors and Assessors.

The Counsel for Clarke, Dodge & Co. made substantially these points:

1. The tax imposed by the 93rd section of the Revenue Act is imposed upon brokers, and not on bankers.
2. The 79th section of same act expressly authorizes bankers to "receive stocks and securities for sale or discount," and to "lend and advance on such stocks and securities," and this necessarily carries with it the right to sell the same, either to reimburse themselves or to discharge the duty to sell imposed by the receipt of such stocks for the purpose of sale.
3. That the transactions in the fourth sub-division of the bill mentioned were equally exempt, because:
 - (a.) No tax is imposed on the purchase of stocks and securities, but only on the sales.
 - (b.) When the purchase is made, no tax or duty is payable until the banker sells.
 - (c.) In such cases, no sale is made unless by order of the principal or to reimburse the amount paid by the banker on the purchase; and, in either case, the transaction is within the category of "stocks received for sale, or on which loans or advances are made."
4. That the distinction between the banker and the broker is clear and well defined, and that, even if it should be that the transactions above mentioned were such as a broker might engage in, this did not convert the banker into a broker, or deprive the banker of his exemption.
5. That, even if the transactions in the fourth or other of the sub-divisions should be decided to form part of a broker's business, and taxable as such, this did not render the plaintiff taxable in respect to transactions which formed a part of the business of bankers.
6. That, by combining the business of a banker and broker, the banker did not lose the exemption to which he was entitled as banker.
7. That, even if the plaintiffs were taxable in respect to transactions had on account of others, this did not render them taxable on transactions made on their own account.

8. That the Supreme Court of the United States, in the case of *Fisk & Hatch*, decided that bankers were exempt from taxation upon all transactions as bankers.

9. That, in the case of *Cutting*, that Court decided that a broker doing business under the 9th paragraph of section 79 was liable to pay taxes on all transactions specified in that paragraph.

10. That the Supreme Court had not decided that a banker licensed under the first subdivision of section 79 was liable to pay any tax on the business for which he was so licensed, nor that where bankers engage in transactions on which brokers likewise engage, that they thereby lose such exemption as brokers.

The District-Attorney controverted these propositions; and, in addition to the oral argument, filed a printed brief, in which the questions were thoroughly discussed.

The following is the opinion of Justice Nelson, which was filed in the case:

The bill is filed in this case against the defendants, who are the assessors and collectors of the Thirty-second Collection District of New York, under the internal revenue laws, for the purpose of restraining them from the assessment and collection of a tax claimed to have accrued against the plaintiffs as bankers, doing business as brokers, within said district, under the following circumstances:

The plaintiffs have a license as bankers, and have from time to time received at their banking-house stocks, bonds and bullion for sale, and also have, during the same time, received bills of exchange and promissory notes for discount and sale, and did discount and sell the same on and for the account of the parties from whom received, and charged the customary compensation as bankers; and also, during the time aforesaid, did, at their banking-house, lend and advance moneys to various parties, on stocks, bonds and bullion, and, after such advance and loans, did sell said stocks, bonds and bullion, on account of the parties from whom the same were received, and to whom the moneys were lent and advanced, deducting from said sales the moneys so loaned and advanced, with the interest and customary charges as bankers; and also bought and sold stocks, bonds, &c., on their own account, and no commission or for others. The tax claimed as having accrued out of the above dealings is 1-20th of 1 per centum, monthly, on all the sales of the stock, bonds, &c., under the 99th section of the act (13 U. S. St. p. 273) which imposes the tax on brokers, and "bankers doing business as brokers." The question in the case is, whether or not the plaintiffs in carrying on the aforesaid business under a banker's license, are to be regarded as bankers doing business as brokers. The 1st subdivision of this 79th section (p. 251) enacts that bankers employing capital, not exceeding \$50,000, shall pay \$100 for a license, and two dollars for every thousand over this amount—and then defines the term banker:—"Every person, firm, company, &c., having a place of business: (1) where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check or order; (2) where money is advanced or loaned on stocks, bonds, bullion, bills of exchange or promissory notes; (3) where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be regarded a banker under this act." Besides the license fee exacted, the banker, under the 110th section, (p. 477), pays a tax of 1-24 of 1 per centum monthly upon the average amount of deposits—1-24 of 1 per centum monthly upon the average amount of the capital of his bank beyond the amount invested in United States bonds—1-12 of 1 per centum monthly on the average amount of circulation if issued by any bank—and in addition, 1-6 of 1 per centum monthly on the amount of circulation beyond 90 per centum of the capital. The license fee and the above tax are the burdens imposed on the banker for the privileges conferred. Now among these is the privilege of doing the business set forth in the bill of complaint, and to which we have referred at large; and yet, it is claimed, the plaintiffs are liable to the additional tax as brokers specified in the 99th section of the act. According to this construction the license or privilege of the banker would be of little value. He might, indeed, receive deposits and pay them out, advance or lend money on stocks, bonds, &c., but in case of default of repayment, he must not sell the pledge to reimburse himself—he may receive stocks, bonds, &c., for discount or sale, but is not at liberty to sell. If he does, it is insisted he instantly becomes a broker, and liable to the broker's monthly tax, in addition to the banker's, which he has already paid. We cannot agree to this view of the act. On the contrary, we are satisfied the banker is both, by express terms, as well as by necessary implication, empowered to carry on the business, authorized under his license, to its practical and useful results. That, when he is authorized to lend or advance money on stocks, bonds, &c., he has the right, in case of default in the repayment, to convert the security into money by way of reimbursement—and, when authorized to receive stocks, bonds, &c., for sale, he may sell the same witho t, in either instance, making himself a broker. The United States vs. *Fisk et al.*, decided at the last term, carried the privileges of the banker far beyond the present case; for it was there held that he could purchase and sell stocks, bonds, &c., for himself and on his own account, under his license—a business not specified in the definition of a banker. That case, in effect, decided that any business which a banker could carry on, as such, did not fall within the ninety-ninth section of the act. The case of the plaintiffs, as set forth in the fourth paragraph of the bill, is in substance as follows; That, in carrying on their business as bankers, they purchase stocks, bonds, &c., for others, but make the purchases in their own name, and advance their own money, and take the transfers in their own name, and hold the stocks, as security for repayment by the persons for whom purchased; and, on receiving such repayment, interest and customary charges, delivers the stocks, bonds, &c., as per agreement—or, in default of repayment, they sell the same to reimburse themselves. This business is not only outside the business of a banker, as defined by the act, but comes directly within that of a broker, and subject to the tax under the 99th section. But it is urged that if the plaintiffs, in any of their dealings in stocks, bonds, &c., are brought within the category of bankers doing business as brokers, their whole business, as bankers, is thereby brought within it, and subject to the brokers' tax; and this extraordinary proposition is supposed to be decided in the case above referred to. The 9th subdivision (p. 252), declaring who shall be a broker, is as follows:—"Every person, firm, or company, &c., (except such as hold a license as a banker) whose business it is as a broker to negotiate purchases or sales of stocks, bonds, &c., shall be regarded as a broker." The exception takes the banker out of the category of broker, and, to make it more clear what was intended by the exception, a proviso is added, "that any person holding a license as a banker shall not be required to take out a license as a broker;" meaning, obvi-

ously, that he may do business as a broker under his license as a banker. But, surely, there is nothing in the provision which thus permits the business both of a banker and broker to be carried on under the bankers' license that suggests the idea, or gives any countenance to it, that dealing in both capacities merges the banker into the broker, so as to subject all his dealings to the broker's tax. The fair and natural inference would seem to be the other way, namely, that the broker is merged in the banker. But, we suppose, the reasonable and proper conclusion is, that although the license of banker authorizes him to do the business of a broker without further payment of money, yet, so far as he may do that business, he is to be regarded as a broker, and must pay the broker's tax. This, we think, is not only the natural conclusion and fair legal effect from the provisions of the law referred to, but is confirmed, as will be seen, by the language of the 99th section, imposing the tax on brokers, as follows: "That all brokers and bankers doing business as brokers shall be subject to pay the following duties." &c.; clearly enough implying that the banker, beside carrying on his own business, may also engage in business as a broker; but in such case, and as respects the business done as a broker, he must pay the tax imposed over and above what he has already paid as a banker. This view of the statute was taken in the case of the United States *vs.* Fisk *et al.*, and is stated in the opinion in a few words; "Now, a banker," says Mr. Justice Grier, "pays a much higher license-tax than a broker, and is permitted to prosecute or carry on the business or profession of a broker without paying any further license; but, if he prefers, he may not combine that business with his own." Without pursuing the case further, an injunction must issue in conformity with the above opinion. If any difficulty arises in the settlement of this order, it can be referred to me.

John E. Burrill counsel for Clark, Dodge & Co.; S. G. Courtney, U. S. D. A., for defendants
The Court also rendered decisions and opinions in another case submitted at the same time as follows:

Lewis Einstein *et al.*, *vs.* Sheridan Shook.—Nelson, C. J.—There is no question in this case not involved in the case of Clark and others against Gilbert and Shook, nor in any case heretofore before this Court; and that is, whether or not a banker, who purchases and sells stocks, bonds, &c., for others, and, therefore, falls within the category of a banker doing business as a broker, but who sells the stocks, bonds, &c., through intervention of a broker, is liable to pay the broker's tax under section 99. The argument is that the tax on the sales has already been paid by the broker called in and who actually made them. As this case came before the Court on short notice, at the close of the sitting, we will hear a re-argument on the point, and at the same time an explanation by affidavit, by either party, as to the mode and manner of conducting the business thus claimed to be exempt from the tax.

STOCK SALES AT PHILADELPHIA.

We have compiled the following table from the official lists of sales at the Philadelphia Stock Board for the first six months of the current year, showing the lowest and highest prices paid for each stock:

| R. R. Stocks. | Jan. | Feb. | March. | April. | May. | June. |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cam. & Amboy.. | 125½@127 | 116½@ 21 | 115½@120 | 116¼@120½ | 120½@130 | 121½@134½ |
| Pennsylvania.. | 53½@ 57 | 54½@ 57 | 54¼@ 56½ | 55½@ 57 | 53½@ 54½ | 54½@ 55½ |
| Reading..... | 49 @ 53½ | 48¾@ 51½ | 93 @ 93½ | 49¾@ 53½ | 53½@ 55½ | 54 @ 55½ |
| North Penn.... | 29 @ 33 | 36¾@ 38 | 35 @ 37 | 36 @ 40 | 38 @ 38 | 38¾@ 39 |
| Lehigh Valley... | 61 @ 62½ | 60½@ 63 | 62 @ 63 | 61¼@ 62½ | 61 @ 62½ | 62@ 63½ |
| Minehill & S'kill | | | | | | |
| Haven..... | 54½@ 55 | 54¼@ 54½ | 54 @ 54½ | 54¼@ 56 | 55¾@ 56½ | 56½@ 56¾ |
| Nonristown.... | 54 @ 55 | 54 @ 54½ | 51¼@ 54 | 52 @ 55 | 53¼@ 55 | 55 @ 55½ |
| Phila. & Erie.... | 28¾@ 31½ | 29¼@ 31½ | 27 @ 32½ | 31 @ 35 | 30 @ 34 | 30½@ 32¼ |
| Catawissa..... | 30 @ 31 | 23½@ 25½ | 22 @ 25½ | 30 @ 40 |@ |@ |
| do prefe'd | 30½@ 46½ | 32 @ 33 | 27½@ 34 | 26½@ 32½ | 26¾@ 32 | 23½@ 35½ |
| Little Schuylkill. | 29 @ 33½ | 31 @ 33 | 23 @ 30 | 29 @ 33½ | 34 @ 40 | 38¾@ 40 |
| N. Central..... | 44 @ 45 | 43¾@ 44 | 44 @ 44½ | 44½@ 46 | 43½@ 44½ | 43 @ 43¾ |
| Williamsport and Elmira..... | 27 @ 27 | 26 @ 26½ | 27 @ 27 | 27 @ 30 | 28 @ 28 | 30 @ 30 |
| do prefe'd | 39 @ 39 | 39 @ 40 | 40 @ 40 | 41 @ 43 |@ |@ |
| Long Island.. | 35 @ 35 |@ | 37½@ 37½ |@ |@ |@ |
| Phila. & Trenton |@ | 113 @ 114 |@ | 113 @ 114 | 125 @ 125 | 116 @ 116 |
| Phila., Wilm., & Baltimore..... |@ | 55¼@ 55½ |@ | 55½@ 55½ |@ | 58 @ 58 |
| Canal Stocks. | | | | | | |
| Delaware div.... | 31 @ 32 | 31½@ 35½ | 33 @ 45½ | 46 @ 50½ | 51 @ 54 | 53 @ 55 |
| Wyoming Valley | 56½@ 57 |@ | 59 @ 59 | 58½@ 60 | 70 @ 70 |@ |
| Lehigh nav.... | 52½@ 55 | 51½@ 52½ | 51½@ 52½ | 52½@ 55 | 52½@ 54½ | 54½@ 58½ |
| Schuylkill nav.. | 21 @ 24 | 52½@ 23½ | 21 @ 22½ | 22 @ 25½ | 26½@ 27 | 26½@ 27½ |
| do prefe'd | 27¼@ 30 | 23½@ 30 | 28 @ 29½ | 28¼@ 35½ | 33 @ 35½ | 33½@ 34½ |
| Morris, consoli'd | 75 @ 75 | 95 @ 95 | 70 @ 78 | 67 @ 75 | 76 @ 77½ | 80 @ 88 |
| do prefe'd | 114½@114½ | 114 @ 114 | 115 @ 115½ | 115 @ 115 |@ | 120 @ 120½ |
| Union..... | 1½@ 3½ | 2½@ 3½ | 2 @ 2½ | 2½@ 3 |@ |@ |
| do prefe'd | 2½@ 5½ | 4½@ 6 | 4½@ 4½ | 4½@ 5 |@ |@ |
| Susquehanna.... | 8½@ 10½ | 11½@ 14½ | 11 @ 13½ | 13 @ 16½ | 15 @ 16½ | 15 @ 15½ |
| West branch.... |@ |@ |@ |@ | 25 @ 25 | 29½@ 29½ |

The great bulk of the above stocks are quoted on half shares—the Camden and Amboy Railroad, Philadelphia and Trenton Railroad, and Morris Canal shares alone being full or \$100 shares.

RECEIPTS FOR CUSTOMS DURING YEAR 1865-66.

The receipts for duties on imports at the four principal ports of the United States during the fiscal year ending with June 30, 1866, were as follows:

| | New York. | Boston. | Philadelphia. | Baltimore. |
|---------------------------|-----------------|----------------|----------------|----------------|
| July, 1865..... | \$9,773,176 66 | \$1,366,666 24 | \$471,810 92 | \$401,850 32 |
| August, 1865..... | 13,113,689 50 | 1,665,894 82 | 456,275 66 | 356,663 86 |
| September, 1865..... | 12,929,615 64 | 1,597,600 23 | 534,686 70 | 271,878 00 |
| October, 1865..... | 10,973,513 01 | 1,225,395 80 | 496,141 95 | 190,700 53 |
| November, 1865..... | 9,933,488 76 | 1,547,688 82 | 435,612 59 | 272,052 43 |
| December, 1865..... | 8,348,750 31 | 953,048 85 | 349,068 79 | 190,694 81 |
| Total for six months..... | \$65,067,233 87 | \$8,356,192 76 | \$9,742,586 61 | \$1,683,899 95 |
| January, 1866..... | \$12,437,474 16 | \$1,003,005 22 | \$508,513 78 | \$310,462 51 |
| February, 1866..... | 12,008,273 74 | 1,548,073 83 | 340,198 26 | 322,549 83 |
| March, 1866..... | 11,173,164 62 | 1,324,796 21 | 693,318 53 | 318,085 01 |
| April, 1866..... | 10,950,896 78 | 1,469,278 09 | 947,435 48 | 268,889 98 |
| May, 1866..... | 11,322,150 10 | 1,683,988 54 | 757,890 22 | 441,078 89 |
| June, 1866..... | 9,563,539 38 | 1,407,652 28 | 635,328 21 | 351,176 63 |

Total for the fis. year..... \$132,522,722 65 \$16,792,987 43 \$6,616,271 09 \$3,676,032 85

It will be seen that the grand total of the receipts from all four ports for the fiscal year ending June 30, 1866, was \$159,608,014 02.

STATE DEBT OF NORTH CAROLINA.

The North Carolina State Convention has adopted the following ordinance, making provision for canceling a portion of the debt of the State, by exchanging the stocks &c., of railroad companies held by the State in such manner as will satisfy the public creditors:

An Ordinance for Exchanging the Stocks of the State for Bonds issued before the year one thousand eight hundred and sixty-one.

Whereas, The destruction and depreciation of taxable property in North Carolina, arising out of the late unhappy war, has greatly increased the proportion borne by the public debt to the means which the State possesses for its payment: and, whereas, the people of North Carolina are solicitous fully to discharge their just obligations at the earliest possible moment, in any manner that shall be acceptable to their creditors; whereas, further, the stocks, liens, and other claims upon the railroad companies, and other corporations, are proceeds of the bonds of the State, issued in great part before the twentieth day of May, in the year one thousand eight hundred and sixty-one, and now outstanding; and, whereas, due regard being had, as well to economy and other grave public interests, as to the rights of public creditors, it were good policy to exchange for the principal of such bonds, the stocks, and other property above mentioned, if such exchange can be made at par; therefore,

SEC. 1. Be it ordained by the delegates of the people of North Carolina, in convention assembled, That the Public Treasurer shall advertise, in such newspapers as he may select, and invite proposals for an exchange of the principal of any bonds issued by the State prior to the twentieth day of May, one thousand eight hundred and sixty-one, for certificates of stock and other interests held by the State in various corporations; such bids shall be opened by the Treasurer upon some day (of which he shall give due notice to them) in presence of the Governor of the State and the Comptroller of public accounts, and it shall be his duty to accept those terms which may be most advantageous for the State: Provided, That in no event shall any of the said stocks or other property be exchanged for less than their par value; and any premiums which may be obtained upon such exchange shall be applied either to the extinguishment of coupons or other interest (if any) due upon the particular bonds accepted in exchange, or to a further discharge of the principal due upon other such bonds, or interest, it may be, as an alternative, at the discretion of the Treasurer, be paid in currency into the Treasury and charged to the public fund.

SEC. 2. As soon as may be practicable after the acceptance of any bid, the public Treasurer shall receive the bonds offered in exchange, and in the presence of the Governor and Comptroller shall cancel the same; it shall also be his duty to transfer the stocks and execute such conveyances of the other interests hereinbefore mentioned as shall be deemed necessary; such conveyances to be in a form approved of by the Governor and the Attorney-General: Provided, however, That the interest to be acquired by any such purchaser or assignee of any stock now held by the State shall not be other than that of the holders of a like amount, in the general stock of the several and respective corporations in which the State may be a corporator.

SEC. 3. It shall be the duty of the Comptroller to take a minute of what may be done by the Public Treasurer in the premises, and to make therefrom such entries in the books of his office as may secure a just accountability on the part of the Treasurer because of the transactions hereinbefore mentioned.

SEC. 4. The Public Treasurer shall make special reports upon the subject of this ordinance to the General Assembly at every session, and this ordinance shall be subject to repeal or modification by the General Assembly.

[Ratified in Convention the 16th day of June, A.D. 1866.]

JAMES H. MOORE, Secretary.

EDWIN G. READE, President.
R. C. BADGER, Assistant Secretary,

I do hereby certify that the foregoing is a true copy of the original on file in this office.

Given under my hand the 27th day of June, A.D. 1866.

R. W. BEST, Secretary of State.

THE UNITED STATES DEBT.

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

| DENOMINATIONS. | | May 1. | June 1. | Aug. 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..... | 139,313,150 | 139,314,500 | 139,303,100 |
| 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)..... | 71,003,500 | 80,734,500 | 127,549,150 |
| 6 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..... | | \$1,180,236,342 | \$1,195,825,192 | \$1,242,628,442 |

DEBT BEARING INTEREST IN LAWFUL MONEY.

| | | | | | |
|--|--|------------------------|-----------------|-----------------|---------------|
| 4 per cent | Temporary Loan | | | | |
| 5 do | do | } 10 days' notice..... | 131,497,854 | \$124,561,486 | \$118,665,470 |
| 5 do | do | | | | |
| 6 do | Certificates (one year)..... | 62,620,000 | 43,025,000 | .... |  |
| 6 do | One and two-years' notes..... | 6,036,900 | | | |
| 6 do | Three years' com. int. notes..... | 167,012,141 | 162,012,140 | 156,012,140 | |
| 6 do | Thirty-year bonds, (cent'l Pacific R.)..... | 2,302,000 | 2,302,000 | | } 6,042,000 |
| 6 do | do (Union Pacific R. E. Div.)..... | 2,272,000 | 2,130,000 | | |
| 7.30 do | Three years' treasury notes, 1st series..... | } 818,044,000 | } 812,221,600 | } 798,949,350 | |
| 7.30 do | do do 2d series..... | | | | |
| 7.30 do | do do 3d series..... | | | | |
| Aggregate of debt bearing lawful money interest..... | | \$1,188,313,545 | \$1,147,222,226 | \$1,079,668,960 | |

DEBT ON WHICH INTEREST HAS CEASED.

| | | | |
|--|-----------|-------------|-------------|
| Debt on which interest has ceased..... | \$877,730 | \$4,900,430 | \$4,670,160 |
|--|-----------|-------------|-------------|

DEBT BEARING NO INTEREST.

| | | | |
|--|---------------|---------------|---------------|
| United States Notes..... | \$415,164,318 | \$402,128,318 | \$400,361,728 |
| Fractional currency..... | 28,192,017 | 27,334,965 | 26,684,139 |
| Currency..... | \$443,356,335 | \$429,463,283 | \$427,045,867 |
| Gold certificates of deposit..... | 9,036,420 | 22,568,320 | 16,403,180 |
| Aggregate of debt bearing no interest..... | \$452,392,755 | \$452,031,603 | \$443,449,047 |
| Amount in Treasury— | | | |
| Coin..... | \$76,676,407 | \$50,678,958 | \$61,322,127 |
| Currency..... | 61,310,622 | 79,011,125 | 75,995,206 |
| Total in Treasury..... | \$137,987,029 | \$120,691,083 | \$137,317,333 |

RECAPITULATION.

| | | | |
|--|-----------------|-----------------|-----------------|
| Debt bearing interest in coin..... | \$1,186,092,842 | \$1,195,825,192 | \$1,242,628,442 |
| Debt bearing interest in lawful money..... | 1,188,313,545 | 1,147,222,226 | 1,079,668,960 |
| Debt on which interest has ceased..... | 877,730 | 4,900,430 | 4,670,160 |
| Debt bearing no interest..... | 452,392,755 | 452,031,603 | 443,449,047 |
| Aggregate debts of all kinds..... | \$2,827,676,872 | \$2,799,479,451 | \$2,770,416,609 |
| Cash in treasury..... | 137,987,029 | 129,691,083 | 137,317,333 |
| Amount of debt, less cash in Treasury..... | 2,689,689,843 | 2,670,288,368 | 2,633,099,276 |

LEGAL TENDER NOTES IN CIRCULATION.

| | | | |
|---|---------------|---------------|---------------|
| One and two years' 5 per cent notes..... | \$6,036,900 | \$..... | \$..... |
| United States notes (currency)..... | 415,164,318 | 402,128,318 | 400,361,728 |
| Three years' 6 per cent compound interest notes.... | 167,012,141 | 162,012,140 | 156,012,140 |
| Aggregate legal tender notes in circulation..... | \$588,213,359 | \$564,140,458 | \$556,373,568 |

COMMERCIAL CHRONICLE AND REVIEW.

Atlantic Telegraph—Rates for loans and discounts—Prices Railroad and other Stocks—Course of Exchange—Prices of Governments—Price of Gold each day—Treasure Movement.

Very little business has been done the past month, the city exhibiting the usual midsummer quiet. The great feature of interest has been the completion of the Atlantic Telegraph, and although the messages that have as yet passed over it are few, enough has reached us to convince even the most sceptical that the cable has been successfully laid and is working admirably. That this sub-Atlantic-wire is to work a decided change in commercial transactions with the Old World must be admitted, but the "revolution" that is predicted will be gradual in its coming, and only be fully developed when other lines are laid. The single cable now thrilling beneath the waves of the North Atlantic can never be relied upon to keep up full and continuous telegraphic communication between the New World and the Old. Still, the fact has been demonstrated that a line can be laid and made to work.

Although the fall trade has not begun, manufacturing for that trade has been active; in most branches of business the supply of goods is ample. Towards the close of the month the representatives of the Southern markets arrived in the city in numbers, indicating the probability of a comparatively liberal trade being transacted with that section. In the meantime the money market has been easy and below are the current rates for each week:

RATES OF LOANS AND DISCOUNTS.

| | July 6. | July 13. | July 20. | July 27. |
|-------------------------------------|---------|----------|----------|----------|
| Call loans | 4 @ 5 | 5 @ 6 | 5 @ - | 4 @ 5 |
| Loans on Bonds and Mortgage | 6 @ 7 | 6 @ 7 | 6 @ 7 | 6 @ 7 |
| A 1, endorsed bills, 2 mos | 5 @ - | 5½ @ - | 5 @ 5½ | 5 @ 5½ |
| Good endorsed bills, 3 & 4 mos..... | 5½ @ 6½ | 6 @ 7 | 6 @ 6¾ | 6 @ 7 |
| “ “ single names | 7 @ 8 | 7 @ 8 | 7 @ 8 | 7 @ 8 |
| Lower grades | 10 @12 | 10 @12 | 10 @12 | 10 @15 |

It is worthy of note that fewer new firms were established at the beginning of last month than has been usual at that period. The times are not encouraging to new enterprises. The country is still in an unsettled condition; the public finances have yet to undergo changes, which may affect business; we are far from a specie basis; and, above all, prices range so high that a decline in the value of every species of property would seem inevitable. It is, therefore, not surprising if, at present, there is a prevailing indisposition to establish new business enterprises. The quiet of general trade has, however, afforded an opportunity for stock speculation. The bank deposits have increased; a large amount of currency has been paid out of the Treasury on account of the redemption of Certificates of Indebtedness, and the July coupons on Seven-thirty notes; and money has, consequently, been easily available to stock dealers at 4@5 per cent. The month which ordinarily is dull, above all others, has this year been one of very unusual activity in railroad speculation. The unexpectedly large traffic of the roads since the suspension of the military transportation connected with the war, and the reopening of the Mississippi, have very much strengthened confidence in railroad stocks as an investment. This improved tone of feeling

has been turned to account by the brokers, and the result has been a general and large advance in the price of stocks. the following are the closing quotations each week for leading stocks :

| | June 15. | June 22. | June 29. | July 6. | July 13. | July 20. | July 27. |
|--------------------------|----------|----------|----------|----------|----------|----------|----------|
| Cumberland Coal..... | .... | .... | 45 | 45½ | 46 | 50 | 46 |
| Quicksilver ..... | .... | 50¾ | 47¾ | 47¾ | 51 | .... | .... |
| Canton Co..... | 60 | 59 | 54¾ | 55¾ | .... | 52¾ | 53 |
| Mariposa pref..... | 24 | 23 | 22¾ | 23¾ | 23 | 22¾ | 26¾ |
| New York Central..... | 98¾ | 98¾ | 98¾ | 99¾ | 99 | 104¾ | 104¾ |
| Erie..... | 61¾ | 59¾ | 61¾ | 68¾ | 74¾ | 65¾ | 64¾ |
| Hudson River..... | 110¾ | 111¾ | .... | .... | 114¾ | 116 | 120 |
| Reading..... | 109¾ | 108¾ | 109¾ | x d 107¾ | 106¾ | 110¾ | 111¾ |
| *Michigan Southern..... | 79¾ | 79 | 78¾ | 80 | 81¾ | 82¾ | 83¾ |
| Michigan Central..... | 109 | 108 | .... | x d 105¾ | .... | .... | 110 |
| Cleveland and Pittsburg. | 82 | 84¾ | 82¾ | 83¾ | 84¾ | 84¾ | 84¾ |
| Cleveland and Toledo.... | 105 | 106¾ | 106¾ | 108¾ | 109¾ | 110¾ | 112¾ |
| Nor.hwestern..... | 30¾ | 29¾ | 30 | 31¾ | 34¾ | 35¾ | 35¾ |
| " preferred.. | 59¾ | 58¾ | 59¾ | 61¾ | 63¾ | 61¾ | 64¾ |
| Rock Island..... | 94 | 95 | 94 | 96 | 96¾ | 97¾ | 99¾ |
| Fort Wayne..... | 97¾ | 98¾ | 98¾ | 97¾ | 98¾ | 99¾ | 101¾ |
| Illinois Central..... | 122 | 120¾ | 121 | 121¾ | 122¾ | 124¾ | x d.120 |

In anticipation of the war in Germany, we expressed a confidence that hostilities would, ultimately, cause an increased demand for our bonds in Europe. That result has already appeared. During last month, the exports of Five-twenties were on a very large scale, the amount sent to Europe being probably much in excess of the total returned in anticipation of the war. The heavy shipments of bonds have aided us in adjusting our balances with Europe, which, with maturing obligations largely in excess of the current exports, would otherwise have caused a severe drain of specie, with material fluctuations in the premium on gold. As a consequence of this movement there has been a steady decline in the rates of foreign exchange, the month closing with quotations for bankers' sterling bills, 60 days' sight, at 107¼@108¼—a rate about 1¼ per cent. below the present specie shipping rate. The following table shows the daily fluctuations of exchange (long) on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for July, and the total range for the first seven months of 1866 :

COURSE OF EXCHANGE FOR JULY.

| 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..... | | | | | | |
| 2..... | 108 @108¾ | 520 @512¾ | 40 @41¾ | 77 @79 | 36 @36¾ | 74 @75 |
| 3..... | 108 @108¾ | 520 @512¾ | 40 @41¾ | 77 @79 | 36 @36¾ | 74 @75 |
| 4..... | | | (National Holiday.) | | | |
| 5..... | 108¾@108¾ | 517½@510 | 40½@42 | 78 @79 | 36½@37 | 74 @75 |
| 6..... | 108¾@108¾ | 517½@512¾ | 40½@41¾ | 78¾@79 | 36¾@37¾ | 74 @75 |
| 7..... | 108¾@108¾ | 517½@512¾ | 40½@41¾ | 78¾@79 | 36¾@37¾ | 74 @75 |
| 8..... | | | | | | |
| 9..... | 108¾@109 | 516½@508¾ | 40½@41¾ | 78¾@79 | 36¾@37¾ | 74 @75 |
| 10..... | 108¾@109¾ | 517½@508¾ | 40½@41¾ | 77 @79 | 36¾@37¾ | 74 @75¾ |
| 11..... | 108¾@109¾ | 517½@508¾ | 40½@41¾ | 77 @79 | 36¾@37¾ | 74 @75¾ |
| 12..... | 109¾@109¾ | 515 @508¾ | 40½@41¾ | 78¾@79 | 36¾@37¾ | 74 @75 |
| 13..... | 109¾@109¾ | 517½@507¾ | 40½@41¾ | 77 @79 | 36¾@37¾ | 74 @75¾ |
| 14..... | 109 @109¾ | 517½@507¾ | 40½@41¾ | 77½@79 | 36¾@37¾ | 74 @75¾ |
| 15..... | | | | | | |
| 16..... | 109 @109¾ | 517½@510 | 40½@41¾ | 77¾@79 | 36¾@37¾ | 74 @75¾ |
| 17..... | 109 @109¾ | 517½@510 | 40½@41¾ | 77¾@79 | 36¾@37¾ | 74¾@75¾ |
| 18..... | 109 @109¾ | 517½@510 | 40½@41¾ | 77¾@79 | 36¾@37¾ | 74¾@75¾ |
| 19..... | 109 @109¾ | 515 @510 | 40½@41 | 78¾@79 | 36¾@37¾ | 74 @74¾ |
| 20..... | 108¾@109¾ | 517½@511¾ | 40½@41¾ | 77¾@79 | 36¾@37¾ | 73¾@75 |
| 21..... | 108¾@109¾ | 516½@511¾ | 40½@41 | 78¾@79 | 36¾@37¾ | 74¾@74¾ |
| 22..... | | | | | | |
| 23..... | 108¾@109 | 517½@513¾ | 40 @41 | 78¾@79 | 37 @37¾ | 73¾@74 |
| 24..... | 108¾@109 | 520 @515 | 40½@41 | 78¾@79 | 37 @37¾ | 73 @74 |
| 25..... | 108¾@109 | 520 @515 | 40½@41 | 78¾@79 | 37 @37¾ | 73 @74 |
| 26..... | 108¾@109 | 520 @513¾ | 40 @41 | 78¾@79 | 36¾@37¾ | 73 @74 |
| 27..... | 108¾@108¾ | 520 @513¾ | 40 @41 | 77¾@79 | 36¾@37¾ | 73 @74 |
| 28..... | 108¾@108¾ | 520 @513¾ | 40 @41 | 77¾@79 | 36¾@37¾ | 73 @74 |
| 29..... | 108¾@108¾ | 520 @513¾ | 40 @41 | 77¾@79 | 36¾@37¾ | 73 @74 |

| | | | | | | | | |
|-----------|-----------|-----------|---------|---------|---------|---------|--|--|
| 29..... | | | | | | | | |
| 30..... | 108 @108% | 522½@516½ | 40 @40% | 77 @78% | 36½@37½ | 72½@73 | | |
| 31..... | 107½@109% | 525 @520 | 40 @40% | 77 @79 | 36½@37 | 72½@73 | | |
| July..... | 107½@109% | 525 @507½ | 40 @42 | 77 @79 | 36 @37½ | 73 @75½ | | |
| June..... | 107½@110 | 205 @507½ | 40 @42% | 77 @80½ | 35½@37½ | 73 @75 | | |
| May..... | 108½@109% | 530 @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 @109% | 523½@515 | 40½@41 | 78 @79½ | 36 @36½ | 71 @71½ | | |

Military operations in Germany have been attended with an almost total suspension of the drawing of bills on Frankfort ; and, for a time, transactions with Bremen and Hamburg were limited from the same cause. At the beginning of the month, the apparent possibility that France might become involved in the struggle, caused increased remittances to Paris.

Below we give the sale prices at the New York Stock Exchange of government securities represented by the closing sale each day during the month of July, 1866 :

PRICES OF GOVERNMENT SECURITIES, JULY, 1866.

| Day of month. | 6's, 1881. | | 6's, 5-20 yrs. | | 5's, 10-40 yrs. | | 7-30's, 1867. | 1 yr certif. |
|----------------|------------|------|----------------|------|-----------------|------|---------------|--------------|
| | Coup. | Reg. | Coup. | Reg. | Coup. | Reg. | | |
| Sunday.... 1 | | | | | | | | |
| Monday.... 2 | 106½ | | 104½ | | 97½ | | 103 | |
| Tuesday... 3 | | | | | | | | |
| Wednesday 4 | | | | | | | | |
| Thursday.. 5 | 107½ | | 105½ | | 97½ | | 103½ | |
| Friday.... 6 | 108½ | 108½ | 105½ | | 98 | | 103½ | |
| Saturday... 7 | 108½ | 109 | 105½ | | 98 | | 103½ | |
| Sunday.... 8 | | | | | | | | |
| Monday.... 9 | 109 | 109½ | 106 | | 98½ | | 103½ | |
| Tuesday... 10 | 109½ | 109½ | 106½ | | 98½ | | | |
| Wednesday 11 | 109½ | | 106½ | | 98½ | | 103½ | |
| Thursday.. 12 | 109½ | | 107 | | 99 | | 103½ | |
| Friday.... 13 | 109½ | 109½ | 106½ | 106 | 99 | | 103½ | |
| Saturday... 14 | 109½ | | 106½ | | 98½ | | 103½ | |
| Sunday.... 15 | | | | | | | | |
| Monday... 16 | 109½ | | 107½ | | 99 | | 104½ | |
| Tuesday... 17 | 109½ | 109½ | 107½ | | 99 | | 104 | |
| Wednesday 18 | | 109½ | 107 | | | | 103½ | |
| Thursday.. 19 | 109½ | | 107 | | 99 | | 103½ | |
| Friday.... 20 | | 109½ | 106½ | 105 | 98½ | | 103½ | |
| Saturday... 21 | 109½ | | 106½ | | 98½ | | 103½ | |
| Sunday.... 22 | | | | | | | | |
| Monday... 23 | 106½ | | 106½ | 106½ | 98½ | | 103½ | |
| Tuesday.. 24 | 199 | | 107 | | 98½ | | 103½ | |
| Wednesday 25 | | 109 | 106½ | | 97½ | | 103½ | |
| Thursday.. 26 | 109 | | 106½ | | 98½ | | 103½ | |
| Friday.... 27 | | 109½ | 107½ | 105 | 98½ | | 103½ | |
| Saturday... 28 | | | 107½ | 105 | 98½ | 98½ | | |
| Sunday.... 29 | | | | | | | | |
| Monday.... 30 | 110 | | 108½ | 105½ | 98½ | | 104½ | |
| Tuesday... 31 | | | 108½ | | 99 | | 104½ | |
| Opening.... | 106½ | 108½ | 104½ | | 97½ | | 103 | |
| Highest.... | 110 | 109½ | 108½ | 106½ | 99 | 98½ | 104½ | |
| Lowest.... | 106½ | 108½ | 104½ | 105 | 97½ | 98½ | 103 | |
| Closing.... | 110 | 109½ | 108½ | 105½ | 99 | | 104½ | |

The gold premium has been comparatively steady during the month, in part owing to the diversion of speculation from the Gold Room to the Stock Exchange. The continued export of specie, and a large demand for the payment of duties on goods withdrawn from bond, upon the expectation that the additional duties imposed under the new tariff would apply to goods in warehouse, have sustained the premium against influences otherwise tending to depress it. The highest price reached during the month was 155, and the lowest 147, the closing quotation being 149. The following table gives the opening, highest, lowest and closing prices for each day of the month,

COURSE OF GOLD FOR JULY.

| Date. | Open'g | High'st. | Lowest. | Closing. | Date. | Open'g | High'st. | Lowest. | Closing. |
|----------------|--------|--------------------|---------|----------|-----------------|--------|----------|---------|----------|
| Sunday..... | 1 | 150% | 150% | 150% | Friday..... | 20 | 150% | 149% | 149% |
| Monday..... | 2 | 154% | 155% | 153% | Saturday..... | 21 | 149% | 148% | 150% |
| Tuesday..... | 3 | 153% | 153% | 153% | Sunday..... | 22 | 151% | 151% | 150% |
| Wednesday..... | 4 | Independence D. v. | | | Monday..... | 23 | 151% | 150% | 150% |
| Thursday..... | 5 | 152% | 153% | 153% | Tuesday..... | 24 | 150% | 149% | 150% |
| Friday..... | 6 | 154% | 154% | 154% | Wednesday..... | 25 | 150% | 149% | 150% |
| Saturday..... | 7 | 154% | 154% | 153% | Thursday..... | 26 | 149% | 149% | 149% |
| Sunday..... | 8 | 153% | 153% | 152% | Friday..... | 27 | 149% | 150% | 150% |
| Monday..... | 9 | 153% | 153% | 152% | Saturday..... | 28 | 150% | 150% | 150% |
| Tuesday..... | 10 | 149% | 149% | 148% | Sunday..... | 29 | 147% | 147% | 147% |
| Wednesday..... | 11 | 149% | 150% | 149% | Monday..... | 30 | 147% | 147% | 147% |
| Thursday..... | 12 | 149% | 151% | 149% | Tuesday..... | 31 | 148% | 149% | 149% |
| Friday..... | 13 | 153% | 153% | 152% | July, 1866..... | 154% | 155% | 147 | 149 |
| Saturday..... | 14 | 152% | 152% | 152% | " 1865..... | 141 | 146% | 138% | 144 |
| Sunday..... | 15 | 148% | 148% | 148% | " 1864..... | 222 | 285 | 232 | 255 |
| Monday..... | 16 | 148% | 149% | 148% | " 1863..... | 144½ | 145 | 123½ | 128½ |
| Tuesday..... | 17 | 149% | 151% | 149 | " 1862..... | 109 | 120% | 108% | 115 |
| Wednesday..... | 18 | 149% | 150% | 149 | " 18 1..... | 100 | 100 | 100 | 100 |
| Thursday..... | 19 | 150% | 150% | 150% | | | | | |

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

TREASURE MOVEMENT FOR 1866.

| 1866. week ending | Receipts, from California. | Exports, to foreign countries. | Customs receipts. | Interest payments. | Sub-Treasury —Gold Certificates— returned. | In banks at close of week. |
|-------------------------|----------------------------------|--------------------------------------|----------------------|-----------------------|--|----------------------------------|
| Jan. 6..... | 799,706 | \$552,027 | \$2,107,341 | \$3,597,240 | \$3,122,440 | \$1,34,8832 |
| " 13..... | \$655,610 | 640,503 | 2,334,694 | 1,130,789 | 3,206,180 | 1,578,194 |
| " 20..... | 799,706 | 685,894 | 2,754,369 | 574,162 | 2,706,400 | 1,928,641 |
| " 27..... | 944,878 | 656,812 | 3,236,040 | 279,842 | 2,593,400 | 2,137,048 |
| Feb. 3..... | 1,449,074 | 292,568 | 3,317,422 | 115,204 | 2,081,283 | 2,221,423 |
| " 10..... | 1,449,074 | 4-3,409 | 3,251,734 | 120,179 | 1,916,700 | 2,376,735 |
| " 17..... | 1,209,048 | 445,489 | 2,893,008 | 94,828 | 2,992,900 | 2,158,009 |
| " 24..... | 1,209,048 | 560,193 | 2,608,796 | 119,-79 | 5,892,2-0 | 1,995,796 |
| Mar. 3..... | 1,469,286 | 75,453 | 3,386,934 | 1,183,343 | 2,125,000 | 2,664,934 |
| " 10..... | 1,425,353 | 556,284 | 2,297,836 | 882,712 | 2,101,000 | 1,706,835 |
| " 17..... | 339,837 | 236,671 | 2,464,482 | 328,593 | 1,498,400 | 1,919,483 |
| " 24..... | 673,615 | 170,297 | 2,509,419 | 174,911 | 361,280 | 1,886,419 |
| " 31..... | 729,862 | 3,500 | 2,451,345 | 225,414 | 1,376,000 | 1,895,334 |
| Apr. 7..... | 809,459 | 216,842 | 2,863,010 | 63,140 | 3,16,840 | 2,120,100 |
| " 14..... | 809,459 | 122,623 | 2,857,704 | 49,800 | 5,038,460 | 2,274,704 |
| " 21..... | 809,459 | 117,312 | 2,535,568 | 35,169 | 4,07,000 | 1,971,568 |
| " 28..... | 1,318,271 | 73,880 | 2,246,307 | 40,506 | 4,137,140 | 1,760,307 |
| May 5..... | 1,072,820 | 1,247,249 | 2,711,181 | 7,061,900 | 4,653,000 | 2,227,181 |
| " 12..... | 1,072,820 | 1,064,496 | 2,417,391 | 2,648,900 | 3,110,000 | 1,943,391 |
| " 19..... | 1,276,505 | 8,763,295 | 2,542,814 | 1,702,000 | 2,842,0 0 | 2,069,814 |
| " 26..... | 324,562 | 9,421,766 | 2,358,455 | 940,100 | 9,177,000 | 1,929,454 |
| June 2..... | 949,906 | 6,870,997 | 2,182,395 | 70,500 | 1,327,000 | 1,911,395 |
| " 9..... | 892,365 | 4,229,756 | 2,141,086 | 283,800 | 2,6 6,000 | 1,863,0-7 |
| " 16..... | 892,365 | 6,055,743 | 2,071,621 | 67,000 | 3,719,000 | 1,788,621 |
| " 23..... | 1,617,899 | 1,408,286 | 2,209,676 | 106,134 | 2,793,000 | 1,809,676 |
| " 30..... | 1,429,833 | 550,574 | 2,002,265 | 298,748 | 3,232,000 | 2,309,264 |
| July 7..... | 2,051,56 | 1,630,730 | 2,47,626 | 3,964,634 | 4,174,000 | 2,081,226 |
| " 14..... | 2,051,56 | 2,231,270 | 2,486,296 | 1,267,600 | 3,614,400 | 2,182,226 |
| " 21..... | 1,655,431 | 416,013 | 2,480,149 | 324,100 | 2,452,000 | 2,187,140 |
| " 28..... | 1,655,431 | 1,515,446 | 2,926,884 | ..... | 2,120,000 | 2,543,884 |
| Since Jan 1..... | \$23,175,016 | 51,291,597 | 78,037,848 | ..... | 93,216,140 | 61,811,110 |

The following table, compiled from the records for the past seven months of the current year, and for the same months of the previous seven years, shows the general results of the import and export of treasure at this port :

| Months, &c. | —New Supply.— | | Exports to for. ports. | —Excess of— | |
|---------------|---------------|----------|---------------------------|-------------|-----------|
| | California. | Foreign. | | Supply. | Export. |
| January..... | \$1,485,316 | \$72,771 | \$1,558,087 | \$2,546,236 | \$988,149 |
| February..... | 3,603,000 | 172,122 | 3,775,122 | 1,787,029 | 1,988,093 |
| March..... | 3,958,290 | 285,854 | 4,244,145 | 1,035,039 | 3,209,106 |
| April..... | 1,539,321 | 161,817 | 1,701,138 | 554,654 | 1,146,484 |

| | | | | | | |
|---------------------|--------------|-------------|--------------|--------------|------------|--------------|
| May..... | 3,667,596 | 993,073 | 4,060,669 | 23,833,873 | ..... | 19,773,205 |
| June..... | 2,166,823 | 116,952 | 2,283,775 | 15,736,307 | ..... | 13,452,532 |
| July..... | 6,754,669 | 101,003 | 6,855,672 | 5,801,459 | 1,054,213 | ..... |
| Jan. July, '66..... | \$23,175,015 | \$1,303,592 | \$24,478,608 | \$51,294,597 | \$..... | \$26,815,989 |
| do do '65..... | 10,035,127 | 1,319,163 | 11,354,290 | 18,630,745 | ..... | 7,276,455 |
| do do '64..... | 6,534,216 | 1,555,066 | 8,089,282 | 31,099,450 | ..... | 23,010,168 |
| do do '63..... | 8,022,940 | 1,036,013 | 9,058,953 | 25,900,850 | ..... | 16,841,597 |
| do do '62..... | 13,943,535 | 730,556 | 14,674,091 | 36,034,688 | ..... | 21,960,597 |
| do do '61..... | 21,175,405 | 32,906,166 | 54,081,571 | 3,260,458 | 50,821,113 | ..... |
| do do '60..... | 19,810,150 | 756,182 | 20,566,332 | 28,242,826 | ..... | 7,576,494 |
| do do '59..... | 21,144,739 | 1,301,082 | 22,445,821 | 43,248,391 | ..... | 20,502,570 |

It will be seen from this compilation that the receipts of California gold during July have reached the very extraordinary total of \$6,754,669. The exports to foreign countries have been 5,801,459, against \$15,736,307 in June, and \$23,833,873 in May. The excess of receipts over exports is thus \$1,054,213. For the first seven months of the year, the exports show an excess of shipments over receipts of \$26,815,989, which is nearly ten millions more than the average excess of exports for the same period of the preceding four years.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

New York City Bank returns—Returns of the Boston and Philadelphia Banks.

We give below the bank returns of the three cities. Those for Boston are incomplete again, since the Traders' Bank failed the last week of the month to make returns in season.

| 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 | \$18,588,438 | \$195,482,254 | \$71,617,487 | \$270,617,523 |
| " 13..... | 234,933,193 | 16,852,568 | 19,162,917 | 197,766,999 | 73,019,957 | 608,082,837 |
| " 20..... | 239,337,726 | 15,265,327 | 20,475,707 | 198,816,243 | 72,739,892 | 538,949,311 |
| " 27..... | 240,407,836 | 13,106,759 | 20,965,883 | 195,012,454 | 70,319,146 | 516,323,073 |
| Feb. 3..... | 242,510,382 | 10,937,474 | 21,494,294 | 191,011,695 | 68,796,250 | 508,569,123 |
| " 10..... | 242,608,873 | 10,129,806 | 22,240,469 | 188,701,463 | 68,436,013 | 493,431,032 |
| " 17..... | 243,068,252 | 10,308,758 | 22,983,274 | 189,777,290 | 64,802,980 | 471,886,751 |
| " 24..... | 239,776,200 | 14,213,351 | 22,959,918 | 183,241,404 | 61,602,726 | 497,150,087 |
| Mar. 3..... | 235,339,412 | 17,181,130 | 22,994,086 | 181,444,373 | 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 | 63,402,764 | 579,216,509 |
| " 24..... | 234,500,518 | 13,945,651 | 23,243,406 | 185,868,245 | 69,496,033 | 593,448,804 |
| " 31..... | 237,316,099 | 11,930,392 | 23,706,534 | 188,554,592 | 72,158,099 | 529,240,640 |
| Apr. 7..... | 242,643,753 | 11,486,345 | 24,117,051 | 189,094,661 | 71,445,005 | 602,315,748 |
| " 14..... | 244,069,839 | 11,035,129 | 24,533,981 | 193,153,469 | 73,910,370 | 578,537,553 |
| " 21..... | 242,067,063 | 9,495,463 | 24,045,857 | 196,808,573 | 77,002,688 | 555,894,778 |
| " 28..... | 245,017,692 | 8,243,937 | 25,377,280 | 202,718,574 | 80,559,022 | 545,339,668 |
| May 5..... | 23,974,134 | 10,914,997 | 25,415,677 | 210,373,303 | 81,204,447 | 603,556,177 |
| " 12..... | 257,621,317 | 13,370,462 | 24,693,259 | 217,552,853 | 85,040,659 | 523,093,533 |
| " 19..... | 255,690,463 | 13,595,465 | 25,189,864 | 217,427,729 | 85,710,107 | 579,342,485 |
| " 26..... | 257,969,598 | 19,736,929 | 26,223,867 | 208,977,905 | 73,829,947 | 713,575,444 |
| June 2..... | 250,959,022 | 21,858,093 | 26,244,555 | 198,128,289 | 69,188,492 | 713,575,444 |
| " 9..... | 249,538,959 | 15,821,663 | 25,967,253 | 202,503,949 | 74,628,674 | 633,656,301 |
| " 16..... | 247,301,547 | 11,217,345 | 25,887,876 | 202,415,673 | 79,179,304 | 613,698,301 |
| " 23..... | 248,436,808 | 8,504,096 | 26,585,394 | 201,969,288 | 80,840,578 | 696,447,630 |
| " 30..... | 250,884,163 | 7,797,215 | 26,706,632 | 204,357,272 | 81,882,640 | 568,842,490 |
| July 7..... | 257,534,833 | 9,865,266 | 27,296,530 | 205,799,611 | 79,541,638 | 511,182,914 |
| " 14..... | 259,133,434 | 12,451,684 | 27,004,172 | 207,160,043 | 75,541,977 | 627,665,787 |
| " 21..... | 255,965,018 | 10,860,147 | 27,579,020 | 213,049,079 | 80,524,992 | 598,705,726 |
| " 28..... | 256,612,071 | 9,701,046 | 27,249,812 | 214,532,926 | 84,705,314 | 430,324,308 |

The returns of the Philadelphia Banks have been as follows:

| PHILADELPHIA BANK RETURNS. | | | | | |
|----------------------------|----------------|--------------|-----------|--------------|--------------|
| Date. | Legal Tenders. | Loans. | Specie. | Circulation. | Deposits. |
| Jan. 2, 1866..... | \$17,181,229 | \$45,941,001 | \$890,822 | \$7,226,369 | \$35,342,306 |
| " 8..... | 17,236,330 | 46,774,150 | 983,685 | 7,319,528 | 36,618,004 |
| " 15..... | 17,267,412 | 47,350,423 | 1,007,186 | 7,357,972 | 36,947,700 |
| " 22..... | 17,052,559 | 47,254,622 | 1,012,980 | 7,411,337 | 36,214,653 |

| | | | | | |
|--------------|------------|------------|-----------|-----------|------------|
| " 29..... | 16,244,277 | 47,607,558 | 1,008,825 | 7,432,534 | 35,460,881 |
| Feb. 3..... | 16,481,005 | 47,293,661 | 1,000,639 | 7,668,365 | 34,681,135 |
| " 10..... | 16,852,737 | 47,249,383 | 996,312 | 7,519,599 | 34,464,070 |
| " 17..... | 16,777,175 | 46,931,337 | 953,207 | 7,343,002 | 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..... | 17,292,594 | 46,546,878 | 1,055,694 | 8,248,100 | 32,504,508 |
| " 17..... | 16,375,608 | 46,690,738 | 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..... | 16,622,293 | 46,028,641 | 946,282 | 8,720,270 | 32,762,280 |
| " 14..... | 18,323,759 | 45,114,699 | 949,116 | 8,743,396 | 31,640,864 |
| " 21..... | 18,660,513 | 45,762,733 | 936,876 | 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 | 36,972,007 |
| " 12..... | 19,646,263 | 48,236,256 | 896,741 | 8,930,420 | 38,414,588 |
| " 19..... | 19,648,232 | 48,336,567 | 897,913 | 9,018,938 | 37,296,645 |
| " 26..... | 19,715,093 | 48,036,984 | 867,094 | 8,983,742 | 37,078,412 |
| June 2..... | 21,154,909 | 47,561,996 | 890,121 | 9,022,553 | 38,189,566 |
| " 9..... | 21,568,085 | 48,118,897 | 859,633 | 9,007,515 | 38,326,934 |
| " 16..... | 20,568,591 | 48,616,145 | 897,381 | 9,219,553 | 36,972,476 |
| " 23..... | 21,105,316 | 48,166,814 | 899,999 | 9,290,094 | 36,715,308 |
| " 30..... | 21,455,836 | 48,266,904 | 863,454 | 9,325,475 | 37,242,979 |
| July 7..... | 20,546,695 | 48,892,594 | 866,981 | 9,431,664 | 38,275,788 |
| " 14..... | 21,311,668 | 49,493,405 | 852,783 | 9,442,146 | 37,707,567 |
| " 21..... | 21,312,505 | 49,009,316 | 849,770 | 9,427,363 | 37,575,560 |
| " 28..... | 20,922,375 | 48,935,067 | 826,095 | 9,382,473 | 37,270,835 |

The returns of the Boston Banks are as follows :

BOSTON BANK RETURNS.

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

| | Legal | | | | Circulation | |
|-----------------|--------------|-----------|--------------|--------------|--------------|-------------|
| | Loans. | Specie. | Tenders. | Deposits. | 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 | 1,322,733 |
| " 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 | 40,300,609 | 22,034,642 | 1,215,675 |
| " 29..... | 92,877,783 | 1,008,013 | 20,544,830 | 39,153,816 | 21,899,318 | 1,157,842 |
| February 5..... | 94,578,358 | 805,237 | 20,568,135 | 40,436,163 | 22,325,438 | 1,125,723 |
| " 12..... | 94,083,827 | 632,591 | 20,412,589 | 38,768,019 | 22,348,638 | 1,057,323 |
| " 19..... | 95,250,429 | 508,428 | 20,418,909 | 38,494,696 | 22,602,531 | 1,023,391 |
| " 26..... | 93,539,090 | 521,292 | 20,262,177 | 36,398,481 | 22,887,971 | 1,048,022 |
| March 5..... | 92,990,512 | 556,856 | 20,034,968 | 35,581,876 | 22,606,835 | 1,306,719 |
| " 12..... | 90,705,159 | 623,938 | 19,905,120 | 35,297,498 | 22,730,329 | 721,809 |
| " 19..... | 91,902,811 | 606,992 | 20,470,018 | 36,696,321 | 24,018,916 | 910,740 |
| " 26..... | 91,931,326 | 513,153 | 20,913,521 | 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 | 21,334,570 | 37,426,560 | 23,266,642 | 830,069 |
| " 16..... | 91,350,832 | 457,648 | 19,992,647 | 37,606,696 | 23,635,043 | 777,198 |
| " 23..... | 86,120,897 | 411,693 | 19,309,145 | 36,946,182 | 22,469,488 | 744,041 |
| " 30..... | 86,723,001 | 401,113 | 19,549,614 | 38,396,210 | 22,856,456 | 744,425 |
| May 7..... | 90,369,569 | 576,150 | 21,415,716 | 41,295,276 | 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 | 22,973,509 | 41,611,149 | 23,195,968 | 661,819 |
| " 28..... | 91,833,402 | 436,391 | 23,658,956 | 41,631,746 | 23,722,277 | 644,658 |
| June 4..... | 92,287,643 | 503,991 | 26,148,678 | 42,992,749 | 23,679,005 | 609,371 |
| " 11..... | 89,878,993 | 374,966 | 25,470,926 | 42,858,986 | 22,916,559 | 480,599 |
| " 18*..... | 87,568,533 | 371,596 | 24,426,749 | 41,992,820 | 21,845,977 | 544,941 |
| " 25..... | 94,336,170 | 323,335 | 25,019,436 | 42,587,020 | 23,633,008 | 507,371 |
| July 16..... | 96,047,000 | 453,600 | 21,610,000 | 40,477,000 | 24,145,000 | 413,000 |
| " 23..... | 95,995,866 | 441,689 | 22,786,738 | 40,935,853 | 24,057,765 | 401,544 |
| " 30†..... | 95,002,693 | 363,776 | 22,242,659 | 39,770,363 | 23,804,526 | 355,864 |

* No returns from National Bank of Redemption. † No returns from the Traders' Bank.

ARMY, NAVY, AND POPULATION OF AUSTRIA, PRUSSIA, AND THE GERMAN CONFEDERATION.

The *World* publishes a *resumé* of the military power and population of Austria Prussia, and the German Confederation, from which we have prepared the following:

THE AUSTRIAN EMPIRE.

ARMY OF AUSTRIA.

The Austrian army is composed as follows, the conscription in time of war, however, bringing the strength of the army to a much higher figure :

| | Men. | | Men. |
|----------------|---------|----------------|---------|
| Infantry..... | 442,003 | Engineers..... | 8,963 |
| Cavalry..... | 57,759 | Pioneers..... | 6,416 |
| Artillery..... | 54,881 | | |
| Totals..... | | | 570,027 |

THE AUSTRIAN NAVY.

| | Ves- | Horse | | Ves- | Horse |
|-------------------|-------|-------|--------|-------|-------|
| | sels. | Guns. | power. | sels. | Guns. |
| First class..... | 3 | 16 | 2,400 | 9 | 37 |
| Second class..... | 3 | 91 | 2,150 | | |
| Third class..... | 2 | 56 | 1,000 | | |
| Frigates..... | 5 | 191 | 1,800 | 39 | 639 |
| Corvettes..... | 7 | 64 | 1,710 | | |
| Gunboats..... | 8 | 34 | 960 | 20 | 145 |
| Yachts..... | 2 | 5 | 420 | | |
| Total..... | | | | 59 | 784 |

POPULATION, ETC., OF AUSTRIA.

| | |
|---|-------------|
| Population of Austrian Empire..... | 35,019,058 |
| Area of territory in Austrian square miles..... | 11,252 |
| Average population to each square mile..... | 3,114 |
| Revenue of Austrian empire, 1865..... | £51,490,545 |
| Expenditure of Austrian Empire, 1865..... | 52,288,820 |

THE AUSTRIAN MERCHANT MARINE.

| | | | |
|------------------------|-------|--------------|---------|
| Number of vessels..... | 9,643 | Tonnage..... | 331,288 |
|------------------------|-------|--------------|---------|

THE KINGDOM OF PRUSSIA.

THE PRUSSIAN ARMY.

| | No. of Men. | | No. of Men. |
|--------------------------------|-------------|---------------------------------|-------------|
| Infantry, field troops..... | 253,506 | Garrison troops, cavalry..... | 800 |
| Cavalry, field troops..... | 36,013 | Garrison troops, artillery..... | 16,200 |
| Artillery, field troops..... | 80,554 | Garrison troops, pioneers..... | 1,950 |
| Total field troops..... | 370,073 | Total strength of army..... | 609,699 |
| Garrison troops, infantry..... | 116,232 | Reserves (Landwehr)..... | 104,414 |
| Total, including reserves..... | | | 714,113 |

THE PRUSSIAN NAVY.

| | Vessels. | No. Horse | | Vessels. | No. Horse |
|---------------------------|----------|-----------|-------|----------|-----------|
| | | Guns. | Power | | Guns. |
| Steam corvettes..... | 4 | 132 | 1,600 | 4 | 140 |
| Light corvettes..... | 4 | 64 | 800 | 4 | 200 |
| Flush deck corvettes..... | 2 | 23 | 200 | | |
| Gunboats, 1st class..... | 6 | 36 | 600 | | |
| Gunboats, 2d class..... | 15 | 60 | 1,200 | 39 | 660 |
| | | | | | 10,800 |

POPULATION, ETC., OF PRUSSIA.

| | | | |
|-------------------------------------|------------|------------------------|-------------|
| Population of Prussia..... | 18,482,743 | Revenue, 1865..... | £22,607,105 |
| Geographical area in sq. miles..... | 5,080 | Expenditure, 1865..... | 22,772,248 |

PRUSSIAN MERCHANT MARINE.

| | | | |
|---------------------|-------|--------------|---------|
| No. of vessels..... | 1,441 | Tonnage..... | 187,000 |
|---------------------|-------|--------------|---------|

THE KINGDOM OF SAXONY.

| | | | |
|---------------------------------|-----------|------------------------------|------------|
| Army, infantry and cavalry..... | 25,000 | Area in square miles..... | 6,777 |
| Artillery, guns..... | 50 | Revenue, 1865 (thalers)..... | 12,356,352 |
| Reserves..... | 10,000 | Expenditure, 1865..... | 12,360,342 |
| Population..... | 2,225,240 | | |

KINGDOM OF BAVARIA.

| | | | |
|----------------------------|-----------|-------------------------------------|------------|
| Bavarian army..... | 105,757 | Revenue (six years), florins..... | 46,720,597 |
| Population of Bavaria..... | 4,689,837 | Expenditure (6 years), florins..... | 46,720,597 |

THE KINGDOM OF HANOVER.

| | | | |
|----------------------|-----------|-----------------------------------|------------|
| Army of Hanover..... | 23,614 | Area in English square miles..... | 14,846 |
| Reserves..... | 3,144 | Revenue, thalers..... | 19,627,506 |
| Population..... | 1,888,070 | Expenditure, thalers..... | 19,858,359 |

THE GERMANIC CONFEDERATION.

We give the resources of the smaller States which vote in the German Diet held at Frankfurt, and are members of the Germanic Confederation. We give their populations, and the number of men that they are required to furnish as their contingents to the army of the German Confederation.

| | Population. | Contingent to Federal army. | Area in English sq. miles |
|---|-------------|-----------------------------------|---------------------------------|
| Austrian States of the Confederation..... | 12,802,994 | 158,037 | 75,822 |
| Prussian States of the Confederation..... | 14,138,804 | 123,769 | 71,698 |

| | | | |
|---------------------------------|-----------|--------|--------|
| Bavaria | 4,689,897 | 59,334 | 29,638 |
| Saxony | 2,225,240 | 20,000 | 5,766 |
| Hanover | 1,888,070 | 21,757 | 14,776 |
| Wurtemberg | 1,720,708 | 23,259 | 7,675 |
| Baden | 1,349,291 | 16,667 | 5,851 |
| Hesse-Cassel | 738,351 | 9,466 | 3,858 |
| Hesse-Darmstadt | 846,907 | 10,323 | 3,243 |
| Holstein and Lauenburg | 594,566 | 6,000 | 3,710 |
| Luxemburg and Limburg | 421,083 | 2,706 | 1,886 |
| Brunswick | 222,400 | 3,493 | 1,526 |
| Mecklenburg-Schwerin | 548,449 | 5,967 | 4,834 |
| Nassau | 457,571 | 6,109 | 1,862 |
| Saxe-Weimar | 270,252 | 3,350 | 1,421 |
| Saxe-Meiningen | 172,341 | 1,918 | 933 |
| Saxe-Altenburg | 137,883 | 1,638 | 509 |
| Saxe-Coburg-Gotha | 159,431 | 1,860 | 816 |
| Mecklenburg-Strelitz | 99,060 | 1,197 | 997 |
| Oldenburg | 295,242 | 3,740 | 2,417 |
| Anhalt | 181,824 | 2,028 | 869 |
| Schwarzburg-Sondershausen | 64,895 | 751 | 318 |
| Schwarzburg-Rudolstadt | 71,913 | 899 | 340 |
| Lichtenstein | 7,150 | 91 | 64 |
| Waldeck | 58,604 | 866 | 466 |
| Renss-Greiz | 42,130 | 1,241 | 148 |
| Renss-schleiz | 33,360 | 350 | 297 |
| Schaumbourg-Lippe | 30,744 | 350 | 212 |
| Lippe-Detr.-old | 108,513 | 1,202 | 445 |
| Hesse-Homburg | 26,819 | 333 | 106 |
| Lubeck | 49,482 | 670 | 127 |
| Frankfort | 87,518 | 1,119 | 43 |
| Bremen | 98,575 | 748 | 106 |
| Hamburg | 221,941 | 2,163 | 148 |

RECAPITULATION.

| | |
|--|------------|
| Total population of the States of the Germanic Confederation | 45,013,034 |
| Army of the Germanic Confederation— | |
| Infantry | 391,634 |
| Cavalry | 60,758 |
| Artillery | 50,680 |
| Total | 503,072 |
| Geographical area in English square miles | 242,867 |

THE BOOK TRADE.

The Principles of Biology. By HERBERT SPENCER, author of the "Moral Principles of Psychology," "Illustrations of Progress," "Essays, Political and Esthetic," "First Principles," "Social Statics," "Education," etc. Vol. I. New York; D. APPLETON & Co., 1866.

The aim of this author is declared to be to set forth the general truths of biology, or science of life, as illustrative of and as interpreted by the laws of evolution; the special truths being introduced only so far as is needful for elucidation of the general truths. His work is hardly intended for popular reading; the diction is so highly charged with technical terms, as to make it necessary for his apocalypse itself to have an interpreter to make it intelligible to the ordinary reader.

An introductory work, the "First Principles" was prepared by Mr. Spencer some time ago, and published in England, which was received by a large body of readers with great satisfaction. Similar favor has attended upon the reprint given to the American public by Messrs. Appletons. The present volume will be welcomed by the same class.

Part I. treats of the Data of Biology · Part II. of the Inductions of Biology; and Part III. of the Evolution of Life. Beginning with a cursory allusion to the

phenomena of organic matter, the action of forces upon it and its reactions upon forces, he proceeds to consider the subject of Life itself, which he defines as the "co-ordination of actions."

After examining the correspondence between life and its circumstances, he afterward declares that life is the continuous adjustment of internal relations to external relations; and that it varies as does the correspondence.

Having mapped out this subject, the author proceeds to consider its indications, the conclusions to which it leads. This involves the whole matter of organic growth, development, function, waste and repair, adaptation, individuality, genesis, hereditary, variation, classification and distribution—to each of which phenomena an entire chapter is devoted; the discussion bringing us finally to the purpose of the work. He thus sets forth the enquiry.

"What interpretation we put on the facts of structure and function in each living body, depends entirely on our conception of the mode in which living bodies in general have originated. To prove some conclusion respecting this mode—a provisional if not a permanent conclusion—must, therefore, be our first step. We have to choose between two hypotheses—the hypothesis of special creation and the hypothesis of evolution."

He proceeds accordingly to a demonstration that the theory of special creation is worthless, and without evidence, neither satisfying an intellectual need or a moral want. "The belief that all organic forms have arisen in conformity with uniform law, is a belief that has come into existence in the most instructed class, living in these better-instructed times." Having answered this position, Mr. Spencer proceeds in succeeding chapters to array in its support "arguments from classification," "arguments from embryology," "arguments from morphology," and "arguments from distribution." He next proceeds to answer the question, "How is organic evolution caused?" He discards as unphilosophical the ascription of it to some aptitude naturally possessed by organisms, and sets aside the theories of Darwin and Lamarck, as only removing the difficulty a step further back. After a recondite argument of his own, he finally arrives at the following conclusion:

"We find progression to result, not from a special, inherent tendency of living bodies, but from a general average effect of their relations to surrounding agencies. While we are not called on to suppose that there exists in organism any primordial impulse which makes them continually unfold into more heterogeneous forms; we see that a liability to be unfolded arises from the actions and reactions between organisms and their fluctuating environments. And we see that the existence of such a cause of development presupposes the non-occurrence of development where this fluctuation of actions and reactions does not come into play."

This he explains by the constant effort of all organisms to attain equilibrium under altered conditions of existence. "The specialities of nature, chiefly mental, which we see produced, and which are so rapidly produced that a few centuries show a considerable change, must be ascribed almost wholly to direct equilibrium."

These hypotheses do not agree with the theory of cosmogony and creation usually received; yet has been entertained with much favor among the learned, who will look for Mr. Spencer's second volume with much interest. Although his arguments may not be considered as always conclusive, the subject is too important not to be treated with candor and attention. The results of the hypotheses, if it is sustained, must accomplish a revolution in the world of opinion.

Asiatic Cholera; Its Origin and Spread in Asia, Africa and Europe; Introduction into Canada, Remote and Proximate Causes, Symptoms and Pathology, and the Various Modes of Treatment Analyzed. By R. NELSON, M. D., Health Commissioner during the first two invasions—1832, 1834; President of the Medical Board for the District of Montreal. New York: Wm. A. Townsend, Publisher. 1866. Pp. 201.

This little work is not so much a history of cholera and analysis of the subject, as an outline sketch and a statement of observations made by the author during the period when he was the Executive Officer of the Medical Board for Montreal, at the time of the first visitation of Asiatic cholera. Of the contagiousness of the epidemic, he has not a doubt; wherever it appears, some infected person or substance has been; hence the common observation that it travels on the thoroughfares of commerce. But he declares, contrary to the experience of most, that it pays little respect to localities, visiting the clean and apparently wholesome abode as readily as the filthy, and even sparing the drunkard to attack his temperate neighbor.

Dr. Nelson denies that Asiatic cholera is a *disease* producing molecular disturbance and lesions; for a person attacked by it, and not overcome, recovers his former state of health with readiness. According to his hypothesis, a choleraic poison is introduced into the system, producing no disease, but instead a catalysis or liquefaction of certain elements of the body. The liquid so formed has a strong and rapid tendency to reach the surface of the skin and the intestines, oozing through the intervening tissues without at all employing the functions of absorption, circulation and secretion—all of which are absolutely suspended. Saline substances have been injected in the veins, and escaped in the same way. This choleraic matter constitutes the cold sweat and the rice-water evacuations, so well known. The body throughout is cold, much colder than the atmosphere, owing to the fact that the air breathed has no action on the blood. The choleraic poison transmutes certain constituents of the body into a special liquid, heretofore unknown, and also changes deposits, the result of disease, in like manner. The serum of the blood, the juices contained in the muscles, the fibrin of the blood, are all drained away; the fat is removed, yet none of these can be detected in the choleraic discharges. The fluid of dropsies, abscess and fluctuating bubo undergoes the same change.

Dr. Nelson, being somewhat "old-fashioned," has little confidence in the more modern remedies. His dependence is on pure dry opium, a grain at a time, not to be given, however, till the vomiting shall have entirely ceased, lest it should lock choleraic matter in the stomach and produce speedy death. Absolute quietude is also necessary. He says little of cold applications, except that a poor man, experiencing the sensation of heat, immersed himself twelve hours in a barrel of water, and then got out nearly recovered. This favors Dr. Chapman's prescription of ice to the spine. In the event of not failing under the attack, the treatment during convalescence should be expectant. Avoid everything that can fatigue, waste, or exhaust the patient. Give nutriment as the appetite prefers, in quantities that the stomach can master. Light wines or cordials may be used; also tepid baths, or sponging frequently. This will supply moisture to the system, and have an anodyne effect. These hints are valuable, and deserve consideration.

The Wycliffites, or England in the Fifteenth Century. By Mrs. Colonel MAC-KAY, authoress of "The Family at Heatherdale," etc., etc. New York: ROBERT CARTER & BROTHERS, 1866.

John Wycliffe, as our readers know, lived in the fourteenth century. Among

his friends was John of Gaunt, Duke of Lancaster, the son of the Third Edward, and father of Henry IV. But the three kings of the House of Lancaster scrupled not to persecute the disciples of the man whom their great progenitor had loved and protected. History, however, has its retributions; and Edward, Earl of March, was enabled to expel from the English throne the family that had occupied it for three generations. The present story is told of this period.

The religious element is placed conspicuously in the foreground, so almost as to break the current of the narrative, and to make it tedious. Lady de Clifford, kinswoman of the celebrated kingmaker Warwick, is a partisan of the House of Lancaster, watching her opportunity to transfer her adhesion to the party of York. Her elder son Howard is a disciple of Wycliffe, and has no sympathy with her in this desertion of the cause of King Henry. The occasion of Edward IV. being invited to the Castle of the Cliffords, leads him to resolve upon exile. He leaves England, leaving behind his brother and family, and an affianced bride, Julie Pierrepont of Pierrepont Manor, also a Wycliffite, on his journey he rescues Queen Margaret and his son from a robber. Both Aymer de Clifford, his brother and Henry Pierrepont, the brother of Julia, embrace the cause of Edward. Julia visits London, and, attending a conventicle of the Lollards, is arrested and kept as a prisoner by the Archbishop of Canterbury. She is rescued however, by her brother's confessor, now become a Wycliffite. On the occasion of the effort of Queen Margaret, aided by Warwick to recover the throne, Howard de Clifford bears a prominent part. He visits and marries Julia Pierrepont, and for a season is high in the confidence of the Queen and Prince of Wales. But the battle of Tewksbury completed the overthrow of the house of Henry VI. De Clifford is wounded and carried off the field by two devoted followers; and his lady being informed that he is still alive, joins him in his hiding-place. Learning that King Edward is at Gloucester, she makes her way thither and solicits his life. It is reluctantly granted; he afterward transfers his allegiance to the House of York, and the story ends. The plot is excellent, but the narrative drags; and as an illustration of the piety, doctrines and practice of the Lollards, the progenitors of the Puritans of England, it comes far short. It does not make a good religious book nor quite come up to the character of a well written romance.

The Boys at Doctor Murray's. A Story of School Life. By GRACE GAYLERD.
BOSTON: GRAVES & YOUNG.

For a children's story book this is good. A friendless lad Willett Howth, is found guilty of stealing, upon which Grant Westerly, a fellow pupil, resolves upon befriending him. He obtains his pardon, and persuades the other pupils to receive him without a taunt. All is well till a temporary absence of Westerly, on which occasion young Howth, being slighted, runs away. He is found by his friend, but falls sick. Westerly nurses him tenderly, and the old relations in the school are finally resumed. A forgotten uncle of William appears, and makes a change in his prospects. Westerly's guardian loses his property, upon which the Howths make provision for him to finish his education at their expense. The story is well told, maintaining its interest and preserving its moral in distinct view till the conclusion.

The American Annual Cyclopædia, and Register of Important Events of the year 1865. Embracing Political, Civil, Military, and Social Affairs; Public Documents; Biography, Statistics, Commerce, Finance, Literature, Science, Agriculture, and Mechanical Industry. Volume V. New York: D. APPLETON & COMPANY.

A portrait of President Lincoln embellishes the frontispiece of this valuable annual. It was engraved from a photograph obtained from Mr. Lincoln in 1861 by Hon. R. C. McCormick, now Governor of Arizona; and was taken just before the late President left his home at Springfield for the last time. Mr. Lincoln preferred this photograph above all the others which had been taken of him.

The present volume embraces the final military operations of the late civil war, the disbandment of the armies, and the reduction of fleets, events accomplished without disturbance, and illustrating the moral strength of the people, and the stability of the Government of the United States. The change of the national administration occasioned by the murder of Mr. Lincoln, and the accession of Mr. Johnson are carefully delineated, together with the measures employed for re-establishing the State governments and to restore the Federal authority.

No year in the political history of any nation was ever more full of incidents of so important a character. The institution of slavery has been blotted out by the almost unanimous concurrence of the States; industry in the Southern States has been, to a great degree, rehabilitated on the new basis; and all without resort to such coercive measures as would have been required in a despotic government. All these matters are treated fully, and even exhaustively.

The scientific papers are elaborately prepared. The new discoveries, and the applications of science to useful purposes, are put forth with remarkable completeness and accuracy. The discoveries in chemistry and astronomy are all recorded, as well as those ascertained by geographical exploration in all parts of the globe.

Among the treatises of greatest present interest probably are those on the Asiatic cholera, the cattle plague, and the disease of swine; they are fully described, with the different modes of treatment and the result of the latest investigations. We notice that the writer on cholera describes the treatment given by the missionaries at Constantinople with favor; alludes briefly to Doctor Chapman's remedy of ice applied to the spine to control the spasm, and declares that during the prevalence of the cholera this time in Europe the homœopathic method "has proved such a failure as to be strongly reprobated by those who were formerly favorably disposed to it."

An invaluable feature of this volume is the completeness of the historical narrative. The chronology of the war is full and accurate; the history of the events taking place in the countries of Europe, in Asia and Africa, as well as on this continent, is brought down to the present year; the details of the internal affairs of the United States are presented, embracing commerce, finance, legislation, political movements, &c; the relations of this country to the foreign nations as developed in our diplomatic intercourse are fully presented, all important documents, such as messages, orders, despatches, and letters from official persons having been inserted entire. The world of literature is remarkably thorough. The titles of all important books are given, with an outline of their subjects. Brief sketches are given of the distinguished men who died during last year. The biography of Mr. Lincoln is admirably written, and an appropriate tribute paid to his character.

There are two indexes, one of subjects of which there are 245, and one of the contents of the volume, very complete and elaborate, showing that the editor is fully aware of the value of that feature of a work.

The present volume is in no manner inferior to its predecessors. Appleton's *Cyclopedia* has become necessary in every private library, affording, as it does, a complete history of the world, a repertory of science, and record of the progress made in the world of letters.

Essay on Diamonds. By an Amateur. New-York: 1866.

This volume is perhaps better adapted for an *Encyclopedia* than for circulation as a separate treatise. It is written in clear style, and brings together a large number of interesting facts in relation to it, which every intelligent person ought to know. Of all the precious gems the diamond has retained the most uniform valuation. Their possession, as all know, have been coveted by the great and wealthy of all countries, in every historical period. The richest specimens are from Hindostan, where they seem to be generally obtained along the shores of rivers. Jameson says that they are in the coal formation of that country. But diamonds are found in all parts of the world, in Russia as well as Brazil, and under circumstances indicating that they are of comparatively recent origin. It is now 410 years since Ludwin von Bergen invented the method of polishing them with their own powder. It was the former practice to cut them according to their form in octohaedronal planes; but cutters now use the forms known by the terms brilliants, rose diamond, table diamond and brillioette. Cardinal Mazarin, of the reign of Louis XIV., is said to have been the firstwearer of brilliants. Cutting greatly reduces the weight of this gem, the Kohinoor and South Star diamonds, which lost comparatively little, having been respectively reduced from 186½ to 82½ carats, and from 254½ to 124½.

This little book furnishes much information on all those points, in the history of particular diamonds, grouping together much that is interesting and useful.

GAIL HAMILTON has in the press of her publishers, Messrs. Ticknor & Fields, Boston, a new volume specially adapted to summer reading, and bearing the taking title of "Summer Rest." Most of the articles in this volume are now for the first time printed, and will be found equal to any of the author's most brilliant essays. *Halicarnassus* appears again on the carpet; and his exploits in the way of gardening and other domestic matters are made very amusing. Gail Hamilton is never dull. Possessed of a sharp and ready wit, speaking boldly, and that too upon topics wherein women have been supposed to have but little interest, she has already gathered about her an audience, which, by its hearty appreciation of her writings, attests the truth of many of her convictions. The success of her various volumes of essays has been without a parallel; in fact she is the most successful writer of the day.

The Civil War in America: An Address by GOLDWIN SMITH. London: SIMPKIN, MARSHALL & Co.

Professor Goldwin Smith of the University at Oxford has earned the gratitude of every friend of the United States for his sympathy during their late struggle, when every government in Western Europe desired their destruction. If we do not concur in every sentiment of his address to the Manchester Union Society, we cannot withhold our acknowledgment of the good will of its author. If we had had more such friends in England during the late civil war, the contest would have been briefer and less sanguinary.

Professor Smith most justly denies the theory that the war arose from a divergence of commercial interest; that it was a struggle between free-trade producers on one side and protectionist manufacturers on the other. Such a cause, he declares, was inadequate to produce the effect. No mention is made of it in the manifesto of the seceding States.

He considers free Christianity to be at the bottom in this country and its institutions, and that in this war it has triumphed. The Western States are a colony of New England, the little Puritan settlement lost in a great nation. In American Christendom are two things going on; the decline of clerical authority, and the breaking up of sectarian dogmas, with the consequent approach of a reconciliation of the churches. This indicates no decline of religious feeling; because the flock are more nearly on a level, both intellectually and spiritually, with their pastor. America has produced no new theology, but she has produced religious liberty, from which, in time, better things will spring.

The relations between the employer and employed are sounder and kindlier than in England. Strikes were rare till the derangement of prices, caused by the Legal Tender act, put the world of industry out of joint. Even then the new comers, rather than the native American workmen, resorted to violent modes of raising wages.

Professor Smith proceeds in this temper through his entire letter, defending Americans from the imputation of being slaves to money, deficient in courtesy, wanting in filial affection and love of home, etc. He scans the evils of democracy and universal suffrage, declaring that American institutions so far as they are local, are good. What Providence intends in the New World apparently is not a reproduction of the European nations on a colossal scale, but a great development of humanity, for which Federation, with its infinite power of expansion, its multiplied centres of independent life, its freedom of local action seems to be the destined mould. "The growth will be that of peaceful expansion and attraction; not of forcible annexation, of which, I believe, no considerable party at the North dreams or has ever dreamed. The British North American Colonies will in time, and probably at no very distant time, unite themselves politically to the group of States, of which they are already by race, position, commercial ties, and the character of their institutions a part. No one can stand by the side of the St. Lawrence and doubt that in the end they will do this; but they will be left to do it of their own free will."

After a review of the peculiar influences which led to the settlement and development of society in the two districts of the Union, Mr. Smith gives an outline of the history of the war, favorable of course to the Government. The reorganization of society at the South he declares to be the most tremendous problem of all. "Jamaica tells us with terrible emphasis what are the perils of a community composed of the ex-slaveowner and the ex-slave." Kindness, fair wages, and education he suggests as means.

The object of the Manchester Union Association was "to confirm the Government of England in neutrality, and see that it was a real neutrality and not a neutrality of Alabamas;" to avert a deadly rupture between the two nations, from a primary regard to the general interests of humanity. "Be these the last words of the Association which ends its course to-night, (January 22, 1866) Slavery is dead everywhere and forever."

The Glory and Shame of England. By C. EDWARDS LESTER. In 12 Books. Two volumes, demy octavo. BARTRAM & LESTER, Publishers, New York.

This book first appeared some twenty-five years ago, and became quite popular. It has been written anew, bringing it down to 1866. Mr. Lester depicts forcibly the social condition of England and Ireland, the colonial system and foreign policy, concluding with two chapters of what he terms proofs of the prevalent hostility against the United States. "She shifts her policy," he says, "toward all strong nations to suit the hour—toward weak ones to suit her convenience." We cannot agree with all of Mr. Lester's conclusions on this or other points, but have no doubt we will now, as heretofore, find hosts of admiring readers.

The Conversion of the Northern Nations. The Boyle Lectures for the year 1865, delivered at the Chapel Royal, Whitehall. By CHARLES MERRIVALE, B. D. New York: D. APPLETON & Co., 1866.

The eight lectures included in this volume are a continuation of the previous course delivered on the Conversion of the Roman Empire. They treat upon the revelation of Christ in the philosophical and the practical view, setting forth the peculiar views taken by Mr. Merrivale, with references to the writings of Tertullian and Origen, Athanasius and Augustine of Hippo. In this manner he brings the subject to the period of the decadence of Roman and Grecian civilization, when also Christian ideas were amalgamated with those of the heathen philosophers. He evidently considers the true Christian religion as having now been transferred from Asia, Africa and Southern Europe to the keeping of the Gothic and German nations of the North. Indeed, he declares that through them "we have derived our Christianity." Again,—“We may trace in the particulars of their belief an approach to much which we trust we have learned from the source of truth more directly ourselves. Such are the formation of the world out of chaos, the creation of man, his primitive state of innocence and happiness, the fall of his godlike nature, which they ascribed to mingling with the accursed giants, the existence of a Spirit of Evil and of a Tree of Life.”

At the end of the Roman world, the church stood by its death-bed witnessing the birth of the new period, "accepting changes terrible to the world, but full of consolation to herself." Her ground of hope lay in that spirit of independence and individuality which characterised the races of Northern Europe, among whom her future was cast. Individuality was strongly marked in the Christian society from the first. The great complaint of the Pagans was that they repudiated the supremacy of the State, of common interests, over the man and his personal interests. Mediæval faith approved itself in its most striking and characteristic features the express contradiction of Pagan naturalism. In asserting and grounding its principles, more generally, more enduringly than ever before, the church of the Northern nation, the church of the middle ages, finally triumphed. The world was then converted indeed. The empire, and the world beyond the empire, issued on its career of Christian development; but Paganism, including both the mythologies and the philosophies of the classical world, as a spiritual creed, was now finally abolished through the special fitness of the Northern nations for imbibing the great principles of Christian Theology.

It is Mr. Merrivale's object to ascribe to the church of the Gothic people a superior rank to that form which exists among what are styled the nation of the Latin race. His reasoning and illustrations all tend irresistibly to that conclusion, and he finally institutes a comparison between the two, showing in a right masterly manner the excellence of the former. The idea thus elucidated may well be expressed by this formula: Protestantism, the Christianity of Northern Europe, is the genuine apostolic faith.

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