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MONEY AND BANKS.

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(Continued from page 104.)

BANKING.

The functions are deposit and discount. In this respect the subject of banking is distinct from issuing notes as currency. Any man or set of men may become depositors and lenders of money. They receive money, give credit or drafts, and then drafts circulate. A function which does not properly belong to the business of banking, to which we have now especial reference, is that of *issuing notes as money*, and the obscurity which hangs around the subject results from the combination which takes place in the banks of these *three functions*: deposit, discount, and issuing of money. It is as *issuers of paper money* that the banks are chiefly open to criticism. Let us consider them as *makers of money*. This is a high and delicate prerogative. We have melancholy evidence of the blight which its abuse may leave:

1st. In its effects in multiplying contracts which in their effects prove fraudulent and oppressive, since, being made on long terms, they are made in an inflated and must be met in a collapsed currency.

2d. In substituting a system of gambling transfer of property in place of such exchanges as grow out of a healthy and productive system of industry.

3d. In demoralizing men, and thus unfitting them for being useful producers hereafter.



4th. In creating, when reaction comes, obstructions that block up all the channels of business, suspend exchange, and, with exchange, the production to which it gives rise.

5th. In creating artificial prices that tempt to excessive production at home and unlimited importations from abroad, while it prevents the exportation of our own products.

How guard against these evils and yet retain the advantages of the proper use of bank-notes?

1st. There should be only one issuer of bank-notes; and a complete separation between the issuing and the banking business should be effected.

2d. The issues must be limited by the amount of gold and silver in the issuing department.

3d. The proceedings of the banks must be *open*.

4th. There must be a personal *unlimited* responsibility.

With these public confidence can be maintained, as we shall try to explain in the following essay. Being maintained, all the advantages of credit can be secured, and yet the terrible penalty which we have had to pay not be incurred:

PLAN FOR REGULATING THE ISSUE OF BANK-NOTES, WITH REFERENCE TO SIR ROBERT PEEL'S BANK ACT OF 1844.

It is sufficiently known that all the dangers and evils of bank-notes produced by the continual expansions and contractions, originate from the over-issue; that is, issuing to a greater amount than the capability of ever-ready redemption. All the evils of paper money are therefore to be cured in this one common point—the issue. In order that the check against those evils which we wish to avoid before they take place should be preventive rather than corrective, the checking remedy must exist in the nature of the issue itself. A sure check can only exist if the self-interest of those issuing the paper obliges them always carefully to confine their issues below their capabilities of redeeming, or, if the issue is not productive, of gain.

There is no necessary connection between the issuing of notes and the business of banking. The two operations, although clearly distinct and different, are by those who find their account in a vicious system sedulously sought to be confounded.

The issue of notes for circulation, like the coining of money, properly belongs to the supreme authority of the State, and should, like the coinage, be entrusted and confined to a single issuer—not granted to a number of competing banks. Moreover, no profits should be allowed to accrue from the issue of notes, since this at once begets the tendency to over-issue, through the desire for, and opportunity of, making gain.

Cherishing these views, I proposed the following "Method for correcting the Currency" in an article published in the January number, 1842, of HUNT'S MERCHANTS' MAGAZINE AND COMMERCIAL REVIEW, in New York, vol. VI., p. 65; I said there: "Upon the supposition that it be correct for Congress to direct the issue of paper, the following plan for the establishment of a national paper currency might, perhaps, be practicable:

"Let a certain number of men of the highest respectability, who are entirely independent of the Government, but under its control, and who

shall have no interest in the quantity issued, be appointed to issue a certain amount of paper fixed by law, depending for its basis upon the credit of the Government and a fund derived from part of the proceeds of the public lands, by which, if necessary, it may be redeemed. These persons are to do no discounting—merely to make the issue. In order to avoid the danger of an over-issue, the amount should be decreed by Congress, always carefully confining its issues below capabilities of redeeming, at all times, as well in the urgent necessities of war as in a state of peace and prosperity. The reputation of a national paper will depend upon the caution never to over-issue, and the promptitude of redeeming. Although the voice of speculators continually demands an abundant issue, yet Congress has in justice to restrict the issue within such limits as thereby to protect its own reputation against dishonor and distrust, and individual property and contracts against unjust fluctuations of value. It must act on the principle that no one can honestly transfer to another, by paper, the power of purchasing which he himself does not possess.

“The men who make the issue should have no interest whatever in the quantity of paper issued; upon this condition only can we hope that prudence and a due regard to their own and the country’s honor might operate as a check against an over-issue.

“Those men, thus appointed merely to make the issue, would not form a bank, since that one act exhausts the power placed in their hands, and no discounting could be done by them. By keeping the issuing and discounting business entirely separate, we avoid the danger of continual expansions and contractions, which, as we know by the unhappy experience of late years, has proved very disastrous to all solid business, to the just fulfilment of contracts, and to those persons who live on fixed salaries.

“Those who are appointed for making the issue should make a full register of it, to be printed in the newspapers, which should specify the number of bills of each denomination issued, each bill of each denomination being numbered in order, 1, 2, 3, &c., so that by this means an over-issue could be discovered by any one holding any of the bills of the over-issue. To avoid the danger of their issuing duplicates, all bills issued should be countersigned by the members of the issuing body and engrossed in their books.

“A part of the proceeds of the public lands would have formed an ever-ready fund for redemption, sustained, moreover, by the pledged credit of the United States; and, since no expansion or contraction of paper could exist, this would stand so safely stable in value that only in the most extreme cases of danger to the country a redemption would be required; and such cases are rare in the United States, which are so seldom threatened with war. By carefully limiting beforehand the amount within the means of ever-ready redemption, we shall solve that great problem with respect to a paper currency, which is, to discover that check whereby that evil which we wish to avoid may be arrested before it takes place.

“The danger of over-issue is best avoided by making a gradual issue. This paper would be the much-desired medium of exchange throughout the whole United States.”

These views will be found to coincide with those which Sir Robert Peel at a later period (May 6, 1844.) proposed in the British House of Commons, as the basis of a new system of banking. I give, for the sake of comparison, an extract from his speech,—hardly thinking it necessary to

add that I do not suppose that statesmen knew of my article: I must, however, confess my gratification that the ideas of so eminent a man as Sir Robert Peel upon the subject of banking should correspond so fully with those I had previously published.

I have recently read the excellent treatise on "Metallic and Paper Money and Banks," by J. R. McCulloch, Esq., contributed to the "Encyclopædia Britannica," in the year 1858, and I have found there the statement (p. 462) "that in dealing with the Bank of England, Sir Robert Peel adopted the proposal, previously made by Lord Overstone, for effecting a complete separation between the issuing and banking departments of that establishment, and giving the directors full liberty to manage the latter at discretion, while they should have no power whatever over the other. It is probable that Sir Robert Peel profited by the suggestion of Lord Overstone referred to, since the latter made his proposal in his evidence before a committee of the House of Commons in the year 1840, as Mr. McCulloch states.\*

But Lord Overstone's ideas were utterly unknown to me when in America, and, indeed, since my return to Germany, until I found them recently in this treatise of Mr. McCulloch. I arrived at my conclusions in 1842, through studying the defects of the American banking systems during my residence at New York; and it is, I repeat, in the highest degree interesting and satisfactory to me that such eminent men as Sir Robert Peel and Lord Overstone arrived through their investigations in England at the same result. This coincidence of conclusions drawn from similar facts and observations in different countries, is certainly so strong in favor

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\* Mr. McCulloch says in the above-cited "Treatise on Metallic and Paper Money and Banks," p. 462: "It is right to state, that except in so far as he no doubt profited by the suggestion referred to, the measures adopted by Sir Robert Peel in 1844 and 1845 were entirely his own. And they will continue to be enduring monuments of the depth and clearness of his views, and of his administrative ability. This is a point in regard to which the evidence of Lord Overstone is quite decisive; and it is difficult to say whether that evidence redounds more to his lordship's credit, or to that of the illustrious statesman whose claims to the gratitude of the country as the founder of a sound system of currency he has so generously and successfully vindicated. 'I,' said Lord Overstone, 'had no connection, political or social, with Sir Robert Peel. I never exchanged one word upon the subject of this Act with Sir Robert Peel in my life, neither directly nor indirectly. I knew nothing whatever of the provisions of this Act until they were laid before the public, and I am happy to state that, because I believe that what little weight may attach to my unbiassed conviction of the high merits of this Act, and the service which it has rendered to the public, may be diminished by the impression that I have something of personal vanity in this matter. I have no feeling whatever of the kind. The Act is entirely, so far as I know, the act of Sir Robert Peel, and the immortal gratitude of the country is due to him for the service rendered to it by the passing of that Act. He has never been properly appreciated, but year by year the character of that statesman upon this subject will be appreciated. By the Act of 1819, Sir Robert Peel placed the monetary system of the country upon an honest foundation, and he was exposed to great obloquy for having so done. By the Act of 1814 he has obtained ample and sufficient security that that honest foundation of our monetary system shall be effectually and permanently maintained. And no description can be written on his statue so honorable as that he restored our money to its just value in 1819, and secured for us the means of maintaining that just value in 1844. Honor be to his name.'"—*Min. of Evidence*, p. 178, *Committee of 1857*.

of the truth of our common views as to render them in some degree worthy the attention of the reader.

The extract of Sir Robert Peel's speech, which, as I said above, I quote for comparison's sake, is the following :

Sir Robert Peel spoke (May 6th, 1844) :

"The practical measure which I have this night to propose, as the plan of Her Majesty's government, I shall now proceed to state. It appears to me to be of great importance that we should have one bank of issue in the metropolis—the Bank to continue to the end of its charter, but the business of the bank to be divided into two separate and distinct departments ; the bank of issue to be separated from the general banking business, with different books, accounts, and officers. That to the bank of issue shall be transferred the whole amount of bullion in the Bank of England. That the issue hereafter shall be regulated upon two principles—first, upon the definite amount of securities in its possession ; and secondly, upon the amount of bullion in its possession. That beyond this it shall have no power to issue its notes. The amount of fixed securities on which we propose the bank should issue notes, is £14,000,000 ; the whole of the remainder of the circulation to be issued exclusively on the foundation of bullion, which shall be issued in exchange for coin. I propose that there shall be a periodical and a complete publication of the banking transactions made to the government. I would propose to enact by law that there shall be returned to the government weekly accounts of the issues of notes, the amount of bullion in the bank, and an account of the fluctuations in the amount of bullion, and the amount of deposits. In short, that such accounts shall be returned in reference to every transaction in the Bank of England in the department of issue, and in that of banking ; and that the government shall publish unreservedly and weekly the whole amount. We propose that on every issue that takes place beyond the amount of £14,000,000, the profit of it shall belong exclusively to the state. The bank shall not be allowed to issue bank notes for more than £14,000,000, without transferring the entire net profit of that portion of its issues to the use of the government. It is necessary to introduce some controlling check upon the bank."

The experience of late years has led me to some modifications of the plan, which I originally proposed in America, as above stated, for the regulation of the issue of bank-notes, and it now assumes the following form :

1st. As the losses to the public from over-issue of bank-notes far more than counterbalance any private gains, the issue of such paper shall be productive of no pecuniary advantage whatever to the issuer.

2d. The issue of bank-notes shall be strictly separated from the business of banking, as originally proposed ; and

3d. This issue of notes shall be placed in the hands of a Board of Issue, formed of men of the highest character and respectability, able to give ample bonds and security for the faithful discharge of their trust, entirely independent both of the government and of the people, yet under the immediate control of Parliament or Congress.

4th. The single basis of the issues by this Board shall be in all cases gold and silver, in coin or in bullion actually deposited.

5th. The amount of the issues shall be determined and fixed by the

amount of coin and bullion deposited; the value of the notes not to exceed in any case the value of the deposits, so that they may be at any time redeemed on demand. Thus the danger of over-issue is necessarily reduced to a nullity, since bank-notes would simply be a representative of values in the precious metals actually deposited in the banks—the amount of notes consequently varying with the amount of gold and silver on hand.\*

The real point of difference between my present and my former plan is this, that the basis of the issues shall be bullion alone; that (analogous to the Bank Act of Sir Robert Peel, of 1844) the so-called securities of State shall not in any case take the place of bullion, and be made the basis of an issue of bank paper. It seems clear that the debts of the State should not be a foundation for new debts of banks. The issue and circulation of paper money can never be secure until the idea of making a pecuniary profit out of this issue be quite given up. The only object which can of right be aimed at in its issue is the convenience of the public; the profit of the issuer is nothing when compared with the advantage that the public would gain by perfect security in the value of the paper in circulation.

Although it may appear daring, I cannot omit to express an opinion contrary to the views of Mr. McCulloch and Sir Robert Peel, though with all due and sincere regard for the high authority of these eminent men: viz., that the ability of the Bank of England at all times to redeem its notes in ready money, was not lessened by the circumstance, that its issues to the amount of £14 000,000 are not protected by deposits of gold and silver, but merely by £11,015,000 of government securities, which it has to claim from the public, and £3,000,000 in exchequer bills. It appears to me that in this arrangement too much stress is laid upon the gain, and less on the security, the securities bearing three per cent. interest, and affording at the same time another profit in the issue of the notes, by which the lucrative banking business is carried on, without the actual use of hard money. Sir Robert Peel said on this subject in the speech above quoted: "I have said that we intend to insist on the Bank of England being the department of issue—that the amount of bank-notes shall be regulated partly in a fixed amount of security and the rest upon bullion; the government propose that the amount of the security shall be £14,000,000. We propose to continue (as I see no advantage which could arise from making a change) the debt due by the government to the Bank of England—we propose to continue the existing loan. I know no advantage which would accrue from the government paying off this debt, looking to the Bank as the central bank of issue. We propose that the sum of £11,000,000 due by the government, shall be considered as part of the security upon which the issues shall be effected. There will then remain £3,000,000 of exchequer bills, over which the Bank will have a control." Mr. McCulloch says on this point, page 463 of his treatise: "The notes

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\* The total cost of issue of bank-notes by the Bank of England is about £100,000. But the Bank of England conducts its issues upon a too liberal scale. Probably, however, the Bank might find means, without injury to the public, of re-issuing her notes, or of otherwise reducing the cost of their circulation. The expense should be borne by the public.

of the Bank of England in circulation for some years previously to 1844 rarely amounted to twenty or sunk so low as sixteen millions. And such being the case, Sir Robert Peel was justified in assuming that the circulation of the Bank could not, in any ordinary condition of society, or under any mere commercial vicissitudes, be reduced below fourteen millions. An the Act of 1844 allows the Bank to issue this amount upon securities, of which the £11,015,000 she has lent to the public is the most important item." And page 467: "There is not the smallest chance that, under ordinary circumstances, or in the absence of internal commotion or panic, the issue of bank-notes will ever be reduced so low as £14,000,000; and it is therefore quite enough for every purpose of security, that the notes above that limit should be issued on deposits of bullion."

Mr. McCulloch argues that under ordinary circumstances the security is quite enough, but he can hardly deny that under extraordinary circumstances it might not be sufficient, for he himself acknowledges in his account of the suspensions of the Bank Act, in the years 1847 and 1857, to how small an amount the deposits of the Bank of England decreased during those bank and commercial crises.\* He ought, therefore, to acknowledge, that under uncommon circumstances those securities are hardly sufficient. It seems that Sir Robert Peel wished to change as little as possible in the existing arrangements, and that this is the excuse for this measure. For the following is to be remarked: As the issue of notes to the amount of £14,000,000 is based not upon ready money, but upon the debt due by the government to the Bank, there is immediate danger both to the Bank and to the merchants, whenever in consequence of bad harvests, great importations, speculations or wars, a considerable part of the money and bullion is drawn from the Bank and sent abroad. In consequence of bad harvests, for instance, the amount of money in the Bank of England during the eighteen months; from April, 1838, to October, 1839, sank from £10,126,000 to £2,525,000. And yet but a small amount in notes was at that time withdrawn from circulation.

## BANK OF ENGLAND.

	Circulation.	Cash on hand
1838. April.....	£18,987,000	£10,126,000
“ October.....	19,259,000	9,437,000
“ December.....	18,462,000	9,363,000
1839. October.....	17,612,000	2,525,000
1840. “.....	17,231,000	4,145,000

In such condition, with so little cash capital in the bank, the £14,000,000 public securities are of little use, except in the case of the exchequer bills, for the purpose of exchanging readily notes for hard money. Mr. McCulloch himself mentions in his account of the suspension of the Bank Act in the year 1857, the insufficient sum of money, viz.: £1,462,153,† which the bank then possessed, “whilst it was the general belief, that this inadequate reserve would be forthwith either much reduced or wholly swallowed up;” and he farther adds that the business of the bank has been conducted of late years with great prudence. Now as the circula-

\* Mr. McCulloch's Treatise above quoted, page 468. † Ibid.

tion of notes is in a sound state only when each note can be redeemed in hard money upon demand; and since the bank did everything in its power, according to the testimony of Mr. McCulloch, to act up to this principle of sound banking, it follows that it was out of her power—that that, in those crises, she could not redeem her notes by using those £11,000,000 of Government indebtedness for that purpose. Such securities are not available in times of danger and necessity—the bank can only redeem her circulation in coin, bullion, exchequer bills, and by taking them in payment for bills discounted and bills of exchange.

If the plan above suggested—that no notes should be issued on securities, and that no profits should be made by the issue (the cost of which might be paid by the public)—should be adopted and carried out, no further limitation by law would be necessary, and in all other respects the greatest freedom in banking, or, in other words, the freest competition in the real banking business, might be the result.

Suppose now all notes are withdrawn from circulation save these actual representatives of cash or bullion, which are issued at public cost, without profit to the issuers, simply for public convenience. The notes are necessarily equal in value to coin, because they actually represent it and are at any time redeemable in it; they are better than bills of exchange, because they require no endorsement, and the holder subjects himself to no responsibility for their goodness; they are at once for an entire nation, what the girobanks are for their immediate neighborhoods; they being more convenient to use than coin or bullion would generally be preferred; and hence, would not often be presented for redemption.

In short, the public would only be a gainer, for all danger of a “money crisis” would be at once removed. Commercial crises would, of course, still happen from time to time, but with less violence, since overtrading and the spirit of wild speculation could no longer be stimulated by banks of issue.

The Board of Issue would grant to all banks its notes in exchange for coin or bullion, to be issued in their free banking business, just as is now the case in the department of issue of the Bank of England.

Commerce, in fact all business, would be facilitated, and yet the greatest safety secured—a duty which the Government owes to the people. It would be a safeguard against great fluctuations in prices, certainly against the high prices, which are merely artificial, and the work of speculators, induced thereto by the facility with which they can at times draw funds from the banks as at present constituted. In other words, the consumer would have secured to him a greater power of purchasing,\* that is, he would be wealthier.

Mr. McCulloch and others lay much stress upon the fact, that the substitution of notes for coins is a device for the *economising* of currency, and a *source of profit* to the issuers,† but there is not so much saved by this device as is lost from time to time to the people by repeated bank crises. The profit upon the issue of notes is moreover only a profit to the bank-

\* See Say, Cours complet d'économie politique pratique. Tome II. cap 4.

† J. R. McCulloch, Esq. A Treatise on Metallic and Paper Money and Banks pages 446 and 473.

ing houses that issue them, the public does not participate in it. The banks give notes, which cost nothing but the expense of manufacturing, to the public in exchange for real values which it (the public) has first to produce by its industry. The public thus gives real values for mere pieces of paper, and farther more incurs the risk of loss, being without sufficient security in cases of bank crises. As to the economy of the present system, it depends but slightly upon the issues of notes; on the other hand, it is effected mainly by bills of exchange, of which, in the year 1846, as I was assured by Mr. Heath, then Governor of the Bank of England, nearly £300,000,000 were in course, by the daily exchange of bills to the amount of several millions at the Clearing House, and by the transfer of accounts on the books of the banks.\*

But though the economical advantages of notes be all their friends suppose, what are they to the disastrous results caused by over-issues, in the grand explosions, which surely follow the overtrading, and the spirit of hazardous speculation, which they beget? On this point, I refer the reader to the account of the crises of 1745, 1792-3, 1797, 1814-6, 1825-6, 1837, 1847, and 1857, as contained in Mr. McCulloch's treatise.† The reader will see, by reference to a former treatise of my own,‡ that the losses in America during the crisis of 1837, were estimated at \$200,000,000.

If we consider the extent of the American crisis of 1857, it is probable, that the losses have been at least of an equal amount. A New York paper counts the losses in the short period alone from the 1st of August until the 20th of October, 1857, at \$150,000,000. The London papers of November 6th of that year say:—"The advices which arrived with the last steamer reach to the 24th of October. Nine hundred bankruptcies, with a loss of ninety millions of dollars, have become known." A later communication from New York of January 12th, printed in the *Schlesische Zeitung* of February 4, 1858, said that the United States had, during the crisis of 1857, about 5,120 bankruptcies, with debts to the amount of \$299,811,000, of which probably the half would be paid. Although these accounts are inexact, still they show that the loss to the public was tremendous. New York papers of November, 1857, stated that about 50,000 persons in that city were thrown out of employment, and had formed dangerous bank mobs, and that everywhere thousands of laborers were idle.

For these reasons, Mr. Buchanan, the President of the United States, condemned the American banking system in his message to Congress of the 8th of December, 1857, and said, that the first duty which banks owe to the public is to keep in their vaults a sufficient amount of gold and

\* I take this opportunity of acknowledging my obligations to Mr. Heath, then Governor of the Bank of England, and to Mr. W. D. Haggard, Principal of the Bullion Department, to whom I was recommended by Baron Bunsen, then Prussian Ambassador, for their kindness in showing me the bank.

† J. R. McCulloch, Esq. A Treatise on Metallic and Paper Money and Banks, pages 456, 459, 460, 462, 467, 491, and 492.

‡ Die neuere Entwicklung des Bankwesens in Deutschland, mit Hinweis auf dessen Vorbilder in England, Schottland, und Nord Amerika, von J. L. Tellkamp, 1856.

silver to insure the convertibility of their notes into coin at all times and under all circumstances.

The losses further, which the public in England has suffered during the last crisis of 1857, are calculated by the *Times* of the 21st to the 24th of Dec., of 1857, a paper usually well informed in money matters, at the enormous sum of £50,000,000. If we compare herewith the profit, which, for instance, the public makes by the issue of notes on the basis of the £14,000,000 of Government securities or debts, and which Sir Robert Peel calculated yearly at about £100,000 in his speech of May 6, 1844, and which Mr. McCulloch estimates at £127,000 yearly, page 207, and which may be considered as a gain to the public, all must confess that it is as nothing in comparison with the enormous losses, which the public has suffered by the bank crisis which occur almost every ten years. We do not know the gain which the other banks make by the issue of notes, but the public makes evidently, and at all events, a losing business of this issue on the basis of government securities, gaining annually £100,000 to £127,000, that is, about a million pounds in ten years and losing £50,000,000 thereby in the same time. The so called economizing by means of this paper currency leads consequently to the very opposite, and appears, accurately viewed, not as a profit, but as a decided disadvantage.

Mr. McCulloch is very right in saying (in the same Treatise, page 449):

“A paper currency is not in a sound or wholesome state, unless—1st, each particular note or parcel of such currency be paid immediately on demand; and 2d, unless the whole currency vary in amount and value exactly as a metallic currency would do were the paper currency withdrawn and coins substituted in its stead. The last condition is quite as indispensable to the existence of a well established currency as the former; and it is one that cannot be realised otherwise than by confining the supply of paper to a single source.

“The issues of paper money should always be determined by the exchange, or rather by the influx and efflux of bullion, increasing when the latter is flowing into a country, and decreasing when it is being exported. And when the issue of paper is in the hands of a single body, a regard to its interests will make it regulate its amount with reference to this principle. But when the power to issue notes is vested in different bodies, some of which may be little, if at all, affected by variations of the exchange, this is no longer the case. And instances have repeatedly occurred of the country banks having increased their issues when the exchange was unfavorable and the currency redundant. Hence the plan of exacting securities is doubly defective, inasmuch as it neither insures the immediate conversion of notes into coin, nor prevents their over-issue.”

But if, according to the view of Mr. McCulloch, the Bank of England shall limit the issue and circulation of notes, as soon as it is apparent that exchange is against the country, or rather that bullion is leaving it, I venture to draw attention to the fact that the cause of the efflux of bullion, viz.: the overtrading stimulated by abundant issues, and the consequent imports of goods, has happened in a previous period of time, which later continues to exercise its influence, and that the management of the Bank is at a later period not able to remove this previous cause. The abundant issue of paper having a tendency to raise the price of goods, the latter would consequently be imported, and sold at high prices; and specie would

be demanded for the paper, in order to be sent out of the country, and this would make a constant draft on the banks. It would, therefore, be happy if there could never exist a too abundant issue of notes. If my plan were adopted, and notes should only be issued in exchange for the precious metals, an over-abundance or over-issue could not take place, as the issue would regulate itself according to the known laws of demand and supply. If much gold was demanded, this would be exchanged for notes, and vice versa; and there would always be as much gold in the vaults of the issuing institution as notes in circulation, and there would never be any occasion to suspend payment or to suspend any bank act; and all calamities connected with those suspensions would be avoided.

It seems to be an advantage of this plan that the issue would regulate itself by the exchange, whilst Mr. McCulloch wishes that the issues should be determined by the exchange by means of the Bank of England; but it ought not to be overlooked that a great discretionary power, not controlled by any check, is hereby put into the hands of the managers of the bank to expand or to contract the issue, and consequently to exercise a great influence on the prices of all goods, a power full of temptation to use it for the interest of the issuer in order to buy and to sell with a sure profit, and not to use it for the general interest. This danger is fully avoided by my proposal.

Differing as I do on these points from the views of Mr. McCulloch, I state that these are the only points of controversy, and that I have been happy to find that his views expressed in his treatise agree in most essential questions with those which I have published in my treatise on "Die neuere Entwicklung des Bankwesens," in the year 1856, and that this was the reason why I translated his treatise of 1858 into German. (The translation has just been published at Leipzig.) I hope that Mr. McCulloch will regard my frank avowal of dissent on some questions as a testimony of the high esteem I feel towards him, being persuaded that so distinguished a gentleman and scholar will excuse the dissenting opinion of one who professes to be merely in search of truth.

Looking back to my proposed plan, I must openly say that I do not expect that this arrangement, which is the most convenient and the least dangerous for the public, will soon be made; but it is rather probable that we must still learn from very serious experience before the conclusion will be adopted that the gain from issue must be given up, which, as experience shows, is the cause of all evil and of all losses of the public. But I hope that perhaps at some later period, at a new revision of the Bank Act in England, these views may receive some attention.

Formerly it was often asserted that among the conditions upon which the creation of the currency could be granted was the unlimited individual liability of the issuing parties; and it is known that upon this condition the important function of the issue of notes has been committed to the banks of Scotland.

Mr. Logan says in his work, "The Scottish Banker," p. 6: "A royal charter cannot in principle confer privileges at variance with the laws of the land, which 'trading under a limited responsibility,' to all intents and purposes, is. An exemption from the ordinary liability of traders would expose the public to loss, in order that a few speculators might reap a benefit." And Mr. McCulloch states the facts that "in 1793 and in 1825,

when so many of the English country banks were swept off, there was not a single establishment in Scotland that gave way." We may account for much of this stability to the unlimited responsibility of the shareholders or partners of the Scottish banks, as furnishing to noteholders and to depositors increased protection against danger of ultimate loss. The experience of the Scottish banks is conclusive as to the beneficial nature of the results springing from the practical application of the principle of the unrestrained liability of individuals, as furnishing to the public a very strong guarantee against fraud; but the principle affords little or no security against those alternate expansions and contractions in the paper currency of a country, and those fluctuations in its real value or purchasing power which tend to give to all commercial undertakings a gambling character; but which are inseparable from the issue, by trading associations, of paper substitutes for metallic money. The only infallible test of the soundness of any scheme of paper issues is to be found in the identity of the phenomena with those which would take place with a currency purely and exclusively metallic, and it is as issuers of paper money that the Scotch banks are chiefly open to criticism. In times of prosperity they push out their notes and credits to an undue extent, and are consequently compelled to diminish them as violently when circumstances alter,—thus inflicting on the public oscillations in the currency much more violent than could occur with a metallic circulation, or with paper regulated on sound principles. It is also notorious, and not denied, that in Scotland the use of gold is almost unknown. In the recent crisis, two of the principal Scotch banks, the Western Bank and the City of Glasgow Bank, were compelled to stop payment, and their management displayed anything but ordinary skill and prudence. The suspension of the offending banks led to a run on some of the other banks. Large amounts of gold were carried from the Bank of England to Scotland, and this led to the suspension of the Act of 1844 in the year 1857. These facts show that the Scotch banking system cannot stand without the support of England, and that its issuing power is not without danger to the public.

But the American banks are still less fit to be entrusted with the power of issuing notes, which they actually possess. The Scotch banks are by far preferable to them. In order to show the truth of what has been said by examples, I shall compare the fundamental principle of the Scotch with the American banking system. The decided superiority of the Scotch banking by unincorporated companies—each member of which is responsible, in his whole personal and real estate, for all the debts contracted by the company, consequently for the whole of paper issued—consists in this fact, that according to this system, self-interest operates as the desired check, and compels the bankers to confine their issues within the limits of ever-ready redemption, so as to avoid ruin. The interest of this system is a careful confinement or curtailment of the issue; the interest of American banking, which has the privilege of trading under a limited responsibility, is the utmost expansion of the issue, or, in other words, the over-issue—that very danger we wish to avoid; it contains in its principles, therefore, the germ of its destruction. The present American banks, as every one knows, issue in competition with other banks as much paper as possible, in order to make large profits during the time of specie payment, as well as during the time of suspension, when they also gain by the discounting of

their notes done by their agents, since no evil accrues to themselves by their suspension, being by favor above the law, like sovereign princes. Over-issue and its too well-known consequences follow, therefore, necessarily from the very nature of this system; and, since such is the case, they will ever follow, just so long as this system exists, no matter what legislative provisions may be made concerning them.\*

In the present state of affairs in America, when banks that have made large dividends suspend specie payments, they do nothing to alleviate, but on the contrary break down their debtors, and they buy up their notes by agents at a discount; and thus continue to profit while the people lose by their suspensions. Paper money, it is asserted, is a means of creating capital and of saving labor. If the labor performed in order to preserve the credit of the paper had been bestowed upon the digging of the ore and coining gold and silver, we should have a sufficient amount of a real, in the place of the present imaginary, exchanging medium, which is nothing but the representation of a quantity of goods in the country under bond and mortgage. Banks represent and circulate, but they do not create capital, and they act as stimulus. Justice is, in fact, perverted by the present banking system. The morality of the people, which is worth more than gold, is endangered by the temptation of spending their earnings immediately, so long as this money, which seems to have no permanent value, is thus thrust into the hands of the poor laborers.

There is this difficulty in the way of a reformation: All stockholders, whatever may be the amount of their stock, receive from their present investments greater profits than they would do under a safer system. They would, therefore, prefer the old system until compelled by the people to adopt a new one. The crisis will soon arrive when all paper money will be refused except at the specie value, and the people will unite in demanding a nearer approximation to the specie standard. No legislative enactments can afford an adequate remedy for the evils resulting from incorporated paper money banks; they cannot, surely, be sustained if the people will not take their notes for anything but specie. The poor would be much more happy with a more steady currency, as the wages of common labor adapt themselves more slowly to the changes which happen in the value of money than the price of any other species of commodity. Moreover, the bills of broken banks are more apt to get into the hands of these unhappy people, owing to their ignorance of the value of paper and the condition of banks, and owing, also, to the fact that many heartless and cunning employers, who belong to the better educated class, who have the means of knowing these things, pay their poor laborers in the money

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\* I here speak only of the comparative value of the systems, neither for nor against bankers and stockholders; what regards the latter—they, in some of the Eastern States, as New York, Massachusetts, &c., deserve for their prudence, during the last years of difficulties, the highest praise; it is the system itself which prevails throughout the States that is to be reformed. If truth should clash against the interest of some, they must blame truth, not me; or rather they must reconcile their interests with the true interests of the country. Truth and justice have always been, throughout all history, and seem ever to be, at war with the interests of those men who pervert the true condition of society to their advantage, against the interest of weaker people.

of these banks, which they know beforehand are worth just nothing. If we put the question whether it would be ever possible to substitute in the United States for their 1,400 banks of issue one single independent institution only for the issue of notes, we should feel inclined to negative this question, for it seems improbable that ever such a change could be made; but still the following reasons speak for such a plan :

Strictly and judicially speaking, all the notes in circulation in the United States of America are illegal, void, and of no value, since the Constitution of the United States clearly declares them to be such; the people could therefore strike upon the simple expedient—as the only true regulator of their currency—never to receive or to pay bank notes.

The most important consideration with respect to the issue of notes in the United States would be its constitutionality.

According to the Constitution, Art. I, Sec. 8, Congress has no right to create a bank of issue and discount; and this is very wise, for in a country like this, where the acquisition of wealth is the prime object of the majority of the people, and where, notwithstanding, there are but few individuals who possess sufficient to check or counteract the evil influence of a gigantic bank, money power is the greatest and most difficult of all to guard against; such a power, emanating from a United States Bank, would be the greatest power in the country, and would still have no constitutional check, and would therefore be greatly abused.

Instead of it the question is, whether it is possible for the General Government to use the power granted to it in the Constitution, Art. I, Sec. 8, 5, which is as follows, viz: "The Congress shall have power to coin money, regulate the value thereof," &c. This gives to Congress the whole power to regulate the standard of value of money. It is still more evident that it was the intention of the framers of the Constitution that Congress alone should have the sole power, from Art. I, Sec. 10, where it is directly denied to the States in these words: "No State shall coin money, emit bills of credit, or make anything but gold and silver a tender in payment of debts." Consequently, there shall either be no issue of notes at all, or it shall be under the sole control of Congress, but certainly without any discounting, as a bank would not be constitutional. In this case, Congress shall be confined to the letter of the article of the Constitution, and only possess the power of coining and regulating the standard thereof. This opinion appears to be true, since the currency and the value of it is governed by the laws of exchange throughout the world. No government can regulate the currency in any other way than to fix a standard; and this can be best done with specie. As shown above, the States have no control over, nor any right to manufacture notes. For it is a known and settled principle that no one can transfer to another a right which he does not himself possess. "*Nemo plus juris in alium transferre potest quam quod ipse habet.*" Since no State can coin money, or emit bills of credit (under which paper money is included), can they make anything but gold and silver a tender in payment of debts? No State has itself a right to make money, no matter whether gold, silver, or any other material, and therefore it cannot transfer this right to banks by charter, wherefore these charters are wholly unconstitutional. Upon the supposition, however, that it be correct for Congress to control the issue of notes, the plan proposed by me might perhaps be practicable. Con-

gress alone would have the right and the power to prescribe how the issue of notes might be made by one issuing body, whilst all the charters of the State banks and their notes are wholly unconstitutional, and could be declared to be so. In order to avoid a crisis, their notes ought to be gradually exchanged for the precious metals.

With these remarks I conclude the discussion of the main object of my article: I merely append some observations on another important subject intimately connected with the credit system, viz., the connection existing between the paper money system and the tariff. If, by an over-issue of paper money, in such countries as intend to use the tariff as a protection of their home industry, prices rise above their customary level, merchants will take advantage of it, on finding that they can import abundantly with profit, over and above the payment of duties, from foreign countries where no artificial paper system swells the price to an equally unnatural extent. In that case the tariff operates no longer as a protection. If, for instance, prices rise forty or fifty per cent., which is no uncommon occurrence during an over-issue of paper money, and if those articles are protected by a duty of twenty per cent., the importer gains still a handsome profit, after having paid the duty; and the producer, for whose benefit the protection was intended, must sell his products with a loss, or cannot sell them at all, in the competition of the market. Therefore, where the tariff is intended as a protection, there also the standard of value must be as stable as possible. Strange, it appears, that the same persons who are for a high tariff, frustrate the latter by their demand for an abundant issue of paper. If the producers understood rightly their own interest, they would not be in favor of such issuing; the speculators only can be in favor of the latter. In regard to the nature of the tariff itself, a revenue tariff, with a protection only of those branches of industry which are natural to the country, and, as such, are apt to acquire a sound flourishing state, seems to reconcile the conflicting interests. By protection is not to be understood a duty equal to a prohibition—for this would annihilate the idea of a revenue—but only such a duty, that the existing branches of industry can stand in competition, and may not be brought to ruin. A protecting duty ought only to be so high, that after its payment, some foreign goods can be imported; this preserves the stimulus of competition, which induces the producers to exert themselves. But to produce and call forth artificially branches of industry, and to form a class of manufacturing laborers, can certainly not be the policy for a country like America, holding out so strong inducements for investments in agriculture, where industry is surely and richly rewarded, without the sacrifice of health, and without the contaminating influences of a dense manufacturing population. The agriculturists—under which I include all who produce the raw material, the lords of their lands—are happier than the manufacturers, and seem to be the very pride of the country. It is evidently for their advantage to purchase their articles for consumption as cheap as possible, and, therefore, it is for their interest to patronize free trade. With an increasing population and wealth, manufactories will naturally grow, as competition for labor will be abundantly added to the vast natural resources. But since all do not prefer the occupation of agriculturists, and since the natural inclination and talent ought to be consulted and regarded in such questions, and since some Americans, like the English,

seem to desire the manufacturing business, the above-mentioned views in regard to a tariff seem to be demanded; but, we must recollect, that whatever is done in the way of protection for the manufacturers, is a sacrifice to their advantage by the whole people. The interests of the United States are, in this respect, very similar to those of the Zollverein, of whose tariff I have spoken in a previous article, to which I refer on this point.

I coincide, of course, with the truths of political economy, in regard to the subject of free trade; and consider, therefore, a revenue tariff as only justifiable, if the artificial condition and policy of other countries disturb not the practical application of those truths.

I conclude this essay with the remark, that I am entirely disinterested in my views, and have no wish to come within the sphere of political contention. I am simply desirous of contributing towards the full discussion of a few of the most important questions regarding the currency now agitated in most countries. \*

#### TRADE OF GREAT BRITAIN AND THE UNITED STATES.

We have received the returns relating to the trade between this country and Great Britain, bringing down the figures to the 1st of July, and from them have prepared the following review. With the exception of breadstuffs, the returns show most favorable results, the totals for the first six months of the present year being greatly in excess of the corresponding period in 1865 and 1864.

The total declared value of the exports of British and Irish produce and manufactures during the six months ending June 30 was £92,857,830. In the corresponding period in 1865, the aggregate value was £74,128,633, and in 1864 £78,047,586. The increase during the present year, as compared with 1865, is no less than £18,700,000; and, on comparison with 1864, £14,800,000. For the month of June, however, owing to the panic in England and the high rate for money, the exports were less than during any preceding month, January alone excepted; and it seems probable, then, when the returns for July shall have been issued, a further diminution will be shown. For each of the six months in each of the last three years, the exports of British and Irish produce and manufactures from Great Britain were as under:

	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	13,770,154	17,520,354
April.....	13,225,039	12,071,111	15,366,414
May.....	14,176,640	13,194,758	15,870,131
June.....	13,978,526	13,227,022	14,630,120
Total.....	£78,047,586	£74,128,633	£92,857,830

The return of imports embraces a period of five months; for that period during the current year, the imports were of unusual magnitude.

\* For further explanations I refer to my treatise "Ueber die neuere Entwicklung des Bankwesens in Deutschland," and to my appendix to the translation of "Mr. McCulloch's Treatise on Metallic and Paper money and Banks."

The computed real value of the principal articles imported being £92,029,657, against £59,993,184 in 1865, and £77,111,991. The increase in 1866, as compared with 1864, amounts to £23,000,000. In cotton, the increase is no less than £23,000,000—£20,000,000 being the value of the augmented import from the United States—whilst in wheat and flour there is an increase of £3,000,000. For each month in each of the last five years to the close of May, the computed real value of the principal imports was as under :

	1864.	1865.	1866.
In January.....	£7,520,356	£6,398,922	£9,847,564
February.....	13,214,541	12,891,252	16,610,159
March.....	16,396,938	13,005,394	19,891,204
April.....	17,587,565	13,973,755	22,455,968
May.....	22,392,601	14,593,334	23,224,762
Total.....	£77,111,991	£59,993,184	£92,020,657

Respecting this country, the value of the export trade in British and Irish produce and manufactures during the five months ending May 30, was nearly £9,000,000 greater than in 1865, and £3,000,000 in excess of 1864. The extent of this trade in each year will be seen in the sub-joined statement :

	1864.	1865.	1866.
To Atlantic ports, Northern.....	£9,932,246	£4,775,738	£12,456,897
"    Southern.....	55,463	21,948	502,516
Pacific ports.....	330,823	157,747	290,748
Total.....	£10,318,537	£4,955,433	£13,249,85

## COTTON.

The return relating to this staple presents many features of interest, the principal of which is the very large increase in the import from the United States. The arrivals from the East Indies have also been on a very extensive scale, and exceed any former period. Brazil also shows an increased exportation, whilst from Egypt and Turkey the receipts show a considerable falling off, more especially as regards the latter country. From China there has been no importation during the present year. In the month of June, out of a total import of 1,677,672 cwts., 759,160 cwts. were from the United States, and 728,646 cwts. from the East Indies. Annexed is the statement of imports for the six months :

	1864.	1865.	1866.
From United States.....cwts.	92,069	70,355	3,231,039
Bahamas and Bermudas.....	155,244	152,076	5,931
Mexico.....	141,115	220,393	3,145
Brazil.....	182,216	222,506	408,678
Turkey.....	124,047	152,677	78,531
Egypt.....	708,244	769,871	619,538
British India.....	1,608,773	1,135,842	2,378,190
China.....	411,369	210,885	.....
Other countries.....	123,891	174,248	132,631
Total.....	3,546,963	3,108,853	6,857,742

The computed real value of imports for the *five* months, was as follows :

	1864.	1865.	1866.
From United States.....	£675,286	£443,853	£20,221,557
Bahamas and Bermudas.....	1,652,083	1,230,405	24,089
Mexico.....	1,648,955	1,399,989	28,591
Brazil.....	1,709,909	1,556,258	2,802,973
Turkey.....	995,657	645,193	482,520
Egypt.....	7,388,725	5,323,848	5,020,493
British India.....	11,621,924	4,688,073	9,066,887
China.....	2,610,082	936,099	.....
Other countries.....	1,038,060	959,129	750,642
Total.....	£29,340,681	£17,182,887	£38,397,762

The exports of cotton from Great Britain show no proportionate increase to the imports, only 370,000 cwts. having been taken this year more than in 1865. The following were the quantities taken for export from Great Britain in the first six months of each of the last three years :

To	1864. cwts.	1865. cwts.	1866. cwts.
Russia.....	121,290	83,074	129,471
Prussia.....	6,793	15,381	31,383
Hanover.....	31,652	13,287	5,618
Hanse Towns.....	261,979	324,177	405,076
Holland.....	206,847	184,872	236,531
Other Countries.....	428,342	561,573	742,874
Total.....	1,056,902	1,182,364	1,550,953

## BREADSTUFFS.

Our latest advices from England report more firmness in the wheat trade, with an upward tendency in prices. The markets in England have recently been subjected to numerous fluctuations. The commencement of the war on the Continent of Europe caused prices to advance 6s. to 10s. per quarter; but the probability of the conflict being brought to a termination, combined with fine harvest weather, and favorable prospects respecting the crops, had the effect of producing considerable heaviness in the trade, and the improvement above noted was subsequently lost. We learn, however, that the weather in England had become changeable, and as harvest work had just been commenced, much anxiety was felt. At latest date, there were no sellers of wheat, except at high prices. In France, the crop of wheat is much below last year, but is, nevertheless, about an average in extent. A good crop of wheat has been secured, both as regards quantity and quality. Subjoined is the statement of imports of wheat, maize and flour into the United Kingdom for the six months ending June 30 :

	1864. cwts.	1865. cwts.	1866. cwts.
From			
Russia.....	1,195,411	2,693,320	3,649,398
Prussia.....	2,306,932	2,260,322	1,663,193
Denmark.....	434,338	233,665	148,615
Schleswig, Holstein, and Lauenburg.....	159,753	134,640	73,507
Mecklenburg.....	324,047	260,768	302,235
Hanse Towns.....	340,539	245,822	315,701
France.....	437,394	460,662	2,683,389
Turkey, Wallachia, and Moldavia.....	227,357	352,293	295,973
Egypt.....	366,842	.....	7,012
United States.....	3,879,304	212,901	315,160
British North America.....	140,422	21,187	8,789
Other Countries.....	234,422	586,088	2,045,714
Total.....	10,047,102	7,462,268	11,508,676

## FLOUR.

	1864. cwts.	1865. cwts.	1866. cwts.
From			
Hanse Towns.....	173,911	129,394	120,352
France.....	1,343,316	1,231,380	2,713,046
United States.....	1,102,554	108,694	164,743
British North America.....	101,337	14,136	6,142
Other Countries.....	53,643	78,871	120,209
Total.....	2,744,751	1,562,375	3,134,484
IRELAND CORN.....	1,063,916	2,076,918	6,151,931

It is curious to observe that the return for June shows, for the first time on record, probably, no importation of wheat from the United States, and only 1,023 cwts. of flour. For Egypt, in June, 7,012 cwts. of wheat were

received, being the first supplies for a considerable period. It may therefore be presumed that Egypt has at length grown sufficient wheat for her own consumption, and is again likely to become an exporting country. For some period, owing to the remunerative prices obtained for her cotton in England, the cultivation of cotton was so much extended, whilst that of wheat was so greatly reduced, that Alexandria became an importer of wheat, and was compelled to purchase large supplies of produce at ports in the Black Sea and Sea of Azoff. The close of the civil war and the fall in the price of cotton appear, therefore, to have brought agriculture in Egypt to the position in which it stood previously to the outbreak in this country.

## BRITISH AND IRISH PRODUCE AND MANUFACTURES.

The statement is very favorable, so far as the six months is concerned, and although there is a falling off in June, as compared with May, the figures for June present very satisfactory results. For the six months ending June 30, the declared value of the exports of the leading articles of British and Irish produce and manufactures was as follows:

Alkali.....	£227,713	£197,889	£478,078
Beer and ale.....	32,587	17,329	35,543
Coals.....	55,756	45,912	40,424
<b>COTTON MANUFACTURES—</b>			
Piece goods.....	1,244,625	642,648	2,052,299
The ad.....	137,537	50,855	188,511
Earthenware and porcelain.....	233,357	164,130	375,928
Haberdashery and millinery.....	616,999	325,435	758,318
<b>HARDWARES AND CUTLERY—</b>			
Knives, forks, &c.....	73,678	60,794	145,540
Anvils, vices, &c.....	57,632	37,652	55,546
Manufactures of German silver.....	178,761	82,689	345,324
<b>LINEN MANUFACTURES—</b>			
Piece goods.....	1,595,130	1,123,345	2,187,621
<b>METALS—</b>			
Iron—Pig.....	183,736	52,617	157,351
Bar, &c.....	568,144	77,395	281,948
Railroad.....	640,344	128,888	435,280
Castings.....	11,445	1,908	9,554
Hoops, sheets and boiler plates.....	180,947	28,398	167,463
Wrought.....	189,551	72,699	117,694
Steel—Unwrought.....	328,500	140,930	322,348
Copper, wrought.....	12,971	18,098	26,546
Lead, pig.....	173,241	16,547	62,231
Tin plates.....	512,036	399,132	740,735
Oilseed.....	45,942	1,548	119,391
Salt.....	17,932	13,492	67,583
<b>SILK MANUFACTURES—</b>			
Broad piece goods.....	61,794	31,050	85,054
Handkerchiefs, scarfs, &c.....	15,169	999	5,685
Ribbons.....	27,441	12,077	23,199
Other articles.....	65,738	49,144	63,758
Other articles mixed with other materials.....	26,190	13,541	35,127
Spirits, British.....	9,678	867	7,167
Wool.....	35,742	366	242
<b>WOOLEN AND WORSTED MANUFACTURES—</b>			
Cloths of all kinds.....	623,231	171,793	539,811
Carpets and druggets.....	245,860	75,457	386,326
Shawls, rugs, &c.....	53,414	9,319	20,672
Worsted stuffs of wool only, and of wool mixed.....	1,526,346	920,758	2,028,079

## PROVISIONS.

With the exception of cheese, the imports are in excess of last year. Of eggs, the imports into the United Kingdom in the six months ending June 30, were on a scale of great magnitude, and greater than in any former year. Considering the high prices, however, the imports do not

show so large an increase as might have been expected. For the six months the imports were as under :

	1864.	1865.	1866.
Bacon and hams, cwts.....	815,965	403,449	451,744
Beef, salt, cwts.....	224,187	181,471	131,621
Pork, salt, cwts.....	134,134	95,560	123,179
Butter, cwts.....	409,203	455,752	464,645
Cheese, cwts.....	234,176	240,503	190,409
Eggs, number.....	172,450,000	195,218,160	249,290,280
Lard, cwts.....	101,616	76,000	193,293

## LIVE STOCK.

The imports of sheep into Great Britain have increased, but of other stock they have declined. As regards beasts and calves, the decline arises from the circumstance that the British Government have prohibited the importation of cattle from Dutch ports, and only within a very short period has the prohibition been rescinded so far as Friesland and Groningen are concerned. Below we give the imports of livestock into Great Britain for the six months ending June 30 :

	1864.	1865.	1866.
Oxen, bulls and cows.....	47,966	74,392	72,812
Calves.....	15,923	18,785	9,122
Sheep and lambs.....	129,350	250,212	411,729
Swine and hogs.....	18,802	38,706	29,873

## SHIPPING.

During the month of June, and the six months ending with June, the following number of American vessels entered and cleared at British ports in the United Kingdom :

	Number.	Tonnage.
Entered in June, 1866.....	39	38,026
do do 1865.....	11	11,226
do do 1864.....	29	31,884
Entered six months ending June 30.....	230	232,512
do do do 1865.....	117	127,088
do do do 1864.....	202	231,871
Cleared in June, 1866.....	50	52,317
do do 1865.....	20	13,993
do do 1864.....	30	31,709
Cleared six months ending June 30.....	283	283,328
do do do 1865.....	158	156,279
do do do 1864.....	213	235,639

The annexed statement shows the number of vessels, of all nationalities, entered and cleared at ports in the United Kingdom, from and to the United States, in the above periods :

	Number.	Tonnage.
Entered in June, 1866.....	143	128,930
do do 1865.....	34	45,981
do do 1864.....	87	85,861
Entered in six months ending June 30, 1866.....	848	782,046
do do do do 1865.....	225	276,023
do do do do 1864.....	515	5,111,838
Cleared in June, 1866.....	91	106,670
do do 1865.....	71	78,500
do do 1864.....	93	90,188
Cleared in six months ending June 30, 1866.....	739	768,746
do do do do 1865.....	366	432,541
do do do do 1864.....	637	649,703

## PITTSBURG—ITS PRESENT AND FUTURE.

BY J. A. BLAKE.

Pittsburg is the greatest and the richest mining centre in America. It ranks the third city in manufactures, and its commercial facilities are unrivaled. Situated at the confluence of the Monongahela and the Allegheny, the banks of the former ribbed with coal veins and beds of iron ore from source to mouth, and the banks of the latter, with its tributaries, bordered by the richest oil lands in the world; at the head of navigation on the Ohio, by which she has commercial intercourse with the whole great South and West, and the cities across the ocean; at the junction of the two richest rail thoroughfares in the country; yearly planning and receiving new channels for her trade East, West, North, and South; and extending a net-work of railroads that control and bring to this city the products of every mining field within a radius of two hundred miles; forging the great guns and the iron-clads that made the old Union strong again; and making ploughshares, engines, and implements of agriculture for the "piping times of peace;" the centre of the great steel, iron, and glass works; a Newcastle, a Sheffield, a Birmingham, a Staffordshire; everything that any city could ever aspire to be, in commercial, manufacturing, mining and political position, is Pittsburg.

It is our purpose, in this article, to find out the chief elements of our prosperity, to give statistics of our trade, to exhibit our present wealth and commercial importance, to speak of the obstacles where we might mend and of the facilities where we excel, and to trace our future. We shall begin by stating the element that has both been the beginning and the chief cause of our prosperity.

## THE COAL TRADE.

The coal fields surrounding Pittsburg are 15,000 square miles in extent. The developed fields lie along the Monongahela, Youghioghenvy, and Allegheny Rivers, and along sections of the Pennsylvania, Connellsville, and Pittsburg and Steubenville railroads. The collieries of the Monongahela, which mainly furnish the markets with "Pittsburg Coal," are about seventy in number, covering 12,894 acres, and valued at \$4,809,875. They employ 3,485 hands. It is estimated that they have furnished, in the last twenty years, 13,097,581 tons of coal. The value of tolls collected from shipments of coal in the several pools of the Monongahela slack-water, during 1865, was upwards of \$85,000, an increase of \$45,500 in two years.

The coal freights of the Youghioghenvy are brought to this city by the Connellsville Railroad. There are 22 collieries along this road. They embrace 3,929 acres, and are valued at \$1,000,000. They employ 900 men. From these collieries the average amount transported over the Connellsville Railroad, for the past five years, has been about 2,000,000 tons, worth \$5,000,000.

In the hills immediately circling the city there are some ten or twelve coal works, covering an area of 1,570 acres, valued at \$1,256,000, and giving employment to about 1,500 hands. Several of our rolling-mills across the Monongahela, in Sligo and Birmingham, are supplied directly

by collieries a few feet above them. Graff, Bennett & Co., who consume nearly 10,000 bushels a day, mine their coal in the adjoining hill-side. These "city mines" furnish nothing for outside markets. They yield a yearly product of 3,000,000 bushels, all of which is consumed by our rolling-mills and ironworks.

The collieries that border the Pennsylvania Railroad from this city to the "foot of the Mountain" are not usually classed as in Pittsburg measures, though the most valuable lie nearest this city. The bulk of the bulk of the trade goes East. Those immediately in the vicinity of the city cover about 1,000 acres all told, employ 400 hands, and send to this market an annual average of about 4,500,000 bushels. The Allegheny Valley collieries, though neither very numerous nor productive, extend over a large tract of territory, perhaps 1,500 acres, and employ about 500 hands. From these collieries, the Allegheny Valley Railroad brought to this city last year about 70,000 tons. These coal lands are considered exceedingly valuable, and but for the limited facilities for transportation at the very season when their product is most called for, they would no doubt be extensively worked.

The exact depth and value of the coal measures around Pittsburg it is impossible to figure. But the upper seam alone averages eight feet in thickness. An industrial writer figures the contents at 53,516,430,000 tons, which, at \$2 per ton, would be worth \$107,032,860,000. The total number of collieries at present in operation in the Pittsburg coal field, embracing the whole range which we have described, is 103; hands employed, 6,424; value of lands, \$7,589,700; value of annual coal product, \$5,000,000.

It is impossible to point out in figures the influence of the coal trade on the birth and growth of Pittsburg. It has opened the way for all our great manufactories, gives employment to nearly 7,000 miners, and twice as many artisans, has made men wealthy, built our churches, educational institutions, and charity schools. In fact, coal is Pittsburg. It built Pittsburgh, made it a rich, populous city, put into its coffers such abundant solid wealth that, when the rebellion came, it lost \$30,000,000 without shaking its credit.

#### OUR OIL TRADE.

A discussion of our manufactures would naturally follow what we have said about the coal trade, but we prefer to consider our oil trade first, not because it is in the front rank of all our industries merely, for it overtops them all, but because it is more in the province of this journal, and its sudden and unparalleled growth and influence on our prosperity demand large figures. Five years ago, the oil trade of Pittsburg was in its infancy. The following table will show its progress and value. The receipts by the Allegheny River for seven years, ending December 31, 1865, were as follows:

Years.	Barrels.	Av. price of crude.	Vessels.
1859.....	7,037	\$....	\$..... ..
1860.....	17,161	.....	..... ..
1861.....	94,102	2 75	258,780 50
1862.....	171,774	1 75	300,604 50
1863.....	175,181	3 87	677,950 37
1864.....	476,939	10 25	4,888,624 75
1865.....	1,200,000	9 50	11,400,000 00
Total in seven years.....	2,142,194		\$17,526,960 12

The oil receipts by the Allegheny Valley Railroad for the past two years have been :

	Barrels.
1864.....	187,870
1865.....	650,000
Total in two years.....	839,870

The exports of oil over the Pennsylvania Railroad from this city in 1865 were 465,825 barrels, or an average of 1,503 barrels per day for the working days.

This vast trade has created other branches of business. It has given employment to thousands of boatmen on the Allegheny; has widened the demand for barges, tugs, and steamers; has built sixty refineries in our suburbs that furnish the domestic and foreign markets with the great bulk of their supply, and to do a business amounting to \$7,000,000 per year. It has built portable engine, tanking, still, boiler, and oil tool works, that send to the oil regions of Pennsylvania and Virginia \$2,500,000 worth of material per year. This trade has made railroads necessary in the oil regions, and Pittsburg has furnished the rails; steamers, and Pittsburg has built them; capital and labor, and Pittsburg has furnished it; in fact, the development and early success as well as the prominence of the oil trade in Venango County is due, two thirds, to the energy and tact of Pittsburg capitalists.

Pittsburg is the great centre of the oil trade—a trade whose value to the country is \$65,000,000 a year, and the revenue from which, to the Government, is also counted by millions. The tax on the refined oil, in this city, during the single month of October, last year, was \$36,951 10, gain of \$13,095 30 over 1864. That some idea may be formed of the amount of business done by our oil merchants, it is sufficient to instance Messrs. Waring & King, who, in the single month of August last (a dull month), sold 62,231 barrels, and Tack Brothers & Co., who sold 30,000 in the same time. The value of the refined and crude oil shipped over the Pennsylvania Railroad, from this city, last year, was over \$15,000,000.

Let us take a cursory glance at the source of our present and expectant supply of oil. Venango County lies along the headwaters of the Allegheny River and its tributaries. This river, either by main stream or its branches, navigable to the very wells themselves, is our chief and only direct thoroughfare for the oil trade. One million dollars would complete the Allegheny Valley Railroad to the very heart of the oil regions and bring us so close to the great supply that no city in the Union could ever hope to compete with us for the trade. But this is not done. And our enormous trade is clogged when the river closes every year. But let us look at the wealth of the district from which our wealth indirectly comes. From the returns of the Collector of Internal Revenue for the district embracing Venango County, it appears that the Government received the following revenues from crude oil for the months indicated :

April, 1865.....	\$111,921 50	July, 1865.....	\$181,288 55
May, 1865.....	98,394 50	August, 1865.....	200,000 00
June, 1865.....	412,258 44	November, 1865.....	246,734 00

The tax on refined during the same time in that district amounted to \$700,000. The total tax on crude and refined, for the first six months of last year, was \$1,738,095. For the whole year, 1865, it was \$2,897,032 03. In 1863, the revenue derived was \$649,962 00; in 1864, \$2,255,238 80.

We give the above exhibit that some idea may be formed of the real value of the oil supply. But this must fall far below the actual figures, for the enormous tax on crude oil has cheated the Government out of half its dues, falsified the figures, and put a discount on the production which otherwise there would be every temptation magnify.

All the oil that comes to Pittsburg from Venango County comes to its natural and easiest market. Upper Oil Creek, Bennehoff Run, and Pithole send considerable oil to Philadelphia, New York, and Cleveland, direct, by the Oil Creek, Atlantic & Great Western, and Philadelphia & Erie Railroads. This is largely the case when the navigation of the Allegheny is impeded. For instance, during December the Oil Creek Railroad transported 45,000 barrels of crude to Corry. Pittsburg gets some of the oil that seeks that outlet. With these statistics, we leave the oil trade. We have now to discuss Pittsburg manufactures.

In manufactures, Pittsburg is pre-eminently great. The natural facilities, the capital, the energy that cluster to this point make us the Birmingham of America. Our growth is unprecedented. The total value of all the manufactures in Pennsylvania in 1850 was but \$155,000,000. The value of Pittsburg manufactures is now more than two-thirds that amount. The value of iron and steel manufactures in the United States in 1860 was \$180,140,615. The value of our Pittsburg iron and steel trade last year was over \$20,000,000, or one ninth the whole product. On this aggregate value, the direct tax actually paid was \$3,882,546. Pittsburg paid \$438,972. In the returns made to the Revenue Officers of this city for eighteen months, from September, 1863, to March, 1865, we find the following statistics of sales in the articles of iron and steel:

Axes, shovels, saws, spades, mattocks, picks.....	\$1,128,146 00
Forging, oil stills, tanks, boilers, shafting, steamboat irons, oil tools..	1,640,163 00
Bolts, nuts, spikes, rivets, nails, washers.....	3,318,559 00
Railroad chairs, springs, axles.....	1,200,000 00
Iron and steel bar, sheet, plate, pig.....	28,843,123 00
Wrought iron gaspipe, horse shoes, edge tools, ironware.....	481,120 00
Machinery, castings, domestic hardware.....	6,392,087 00
<b>Total.....</b>	<b>\$42,998,203 00</b>

The total production of steel of all kinds in the United States in 1865 was 18,000 tons. Pittsburg alone produced 10,000 tons, and the capacity of her steel works is 48,000 tons per annum. We control all the iron, steel, and glass markets of the West and South. Our factories multiply more rapidly than our houses. As an instance of the multitude of the iron and steel business to the railroads centering here, we may state that, in the single month of July last, the imports of iron by the Pennsylvania Railroad amounted to 1,730 tons. The number of cars employed in transferring this product was 173, and yet this was the dullest month the iron trade had experienced for years, and represented only about one-third our usual business.

Some idea of the growth of our manufactures may be gathered from the fact that the returns of October, 1865, showed a business of \$219,691 14, while those of October, 1864, were but \$185,803 07. The amount of steel exported by rail in the year ending September 1, 1864, was 11,874,202 pounds against 7,824,873 pounds for the previous year. About the same amounts with the same ratio of increase are exported by river.

The cost of "running" our manufactures may be imagined from the fact that our foundries pay out over a million dollars annually in wages, and consume 50,000 tons of metal. Our Fort Pitt Cannon Foundry paid weekly wages to workmen averaging \$5,000 during the war. Our glass factories pay \$175,000 monthly in wages. Our iron works employ over 9,000 hands, and pay annual wages of over 3,000,000.

The ratio production between this city and other cities, States, and the United States, of some of the principal manufactures, gives Pittsburg an extraordinary record. We produce one-half of all the steel manufactured, and one-fifth of all the copper used in the country. The annual value of the glass trade of the city is understated when given at seven millions of dollars, yielding an internal revenue to the Government of about \$350,000. That of the glass factories east of the mountains is given at \$3,123,000, and as yielding an internal revenue of \$156,150. It is, therefore, apparent that glass manufacturing at Pittsburg is in all things quite double that of the rest of the United States. We refine nine-tenths of all the oil that goes to foreign markets.

The quality of some of our manufactured products are such as no city, State, or Nation can rival. The best brands in the nail markets everywhere are the Juniata, Clinton, Kensington, and Eagle. The iron market of the country put forward Wayne, Sable, American, Sligo, and Duquesnes. The favorite brands of glass in all markets is O'Hara, Arsenal, and Phoenix. And in our home and foreign trade for refined oils, the call is for Standard, Soho, Petrolite, and Globe. The best qualities of manufactured steel in the country bear the mark Black Diamond, Sheffield, and Wayne.

### TRADE WITH BRITISH AMERICA.

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(Continued from page 116.)

The table accompanying the imports of 1864 and 1865 is as follows:

Articles.	Val. 1864.	Val. 1865.	Articles.	Val. 1864.	Val. 1865.
Animals.....	\$283,344	\$261,568	Fruit.....	\$35,380	\$36,454
Beef and pork.....	49,817	92,764	Grain.....	46,525	50,909
Butter and lard....	149,823	114,133	Gypsum.....	43,750	45,350
Coal.....	806,314	1,253,650	Hides and skins...	51,995	74,071
Codfish.....	1,278,582	1,411,377	Oil—viz.: fish oil..	101,702	194,505
Herrings & alewives.	218,046	452,337	Stone, building....	32,902	19,382
Mackerel.....	1,107,039	1,077,273	Vegetables.....	121,287	183,252
Salmon and trout...	68,829	62,177	Woodware.unmanuf.	855,840	762,535
Scale fish.....	153,310	214,574	Unenumerated.....	240,337	619,971
Other fish.....	28,734	64,528	Foreign productions.	1,397,221	1,840,193
Total.....				7,172,817	8,880,693
Total increase.....				1,657,876	

Deducting the foreign productions, it will appear that Nova Scotia exported about \$7,000,000 of her own productions last year.

The exports were divided thus:

Great Britain.....	\$764,742	United States.....	\$3,619,797
B. N. American colonies.....	1,701,054	Spanish West Indies.....	389,894
British West Indies.....	1,966,459	Other countries.....	397,747
			\$8,830,693

The principal articles exported to the United States were:

Coal.....	\$1,085,745	Hides and skins.....	\$23,952
Fish of all kinds.....	1,862,799	Stone.....	15,563
Fish oil.....	117,862	Vegetables, including potatoes.....	148,734
Grain of all kinds.....	28,639	Wood and lumber of all kinds.....	160,044
Gypsum, lime, and plaster... ..	40,580		

Coal and lumber are such necessities to New England that the supply of those articles will not probably be diminished by the abrogation of the reciprocity treaty. It is also alleged that the high priced soft pine lumber of New Brunswick, hitherto furnished exclusively to American manufacturers, must continue to be exported hither, whatever the duty, as "it is required for fine work and finishing purposes, and there is no substitute."

The shipping of Nova Scotia is now registered at 3,898 vessels, worth \$13,347,500, of which 491 vessels, valued at \$2,923,058, were registered during 1865. These earn freights in all directions, and are sold abroad very frequently. They are built and held by joint stock associations, often in moderate shares, and constitute a lucrative and increasing branch of business.

The tariff of Nova Scotia has always been low—an average of 10 per cent. *ad valorem*. Recently, however, since the abrogation of the reciprocity treaty, the Parliament of the province have advanced the duties upon spirits, wine, and tobacco fully one-third, and imposed duties upon articles which were free under the reciprocity treaty, as follows:

Bacon, per 100 lbs.....	\$2 00	Hams, per 100 lbs.....	2 00
Beef, per bbl.....	1 00	Lard, per 100 lbs.....	1 75
Bread, navy or pilot, per 100 lbs.	0 20	Onions, per 100 lbs.....	0 50
Butter, per 100 lbs.....	1 75	Pork, per bbl.....	1 00
Cheese, per 100 lbs.....	1 00	Tobacco, unmanufactured, per lb.	0 05
Flour, (wheat) per bbl.....	0 25		

If the confederation of the British provinces is accomplished, removing all intermediate duties, and communications with Canada are facilitated by railway and a St. Lawrence line of steamers, a material diversion of trade from the United States is likely to occur. The course of trade as developed between New England and the maritime provinces during the last ten years has been well described by Hon. Joseph Howe, of Nova Scotia: "The small vessels which bring to the United States plaster, coals, grindstones, cordwood, fish, and potatoes from the maritime provinces, take back furniture, boots and shoes, indiarubbers, books, prints, hats, patent medicines, agricultural implements, and hundreds of other conveniences, necessities, and luxuries. \* \* American manufactures are admitted to entry at mere revenue duties of from 10 to 12½ per cent. British manufacturers pay the same. The mill owner in Lowell can place his goods in Halifax market, paying the charges of transportation of less than five hundred miles, while the mill owner in Manchester is compelled

to pay the same duty and transportation charges of over twenty-five hundred miles of distance. \* \* \* Again, every machinist and artisan is interested in the trade. The grindstones of Nova Scotia are made from reefs covered by the high tides of the Bay of Fundy, and left bare when the tides recede. The grit is peculiarly fine. These stones are used in preference to all others in the workshops of New England, and go far back into the interiors. They are almost a necessity of the manufacturing industrial life of the United States."

Some further details of the mineral resources of Nova Scotia will illustrate the value of close commercial relations with the United States."

The more important coal fields of this province are those of Cumberland county, lying in the immediate vicinity of the Bay of Mines; those upon the Gulf of St. Lawrence, of which Pictou is the centre, and those of the eastern part of Cape Breton, contiguous to the harbor of Sydney. The Cumberland coal-fields have been only slightly worked, the largest veins discovered lying some twelve miles from navigable water-courses. The coal-fields at Pictou lie immediately upon tide-water. One of the veins has a thickness of thirty-six feet, more than twenty-six feet of which is workable coal. The deposits near Sydney are already ascertained to underlie 250 square miles—an area nearly equal to the entire workable area of the anthracite coal-fields of Pennsylvania. They are contiguous to an excellent harbor, with which the more important veins are to be speedily connected by a railway.

As soon as the necessary works can be completed, the supply from these mines may be made equal to any possible demand. The veins crop out at the surface, and probably 50,000,000 tons of coal can be raised from them without going below water-level. There are several other deposits in Cape Breton which only have been slightly worked. In reference to the Cumberland coal-fields, Mr. Dawson, in his Acadian geology, remarks: "These veins form reserve of coal, waiting their full development till railways extend across them, or till domestic manufactures demand a supply of mineral coal in the provinces." The railway now in progress from the European and North American Railway, in New Brunswick, to Truro, will pass over a portion of this coal-field.

The following statements will show the amount raised and sent to market from the coal-fields for the past ten years:

Years.	Tons.	Years.	Tons.	Years.	Tons.
1856.....	291,934	1860.....	304,129	1864.....	590,000
1857.....	267,808	1861.....	334,548	1865.....	632,854
1858.....	286,618	1862.....	393,621		
1859.....	267,496	1863.....	424,325		

With proper means of access to these mines, there is no reason why, within five years, the amount of coal raised and sent to market from the provinces should not exceed 2,000,000 tons annually. The means of sending them to market are unlimited, as the ocean is their highway.

In reference to the subject of coal-mining in Nova Scotia, the Chief Commissioner of Mines, Mr. Hamilton, in his report, says: "There are now thirty collieries in operation in Nova Scotia. Some of these are only barely opened, but, with one or two exceptions, works are vigorously prosecuted in all of them, and with good prospects of great and early extension at an early day. The total quantity of round and slack coal sold from the mines for the year ending 30th September, 1865, was 652,854 tons. In

addition to the territory of the General Mining Association, there are now thirty-one square miles of territory under coal-mining leases. The extent of acres under license amounts to 1,920 square miles. The spirit and activity exhibited in carrying on explorations upon the greater number of these areas under license, and the success which, in many instances, attend such exploration, indicate an early and important increase in the number of collieries in Nova Scotia. I need scarcely observe, that while the products of our mines are thus rapidly increasing, and promise to do so for a long time to come, the demand for these products in the market seems to increase in a much more rapid ratio."\*

The year 1865 has also demonstrated the permanent productiveness of the gold mines of Nova Scotia. These are under the direction of the Commissioner of Mines, and the government reserve a royalty of three per cent. of their gross receipts.

It appears from the Commissioner's report that the aggregate amount of gold upon which royalty has been paid during the year exceeds that of the preceeding twelve months by about 33 per cent. The quantities are: For the year ending September, 1865, 24,867 ounces; for the preceding year 18,744 ounces; increase 6,123 ounces. There is also an increase in the average yield of gold per ton of quartz of about five per cent., and a very considerable advance in the amount of the yield for each man engaged in mining. In 1863, the average yield per man was 95 cents a day; in 1864, it was \$1.30, and in 1865, \$2.12. In these calculations the gold is rated at \$18.50 per ounce, which is below its market value. The value of gold produced last year was \$509,080, (paying \$18,038 in rents and royalties;) in 1864, \$400,440; in 1863 \$280,020, and in 1862, \$145,500. †

\* See report of the Joint Standing Committee of the Massachusetts Legislature in favor of State aid to the European and North American Railway between Boston and Halifax.

† The following is the commissioner's statement of the number of hands employed in these mines, the tons of quartz raised and crushed, and the daily yield of gold per man employed for the past year:

NUMBER OF HANDS EMPLOYED			
Yearly aggregate.		Daily average.	
1865.....	212,966	1865.....	500
1864.....	252,720	1864.....	877
1863.....	273,624	1863.....	810
1862.....	156,300	1862.....	682,583
Total.....	895,310	Mean.....	717,395
QUARTZ RAISED.			
Yearly aggregate.		Daily avg. per man.	
1865.....	50,002,500	1865.....	234,791
1864.....	42,469,600	1864.....	168,050
1863.....	34,150,490	1863.....	124,807
1862.....	13,480,000	1862.....	86,410
Total.....	140,102,500	Mean.....	156,482
QUARTZ CRUSHED.			
Yearly aggregate.		—Avg. gold 100 lb.—	
		Dwt.	Grs.
1865.....	48,846,600	1865.....	1 0.302
1864.....	42,887,686	1864.....	— 22.312
1863.....	34,150,400	1863.....	— 19.647
1862.....	13,480,000	1862.....	1 0.790
Total.....	139,364,686	Mean.....	22,805
DAILY YIELD OF GOLD PER MAN.			
		Dwt.	Grs. Gold val.
1865.....		2	8.371 \$2.33
1864.....		1	14.030 1.58
1863.....		1	0.662 1.02
1862.....		—	22.385 94

The fisheries upon the coasts of the maritime provinces will always be a leading interest, and is especially so to the people of Nova Scotia. Their importance was felicitously illustrated by Mr. Howe, in a speech at the Detroit commercial convention of July, 1-65. "You have behind and around you here," he said, addressing an assembly of Americans, "boundless prairies, which an all-bountiful Creator annually covers with rich harvests of wheat and corn. The ocean is our prairie, and it stretches away before and around us, and Almighty God, for the sustenance of man annually replenishes it with fish in myriads that cannot be counted, having a commercial value that no man can estimate. The fecundity of the ocean may be estimated by the fact that the roes of thirty codfish annually replace all the fish that are taken by the British and French and American fishermen on the Banks of Newfoundland."

Under the late reciprocity treaty the interests of New England connected with these northeast fisheries were materially advanced. The fishing industry of the Atlantic States, exclusive of the whale fishery, amounted in 1860 to \$4,500,000, of which \$3,000,000 was taken upon the coasts of the provinces.

#### PRINCE EDWARD ISLAND.

The area of Prince Edward Island is 2,100 square miles—the least of the provinces, as Delaware with 2,120, and Rhode Island with 1,306 square miles, are the least of the American States. The population of Prince Edward Island, in 1864, was 85,992, or 40.95 to the square mile; income, \$214,448, of which \$162,733 was from customs at an average tariff rate of 12 per cent.; imports, \$1,638,946; exports \$982,699. The trade with the United States was 24 per cent. of imports, and 50 per cent. of exports—the general character of the trade being similar to that of Nova Scotia.

#### NEWFOUNDLAND.

The area of Newfoundland is 40,200 square miles: population in 1864, 137,000; revenue \$518,781, of which \$504,037 was from customs at an average impost of 11 per cent.; imports, \$5,175,251; exports, \$5,389,951. Trade with the United States is 33 per cent. of imports, but a small proportion, not more than 5 per cent., of exports,

#### BRITISH AMERICAN COLONIES EAST.

As a sequel to the foregoing details, which have been given with special reference to the trade of each province with the United States, some additional statements representing the combined resources of Canada and the maritime provinces have been compiled from the debates in the Canadian parliament upon colonial union.

The united population of Canada, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island, in January, 1864, was 3,628,151. Their public revenues for 1864 were \$13,260,000; expenditures, \$12,507,000. Imports in 1863, \$70,600,963; exports \$66,846,604. Total trade, \$137,447,567. Of the public domain, 45,638,854 acres have passed from the governments of these colonies, of which only 13,128,288 are under cultivation, while the area not granted or sold is 214,282,817. According to the census of 1861, the agricultural product of the United Prov-

inces was \$150,000,000, and the assessed value of farms, \$550,000,000; while in 1862, the manufacture of lumber reached 772,000,000 feet, and the exports of timber were of the value of \$15,000,000. In 1863, 628 vessels, with a capacity of 230,312 tons, were built, the sales of ships in that year amounting to \$9,000,000; while the united tonnage of the provinces is 8,530 vessels, or 932,246 tons. This fleet is distributed as follows:

	Vessels.	Tons.
1864, Canada owned.....	2,311	237,187
1863, Nova Scotia owned.....	3,539	329,554
1863, New Brunswick owned.....	891	211,680
1863, Prince Edward Island owned.....	360	34,222
1863, Newfoundland owned.....	1,429	89,603
Total.....	8,530	932,246

This exhibit ranks British America as the fourth maritime community of the world, yielding precedence only to Great Britain, United States and France. In 1863 the foreign exports representing ship-building and fishing interests were \$6,696,021. Prominence in this connexion should also be given to 2,500 miles of railway, 4,000 miles of electric telegraph, and 100 miles of ship canals.\*

The time can be readily anticipated when the Canadian forests will be indispensable to the American people. They already supply many cities and districts, which are remote from the Maine and Michigan pineries; and the forests of Wisconsin and Minnesota, however extensive, will prove inadequate to meet the wants of the Mississippi and Missouri valleys. Reference has been made to the forests of New Brunswick. Those of Canada are—

	square miles.
1.—The Saguenay territory, or the valley of the Saguenay river, rich in white and red pine, spruce, birch and tamarac.....	27,000
2.—The St. Maurice region, northwest of the city of Quebec, containing large quantities of white, red, and yellow pine, spruce, birch, maple, elm, ash, and tamarac.....	21,000
3.—The valley of the Ottawa, hitherto the principal seat of the lumber trade of Canada, which has, perhaps, denuded 20,000 square miles from an aggregate of no less than.....	87,761
Total.....	145,761

Hon. James Skead, of Ottawa, Canada West, proceeds with the enumeration of lesser districts—2,350 square miles between the Rideau Canal, the St. Lawrence and the river Trent, and districts east of the Saguenay and west of the Ottawa, claiming that the area available for producing pine north of the St. Lawrence is 287,711 square miles, and the area wholly or in part producing hard woods is 24,000 square miles. Far the larger portion of these timber lands are at the disposal of government.

The public debt of the provinces, incurred in the development of such

\* See speech of Hon. George Brown, President of executive council of Canada, at the session of the Canadian Parliament of February 3 to March 11, 1865—(3d Session 8th Parliament)—which was occupied with discussion of the plan of confederation presented by a conference of delegates from the provinces held at Quebec, in October, 1864.

a prosperity and upon the assurance of these great natural resources, will be consolidated upon the establishment of the colonial union now under discussion, in the following amounts:\*

Canada .....	\$65,500,000	Newfoundland .....	\$3,250,000
Nova Scotia .....	8,000,000	Prince Edward Island.....	1,941,425
New Brunswick.....	7,000,000		
Total .....			\$85,691,425

This adjustment is effected upon the basis of \$25 per capita of population. The debt of Canada is \$27 per capita; that of Nova Scotia and New Brunswick less; but liabilities in behalf of railroads have been assumed by these provinces, which will make the provision at the rate of \$25 per capita convenient and even necessary. Canada localizes the remainder of its debt.

#### BRITISH AMERICA WEST.

These are results of French and English occupation of the American Northland during three centuries. It will be next in order to look beyond the sources of the St. Lawrence, and consider the situation and prospects of British America west. Take the meridian of 90° west of Greenwich, which is the western boundary of Canada. If eastward we have found the area of five provinces equal to 419,315 square miles, or 268,280,800 acres, it will not be difficult to establish that west of the great lakes there are more extensive districts, which, by soil, climate, and mineral resources, are equally suitable for settlement, and which may be thus enumerated:

	Square miles.
1. Central British America, enclosed between longitude 90° on the east, the Rocky mountains on the west, and the 49th and 54th parallels of latitude, and containing the valleys of the Winnipeg, Red, Assiniboine, Swan, Saskatchewan, and other rivers tributary to Lake Winnipeg. . . .	360,000
2. Athabasca, a block of territory drained by the sources of the river of that name, between 110° and 120° of longitude, and 54° and 58° of latitude, recently discovered to be rich in precious metals, and which is described by Sir Alexander Mackenzie and others as quite similar in climate and vegetation to Scotland. . . . .	50,000
3. Sources of the Columbia, in British Columbia, now the scene of great excitement by the discovery of the "Big Bend" and "Kootonais" gold fields. . . . .	20,000
4. The valleys of the Frazer and Thompson rivers, in British Columbia. . . .	60,000
5. Vancouver island. . . . .	16,200
Total. . . . .	506,200

This immense domain 323,968,000 acres is destined to greater developments of population and wealth within the next fifty years than three centuries have witnessed in the Atlantic and St. Lawrence provinces. Some reasons for such an opinion will be indicated in the remaining divisions of this paper.

#### CENTRAL BRITISH AMERICA.

It is now well known that northwest of Minnesota the country reaching from the Selkirk Settlement to the Rocky mountains, and from latitude

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\* See speech of Hon. A. T. Galt, Finance Minister of Canada, in debates upon confederation, p. 62 of report, February 7, 1865.

49° to 54°, is as favorable to grain and animal production as any of the northern States; that the mean temperature for spring, summer, and autumn, observed on the forty-second and forty-third parallels in New York, Michigan, and Wisconsin, has been accurately traced through Fort Snelling and the valley of the Saskatchewan to latitude 55° on the Pacific coast, and that from the northwest boundary of Minnesota this whole district of British America is threaded in all directions by the navigable water-lines which converge to Lake Winnipeg. English and American exploration have also established in favor of this district that its average elevation above the sea is far less than in American territory; that the Rocky mountains are diminished in width, while the passes are not difficult; that the supply of rain is more abundant, and the carboniferous and silurian formations are of greater extent than further south, and, owing to the greater influence of the Pacific winds through the mountain gorges and the reduced altitude, that the climate is no material obstacle to civilized occupation.

It is unnecessary to repeat the narrative of Lord Selkirk's colonization of the Red River of the North. Of the present community of Selkirk Settlement, numbering ten thousand, about five thousand are competent to assume any civil or social responsibility which may be imposed upon them. The accumulations from the fur trade during fifty years, with few excitements or opportunities of expenditure, have secured general prosperity with frequent instances of affluence; while the numerous churches and schools sustain a high standard of morality and intelligence. A district on the Red river from the international boundary at Pembina to the mouth of the river in Lake Winnipeg, and upon the Assiniboine river for a distance of sixty miles west of its junction with the Red river at Fort Garry, has acquired a civil organization under appointments of legislative councillors and magistrates by the Hudson Bay Company, which is officially designated as "The Colony of Assiniboia." Goods are charged with an impost of four per cent., whether brought from Europe or the United States. Land can be purchased by any one at seven shillings sterling per acre, with liberal credits and at low interest.

The American collector at Pembina, Mr. J. Lemay, reports that during the year ending December 31, 1864, the imports at Selkirk from Europe and Canada passing in bond through the United States were valued at \$252,452. He also returns \$45,457 imported from Minnesota, but expresses the opinion that four times that amount passed into the settlement from the United States. Probably \$500,000 would be an accurate statement of the importation, two-thirds of which was goods of the Hudson Bay Company.

Fort Garry, at Selkirk, is the headquarters of the Hudson Bay Company. The posts of this company, more than fifty in number, occupy very commanding situations over the immense area, bounded by Hudson bay and Lake Superior on the east, the Rocky mountains on the west, and the Arctic ocean on the north. The fur trade of this territory concentrates its annual product on Red River of the north, at Fort Garry, from which point, by the annual voyages of brigades of bateaux, merchandise and supplies are distributed to the most distant post. Prior to 1858 the exports and imports of the Hudson Bay Company were principally transported by the difficult and dangerous route of Hudson bay and

Nelson river, or over the numerous obstacles intervening from Lake Superior to Red river on the British side of the international line. In 1858, however, materials were transported from the navigable waters of the Mississippi river to construct a steamer on the Red river, and two such vessels now navigate that stream. The trade between St. Paul and Selkirk has been greatly increased in consequence. As just stated, the imports of Central British America for the use of the Hudson Bay Company and the Selkirk settlers, amount to \$500,000 annually, while the average annual exports, almost exclusively furs, amount to \$1,000,000 by the Hudson Bay Company, and \$300,000 by other parties. Total exports \$1,300,000.

The river system of the Winnipeg basin, navigable by steamers, cannot be less than 3,000 miles—invaluable for the present as a substitute for railroads, and hereafter as a supplement to the railroad. Of this system of inland navigation some detail will be given.

1. The navigable capacity of the Red River of the North may be comparatively stated as follows: Ascending the stream from Lake Winnipeg, the navigation to Pembina is equal to that of the Mississippi between Prairie du Chien and Lake Pepin; from Pembina to the mouth of Red Lake river the channel may be compared to the Mississippi from Red Wing to Fort Snelling; from Red Lake river to Sheyenne, to the Minnesota from Fort Snelling to Shakopee; and from Sheyenne to Breckinridge, to the Minnesota from Shakopee to Fort Ridgely. The Red river is navigable above (south of) Pembina 400 miles by its course, while the distance from the internal line by the river to Lake Winnipeg is 175 miles; total distance navigable by small steamers, 575 miles. To this and 350 miles for the navigation of the Sheyenne, Red Lake river, and Assiniboin, (its principal tributaries), and the river coast of the Red river valley, accessible by steamers, will be found to exceed nine hundred miles.

2. Lake Winnipeg is about two hundred and fifty miles in length, but of unequal breadth. Its area cannot be less than that of Lake Erie, but it is far more diversified by islands and headlands. The western bank is alluvial, resting on limestone, while the numerous bays of its eastern shore develop the gneiss, granite, and trap rock of the primary formation. The lake is not deep, but with no shallows obstructive to navigation.

3. From a point near the northwestern angle of Lake Winnipeg, the great navigable channel of the Saskatchewan, divided into two arms at latitude 53° and longitude 106°, may be ascended by steamers to Fort Edmonton, on the north branch, and to Chesterfield House or Old Bow Fort, on the south branch, in close proximity to the Rocky mountains. The rapids of the Saskatchewan, near the mouth of the river, can hardly be said to interrupt navigation. Open-loaded boats have been tracked (drawn with a rope by men on shore) over the most violent portions of the rapids, the respective distances being one mile and a quarter of a mile, while, for descending boats, there is no difficulty. Loaded boats run the rapids with safety at every stage of water. There is abundant testimony that the valley of the North Saskatchewan, in its entire length, is so superior for the purpose of agriculture to any other traverse of the western plains, that it has received and fully merits the designation of the "Fertile Belt." The regions adjacent to Fort Pelly, Carlton House, Fort Pitt, and Edmonton House—well-known points in a general northwestern

direction from Fort Garry—are remarkably well adapted to the cultivation of grain and the sustenance of cattle. The scenery of the North Saskatchewan is fully equal to that of the Mississippi between Galen and the Falls of the St. Anthony.

The present agriculture of Selkirk confirms the evidence, from a variety of sources, that the districts west and northwest of the Red river valley are well adapted to settlement. For the production of wheat, barley, rye, oats, peas, potatoes, vegetables, grass—whatever is grown in Minnesota, except maize—the region in question will be unsurpassed by any other area of similar extent on the continent.

The eastern Piedmont of the Rocky mountains, the source of the Saskatchewan, has been recently visited by Pallisser, Hector, Milton, and other tourists, who confirm the glowing description of the earliest explorer, De Smet, the devoted Catholic missionary to the Indians of Oregon. His "*Oregon Missions*" is a publication of much interest, consisting of letters to his superiors; and a portion of this volume narrates his explorations and adventures in the Saskatchewan valleys of the Rocky mountains. In September, 1845, he left the source of the Columbia river in latitude  $50^{\circ}$ , and crossed the Rocky mountains, descending their eastern slope in latitude  $51^{\circ}$ . He entered, on the 18th of September, "a rich valley, agreeably diversified with meadows, forests, and lakes, the latter abounding in salmon trout." This was a mountain valley, however, and it was not till three days afterwards that he reached Bow river, on the South fork of the Saskatchewan. Thence he continued northward, noticing sulphurous fountains and coal on the Red Deer, a branch of the Bow river. Descending the valley of the Red Deer, which is also described in very glowing terms, at length he emerged upon what he described as "the vast plain—the ocean of prairies." On the evening of the same day, the missionary reached and was hospitably received at the Rocky Mountain House, latitude  $53^{\circ}$  and longitude  $115^{\circ}$ , and on the 31st of October started for another journey on the plains; but, after two weeks' absence, was compelled to seek refuge from the approach of winter (then the middle of November) at Edmonton House, on the Upper Saskatchewan. From this shelter he thus writes in general terms: "The entire region in the vicinity of the eastern chain of the Rocky mountains, serving as their base for thirty or sixty miles, is extremely fertile, abounding in forests, plains, prairies, lakes, streams, and mineral springs. The rivers and streams are innumerable, and on every side offer situations favorable for the construction of mills. The northern and southern branches of the Saskatchewan water the district I have traversed for a distance of about three hundred miles. Forests of pine, cypress, thorn, poplar, and aspen trees, as well as others of different kinds, occupy a large portion of it, covering the declivities of the mountains and banks of the rivers. These originally take their rise in the highest chains, whence they issue in every direction like so many veins. The beds and sides of these rivers are pebbly and their course rapid, but as they recede from the mountains they widen, and their currents lose something of their impetuosity. Their waters are usually very clear. The country would be capable of supporting a large population, and the soil is favorable for the production of barley, corn, potatoes, and beans, which grow here as well as in the more southern countries."

"Are these vast and innumerable fields of hay forever destined to be consumed by fire or perish in the autumnal snows? How long shall these superb forests be the haunts of wild beasts? And these inexhaustible quarries, these abundant mines of coal, lead, sulphur, iron, copper, and saltpetre—can it be that they are doomed to remain forever inactive? Not so. The day will come when some laboring hand will give them value; a strong, active, and enterprising people destined to fill this spacious void. The wild beasts will, ere long, give place to our domestic animals; flocks and herds will graze in the beautiful meadows that border the numberless mountains, hills, valleys, and plains of this extensive region."

Twenty years later, in 1865, the American Territory of Montana adjoins the region which excited the enthusiasm of De Smet. Its population of 25,000, to be increased during 1866 to 50,000, have been drawn to the sources of the Missouri by discoveries of gold and silver mines close to the international border, and rumors of gulches and ledges in the Saskatchewan district, yielding even greater prizes to the prospector, are already rife, and will soon precipitate "a strong, active, and enterprising people" into "the spacious void." What is called the Americanization of the Red River settlements has been slow, although sure, since the era of steam navigation, but the Americanization of the Saskatchewan will rush suddenly and soon from the camps of treasure-seekers in Montana.

#### THE ATHABASCA DISTRICT.

The limit of successful agriculture in the northern temperate zone should be carried considerably beyond the Saskatchewan valley, especially near the Rocky mountains. Sir Roderick Murchison, in a recent address before the London Geographical Society, represents this chain of mountains to be greatly depressed in high northern latitudes, and indeed several of the tributaries of the Mackenzie have their sources on the Pacific slope, and wind through the mountains before falling into the great Arctic river. The mountain valleys of the Peace and Liard rivers, latitude  $56^{\circ}$  to  $60^{\circ}$ , are thus influenced by the Pacific winds, and wheat and other cereals are successfully cultivated. Sir Alexander Mackenzie describes, under date of May 10, the exuberant verdure of the mountain valleys—trees about to blossom, and buffalo attended by their young. During an inquiry in 1858 by the English House of Commons into the situation of the territory of the Hudson's Bay Company, similar statements were elicited. Dr. Richard King, who accompanied an expedition in search of Sir John Ross, as "surgeon and naturalist," was asked what portion of the country visited by him was valuable for the purpose of settlement. In reply he described "as a very fertile valley a square piece of country" bounded on the south by Cumberland House, and by the Athabasca lake on the north. His own words are as follows: "The sources of the Athabasca and the sources of the Saskatchewan include an enormous area of country. It is, in fact, a vast piece of land surrounded by water. When I heard Dr. Livingston's description of that country, which he found in the interior of Africa within the equator, it appeared to me to be precisely the kind of country which I am now describing. It is a rich soil, interspersed with well-wooded country, there being growth of every kind, and the

whole vegetable kingdom alive." When asked concerning mineral productions his reply was: "I do not know of any other mineral except limestone; limestone is apparent in all directions. \* \* \* The birch, the beech, and the maple are in abundance, and there is every sort of fruit." When questioned further, as to the growth of trees, Dr. King replied by a comparison "with the magnificent trees around Kensington Park in London. He described a farm near Cumberland House under very successful cultivation—luxuriant wheat, potatoes, barley, pigs, cows, and horses.

In 1862 the tributaries of the Saskatchewan and Peace rivers, on the eastern flank of the Rocky Mountains, were discovered to be auriferous. A small emigration from Selkirk has been attracted by the discovery, but larger columns of immigrants will probably move from the gold districts of British Columbia on the west, and of Montana on the south. The placer mining on the north Saskatchewan has hitherto averaged \$5 to \$10 per day.

#### SOURCES OF THE COLUMBIA.

Until very recently—until the discovery of the Big Bend and Kootonais gold-fields in 1866—I suppose no portion of the continent was so little known as the district watered by the upper Columbia and its tributary, the McGillivray or Flatbow river. David Thompson, surveyor of the Hudson Bay Company, in 1807, selected the source of the Columbia river as a site for a trading post with the Kootonais or Flatbow Indians. Since that date these Indians have made sensible progress to civilization under the influence of the Oregon missions, as also have other more southern tribes on the western slopes of the Rocky Mountains. Indeed, the "Relations" of their missionary Bishop, Father De Smet, constitute a most glowing sketch of the oval district between Flatbow River and the upper Columbia, and which must have an extent of 20,000 square miles.

I select some passages of description by De Smet, after passing north of the boundary in latitude forty-nine degrees:

"Advancing toward the territory of the Kootonais, we were enchanted with the beautiful and diversified scenery. \* \* \* An extensive plain at the base of the Portage mountain (probably near the western extremity of the Kootonais Pass) presents every advantage for the formation of a city. The mountains surrounding this agreeable site are majestic and picturesque. They forcibly recalled to my memory the Mapocho mountains that encompass the beautiful capital of Chili, (Santiago.) \* \* \* The quarries and forests are inexhaustible, and, having remarked large pieces of coal along the river, I am convinced that this fossil could be abundantly procured. Great quantities of lead are found on the surface of the earth, and from the appearance of its superior quality, we are led to believe that there may be some mixture of silver. \* \* \* After a few days' journey we arrived at the Prairie du Tabac, the usual abode of the Kootonais. Their camp is situated in an immense and delightful valley, bounded by two eminences, which, from their gentle and regular declivity appear to have originally bounded an extensive lake. \* \* \* Thence I journeyed on towards the sources of the Columbia. The country we traversed was highly picturesque, and agreeably diversified by beautiful prairies, smiling valleys and lakes, surrounded by heavy and solemn pines,

gracefully waving their flexible branches. We also crossed dark alpine forests, where the sound of the axe has never resounded. \* \* \* On the 4th of September I found myself at the source of the Columbia.

"When emigration, accompanied by industry, the arts and sciences, shall have penetrated the numberless valleys of the Rocky Mountains, the source of the Columbia will prove a very important point. The climate is delightful; the extremes of heat and cold are seldom known. The snow disappears as fast as it falls; the laborious hand that would till these valleys would be repaid a hundred-fold. Innumerable herds could graze throughout the year in these meadows, where the sources and streams nurture a perpetual freshness and abundance. These hillocks and declivities of the mountains are generally studded with inexhaustible forests, in which the birch tree, pine of different species, cedar and cypress abound. \* \* \* The advantages nature seems to have bestowed on the source of the Columbia will render its geographical position very important at some future day. The magic hand of civilized man would transform it into a terrestrial paradise."

#### BRITISH COLUMBIA AND VANCOUVER'S ISLAND.

The foregoing description of the climate and other natural features of the upper Columbia country is applicable to the valleys of the lower Frazer River, and its tributary, the Thompson River. In regard to the climate of the Pacific provinces an intelligent correspondent of the *Toronto Globe* says: "While Cariboo and the upper country generally is probably as cold in winter as Canada, the district from Vancouver's Island to the western foot of the Rocky Mountains, including Victoria, (the commercial town of Vancouver's Island) New Westminster (the capital of British Columbia,) the lower valley and delta of the Frazer river, and the Southern inland part of British Columbia, has the best climate beyond all comparison to be found in British America—free from extremes of heat and cold, not warm enough to enervate nor so cold as to cramp; moist and mild in winter like the English climate. Roses bloom in open gardens on Christmas Day, and pansies, daisies, and mignonette flower in January. Gardening begins in February, and the spring is a long and temperate season. The summers are warmer and brighter than in England. All the conditions of climate are favorable to health and physical strength, and of equal advantage to agriculture."

Vancouver's Island, with many open districts suitable for cultivation, is rich in coal, forests of pine, and fisheries, and is destined to a prosperity quite similar to that of Nova Scotia. The writer in the *Globe*, a resident of Victoria, claims that the settlements, both English and American, upon Puget's Sound, with their inexhaustible supplies of coal, timber and iron will become the leading stations of the Pacific coast for the construction and equipment of ships, and will possess great advantages in respect to manufactures. The Rocky Mountain mines in British Columbia, especially of gold and silver, at Cariboo, latitude 54°, Big Bend of Columbia latitude 52°, and the Kootonais valley, latitude 50°, are fully equal in productiveness to the mineral districts of Montana, which are unsurpassed in Californian or Australian experience.

The population of British Columbia was 11,405 in 1863, and may be 15,000 in 1866. The estimated revenue for the present year is \$600,000

—from the following sources: customs, at an average import duty of 15 per cent., \$320,000; road tolls, \$95,000; miners' certificates and mining receipts, \$55,000; spirit licenses, \$30,000. The public debt of the colony in 1863 was \$600,000, at six per cent. interest. The finances of Vancouver's Island are in no better condition. The expenditure for a government of the population of 6,000 exceeds \$200,000 per annum, which is collected mostly by direct taxation, no customs duties being imposed. A union of the provinces will soon be effected, when it is hoped that these expenditures will be reduced.

With this cursory review of the relations of the United States and British America, it is evident that both communities are equally interested in two great objects: 1. An ocean navigation from the Gulf of St. Lawrence to Lakes Superior and Michigan; and, 2. An international railroad from Halifax to the North Pacific coast, on a route central to the forests of New Brunswick, Maine and Canada, the mineral formation of Lake Superior, the wheat-growing plains of Minnesota and the Saskatchewan valley, and the gold districts of British Columbia. The present situation of these two great interests will be briefly considered.

#### NAVIGATION OF THE ST. LAWRENCE.

The River St. Lawrence, as the outlet of the great lakes, drains an area of 600,000 square miles, of which 250,000 square miles belong to the United States.

The navigation of the St. Lawrence is improved by seventy-two miles of ship canals—forty-three between the Atlantic and Lake Ontario, twenty-eight by the Welland canal, connecting Lakes Ontario and Erie, and one mile at Sault St. Marie, reaching Lake Superior. The Superior ship canal aided by the Government of the United States, is the only adequate structure of the kind. The size of its locks is 350 feet long, 70 feet between the quoins, and 12 feet in depth. The problem, of which every northwestern State ardently seeks the solution, is such immediate construction of new or enlargement of existing canals as will pass vessels of fifteen hundred tons burden without breaking bulk, from the Gulf of St. Lawrence or the harbor of New York to Chicago or Superior. At present, the Superior canal is alone sufficient, as the Welland can only pass a vessel of 400 tons, and the St. Lawrence canals can pass a vessel of only 300 tons. The New York canals are of less capacity.

The movement through the Welland canal shows the proportions in which the United States and Canada share the advantage of that important communication with the upper lakes. In 1863 there passed 3,474 American vessels, tons 808,289; 3,425 Canadian vessels, tons 521,808.

In 1864-5, this comparative movement was as follows: 2,506 American vessels, tons 542,245; 3,841 Canadian vessels, tons 593,561.

The necessity of bringing the ocean vessels of all nations to the Northwest will hardly be disputed, when the progress of the lake States in the production of breadstuffs and provisions is considered.

In 1850 the lake States produced forty millions of bushels of wheat; in 1860, eighty-eight millions. In 1850 their production of corn was one hundred and eighty-five millions; in 1860, three hundred and nineteen millions. At the same rate of increase, the next ten years will bring them to the production of nearly two hundred millions of bushels of

wheat and six hundred millions of bushels of corn. The provision market shows the same wonderful results. The number of hogs slaughtered at Chicago in 1860 was 400,000; in 1863 the number had risen to 1,700,000. of cattle, 177,000 in 1860, and 344,000 in 1863. In the year 1859 the exports of pork in boxes, or "cut meats," were only 9,000,000 pounds. In round numbers they rose to twenty millions in 1860, to seventy millions in 1861, to one hundred and thirty millions in 1862, and three hundred millions in 1863, chiefly from the northwest. For the movement to eastern and European markets, of the present and prospective bulk of breadstuffs and provisions, the means of transportation must be greatly enlarged. From actual experience, derived from shipment of Indian corn at Chicago for Liverpool, it is shown that the freight charges often cover seven-eighths of the value of a bushel of corn at Liverpool. More than one-half of the cost of wheat is also covered by charges of transit. The Chicago Board of Trade have expressed the opinion that the enlargement of the Welland and St. Lawrence canals, as above indicated, would reduce the cost of grain transportation from Chicago to Liverpool fully one half—to ten shillings per quarter, or to thirty cents per bushel.

It has been stated that Great Britain imported from the United States during the years 1861, 1862 and 1863 breadstuffs to the value of £12,643,918 sterling, and that the transit expenses were £826,351 sterling, the original cost realized at Chicago being only £3,817,069.

The burden now imposed upon western producers, and the relief which would be experienced if the marine of the world could reach Chicago through the lakes, as readily as European ships reach Odesa or Constantinople through the Mediterranean, was most clearly and forcibly illustrated by Mr. Duncan Stewart, of Detroit, at the commercial convention held July, 1865, in Detroit. "Some years ago," he said, "the farmers in certain portions of the west could not obtain over eight cents per bushel for their corn. Some professors of political economy say this was the result of a great crop, and nobody to eat it. This is a grave mistake. There were hungry men enough to eat up the whole of it. Nobody to eat! The want of transportation facilities ate it all up. That year forwarders got, in many instances, twenty cents per bushel from Chicago to Buffalo, and the canal rates rose as high as twenty-five cents from Buffalo to New York. In plain English, the farmer of Illinois had to give the carrier the price of five and a half bushels of his corn to get him to carry one bushel from Chicago to New York, a distance of fifteen hundred miles by water. Twenty-five cents, including canal tolls, would have laid the same corn down in Liverpool had there been a chance to navigate the St. Lawrence with vessels of one thousand tons or upwards, and the owner of the craft would have been richly remunerated at that price; but on top of the forty-five cents to New York from Chicago were the charges at that port, and another charge of twenty-five cents to cross the ocean, making the charge from Chicago to Liverpool not less than sixty-seven cents per bushel, when it would never have exceeded thirty cents had the right kind of vessels been able to pass down the St. Lawrence. This would have enabled the farmer to get forty-five cents for his corn instead of eight cents per bushel. With sixty bushels to the acre the amount secured in the one case was four dollars and eighty cents; in the other

it would have been twenty-seven dollars. This is no fancy sketch; it is a positive fact."

Mr. Stewart on the same occasion also observed: "With deep water down the St. Lawrence no interest will be more benefited than the lumber interest. With boundless and almost inexhaustible forests of valuable timber, pine is the only kind that is of any present value. Let ships of one thousand or fifteen hundred tons load at the wharves of our lake cities and, as if by magic, oak, black walnut, white wood, maple of all kinds, white ash, tamarack and spruce, would at once become ten times more valuable than they are at present. The cabinet-makers of Europe would furnish a market for your fancy woods; the West Indies would take every oak stave you could turn out, sending back in return her sugar, molasses, and other rich products, which being purchased from first hands, and landed without any extra charges but the freight at your own doors, would enable our merchants to sell these products at greatly reduced rates, thereby adding to the comfort and happiness of the great mass of the people. The railways of Great Britain would give you a limitless market for your spruce and tamarack of small growth for ties; and the wealthy cities of London, Liverpool, Manchester, Glasgow, Dublin, Bristol and Birmingham would become competitors with Chicago, New York, and Boston for your best qualities of white pine. An open market with all the world will pay the owners of timber lands better than a limited home market; and with the class of vessels named to carry the products of our forests to foreign lands, the rates of would be as low to any of the ports of Great Britain as they now are from any given point west of New York or Boston, while the prices to be obtained abroad would be much better than attainable in either of these markets."

Of the Canadian canals the Welland is of the most importance to American commerce, the transportation for 1864-'5 having been returned as follows:

	Tons.
From Canadian to Canadian ports.....	199,413½
From Canadian to American ports.....	156,961½
From American to Canadian ports.....	274,941½
From American to American ports.....	254,557½
Total.....	885,874

Of this aggregate 685,157½ tons was from the west to the east, and 529,499 tons were from American ports.

The trade of the United States through the St. Lawrence from 1861 to 1865 is thus stated in the Canadian trade returns:

	For United States.	From United States
1861.....	\$522,514	\$8,605,511
1862.....	490,298	5,198,920
1863.....	515,245	2,907,818
1864 (half year).....	282,667	507,243
1864-'65.....	289,685	4,714,629

The American trade through the St. Lawrence was about 6 per cent. of the commerce by that channel.

## INTERNATIONAL RAILWAY.

In the plan of provincial union proposed at Quebec, October 10, 1864, it is stipulated that "the federal government shall secure, without delay the completion of the intercolonial railway from Riviere du Loup, through New Brunswick, to Truro, in Nova Scotia." Its estimated cost is \$17,500,000. From Riviere du Loup to Ottawa, the capital of Canada, there is communication by railway.

Will England aid by imperial guarantee the immediate construction of a railroad from Ottawa, by way of Fort Garry and the valley of the Saskatchewan river, to the Pacific coast? Or will the provinces, with or without the aid of England, undertake such a continental highway?

The destiny of British America is involved in the extension of an ocean coast to the western limits of the great lakes, and a railway from Halifax to the capital of the confederation, and thence exclusively on the soil of the confederation, to the North Pacific coast. The adequate improvement of the St. Lawrence and Welland canals (without assuming the Ottawa and Georgian bay projects) involve an expenditure of \$20,000,000 and a St. Lawrence and Pacific railway, even if aided by liberal allotments of land along its line, will require, at this time, a government subsidy of \$100,000,000. Who anticipates that England will assume any material portion of such obligations and the proposed federal government of the provinces, will doubtless regard the promised communication between Halifax and Quebec as the utmost possible limit of its railway liability, at least for this century. The language of the Quebec conference, as to communications with the northwest and the improvements required for the development of the trade of the great west with the seaboard, is far short of a pledge of public action. True, a certain degree of interest is expressed in these objects; they are "regarded by the conference as subjects of the highest importance to the federated provinces, and shall be prosecuted at the earliest possible period that the state of the finances will permit;" and in another place there is a provision that "the Northwest Territory, British Columbia, and Vancouver shall be admitted into the Union on such terms and conditions as the parliament of the federated provinces shall deem equitable, and as shall receive the assent of Her Majesty; and in the case of the province of British Columbia or Vancouver as shall be agreed to by the legislature of such province." All of which seems quite inadequate when such immense resources might be brought into the circle of the world's activities if a policy was at once inaugurated ample to consummate the construction of a national highway from ocean to ocean between the latitudes of 45° on the Atlantic and 55° on the Pacific, through the teeming belt of settlements which would follow upon its track.

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## THE AMENDATORY TARIFF BILL.

Below we give a copy of the tariff bill passed at the session of Congress just adjourned, and approved by the President July 28 :

DEPARTMENT OF STATE,  
WASHINGTON, Aug. 3, 1866. }

*An Act to protect the revenue, and for other purposes.*

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That from and after the tenth day of August, eighteen hundred and sixty six, in lieu of the duties now imposed by law on the articles mentioned and embraced in this section, there shall be levied, collected, and paid, on all goods, wares, and merchandise imported from foreign countries, the duties heretofore [hereinafter] provided, viz :

On cigars, cigarettes, and cheroots of all kinds, three dollars per pound, and in addition thereto, fifty per centum *ad valorem* : Provided, That paper cigars and cigarettes, including wrappers, shall be subjected to the same duties as are herein imposed upon cigars ; And provided further, That on and after the first day of August, eighteen hundred and sixty-six, no cigars shall be imported unless the same are packed in boxes of not more than five hundred cigars in each box ; and no entry of any imported cigars shall be allowed of less quantity than three thousand in a single package ; and all cigars on importation shall be placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected and a stamp affixed to each box indicating such inspection, with the date thereof. And the Secretary of the Treasury is hereby authorized to provide the requisite stamps, and to make all necessary regulations for carrying the above provisions of law into effect.

On cotton, three cents per pound.

On all compounds or preparations of which distilled spirits is a component part of chief value, there shall be levied a duty not less than that imposed upon distilled spirits : Provided, That brandy and other spirituous liquors may be imported in casks or other packages of any capacity not less than thirty gallons ; and that wine in bottles may be imported in boxes containing not less than one dozen bottles of not more than one quart each ; and wine, brandy, or other spirituous liquor imported into the United States, and shipped after the first day of October, 1866, in any less quantity than herein provided for, shall be forfeited to the United States.

SEC. 2. And be it further enacted, That the second proviso in section four of an act entitled " An act amendatory of certain acts imposing duties upon foreign importations," approved March three, 1865 shall be construed to include any ship, vessel, or steamer to or from any port in the Sandwich Islands or Society Islands.

SEC. 3. And be it further enacted, That so much of an act entitled " An act to authorize protection to be given to citizens of the United States who may discover deposits of guano," approved August 13, 1856, as prohibits the export thereof, is hereby suspended in relation to all persons who have complied with the provisions of section second of said act, for five years from and after the 14th day of July 1867.

SEC. 4. And be it further enacted, That all laws and parts of laws allowing fishing by United States vessels hereafter licensed to engage in the fisheries be, and the same are hereby repealed : Provided, That, from and after the date of the passage of this act, vessels licensed to engage in the fisheries may take on board imported salt in bond to be used in curing fish, under such regulations as the Secretary of the Treasury shall prescribe, and upon proof that said salt has been used in curing fish, the duties on the same shall be remitted.

SEC. 5. And be it further enacted, That, from and after the passage of this act, all goods, wares, or merchandise arriving at the ports of New York, Boston and Portland, or any other port of the United States which may be specially designated by the Secretary of the Treasury, and destined for places in the adjacent British Provinces, or arriving at the port of Point Isabel, Texas or any other port of the United States which may be specially designated by the Secretary of the Treasury, and destined for places in the Republic of Mexico, may be entered at the custom-house and conveyed in transit through the territory of the United States without the payment of duties, under such rules regulations and conditions for the protection of the revenue as the Secretary of the Treasury may prescribe.

SEC. 6. And be it further enacted, That imported goods, wares, or merchandize in bond, or duty-paid, and produce or manufactures of the United States, may, with the consent of the proper authorities of the provinces or republic aforesaid, be transported from one port or place in the United States to another port or place therein, over the territory of said provinces or republic, by such routes, and under such rules, regulations and conditions as the Secretary of the Treasury may prescribe; and the goods, wares, and merchandize so transported shall, upon arrival in the United States from the provinces or republic aforesaid, be treated in regard to the liability to or exemption from duty, or tax, as if the transportation had taken place entirely within the limits of the United States.

SEC. 7. And be it further enacted, That whenever it shall be shown to the satisfaction of the Secretary of the Treasury that more moneys have been paid to the collector of customs, or others acting as such, than the law requires, and the parties have failed to comply with the requirements of the 14th and 15th sections of the act entitled "An act to increase the duties on imports, and for other purposes," approved June 30th, 1864, and the Secretary of the Treasury shall be satisfied that said non-compliance with the requirements, as above stated, was owing to circumstances beyond the control of the importer, consignee, or agent making such payments, he may draw his warrant upon the Treasurer in favor of the person or persons entitled to the overpayment, directing the said Treasurer to refund the same out of any money in the treasury not otherwise appropriated.

SEC. 8. And be it enacted, That the provisions of the second, third, and fourth sections of the act approved March 2, 1833, entitled "An act further to provide for the collection of duties on imports," and of the twelfth section of the act approved March 3, 1863, entitled "An act to prevent and punish frauds upon the revenue, to provide for the more certain and speedy collection of claims in favor of the United States, and for other purposes," shall be taken and deemed as extending to and embracing all cases arising or which may have heretofore arisen, and all suits and prosecutions heretofore brought and now pending, or which may hereafter be brought against any officer of the United States or other person by reason of any acts done or proceedings had by such officer or other person, under authority or color of the act approved March 12, 1863, entitled "An act to provide for the collection of abandoned property, and for the prevention of frauds in insurrectionary districts within the United States," or the act approved July 2, 1864, entitled "An act in addition to the several acts concerning commercial intercourse between loyal and insurrectionary States, and to provide for the collection of captured and abandoned property, and the prevention of frauds in States declared in insurrection." Provided, That such acts done or proceedings had under the two acts 1st aforesaid, or under color thereof, shall have been done and had under the authority or by the direction of the Executive Government of the United States. And provided further, That when a recovery shall have been, or shall hereafter be had in any such suit or prosecution brought, or which may hereafter be brought, as aforesaid, the payment of the amount recovered, as provided for in the said twelfth section of the act approved March 3, 1863, aforesaid, shall be made out of the moneys arising and obtained from the proceeds of sales and leases and fees collected and paid over to the Government under the two acts approved March 12, 1863, and July 2, 1864, aforesaid, in relation to captured and abandoned property.

SEC. 9. And be it further enacted, That in determining the dutiable value of merchandise, hereafter imported, there shall be added to the cost, or to the actual wholesale price or general market value at the time of exportation in the principal markets of the country from whence the same shall have been imported into the United States, the cost of transportation, shipment, and transhipment, with all the expenses included from the place of growth, production or manufacture, whether by land or water, to the vessel in which shipments made to the United States; the value of the sack, box or covering of any kind, in which such goods are contained; commission at the usual rates but in no case less than two and a half per centum; brokerage, export duty, and all other actual or usual charges for putting up, preparing, and packing for transportation or shipment. And all charges of a general character incurred in the purchase of a general invoice shall be distributed *pro rata* among all parts of such invoice; and every part thereof charged with duties based on value shall be advanced according to its proportion, and all wines or other articles paying specific duty by grades shall be graded and pay duty according to the actual value so determined: Provided, That all additions made to the entered value of merchandise for charges shall be regarded as

part of the actual value of such merchandise, and if such addition shall exceed by ten per centum the value so declared in the entry, in addition to the duties imposed by law, there shall be levied, collected and paid a duty of twenty per centum on such value: Provided, That the duty shall in no case be assessed upon an amount less than the invoice or entered value: Provided, further, That nothing herein contained shall apply to long-combing or carpet wools costing twelve cents or less per pound, unless the charges so added shall carry the cost above twelve cents per pound, in which case one cent per pound duty shall be added.

SEC. 10. And be it further enacted, That the second proviso in section twenty-one of an act entitled "An act increasing temporarily the duties on imports, and for other purposes," approved July 14, 1862, which provides that any goods remaining in public store or bonded warehouse beyond three years shall be regarded as abandoned to the government, and sold under such regulations as the Secretary of the Treasury may prescribe, and the proceeds paid into the Treasury, be, and the same is hereby amended so as to authorize the Secretary of the Treasury, in case of any sale under the said provision, to pay to the owner, consignee or agent of such goods the proceeds thereof, after deducting duties, charges and expenses, in conformity with the provision of the first section of the Warehouse Act of August 6, 1846.

SEC. 11. And be it further enacted, That during [the] period of one year from the passage of this act, there may be imported into the United States, free of duty, any machinery designed solely for and adapted to the manufacture of sugar from beets, including all the preliminary processes requisite therefor, but not including any machinery which may be used for any other manufactures.

SEC. 12. And be it further enacted, That upon the reimportation of articles once exported of the growth, product, or manufacture of the United States, upon which no internal tax has been assessed or paid, or upon which such tax has been paid and refunded by allowance or drawback, there shall be levied, collected, and paid a duty equal to the tax imposed by the internal revenue laws upon such articles.

SEC. 13. And be it further enacted, That there shall be established in and attached to the Department of the Treasury a bureau, to be styled "The Bureau of Statistics," and the Secretary of the Treasury is hereby authorized to appoint a director to superintend and control the business of said bureau, who shall be paid an annual salary of \$3,500. And it shall be the duty of the director of the Bureau of Statistics to prepare the report on the statistics of commerce and navigation, exports and imports, now required by law, to be annually submitted to Congress by the Secretary of the Treasury; and said report, embracing the returns of the commerce and navigation, the exports and imports of the United States to the close of the fiscal year, shall be submitted to Congress in a printed form on or before the first day of December next succeeding; and the said director, as soon as practicable after the organization of this office, shall, under the direction of the Secretary of the Treasury, prepare and publish monthly reports of the exports and imports of the United States, including the quantities and values of goods warehoused or withdrawn from warehouse, and such other statistics relative to the trade and industry of the country as the Secretary of the Treasury may consider expedient. And the director of the Bureau of Statistics shall also prepare an annual statement of vessels registered, enrolled, and licensed under the laws of the United States, together with the class, name, tonnage, and place of registry of each vessel, and such other information as the Secretary of the Treasury may deem proper to embody therein; and to enable the said director to furnish the information required, the Secretary of the Treasury shall have power, under such regulations as he shall prescribe, to establish and provide a system of numbering vessels so registered, enrolled, and licensed; and each vessel so numbered shall have her number deeply carved or otherwise permanently marked on her main beam; and if at any time she shall cease to be so marked, such vessel shall be no longer recognized as a vessel of the United States. The said director shall also prepare an annual statement of all merchandise passing in transit through the United States to foreign countries, each description of merchandise, so far as practicable, warehoused, withdrawn from warehouse for consumption, for exportation, for transportation to other districts, and remaining in the warehouse at the end of each fiscal year. It shall be the further duty of said director to collect, digest, and arrange for the use of Congress, the statistics of the manufactures of the United States, their localities, sources of raw material, markets, exchanges, with the producing regions of the country, transportation of products, wages and such other conditions as are found to affect their prosperity; and to aid him in the dis-

charge of these duties, the several clerks now employed in the preparation of statistics in the Treasury Department, or any bureau thereof, may be placed under his supervision and direction; and, in addition, the Secretary of the Treasury shall detail such other clerks as may be necessary to fully carry out the provisions of this act. And the expenses of the Bureau of Statistics for clerical service, publication of reports, stationery, books and statistical periodicals and papers required by the Bureau, shall be defrayed on the order and approval of the Secretary of the Treasury, out of any moneys in the Treasury not otherwise appropriated. And all letters and documents to and from the director of the Bureau of Statistics, relating to the duties and business of his office, shall be transmitted by mail free of postage.

Sec. 14. And be it further enacted, That the Secretary of the Treasury be authorized to suspend the collection, in any of the States heretofore declared in insurrection, of the direct tax imposed by an act of Congress passed August 5th, 1861, entitled "An act to provide increased revenue from imports, to pay interest on the public debt, and for other purposes," until January 1st, 1868.

## ANALYSES OF RAILROAD REPORTS. No. 13.

*I. New York & Harlem Railroad.—II. Cleveland & Toledo Railroad.—III. Marietta & Cincinnati Railroad.—IV. Michigan Central Railroad.*

### NEW YORK AND HARLEM RAILROAD.

The New York and Harlem Railroad, which in connection with the Albany and West Stockbridge (Western) Railroad, forms the inland route between New York City and Albany is constituted as follows:

Main Line—New York City to Chatham Four Corners.....miles	130.75
Branch Line—Melrose to Port Morris.....	2.12
Total owned by the company.....	132.87
Albany and West Stockbridge Railroad—Chatham to E. Albany.....	20.25
Total owned, leased, and operated.....	153.12
Second track and sidings on main line 45 miles.	

### ROLLING STOCK.

The rolling stock belonging to the company at the close of each of the last ten fiscal years (September 30,) is shown in the following table:

Sept. 30th,	Loco- motives.		Cars rated as 8-wheel cars—			City cars.	Cost of rol'g stock.
	Pass.	Freight.	Pass.	Mail, &c.	Freight.		
1856.....	36	65	11	355	431	37	\$663,146
1857.....	35	71	10	400	481	55	624,685
1858.....	33	56	11	377	444	42	634,727
1859.....	33	51	11	365	427	42	650,804
1860.....	33	42	15	377	434	42	650,804
1861.....	34	36	13	425	484	42	650,804
1862.....	32	35	13	428	476	42	650,804
1863.....	32	34	11	481	526	45	811,987
1864.....	35	40	17	561	618	69	1,105,299
1865.....	43	60	23	587	670	67	1,463,957

### BUSINESS OF THE ROAD.

The mileage of trains, the number and mileage of passengers, and the tons of freight and the mileage thereof in the same years, were as follows:

Fiscal year.	Train mileage.		Passengers		Freight.	
	Passenger.	Freight.	Number.	Mileage.	Tons.	Mileage.
1855-56.....	330,035	203,539	1,223,048	24,552,577	159,406	8,799,957
1856-57.....	488,221	255,974	958,777	23,234,000	150,863	9,323,743
1857-58.....	405,391	216,356	720,070	14,790,971	122,371	7,446,561
1858-59.....	317,235	243,571	718,978	16,374,091	145,577	9,131,851
1859-60.....	319,748	266,240	767,652	16,370,371	153,511	9,382,119
1860-61.....	348,471	297,299	726,363	15,772,007	168,527	11,032,070
1861-62.....	230,533	339,840	686,523	12,423,093	198,667	15,322,994
1862-63.....	245,041	374,459	811,877	15,014,360	233,981	18,201,839
1863-64.....	360,532	365,502	1,177,789	20,942,621	236,467	15,571,828
1864-65.....	363,379	391,888	1,243,545	38,093,353	220,603	17,153,978

The following statement classifies the freight carried—the quantities being given in tons :

Fiscal year.	Products of Forest.		Veget'le food.		Oth. agri. cult'l prod.		Manu- fact's.		Merchan- dise.		Other articles.	
1855-56	3,730	48,308	11,140	3,301	17,729	6,736	68,562					
1856-57	10,089	60,698	13,718	2,545	24,265	3,825	35,723					
1857-58	8,170	52,478	11,177	2,898	17,576	4,302	25,770					
1858-59	9,485	52,332	12,487	4,206	20,422	6,698	39,948					
1859-60	8,271	53,773	14,115	4,186	22,113	8,809	41,244					
1860-61	7,369	62,053	17,410	2,496	29,043	12,210	37,946					
1861-62	9,086	74,844	16,242	9,833	34,861	10,845	42,956					
1862-63	12,078	70,365	20,570	15,908	40,353	26,620	58,077					
1863-64	12,223	81,884	17,488	23,901	19,479	14,123	67,859					
1864-65	13,597	105,407	16,920	11,877	24,617	11,063	55,12					

In the following statement are given the miles run by the city cars, the number of passengers carried, and the mileage of passengers :

Fiscal year.	Miles run by cars.		Passengers.		Fiscal year.	Miles run by cars.		Passengers.	
			Number.	Mileage.				Number.	Mileage.
1855-56	501,312	1,799,391	1,746,933		1860-61	555,120	3,607,889	5,411,833	
1856-57	296,593	2,014,486	2,100,000		1861-62	554,350	3,530,227	5,295,340	
1857-58	574,800	3,069,721	3,150,000		1862-63	635,644	4,266,190	6,339,288	
1858-59	512,422	3,493,113	5,239,669		1863-63	785,916	5,795,238	8,692,855	
1859-60	564,351	3,990,934	5,986,401		1864-65	804,612	7,193,476	10,790,217	

REVENUE AND EXPENSES.

The gross transportation earnings and expenses, and the profits from operations were as follows :

Fiscal Years.	Gross earnings.			Total.	Operating expenses.	Profits or net rev.
	Passenger.	Freight.	Other.			
1855-56	\$520,527	\$436,245	\$83,621	\$1,040,393	\$715,501	\$324,892
1856-57	494,103	436,725	96,744	1,027,572	840,781	186,841
1857-58	462,556	443,301	69,996	975,853	617,061	358,792
1858-59	490,616	506,342	79,364	1,076,322	695,996	380,326
1859-60	533,091	529,411	80,349	1,142,851	709,135	433,716
1860-61	448,193	538,658	163,129	1,144,980	758,727	391,253
1861-62	411,684	573,742	168,577	1,154,003	697,305	456,698
1862-63	512,175	707,820	192,931	1,412,426	957,655	454,771
1863-64	735,161	864,558	260,709	1,860,709	1,409,820	450,889
1864-65	1,053,314	1,093,668	362,743	2,509,725	2,077,397	422,428

The receipts from the New York and New Haven Railroad for use of the road from Williamsbridge to the city, are included in "other" gross earnings. They have been as follows : For the year ending Sept. 30th, 1856, \$70,571 ; 1857, \$69,426 ; 1858, \$57,814 ; 1859, \$66,932 ; 1860, \$65,096 ; 1861, \$132,220 ; 1862, \$138,000 ; 1863, \$161,451 ; 1864, \$223,175, and 1865, \$186,296.

The amount paid from net revenue, on account of interest on debt, and dividend on preferred stock in each year has been as follows : In year ending Sept. 30, 1856, \$307,641 ; 1857, \$438,102 ; 1858, \$406,793 ; 1859, \$388,142 ; 1860, \$392,883 ; 1861, \$403,318 ; 1862, \$415,202 ; 1863, \$423,808 ; 1864, \$432,440, and 1865 \$420,265.

GENERAL ACCOUNTS.

The financial condition of the company at the close of each fiscal year from 1855-56 to 1864-65, both years inclusive, is shown in the following statement :

Sept. 30th.	Capital stock.	Funded debt.	Floating debt.	Total stock and debts.	Real estate mortgages.	Extension certifs.
1856	\$5,717,100	\$3,853,305	\$299,352	\$9,869,757	\$144,312	\$465,000
1857	5,717,100	4,060,498	652,439	10,430,037	188,573	465,000
1858	5,717,100	5,151,287	147,641	11,016,028	188,573	465,000
1859	5,717,100	5,353,297	.....	11,070,397	188,573	465,000
1860	5,717,100	5,372,179	.....	11,289,279	218,573	465,000
1861	5,717,100	5,537,664	43,788	11,298,552	218,573	244,500
1862	5,717,100	5,565,487	84,708	11,367,295	218,573	221,000
1863	5,722,850	5,877,518	14,260	11,614,628	218,573	66,500
1864	6,585,050	6,115,800	.....	12,700,850	98,137	62,500
1865	6,585,050	6,098,045	.....	12,683,095	97,074	59,500

\* Including \$1,500,000 preferred stock

Against which are charged as follows:—

Sept. 30th.	Construction account			Total.	Real estate in in N. Y. &c.
	Railroad.	Equipm's.	Extension.		
1856	\$5,398,373	\$663,146	\$2,000,000	\$8,061,519	\$1,090,529
1857	5,487,914	624,585	2,000,000	8,112,499	1,090,529
1858	7,213,339	634,777	2,000,000	9,948,116	1,090,529
1859	7,368,867	650,804	2,000,000	10,019,671	1,090,529
1860	7,371,982	650,804	2,000,000	10,022,786	1,136,849
1861	7,385,739	650,804	2,000,000	10,036,543	1,137,014
1862	7,385,739	650,804	2,000,000	10,036,543	1,137,014
1863	7,389,919	811,987	2,000,000	10,201,906	1,141,237
1864	7,510,739	1,105,299	2,000,000	10,616,038	1,120,822
1865	7,708,611	1,469,957	2,000,000	11,178,568	1,144,181

The large increase in cost in 1857-58 is explained by stating that the "profit and loss account," the accumulation of several years is charged this year to cost of road.

DEDUCTIONS.

The following table shows the relation of the above statements to the mileage of the road, viz.: the cost of road and equipment per mile, &c; the earnings, expenses and profits per mile together with the proportion of expenses to earnings, and the rate of the profits to cost of road, &c.—the road from New York to Chatham Four Corners 130.75 miles, being taken as the unit:

Year ending Sept. 30.	Cost of road, &c., per mile.	Amounts per mile			Expenses to earnings.	Profits to cost of road.
		Gross earnings.	Operating expenses.	Net profits.		
1856	\$61,656	\$7,957	\$5,472	\$2,485	68.77	4.03
1857	62,046	7,859	6,410	1,449	81.56	2.34
1858	76,085	7,464	4,719	2,745	63.25	3.61
1859	76,632	8,232	5,323	2,909	64.66	3.79
1860	76,659	8,711	5,425	3,286	62.06	4.32
1861	76,761	8,757	5,764	2,993	65.25	3.90
1862	76,761	8,826	5,333	3,493	60.42	4.55
1863	78,026	10,802	7,324	3,478	67.80	4.45
1864	81,499	14,223	10,732	3,441	75.80	4.22
1865	85,496	19,195	15,905	3,290	88.17	3.78

The profits to cost of road have been deducted from the nominal cost, exclusive of real estate. Had the amount of stock and debts been taken instead of this nominal sum, the profits would have shown at a much lower figure, and, on the average, one-sixth lower. Thus the stock debt in 1865 amounted to \$97,003 per mile, while the cost of road, &c., amounted only to \$85,496 per mile. Hence the profits to the first sum, were only 3.33 per cent., while to the latter sum they were 3.78 per cent., showing a difference against the company of 0.45 per cent. It may be noted, indeed, that the profits for the last ten years have barely balanced the demands for interest on debt and dividends on the preferred stock. Affairs, however, must have materially improved between Oct. 1, 1865, and July 1, 1866, since at the latter date a dividend of 4 per cent was unexpectedly declared on the common stock—the first since 1854.

MARKET PRICE OF STOCKS.

The Common Harlem Stock has shown the following monthly fluctuations in sale prices for the six years ending Sept. 30, 1865:

	1859-60.	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.
Oct.	8½ @ 8½	15 @ 23½	10½ @ 14	20¼ @ 25	80 @ 145	@ —
Nov.	8½ @ 9½	13 @ 18	12 @ 14	18 @ 23	88 @ 110	@ —
Dec.	8½ @ 9½	12 @ 14½	10 @ 13	21 @ 23½	87½ @ 93	@ —
Jan.	8½ @ 9½	15 @ 16½	12½ @ 13½	27½ @ 40	86½ @ 105	@ —
Feb.	8½ @ 9½	14 @ 17	11½ @ 12½	32 @ 37	102 @ 137½	@ —
March	8 @ 10½	15½ @ 16½	12½ @ 13½	35 @ 41	101 @ 152	@ —
April	10½ @ 14½	11½ @ 16½	12 @ 13	42½ @ 76½	130 @ 235	@ —
May	12 @ 13½	10½ @ 12½	13 @ 15	79 @ 116½	224 @ 281	@ —
June	11½ @ 12½	8½ @ 10½	14 @ 18½	97½ @ 109½	260 @ 285	@ —
July	12½ @ 17½	9½ @ 12½	13 @ 17½	92 @ 125	— @ —	@ —
August	16 @ 20	10½ @ 11	14½ @ 17	125 @ 179	— @ —	@ —
Sept.	16½ @ 24	10½ @ 10½	15 @ 22	115 @ 164½	65 @ 65	@ —
Year	8 @ 24	8½ @ 23½	10 @ 22	18 @ 179	65 @ 285	@ —

The preferred stock of the company has fluctuated as follows :

	1859-60.	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.
Oct.....	32 @33½	38½ @53½	25¼ @35	46¼ @ 53½	107 @130	— @ —
Nov.....	33 @35	31 @41	29¼ @35	42¼ @ 53½	110 @111	— @ —
Dec.....	32¼ @35	27 @35½	25 @31½	50 @ 54¼	100 @100	— @ —
Jan.....	32¼ @34	36 @42	29¼ @32	57 @ 87	102 @112	— @ —
Feb.....	32¼ @34½	34 @43	28¼ @30½	63¼ @ 78	109 @125	— @ —
March.....	32¼ @36¼	38 @41¼	30 @32½	76¼ @ 86	125¼ @138	— @ —
April.....	35¼ @40	28 @41¼	30 @32½	81 @ 94	— @ —	— @ —
May.....	37 @41¼	25¼ @31½	32¼ @37	95 @120½	— @ —	— @ —
June.....	37 @40	20¼ @25½	35¼ @45	89 @108¼	112¼ @112½	— @ —
July.....	38¼ @44½	22¼ @29½	33¼ @41	94 @120	— @ —	75 @ 75
August.....	45 @51	24¼ @26¼	35 @42	119 @153	— @ —	80 @ 80
Sept.....	43¼ @55	25 @25½	:9 @48½	115 @151	— @ —	— @ —
Year.....	32 @55	20¼ @53½	25 @48½	42¼ @153	100 @138	75 @ 80

From the above it will be seen that the stocks of this company have not been in the market since June, 1864.

The New York and Harlem Railroad Company was chartered by the Legislature, April 21, 1831, and by subsequent acts was authorized to construct and maintain a railroad between New York City and Albany. The work of construction was commenced in the Fall of 1831, and the first section of three-quarters of a mile, extending from Prince street to 14th street, was opened for public use Nov. 26, 1832. The section from 14th st. to 32d st., about one mile, was opened June 10, 1833; from 32d st. to Yorkville, 2¼ miles, May 9, 1834; from Yorkville to Harlem, 2¼ miles, Oct. 26, 1837; from Harlem to Williamsbridge, 6¼ miles, Sept. 3, 1842; from Williamsbridge to White Plains, 12 miles, Dec. 1, 1844; from White Plains to Croton Falls, 25¼ miles June 1, 1847; and from Croton Falls to Dover Plains, 29 miles, Dec. 31, 1848. The section between Prince st. and the City Hall was opened May 4, 1839, and from the City Hall to the Astor House Nov. 26, 1852. The extension of the road from Dover Plains to Chatham Four Corners, (where it connects with the Albany and West Stockbridge (Western) Railroad,) 50¼ miles, was completed Jan. 19, 1852. For the payment of the construction of the division above Dover Plains, "Extension Certificates" were issued to the amount of \$2,000,000, payable Feb. 1, 1873, with interest semi-annually Jan. 1 and July 1. These certificates constitute a first lien on the extension. For the satisfaction of these certificates the railroad company agreed to supply the rolling stock for the extension, operate it, and charge therefor the average cost per mile of working the whole line, and to appropriate the net earnings of the extension toward the payment of the interest; and in case such earnings should not be sufficient to pay such interest, then the railroad company to apply thereto, if necessary, three-fourths of the gross earnings from business over their own road to and from stations thereon, and from and to stations on the extension; and in case any deficiency should then exist, the company to issue new for the old warrants, bearing seven per cent. interest, to be paid from the first surplus accruing in the manner stated after the payment of warrants falling due or in arrears. The railroad company also agreed that the holders of the certificates might convert them into the stock of the company. These certificates have been so converted to the extent of \$1,940,500, the company holding the certificates as a debt against that portion of the road for which they were originally issued. As to the interest, the company paid for several years 3½ per cent. but finally nothing—the construction of the contract having been made the subject of litigation. Few roads of the same importance have so brief a history. Its stocks, however, have always been dealt in at the New York Exchange, and have generally been handled for speculative purposes. Small dividends were paid yearly from 1848 to 1854, but to the close of 1865 had scarcely averaged one-half of one per cent.

through the whole term of the existence of the company. In March, 1860, the common stock was selling at 8, and in June, 1861, at 8½; but during the speculative period of the war it rose to par, and above, and in June, 1864, was cornered up to 255. Since this period few sales have been made, and the stock is now mainly held by a single individual, who in July, 1866, paid from one pocket to the other a dividend of 4 per cent from operations never earned from operations.

CLEVELAND AND TOLEDO RAILROAD.

The Cleveland and Toledo Railroad is constituted of the following two divisions :

Northern Division—Cleveland to Sandusky.....miles	60.0
Southern Division—Grafton (C. C. and C. R. R.) to Toledo.....	87.5
Total length of road owned by company .....	147.5
Cleveland, Columbus & Cincinnati Railroad, from Grafton to Cleveland, leased (\$66,000 per annum).....	25.0
Total length of road operated by company .....	172.5

The company is now engaged in changing the line of their road, so as to connect the southern with the northern division at Elyria, and thus save the expenses of the C., C. and C. lease, and give greater facilities to general operations. A Union Passenger Depot is also being constructed at Cleveland, which will enable the passenger trains to pass between Buffalo and Toledo without change.

The equipment of the road on the first of May, yearly, for the past seven years, has been as follows :

	1860.	1861.	1862.	1863.	1864.	1865.	1866
Locomotives.....	32	32	32	32	87	37	37
Passenger cars.....	35	35	35	32	30	28	32
Emigrant do .....	10	10	10	8	8	9	7
Baggage do .....	12	12	12	12	12	13	15
Mail do .....	4	4	4	4	4	4	4
Freight cars—box & stock.....	241	252	270	313	419	403	445
do Rack .....	98	110	33	46	87	89	112
do Platform.....			90	120	130	146	195
Boarding cars .....	..	..	3	3	3	3	3
Total cars.....	400	423	457	538	633	695	813

OPERATIONS ON THE ROAD.

The following statements exhibit the mileage made by engines and cars, the passenger and freight traffic, and general deductions relating to mileage and charges :

1. Number of miles run by engines and cars.

Year ending April 30,	Miles by engines.	Miles run by cars.		
		Passenger.	Freight.	Total.
1860.....	.....	.....	.....	4,217,225
1861.....	.....	1,075,154	3,923,571	4,998,725
1862.....	610,292	1,034,044	5,520,775	6,554,819
1863.....	693,371	1,139,259	6,145,262	7,284,521
1864.....	768,262	1,591,208	6,170,208	7,769,152
1865.....	.....	1,752,653	5,635,072	7,387,725
1866.....	994,554	1,819,706	7,075,916	8,895,622

2. Number, character and direction of passengers carried :

Year end'g April 30.	Eastward			Westward			Both Ways.
	Thro'.	Way.	Total.	Thro'.	Way.	Total.	
1860.....	43,929	76,129	120,058	52,201½	74,219	126,420½	246,478½
1861.....	45,313½	82,531½	127,845	55,345½	84,573½	139,819	267,664
1862.....	46,554	82,621½	129,175½	49,059	79,195½	128,254½	257,430
1863.....	64,643	98,096	162,739	60,793	100,327	161,120	323,859
1864.....	82,038	142,609	224,672	93,130	146,546	239,676	464,348
1865.....	122,008	164,067	286,075	135,772	165,325	300,097	586,172
1866.....	85,356	185,219	270,575	136,504	200,407	336,911	607,486

The following table shows the origin of the passengers—the foreign (or from other roads), and the local :

Year end'g April 30.	—Eastward—		—Westward—		Total foreign.	Total local.	Foreign & local
	Foreign.	Local.	Foreign.	Local.			
1860.....	35,709	84,339	44,240½	82,180	79,959½	166,519	246,478½
1861.....	31,380	93,465	46,216	93,603	80,596	187,063	267,664
1862.....	32,821	96,354½	42,058½	86,196	74,879½	182,550½	257,430
1863.....	46,443	116,296	52,605	108,515	99,043	224,811	338,559
1864.....	63,108	161,564	76,591	163,285	139,499	324,849	464,348
1865.....	87,427	198,648	106,006	194,092	193,432	392,740	586,712
1866.....	.....	.....	.....	.....	172,820	434,666	607,486

The following shows the total passengers, the equivalent number carried one mile and through, with the average miles travelled by each passenger, with the receipts from each, and the average receipts per mile travelled :

Year end'g April 30.	Passeng's carried.	—Equiv't number carried—		Av. miles travel.	—Avg. receipts—	
		one mile.	Through.*		Per pass'r.	Per m.
1860.....	246,478½	14,824,632	131,775	60.1	\$1 70:2	2.86c
1861.....	267,664	16,753,533	149,585	62.6	1 65:6	2.70c
1862.....	257,430	15,909,705	142,051	61.7	1 66:0	2.69c
1863.....	323,859	20,650,278	184,375	63.7	1 74:3	2.73c
1864.....	464,348	28,498,362	254,450	61.3	1 68:8	2.7c
1865.....	586,172	38,133,340	340,476	65.0	1 87:4	2.88c
1866.....	607,486	37,263,769	311,294	61.3	1 87:8	3.06c

These tables show a wonderful development of the passenger traffic on this road—a traffic which will probably be largely increased when the additional conveniences at Cleveland for transfer are completed.

### 3. Quantity (tons) and direction of freight carried :

Years end'g April 30.	—Eastward.			—Westward.			Both ways.
	Thro'	Way.	Total.	Thro'	Way.	Total.	
1860.....	94,678	54,929	149,607	41,807	29,599	71,406	221,013
1861.....	115,312	54,706	170,018	49,808	39,657	80,465	250,483
1862.....	152,228	71,090	223,318	56,399	31,535	87,934	311,252
1863.....	201,285	73,068	274,353	71,387	37,963	109,350	383,803
1864.....	187,019	97,772	284,791	92,725	52,901	147,626	432,417
1865.....	159,913	104,036	263,949	90,983	55,469	146,452	410,401
1866.....	229,109	71,757	300,866	119,203	54,154	173,357	474,223

The following shows the total tonnage and equivalent tons carried one mile and through (112 miles), with the average receipts for each ton and for each ton per mile :

Years end'g April 30.	Total tonnage.	—Equiv. tons carried—		Av. mls. carried.	—Av. receipts—	
		One mile.	Through.		P. ton.	P. m.
1860.....	221,013	19,324,697	171,775	87.4	\$1 85:8	2.12c
1861.....	250,483	22,694,101	202,626	90.6	1 86:3	2.05c
1862.....	311,252	28,687,413	256,138	92.2	1 85:2	2.07c
1863.....	383,803	35,510,471	317,058	92.5	2 07:6	2.24c
1864.....	432,417	37,644,347	336,110	87.0	2 09:8	2.41c
1865.....	410,402	34,791,292	310,636	84.7	2 45:0	3.89c
1866.....	474,223	44,328,972	406,869	93.5	2 63:1	2.81½c

From this, it appears that the freight traffic has more than doubled within the period included in the statement ; and, what is evidence of progress, the last year of the series shows the highest results, although the local traffic in that year was a large percentage below that of the next preceding year. The company has joined other roads in forming a through freight line between Chicago and the seaboard via the New York Central Railroad, which line has added largely to the freight traffic of this road. A similar line, to run in connection with the Erie Railroad is proposed.

### FINANCIAL RESULTS, YEARLY.

The earnings from operations and the working and other expenses, yearly, for the seven years embraced in the foregoing exhibits of operations, are shown in the following statement.

\* Estimated on the distance between Cleveland and Toledo—112 miles.

The earnings have been as follows:

Years end'g April 30	Passenger earnings			Freight and mail earnings.	Total earnings.
	Foreign.	Local.	Total.		
1860	\$190,821 51	\$233,402 36	\$424,223 87	\$409,047 49	\$833,271 36
1861	2,078,663	252,486 80	453,254 66	466,716 42	919,971 08
1862	175,880 00	251,405 21	427,285 25	579,352 07	1,003,637 32
1863	232,419 66	332,117 16	564,536 82	796,000 44	1,361,537 36
1864	196,684 89	587,374 52	984,059 41	907,206 42	1,691,265 83
1865	476,393 44	622,362 21	1,098,695 65	1,165,631 82	2,104,098 64
1866			1,223,236 20		2,388,868 02

These earnings have been disbursed as follows:

Years end'g Apr 30.	Expenses			Interest paid on bonds.	Dividends paid on stock.	Balance carried to income ac't
	Operating expenses.	Taxes, rents, & extraord. & c.	T'l before int. & div.			
1860	\$367,736 50	\$120,612 71	\$488,349 22	\$268,813 22	\$.....	\$76,103 93
1861	426,015 40	96,368 30	522,383 70	268,953 00	.....	128,634 38
1862	460,149 22	91,413 19	551,562 41	269,077 58	100,314 00	82,683 33
1863	544,482 49	107,004 98	651,487 47	265,198 13	133,752 00	311,099 66
1864	729,272 54	138,288 99	867,561 50	238,668 91	337,522 36	247,523 00
1865	1,080,756 04	188,562 04	1,269,318 08	179,863 22	492,642 10	162,269 24
1866	1,117,074 50	236,076 05	1,353,150 55	172,636 22	637,022 00	226,059 25

An extra dividend of 10 per cent. (\$491,326) was paid in August, 1864, and charged to profit and loss. Since the commencement of operations to April 30, 1866, sixteen dividends have been paid, as follows:

1. April, 1854	5 p. c.	\$167,190 00	9. April, 1863	4 p. c.	\$193,752 00
2. Oct., 1854	5 p. c.	167,190 00	10. Oct., 1863	4 p. c.	188,912 00
3. April, 1855	5 p. c.	167,190 00	11. April, 1864	4 p. c.	188,610 30
4. Oct., 1855	4 p. c.	133,752 00	12. Aug., 1864*	10 p. c.	491,326 00
5. April, 1856	4 p. c.	133,752 00	13. Oct., 1864	5 p. c.	245,768 42
6. Oct., 1856	4 p. c.	133,752 00	14. April, 1865	5 p. c.	246,873 63
7. April, 1857	4 p. c.	133,752 00	15. Oct., 1865	5 p. c.	249,774 00
8. April, 1862	3 p. c.	100,314 00	16. April, 1866	8 p. c.	357,248 00

—making a total of \$3,229,156 40. The amount for April, 1864, and subsequent dates include the United States tax.

FINANCIAL CONDITION OF COMPANY.

The following is an analysis of the general account, made up to June 1, yearly:

June 1,	Capital stock.	Funded debt.	Const. tel. & iron acct.	tel. payable.	Current acct's.	Income bala'e.	Total amount.
1860	\$3,343,812	\$3,848,420	\$.....	\$286,082	\$76,463	\$305,405	\$7,860,182
1861	3,343,800	3,850,570	.....	196,414	92,988	124,634	7,612,406
1862	3,343,800	3,850,595	.....	148,660	74,447	211,318	7,628,820
1863	3,521,600	3,667,595	.....	.....	94,226	522,417	7,810,838
1864	4,654,800	2,439,900	117,529	4,989	119,760	769,94	8,107,008
1865	4,690,600	2,614,810	136,389	53,743	134,455	440,884	8,070,880
1866	4,841,600	2,746,280	.....	3,742	111,254	666,943	8,369,819

Against which are charged the following, viz.:

June 1,	Cost of		Stks & bds of oth. co's.	Real estate.	Sinking fund.	Materials, &c. on hand.	Cash
	Railroad.	Equipm't.					
1860	\$6,771,891	\$461,149	\$238,239	\$36,322	\$60,707	\$283,056	\$5,818
1861	6,697,178	483,160	89,299	29,253	85,469	316,122	15,701
1862	6,699,373	504,420	95,679	29,812	101,578	182,459	15,489
1863	6,700,495	530,727	55,025	34,211	137,212	226,786	15,833
1864	6,699,373	693,357	55,025	41,565	172,791	308,534	136,463
1865	6,699,573	72,449	56,737	39,015	197,791	314,303	39,012
1866	6,672,157	868,769	35,115	57,317	221,791	336,058	178,612

The following shows the details of the bonded debt at the close of each of the years:

	1861.	1862.	1863.	1864.	1865.	1866.
Juac—Inc., June 1, '62	\$44,000	\$22,000	\$.....	\$.....	\$.....	\$.....
" (Lloyds) Oct. 1, '62	5,000	5,000	.....	.....	.....	.....
" 2d Mort., Nov. 1, 1862	265,000	221,000	.....	.....	.....	.....
T. N. & C.—1st Mort., Aug. 1, 1863	521,000	521,000	439,000	9,000	3,000	.....
" 2d Mort., Aug. 1, 1863	293,200	293,200	176,500	.....	.....	.....
C. & T.—Inc., Sept. 1, '63	124,500	104,400	66,150	250	.....	.....
" Inc., (conv.) July 1, 1864	596,000	430,000	288,000	236,000	.....	.....
" Div. bonds, April 1, 1865	162,770	151,495	129,215	125,740	12,810	280

\* Extra.

June—1st M. (1st Div.), Apr. 1, 1867...	359,000	299,000	288,000	244,000	229,000	213,000
C. & T.—Inc., Sept. 1, '70 .....	42,000	39,000	25,000	6,000	6,000	6,000
June—1st M. (2d Div.), Dec. 1, 1872 .....	263,000	219,600	164,000	161,000	159,000	146,000
C. & T.—S'k'g fund, July 1, 1885 .....	1,173,000	1,545,000	2,677,000	1,802,000	2,205,000	2,081,000
" Mort., July 1, 1886 .....	.....	.....	.....	.....	.....	300,000
Total .....	3,850,570	3,850,595	3,667,595	2,633,990	2,614,810	2,762,820
Redemption funds .....	.....	.....	581,270	194,000	.....	.....

## PROPORTIONAL DEDUCTIONS.

We deduce from the foregoing statements as follows, viz: the cost of road and equipment per mile; the earnings, expenses and profits per mile; and the ratio of expenses to gross earnings, and of the profits to cost of road. In this connection, however, it is proper to state that the expenses here meant are not only the working expenses, but include taxes, rents, and all other payments from income, before interest and dividends. We give also the per centage of the surplus, after dividends, to the stock outstanding:

	Cost of R.R. & C. p. m.	Amount per mile—			Ratio per centum—		
		Gross earn'gs.	Total expen's.	Net profits.	Exp'ses to earn'gs.	Profits to cost.	Surp's to stock
1860 .....	\$49,058	\$5,649	\$3,311	\$2,338	58.63	4.77	2.27
1861 .....	48,680	6,237	3,542	2,695	56.95	5.53	3.82
1862 .....	48,839	6,804	3,749	3,055	55.10	6.25	2.47
1863 .....	49,252	9,231	4,417	4,814	47.85	9.77	8.82
1864 .....	50,120	11,466	5,882	5,584	51.52	11.14	5.32
1865 .....	50,332	14,265	8,605	5,660	60.32	11.24	3.46
1866 .....	51,125	16,196	9,174	7,022	56.64	13.73	4.67

The total surplus accumulated in the seven years was \$1,234,377 90. The surplus at the close of the fiscal year, 1860 (\$76,108 82), was carried to construction, which leaves \$1,158,268 98 to be accounted for. Of this, the 10 per cent. dividend declared in August, 1864, took \$491,326 00, and the amount to credit of the shareholders April 30, 1866, was \$666,942 98, or 13.77 per cent. on the present share capital.

## PRICES OF THE COMPANY'S STOCK.

The monthly range of the prices at which this stock has sold at New York during the six years ending with June, 1866, is shown in the subjoined statement:

Months.	1860-61.	1860-1.	1861-2.	1863-64.	1864-5.	1865-6.
July.....	30 @38½	23½@33	45 @49½	109 @117	131 @144	101 @104
Aug.....	38½@49	28½@30½	46½@54½	113 @123	125½@134	96½@102
Sept.....	43½@49½	29 @30½	52½@69½	112 @121	108 @126	102 @109
Oct.....	31 @48	29½@38½	67½@73	114 @120	95 @116	100 @111
Nov.....	24½@35½	33 @38½	65½@70½	113 @119½	108 @114½	102½@105
Dec.....	20 @31	28 @36½	66 @72½	100 @121	107 @112½	102½@115
Jan.....	32½@37½	33½@42½	77½@97	120 @141	108 @118	103 @113½
Feb.....	27½@38	40½@46	86½@96½	136½@149½	113 @115	105 @108½
Mar.....	33 @37	44½@47½	93½@98½	142 @151½	91 @111	107 @113
April.....	22½@36½	40½@46	92½@106½	135 @157	92 @103	99½@106½
May.....	20½@25½	41½@47½	108 @117	145 @154½	95 @103½	103 @105½
June.....	20½@24½	44½@49½	105 @116½	135 @151½	98 @105	104½@107
Year.....	20 @49½	23½@49½	45 @117	107 @157	90 @144	96½@115

Dividends are paid in April and October.

The history of the Cleveland & Toledo Railroad Company will be found in the *MAGAZINE* for September, 1865, p. 289.

## MARIETTA AND CINCINNATI RAILROAD,

The Marietta and Cincinnati Railroad consists of a main line and several branches as follows:

	Miles.
Main line—Marietta to Loveland.....	173
Branch—Harmar to Belpré (Union Railroad) .....	9
" —Hamden to Portsmouth (Scioto and Hocking Valley R.R.) .....	56
" —Blanchester to Hillsboro (Hillsboro and Cincinnati R.R.) .....	21
Total length of line.....	259

Since the close of the last fiscal year the Company have completed an extension from Loveland to Cincinnati, about 25 miles. The branches were originally constructed by separate companies, and subsequently purchased by the Marietta and Cincinnati Company. Hitherto, the Company have used the Little Miami track to carry their cars into Cincinnati.

The car equipment consists of 20 passage, 9 baggage, 4 caboose, 200 box, 58 cage, 95 coal, 112 flat, and 7 lime; total, 505 cars. During the year there were built at the Company's shops 4 passenger, 3 baggage, 45 coal, 1 lime, 7 flat, and 2 derrick cars; and there were purchased 2 passenger and 100 box freight cars; total, 164 cars added during the year. The number of locomotives on all the lines is 58, of which 5 were purchased in 1865.

The earnings and expenses for the two years ending Dec. 31, are shown in the following statement:

	1864.	1865.
Passenger earnings.....	\$466,913 74	\$570,765 51
Freight ".....	518,167 86	592,853 21
Mail ".....	23,970 82	23,737 44
Express ".....	15,316 80	25,617 56
Telegraph ".....	13,796 03	11,084 56
Total earnings.....	\$1,038,165 25	\$1,224,058 28
Operating expenses.....	610,760 11	778,756 08
Balance to profit and loss.....	\$427,405 14	\$445,302 20

The gross receipts, monthly, from the date of re-organization (Aug. 15, 1860) to the close of 1865, are shown in the following table:

	1860.	1861.	1862.	1863.	1864.	1865.
Jan.....	\$40,873 77	\$39,904 04	\$38,202 72	\$77,010 02	\$96,672 29	
Feb.....	34,778 19	26,252 04	53,778 25	74,408 67	87,790 69	
March.....	38,324 47	25,891 25	60,540 08	89,901 09	93,763 15	
April.....	33,999 80	38,579 40	64,305 82	72,389 35	78,507 02	
May.....	31,023 56	32,667 54	3,325 66	88,993 30	76,248 39	
June.....	40,274 82	29,383 48	40,706 50	78,696 92	107,524 72	
July.....	48,726 69	37,270 88	58,704 07	91,809 23	104,608 39	
August.....	22,334 89	34,071 11	56,686 84	52,864 51	90,972 33	115,183 71
Sept.....	45,758 75	39,275 91	46,452 47	77,112 14	93,077 63	125,251 92
Oct.....	48,391 18	32,164 69	81,328 75	83,058 71	93,545 83	116,495 05
Nov.....	41,916 55	29,359 82	55,257 12	76,763 85	96,908 02	116,146 27
Dec.....	37,750 05	36,802 21	48,543 92	68,563 03	95,452 86	105,766 68
Total.....	196,152 42	439,676 04	512,217 73	710,225 34	1,038,165 25	1,224,058 28

The profit and loss account for the two last years shows the following results:

	1864.	1865.
Balance from previous year.....	\$242,464 34	\$675,948 76
Net earnings for year.....	427,405 14	445,302 20
Balance interest account.....	45,879 53	14,088 90
Premium on sterling bonds sold.....	246,779 75	.....
Total resources.....	\$1,102,528 81	\$1,135,339 86
Cash dividend (3 p. c.) on preferred stock.....	179,974 50	.....
Interest on bonds and scrip.....	161,821 97	231,031 99
" " Baltimore loan.....	1,200 00	1,200 00
New York office expenses.....	4,081 78	57 30
Compensation for personal injuries.....	.....	15,821 27
Rent of Little Miami Railroad.....	60,000 00	76,987 37
Federal taxes.....	10,169 31	32,362 90
State ".....	9 3 2 49	12,579 02
Balance to credit.....	675,948 76	758,800 01
Total disbursements.....	\$1,102,528 81	\$1,135,339 86

It will be seen from the above that several accounts have been disbursed from profit and loss that properly belong to operating expenses. These are the rent of the Little Miami Railroad, Federal and State taxes, and compensation for personal injuries. Deducting these amounts, in 1864 \$79,501 80, and in 1865, \$138,750 56, the net earnings carried to profit and loss would have been only \$327,903 34 and \$306,

551 64, respectively, instead of \$427,505 14 and \$445,302 20, as they appear in the above account.

The financial condition of the company as exhibited on the balance sheets of December 31, 1864 and 1865 was as follows :

	1864.	1865.
M. & C. R. R. & equipment.....	\$9,936,124 19	\$10,543,877 69
Union R. R. purchase.....	162,318 53	169,258 58
Hillsboro Branch purchase.....	1,820,626 14	1,832,799 06
Scioto & Hocking Valley R.R. purchase.....	800,009 00	800,000 00
Construction—main line.....	1,2 6,748 37	1,992,076 23
—Cinc. extension.....	871,944 23	1,117,772 24
Discount on 1st mortgage bonds.....	108,595 58	195,014 92
<b>Total railroad and equipment.....</b>	<b>\$14,936,257 09</b>	<b>\$16,650,778 72</b>
Real estate.....	297,524 79	233,485 56
Materials on hand.....	105,521 05	102,188 59
Bonds and stocks.....		238,350 00
Cash due from banks and bankers.....	466,012 42	101,974 67
<b>Total debit.....</b>	<b>\$15,805,315 35</b>	<b>\$17,429,777 54</b>
Derived from the following sources, viz :		
1st preference shares and scrip.....	\$6,205,474 67	\$6,586,134 87
2d.....	3,819, 71 78	4,051,744 50
Common stock and scrip.....	2,022,484 75	2,029,778 25
Sterling bonds.....	1,070,000 00	1,000,000 00
Dollar bonds and scrip.....	1,691,292 99	2,368,385 27
S. & H. Val. R.R. mortgage bonds.....	300,000 00	3 0,000 00
Baltimore Loan to Union R. R.....	20,000 00	20,000 00
<b>Total stocks and bonds.....</b>	<b>\$15,059,024 19</b>	<b>\$16,356,0 2 89</b>
Pay Rolls.....	37,332 46	82,228 28
Bills payable.....	18,494 44	221,734 86
Cash dividends on preference shares unpaid.....	14,515 50	11,472 00
Balance credit profit and loss.....	675,948 76	758,300 00
<b>Total credit.....</b>	<b>\$15,805,315 35</b>	<b>\$17,429,777 54</b>

The following statement exhibits the progress of the construction accounts periodically or yearly since the re-organization :

Periods.	General Account.	Cincinnati Extension.	Total Amount.
Aug. 15, 1860 to June 30, 1862.....	\$15,623 98	\$.....	\$15,623 98
July 1, 1862 to June 30, 1863.....	119,017 02	.....	119,017 04
July 1, 1863 to Dec. 31, 1863.....	245,120 00	1,831 10	246,951 10
Jan. 1, 1864 to Dec. 31, 1864.....	714,887 37	170,113 13	1,585,000 50
Jan. 1, 1865 to Dec. 31, 1865.....	755,427 86	245,828 01	1,001,255 87
<b>Total.....</b>	<b>\$1,992,076 23</b>	<b>\$1,117,772 24</b>	<b>\$3,109,848 47</b>

The bond account at the close of the two last years stood as follows :

	1864.	1865.
Sterling 7 p.c. bonds 1892, coupons Feb. & Aug.....	\$1,000,000 00	\$1,000,000 00
Dollar 7 p.c. bonds 1892, coupons Feb. & Aug.....	1,6 1,292 99	2,368,385 27
Scioto & Hocking Valley 7 p.c. bonds 1888, coup. May & Nov.....	300,000 00	310,000 00
Baltimore Loan.....	20,000 00	20,000 00
<b>Total bonded debt.....</b>	<b>\$3,011,292 99</b>	<b>\$3,688,385 27</b>

—showing an increase in the last year of \$77,092 28.

The market price of the company's stocks at New York has shown the following monthly fluctuations during the two years embraced in the foregoing exhibit :

Year.....	—1st Preference—		—2d Preference—	
	1864.	1865.	1864.	1865.
January.....	64 @.75	..@..	..@..	..@..
February.....	68 @.70	..@..	..@..	..@..
March.....	68 @.90	..@..	47@.69	30@.30
April.....	70 @.89	..@..	..@..	..@..
May.....	65 @.74	40@.40	45@.65	..@..
June.....	70 @.77	38@.40	45@.45	..@..
July.....	70½@.74	38@.40	50@.53	..@..
August.....	65 @.70	37@.40	..@..	..@..
September.....	53 @.75	43@.50	..@..	22@.22
October.....	55 @.56	45@.50	..@..	24@.25
November.....	..@..	45@.47	..@..	25@.25
December.....	..@..	45@.55	..@..	28@.30
	..@..	50@.55	..@..	30@.32½
<b>Year.....</b>	<b>53 @.90</b>	<b>37@.55</b>	<b>45@.69</b>	<b>22@.32½</b>

The Marietta and Cincinnati Railroad Company were chartered under an act of the Legislature of Ohio, passed March 8, 1845; and commenced the work of construction early in 1851. From Chillicothe to Greenfield, 23 miles, was opened for traffic in April, 1854; from Greenfield to Blanchester, 34 miles, in 1855, and thence to Loveland, 16 miles, was part of the Hillsboro' and Cincinnati Railroad. The eastern division of the road was opened as follows: Chillicothe to Byers', 37½ miles, in the spring of 1855; Byers' to Athens early in 1856, and Athens to Marietta, 39½ miles, April 20, 1857. The last rail had been laid on the 9th. The trains of the Marietta and Cincinnati Company were run over the whole line, via the Little Miami Railroad into Cincinnati, May 11, 1857.

The original great route of travel eastward from Cincinnati was through Chillicothe and Marietta, O., and Clarksburg, Va., to Washington, Baltimore, and Philadelphia. It was then regarded as the future great route of travel and commerce. This was based on the geographical idea that it was on the most direct line possible to navigable tide-water. The certainty of rich results anticipated from the construction of a railroad from Cincinnati directly eastward, called forth the energies of various rival interests and enterprises, which, by a strong combination, threatened serious embarrassments in prosecuting to an early completion either of the lines projected. Two companies were organized with authority to build railroads respectively from Cincinnati to Marietta, viz: the Marietta and Cincinnati (as above), and the Hillsboro' and Cincinnati. Both entered upon the work of constructing their roads with great energy and determination. Financial troubles, caused by the withholding of foreign capital to aid in the completion of American railroads, however, brought the managers of these two companies to confer together upon their interests and to devise means to save their stockholders from loss and to secure the building of one through railroad. The conferences held resulted in a contract of union, equivalent to a consolidation of the two companies, under which the stock of both was made of equal value by a provision that dividends should be made from their common earnings and always of equal amount, and that the earnings of both should be applicable to the payment of the interests of the debts of both the companies, which were placed under a consolidated management. Many advantages accrued from this arrangement—competition, whether for credit or business was at once destroyed, and a greater breadth of territory secured to the one road.

The Hillsboro' and Cincinnati Railroad, above spoken of, was chartered March 2, 1846, and completed from Loveland to Hillsboro' 37½ miles, in 1852. The contract above recited went into operation February 1, 1854.

Scarcely had the line from Marietta and Cincinnati come into use than the financial horizon became clouded, and the storm of 1857 swept over the country; business of all kinds was almost suspended and railroad property especially was adversely affected. The consequence to the Marietta and Cincinnati company was that they became insolvent and unable to pay the coupons of the bonded debt; scarcely, indeed, was sufficient collected to pay current expenses, and on several occasions troubles occurred with the employes. Thus passed two unpropitious years, when a reorganization was proposed and carried into effect, inaugurating the present company as successors of the original company.

About \$12,000,000 had been expended upon the property prior to the insolvency of 1857. Litigation ensuing, the property was placed in the hands of a receiver, and so remained to the period of reorganization. At the date of the insolvency the cost of the property was represented as follows, viz: stock \$3,500,000; 1st mortgage bonds \$2,500,000; 2d mortgage bonds \$2,000,000; 3d mortgage bonds \$1,500,000; domes-

tic bonds about \$1,200,000, and floating debt about \$1,500,000;—total \$12,200,000. The basis of the reorganization was \$8,000,000, and the capital account as of the 15th August, 1860, stood as follows on the company's books: first preferred shares, \$8,295,900; second preferred shares, \$2,637,800; common shares, \$1,850,000; preferred stock scrip, \$3,750; total, \$7,787,500. To this should be added, \$201,471, a temporary loan effected by the trustees who purchased the property for the benefit of the parties in interest.

At the first meeting of the stockholders the Board of Directors were authorized—

1st. To purchase the railroad of the Hillsboro' and Cincinnati Company.

2d. To purchase the railroad of the Union Railroad Company.

3d. To increase the capital stock to \$10,000,000; and

4th. To create a mortgage on the property and franchises of the company for such sum as in their judgment might be necessary to complete the railroad and its extensions and connections.

All these requirements have been carried out but the road is not yet perfect. It is indeed, a work of great difficulty, requiring several large tunnels. The extension into Cincinnati is so far complete as to permit the passage of trains. The Ohio River at Parkersburg is still crossed by ferry, but this will be superseded at no distant day by a bridge now being constructed. Probably also the road will be ultimately extended west to Dayton and east to Wheeling; such extensions are necessary to complete connections with existing lines. With these the road will be what is claimed for it—the best route between the seaboard cities and Cincinnati, St. Louis, &c. in the interior. Several years, however, will necessarily be consumed in bringing the enterprise to completion, and large sums of money will yet be required for the purpose.

The Portsmouth Branch is the Scioto and Hooking Valley Railroad which was purchased in 1863 for \$800,000.

#### MICHIGAN CENTRAL RAILROAD.

The results of operations on this road for the year ending May 31, 1866, and the four previous years, are shown in the following statement:

	1862.	1863.	1864.	1865.	1866.
Passenger.....	\$724,915	\$889,682	\$1,262,415	\$1,771,814	\$2,061,235
(Av. p. ton p. m., cts.....)	2.51	2.49	2.44½	2.59	2.72)
Freight.....	1,559,061	1,988,757	2,073,274	2,233,529	2,208,592
(Av. p. ton p. m., cts.....)	1.91	1.99	2.25	3.06	2.60)
Miscellaneous.....	77,265	73,121	98,859	146,076	176,563
Total earnings.....	\$2,361,241	\$2,946,560	\$3,434,548	\$4,145,419	\$4,446,490
Expens s.....	1,149,153	1,272,360	1,730,125	2,406,749	2,808,376
(Expenses to earnings.....)	48.67 p. c.	43.18 p. c.	50.08 p. c.	58.04 p. c.	63.16 p. c.)
Net earnings.....	\$1,212,088	\$1,674,200	\$1,714,423	\$1,739,270	\$1,638,114

The income accounts, varying somewhat from the above, supplies the following figures for the same years:

	1862.	1863.	1864.	1865.	1866.
Bal. from old account.....	\$38,434	\$312,194	\$772,936	\$1,002,894	\$708,383
Receipts from earnings.....	2,368,589	2,947,917	3,417,186	4,121,213	4,415,279
Total means.....	\$2,407,023	\$3,260,111	\$4,190,822	\$5,124,107	\$5,123,662

Which is accounted for as follows:

Expenses.....	\$1,149,153	\$1,272,360	\$1,730,125	\$2,406,749	\$2,808,376
Sinking fund.....	84,500	84,500	84,500	84,500	84,500
Interest and exchange.....	679,463	617,657	600,217	622,691	643,736
Cash dividend July.....	.....	(3)181,713	(6)363,432	(12)737,889	(4)259,643
do do Jan.....	.....	(3)181,713	(6)363,432	(6)378,942	(5)344,033
Stock div. July, 1865.....	.....	.....	.....	.....	(6)389,473
U. S. tax on dividend.....	.....	.....	21,753	69,985	55,733
do on receipts.....	.....	28,385	93,469	95,280	113,381
Bal. to new account.....	312,104	772,636	1,002,894	708,385	460,503

The general account on the 31st May, yearly, has been as shown in the following statement :

	1862.	1863.	1864.	1865.	1866.
Capital stock.....	\$6,057,710	\$6,057,436	\$6,315,906	\$6,491,386	\$6,982,866
Bonds.....	7,999,489	7,999,489	7,740,989	7,565,489	7,463,489
U. S. tax on coupons.....	.....	4,956	5,435	158	58
Unpaid dividends.....	1,781	437	1,598	660	1,059
Bills and sundries.....	.....	.....	.....	15,492	279,915
Balance of income.....	312,194	772,637	1,002,894	708,835	460,803
Total.....	\$14,371,174	\$14,334,955	\$15,066,822	\$14,781,570	\$15,188,190

Against which are charged as follows :

Construction.....	\$12,847,238	\$13,805,576	\$13,805,576	\$13,805,576	\$14,316,423
Materials.....	.....	.....	.....	174,026	288,065
Cash, bonds, &c.....	206,146	654,725	807,841	242,106	75,750
N. A. & S. R. R. stock.....	609,764	.....	.....	.....	.....
J. & N. I. R. R. stock.....	168,225	168,225	168,225	168,225	168,225
do constr.....	40,768	.....	.....	.....	.....
Land accounts.....	.....	.....	.....	214,173	125,911
Steamboats.....	304,008	.....	.....	.....	.....
Ass. in officers' hands.....	60,458	168,310	75,736	137,069	145,737
Accounts and bills.....	134,567	38,118	209,444	39,596	68,078
Total.....	\$14,371,174	\$14,834,955	\$15,066,822	\$14,781,570	\$15,188,190

### FOREIGN TRADE OF NEW YORK FOR THE YEAR ENDING JUNE 30.

We are able now to complete our tables showing the foreign trade of New York for the fiscal year, having received the official figures for June. The business for the year has been, as our readers have become aware from our monthly tables, very large—in fact, beyond precedent—but much of this is due to the peculiar circumstances incident to the close of the late war.

#### IMPORTS.

It should be remembered, in examining the imports, that the increase this year arises in great part from the fact that the South has supplied her wants through New York almost entirely, instead of importing directly, and, therefore, as we stated last month, the imports at this port bear a much larger proportion to the total imports of the country than formerly. The imports for June we give below, adding the figures for the two previous years :

#### FOREIGN IMPORTS AT NEW YORK FOR THE MONTH OF JUNE.

	1864.	1865.	1866.
Entered for consumption.....	\$5,513,985	\$8,542,271	\$10,632,723
Entered for warehousing.....	16,906,964	7,123,792	10,957,050
Free goods.....	1,358,634	953,226	1,002,330
Specie and bullion.....	146,731	236,032	94,549
Total entered at the port.....	\$23,926,314	\$16,855,321	\$22,736,652
Withdrawn from warehouse.....	2,544,914	6,346,958	8,967,431

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

#### FOREIGN GOODS MARKETED IN JUNE.

	1864.	1865.	1866.
Entered for consumption.....	\$5,513,985	\$8,542,271	\$10,632,723
Free goods.....	1,358,634	953,226	1,002,330
Withdrawn from warehouse.....	2,544,914	6,346,858	8,967,431
Total marketed.....	\$9,417,533	\$15,842,455	\$20,602,484

The large comparative increase in goods marketed for June, 1866, is probably due

to the rumors that the new tariff was to apply to goods in bond. Below we give the total imports for the six months ending June 30 :

## FOREIGN IMPORTS AT NEW YORK FOR THE SIX MONTHS FROM JAN. 1.

	1864.	1865.	1866.
Entered for consumption.....	\$76,034. 89	\$38,125,398	\$88,759,762
do warehousing.....	54,744,422	42,811,119	66,426,467
Free goods.....	6,152,414	5,023,712	7,036,616
Specie and bullion.....	1,427,014	1,051,823	1,180,886
Total entered at port.....	\$138,358,539	\$82,012,052	\$163,403,031
Withdrawn from warehouse.....	32,839,737	41,626,821	49,993,854

The increase in imports for the six months over 1865 is about 100 per cent., being \$163,403,031 in 1866, against \$82,012,052 in 1865. That our readers may see the movement each month, we have prepared the following, showing the value imported and marketed each month since January, with the totals for the previous six months :

## FOREIGN IMPORTS AND AMOUNT MARKETED AT NEW YORK FOR TWELVE MONTHS.

	1864-65		1865-66	
	Total imports.	Total thrown on market.	Total imports.	Total thrown on market.
Six months.....	\$79,767,221	\$69,201,651	\$147,730,367	\$135,457,584
January.....	10,620,117	11,711,178	30,169,830	27,219,868
February.....	11,473,668	11,472,456	30,692,557	26,560,301
March.....	16,012,373	13,602,088	26,204,940	24,224,630
April.....	14,174,464	14,369,609	24,810,605	23,269,391
May.....	12,876,109	17,688,145	28,518,447	23,973,558
June.....	16,855,321	15,842,455	22,736,652	20,652,484
Total 12 months.....	\$161,779,273	.....	\$306,133,368	.....
Deduct specie.....	1,890,431	.....	2,251,644	.....
Total merchandize for 12 months.	\$159,888,842	\$153,977,582	\$303,881,724	\$280,358,816

The following statement gives the totals for the year :

## FOREIGN IMPORTS AT NEW YORK FOR THE FISCAL YEAR ENDING JUNE 30.

	1863-64	1864-65.	1865-66.
Entered for consumption.....	\$139,034,088	\$65,189,115	\$175,849,845
do warehousing.....	83,459,792	82,206,122	112,356,494
Free goods.....	10,374,108	10,603,200	12,423,741
Specie and bullion.....	2,099,057	1,890,431	2,251,644
Total entered at port.....	\$224,967,045	\$159,888,842	\$303,881,724
Withdrawn from warehouse.....	63,095,973	76,267,862	88,891,375

From the above, it will be observed that the total imports this year were \$303,881,724, against \$159,888,842 last year, showing about the same increase for the year as for the last six months. We have classified this statement, and give the figures below, showing the imports of dry goods and general merchandise separately :

## DESCRIPTION OF IMPORTS FOR THE YEAR ENDING JUNE 30.

	1863-64.	1864-65.	1865-66.
Dry goods.....	\$83,234,966	\$47,963,508	\$136,075,645
General merchandise.....	149,633,022	110,034,903	165,554,435
Specie and bullion.....	2,099,057	1,890,431	2,251,644
Total imports.....	\$234,967,045	\$159,888,842	\$303,881,724

## CUSTOMS RECEIPTS.

The following table gives the customs 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.....	7,484,027 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	10,950,896 78
May.....	3,855,186 46	8,133,423 06	11,418,492 10
June.....	3,311,148 43	7,837,075 84	9,559,898 88
Total for twelve months.....	\$77,506,201 43	\$61,161,079 80	\$132,625,518 65

These figures for 1866, it will be noticed, do not precisely agree with those we received last month from Washington, and published in the August MAGAZINE, page 152.

## EXPORTS.

The imports as given above are stated, of course, in their foreign gold value, freights and duty not added, while the exports of merchandise are given in their currency values. This fact should be remembered in comparing the increase of exports with the increase noted in our imports. At the same time, as affecting the balance of trade, we must also remember the exports of cotton from Southern ports, which have been for the year over 1,000,000 bales; this, at \$150 (specie) per bale (which, we think, is a fair average), would show an export value from the Southern ports of cotton alone of \$150,000,000 in gold. This item plainly indicates how we have paid for our large imports. Below, we give the tables of exports. The following is the comparative summary for June:

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

	1864.	1865.	1866.
Domestic produce.....	\$17,996,495	\$8,079,802	\$9,601,089
Foreign free goods.....	75,709	35,417	55,074
Foreign dutiable goods.....	1,282,218	131,425	606,255
Specie and bullion.....	6,533,109	5,199,472	15,890,956
Total exports.....	\$25,887,531	\$13,446,116	\$26,153,374
do exclusive of specie.....	19,354,422	8,246,644	10,262,418

The exports since Jan. 1 are as follows:

## EXPORTS FROM NEW YORK TO FOREIGN PORTS FOR SIX MONTHS FROM JAN. 1.

	1864.	1865.	1866.
Domestic produce.....	\$35,386,922	\$68,148,767	\$104,251,136
Foreign free goods.....	357,665	634,896	458,794
do dutiable.....	4,131,855	2,143,022	3,025,987
Specie and bullion.....	29,152,121	17,915,759	45,782,430
Total exports.....	\$119,028,563	\$88,242,444	\$153,521,347
do exclusive of specie.....	89,876,442	70,926,685	107,738,917

The following will show the total for the twelve months from July 1 to June 30, inclusive:

## EXPORTS FROM NEW YORK TO FOREIGN PORTS FOR THE FISCAL YEAR ENDING JUNE 30.

	1863-4.	1864-5.	1865-6.
Domestic produce.....	\$161,842,911	\$184,617,834	\$210,352,823
Foreign free goods.....	838,526	2,419,689	762,653
do dutiable.....	6,244,339	15,337,262	4,323,375
Specie and bullion.....	53,274,220	39,589,259	57,870,354
Total exports.....	\$227,199,996	\$242,462,044	\$273,309,185
do exclusive of specie.....	163,925,776	202,572,785	215,438,831

We thus see a total currency value of exports at this port for the year of \$215,438,831 against \$303,881,724 in foreign gold values of imports. If to these exports, however, we add the value of the cotton exports from the Southern ports, we have a very different balance.

## COMMERCIAL CHRONICLE AND REVIEW.

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Commercial and monetary affairs for August—Rates for loans and discounts—Course of Consols and Five-twenties in London—Prices Railroad and other Stocks—Course of Exchange—Prices of Governments—Coupon *vs.* Registered Bonds—Price of Gold each day—Treasure Movement, etc.

August has not been characterized by that general commercial activity which was anticipated. The common supposition that, having now done with war, we should witness a return to the course of commercial affairs current in former times, has not been realized. The Southern and Southwestern demand for goods has not been forthcoming early in August, as in bygone years, for the very obvious reason that as buyers from the South can operate only for cash, they are compelled to defer their purchases as late as possible. City merchants do not appear to have anticipated this very reasonable course of affairs, but prepared for the Fall business with the opening of August, and have consequently suffered disappointment, but without inducing any panicky tendency. The very satisfactory prospects of the Western crops have created confidence in an ultimate large demand for goods from that section, which has sustained the markets for dry goods and general merchandize. Under this improved tone there has been a general increase of business during the latter half of the month, and the Fall trade may be said to be now fairly inaugurated, with the prospect of better results than were at one time anticipated. Buyers, however, are actuated by a spirit of caution consonant with the natural tendency toward a decline in value; and manufacturers would err were they to construe the prevailing tone of business as encouraging a large production of goods. Their true policy is to produce moderately, thereby supporting the value of their products and forcing down the price of the raw materials, the point at which the decline in values should properly commence.

The course of monetary affairs has been toward extreme ease. The Treasury has disbursed nearly 11 millions of interest upon the second series of Seven-thirty notes, and over 60 millions in the payment of the Temporary Loan, of which about 34 millions has been paid out in this city. This has prevented the usual tendency toward a stringent money market at the close of August, arising from the Western demand for currency for moving the grain crops, and at present demand loans average the low rate of 4 per cent. Perhaps at no former period has there been experienced in this city such a superabundance of unemployed funds. This condition of affairs is the more remarkable considering that as bill credits are still on a very contracted scale, there is the more occasion for the use of currency; for it is an accepted rule in monetary science that the curtailment of one form of credit involves a more extensive resort to some other. Below we give the current rates for accommodation each week during the month:

### RATES OF LOANS AND DISCOUNTS.

|                                     | Aug. 3. | Aug. 10. | Aug. 17. | Aug. 24. | Aug. 31. |
|-------------------------------------|---------|----------|----------|----------|----------|
| Call loans.....                     | 4 @ 5   | 4 @ 5    | 3 @ 4    | 3 @ 4    | 3 @ 4    |
| Loans on Bonds and Mortgage.....    | 6 @ 7   | 6 @ 7    | 6 @ 7    | 6 @ 7    | 6 @ 7    |
| A 1, endorsed bills, 2 mos.....     | 5½ @ -  | 5½ @ -   | 5½ @ -   | 5½ @ -   | 5½ @ -   |
| Good endorsed bills, 3 & 4 mos..... | 6 @ 7   | 6 @ 7    | 5½ @ 6½  | 5 @ 6½   | 5½ @ 6½  |
| “ “ single names....                | 7 @ 8   | 7 @ 8    | 6½ @ 7½  | 6½ @ 7½  | 6½ @ 7   |
| Lower grades.....                   | 10 @ 15 | 10 @ 15  | 10 @ 15  | 10 @ 15  | 10 @ 15  |

This extreme ease in the money market market has been coincident with a relaxation of the protracted severe stringency at London, and the results flowing therefrom have been important in their bearing upon such securities as are common to both centres. On the 16th the Bank of England reduced its rate of discount to 8 per cent., and later to 6 per cent. The immediate result was to encourage transactions in American securities; and Five-twenties bonds, which, on the 1st, were quoted 68, were yesterday 73½; while Illinois Central shares rose 5½, and Erie common stock 5½. This advance has been accompanied by an unusually large shipment of bonds to London and the Continental cities, some important amounts having been, for the first time, sent to Paris, with a view to their being introduced upon the Bourse. There can be little doubt that the amount of Five-twenties sent to Europe during August exceeds the total returned here in connection with hostilities in Germany. The supply of the bonds of 1862 has been so heavily drawn down, and the price has consequently advanced so largely, that the issues of 1864 and 1865 have been sent abroad during the past week, though, we believe only for private investment. It is a gratifying evidence of the increasing confidence abroad in the credit of the United States Government that one of the first results of peace in Germany, and of the close of panic in London, should be an enlarged demand for our bonds. The following have been the daily quotations for Consols and American securities on the London Exchange during August:

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON - AUGUST, 1866.

| Date.          | Cons<br>for<br>mon. | Am. securities<br>U. S. 5-20s<br>Ill. C. sh's. | Erie<br>sh's. | Date. | Cons<br>for<br>mon. | Am. securities<br>U. S. 5-20s<br>Ill. C. sh's. | Erie<br>sh's. |       |       |       |       |
|----------------|---------------------|------------------------------------------------|---------------|-------|---------------------|------------------------------------------------|---------------|-------|-------|-------|-------|
| Wednesday..... | 1                   | 88½                                            | 68½           | ..... | Saturday.....       | 18                                             | 88½           | 68    | 75½   | 42½   |       |
| Thursday.....  | 2                   | 88                                             | 69½           | 74½   | 43                  | Sunday.....                                    | 19            | ..... | ..... | ..... |       |
| Friday.....    | 3                   | 87½                                            | 69            | 74½   | 41½                 | Monday.....                                    | 20            | 88½   | 69½   | 75    | 42½   |
| Saturday.....  | 4                   | 87½                                            | 68½           | 74½   | 41½                 | Tuesday.....                                   | 21            | 88½   | 70    | 76½   | 44½   |
| Sunday.....    | 5                   | .....                                          | .....         | ..... | Wednesday.....      | 22                                             | 88½           | 70    | 77½   | 45    |       |
| Monday.....    | 6                   | 87½                                            | 68½           | 75    | 43½                 | Thursday.....                                  | 23            | 88½   | 70½   | 78    | 44½   |
| Tuesday.....   | 7                   | 87½                                            | 68½           | 75½   | 43½                 | Friday.....                                    | 24            | 88½   | 70½   | 78½   | 44½   |
| Wednesday..... | 8                   | 87½                                            | 68½           | 75    | 43                  | Saturday.....                                  | 25            | 88½   | 70½   | 77½   | 44½   |
| Thursday.....  | 9                   | 87½                                            | 68½           | 75½   | 43½                 | Sunday.....                                    | 26            | ..... | ..... | ..... | ..... |
| Friday.....    | 10                  | 87½                                            | 68½           | 75½   | 40½                 | Monday.....                                    | 27            | 89    | 72    | 78½   | 45½   |
| Saturday.....  | 11                  | 87½                                            | 68½           | 75½   | 40½                 | Tuesday.....                                   | 28            | 89½   | 72½   | 78½   | 45½   |
| Sunday.....    | 12                  | .....                                          | .....         | ..... | Wednesday.....      | 29                                             | 89½           | 72½   | 78½   | 45½   |       |
| Monday.....    | 13                  | 87½                                            | 68½           | 76½   | 42½                 | Thursday.....                                  | 30            | 89½   | 72½   | 79½   | 45½   |
| Tuesday.....   | 14                  | 68                                             | 68½           | 75½   | 43½                 | Friday.....                                    | 31            | 89½   | 73½   | 79½   | 46    |
| Wednesday..... | 15                  | 87½                                            | 68            | 75    | 42½                 | Highest.....                                   | 89½           | 73½   | 79½   | 46    |       |
| Thursday.....  | 16                  | 87½                                            | 68            | 75    | 42½                 | Lowest.....                                    | 87½           | 68    | 74½   | 40½   |       |
| Friday.....    | 17                  | 88                                             | 68½           | 75    | 42½                 |                                                |               |       |       |       |       |

The foreign demand for Five-twenties has been accompanied by a large home demand for investment, created by the abundance of idle capital, in which all Government securities have sympathized, producing a general advance in prices. Sixes of 1881 have advanced from 109½ to 113½; old Five-twenties from 108½ to 113½, Ten-forties from 99 to 103½; and Seven-thirties, 1st series, from 104 to 107½. The high premium on gold produced by speculative operations, by preventing the price of gold from following the appreciation in the credit of the Government, has tended to force up the price of national securities. 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 Aug. 1866:

PRICES OF GOVERNMENT SECURITIES, AUGUST, 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.  |               |              |
| Wednesday 1   | 109½         | ..... | 108½             | ..... | 99                | ..... | 104½          | .....        |
| Thursday 2    | 109½         | 1 9¾  | 108½             | ..... | 99½               | ..... | 104           | .....        |
| Friday 3      | 109½         | 109¾  | 108½             | ..... | 99½               | 99½   | 104½          | .....        |
| Saturday 4    | 109½         | ..... | 108½             | 105½  | .....             | ..... | 104½          | .....        |
| Sunday 5      | .....        | ..... | .....            | ..... | .....             | ..... | .....         | .....        |
| Monday 6      | .....        | ..... | 108½             | ..... | 99½               | ..... | .....         | .....        |
| Tuesday 7     | 109½         | ..... | 109              | ..... | 99½               | ..... | 104½          | .....        |
| Wednesday 8   | 110          | ..... | 109½             | 105½  | 99½               | ..... | 104½          | .....        |
| Thursday 9    | 110½         | 110   | 109½             | 106½  | 99½               | ..... | 105½          | .....        |
| Friday 10     | 110½         | ..... | 109½             | ..... | 99½               | 95½   | 105½          | .....        |
| Saturday 11   | .....        | ..... | .....            | ..... | 99½               | ..... | .....         | .....        |
| Sunday 12     | .....        | ..... | .....            | ..... | .....             | ..... | .....         | .....        |
| Monday 13     | 110½         | ..... | 109½             | 107   | 99½               | ..... | 105½          | .....        |
| Tuesday 14    | 110½         | 110   | 109½             | 106½  | 99½               | ..... | 105½          | .....        |
| Wednesday 15  | 110½         | ..... | 109½             | 107   | 100½              | ..... | 105½          | .....        |
| Thursday 16   | 111½         | 111½  | 110½             | ..... | 102½              | 98    | 106½          | .....        |
| Friday 17     | 111½         | ..... | 110½             | 108½  | 102               | ..... | 105½          | .....        |
| Saturday 18   | 111½         | 111   | 110½             | ..... | 102               | ..... | 106½          | .....        |
| Sunday 19     | .....        | ..... | .....            | ..... | .....             | ..... | .....         | .....        |
| Monday 20     | 112          | ..... | 110              | ..... | 102½              | ..... | 106½          | .....        |
| Tuesday 21    | 111½         | 111½  | 110              | 108½  | 102               | ..... | 106½          | .....        |
| Wednesday 22  | .....        | ..... | 110½             | 108½  | 101½              | 98½   | 106½          | .....        |
| Thursday 23   | .....        | ..... | 110              | ..... | 102               | 98    | 106           | .....        |
| Friday 24     | 111½         | ..... | 110½             | ..... | 102               | ..... | 106           | .....        |
| Saturday 25   | 111½         | 111½  | 111½             | 108½  | 102½              | ..... | 106½          | .....        |
| Sunday 26     | .....        | ..... | .....            | ..... | .....             | ..... | .....         | .....        |
| Monday 27     | .....        | 112   | 113½             | 109   | 103½              | ..... | 107           | .....        |
| Tuesday 28    | 113½         | ..... | 113½             | ..... | 103½              | ..... | 107           | .....        |
| Wednesday 9   | .....        | ..... | .....            | ..... | .....             | ..... | .....         | .....        |
| Thursday 30   | .....        | ..... | 112½             | ..... | 103               | ..... | 107½          | .....        |
| Friday 31     | 112½         | ..... | 112              | ..... | 102½              | 98½   | 107½          | .....        |
| Opening       | 109¾         | 109¾  | 108½             | 105½  | 99                | 95½   | 104½          | .....        |
| Highest       | 113½         | 112   | 113½             | 109   | 103½              | 98½   | 10 ¾          | .....        |
| Lowest        | 109¾         | 109¾  | 108½             | 105½  | 99                | 95½   | 104           | .....        |
| Closing       | 112½         | 112   | 112              | 109   | 102½              | 98½   | 107½          | .....        |

The following are the closing quotations of the leading stocks on Friday of the last seven weeks :

|                          | July 13. | July 20. | July 27. | Aug. 10. | Aug. 17. | Aug. 24. | Aug. 31. |
|--------------------------|----------|----------|----------|----------|----------|----------|----------|
| Cumberland Coal.....     | 46       | 46       | 46½      | 47½      | 47½      | 47½      | 47½      |
| Quicksilver.....         | 50       | .....    | 50½      | 49½      | 51       | .....    | 49½      |
| Canton Co.....           | 52½      | 53       | 52½      | 52½      | .....    | .....    | 52½      |
| Mariposa pref.....       | 22½      | 26½      | 27½      | .....    | .....    | 28       | .....    |
| New York Central.....    | 104½     | 104½     | 104½     | 106      | 104½     | 104      | 108½     |
| Erie.....                | 65½      | 64½      | 68½      | 69½      | 69½      | 73       | 73½      |
| Hudson River.....        | 116      | 120      | 121      | 121      | .....    | .....    | .....    |
| Reading.....             | 110½     | 111½     | 112      | 112½     | 115½     | 115½     | 118½     |
| Michigan Southern.....   | 82½      | 83½      | 84½      | 86       | 85½      | 85½      | 84½      |
| Michigan Central.....    | .....    | 110      | 110½     | 110½     | 111      | 114      | 112      |
| Cleveland and Pittsburg. | 84½      | 84½      | 87½      | 87½      | 87½      | 8 ¾      | 86½      |
| Cleveland and Toledo.... | 110½     | 123½     | 116½     | 116½     | 116      | 116      | 115½     |
| Northern.....            | 35½      | 35½      | 37½      | 38½      | 35½      | 36½      | 35½      |
| "    preferred..         | 61½      | 64½      | 67½      | 67½      | 67½      | 68½      | 67½      |
| Rock Island.....         | 97½      | 99½      | 103½     | 106½     | 107      | 109½     | 108½     |
| Fort Wayne.....          | 99½      | 101½     | 103½     | 105½     | 104½     | 104½     | 104½     |
| Illinois Central.....    | 124½     | xd.120   | 122½     | 122½     | 122½     | 123½     | 123½     |

The robbery of Government bonds in this city during the past month has given rise to considerable discussion, and surprise has been expressed that so large a part of our national debt should be in the unsafe form of coupon bonds, liable to be destroyed by fire, lost by accident, or purloined by thieves. We might suppose, at first sight, that the registered bonds being safer, would bring a larger price in the market. But this is not so. However contrary to antecedent probability the reverse is true, as a glance at the Stock Exchange report will show. For the first time in the history of the Government, a singular anomaly has during the last week in August been exhibited, of a difference of four per cent. between the quotations for registered United States bonds and coupon bonds of the same issue. Intrinsically, the two species of bonds are of

the same value; for they draw the same rate of interest, mature at the same time, and the coupon bonds may be converted into the registered bonds at the will of the owner, who has only to take the trouble of sending them to Washington for that purpose. There are several points suggested by this anomaly which merit examination.

As to the immediate cause of it there is no doubt at all. The bonds in which it exists are known as the old Five-twenties of 1862, which are so exclusively dealt in in Europe that no other species are good delivery in fulfillments of contracts. The bonds of 1865, which are really more valuable, as they have three years longer to run, are not as yet known in the European market, though an effort is making to get them introduced there. Hence it is that the orders from abroad run exclusively on the old Five twenties, and, of course, registered bonds are useless for exportation, coupon bonds being alone negotiable abroad. Now, it is easy to see that when from any circumstance a very lively foreign demand springs up for our bonds, the coupon old Five-twenties will exclusively be called for, and, the supply in market being limited, their price will go up, while that of the other bonds may be either stationary or will at least be less lively in their upward movement. The old bonds have sold as high as 114 during the recent excitement, while the highest price of the more valuable bonds of 1865 was about 110.

This, however, is not quite the whole of the case. We have explained why the bonds of 1862 sell higher just now than those of 1865; but why should the coupon bonds of 1862 sell higher than the registered? Are not the registered bonds available for export purposes by being sent to Washington to be exchanged for coupon bonds? The answer is that they are not so available. The law allows you to convert your coupon bonds into registered bonds, but it makes no provision for the reverse process of converting registered bonds into coupon. This unnecessary disability is much complained of, and not unjustly. An effort will be made at the next session of Congress to get a new enactment passed removing these incongruities of the existing statutes regulating this important question of the reciprocal conversion of coupon and registered bonds into each other.

There are other reasons for a change in the law besides those we have referred to. And of these, one of the chief is the safe-keeping of bonds. The recent heavy robberies of securities show how necessary it is to prevent the thief from negotiating stolen securities. But this is impossible with the ordinary coupon bonds, which are payable to bearer; for the courts hold that such a bond passes from one holder to another just as freely as a bank note or gold eagle. A *bona fide* purchaser, in good faith and in the ordinary course of business, has a clear title to a bond which may have been formerly stolen, even against the man from whom it was stolen. In the case of a horse, the owner may seize it wherever found, but not so with a bond payable to bearer. This, if lost, is irrecoverable by so summary a process.

The only absolute security for the owner of a coupon bond is to have it exchanged for a registered bond. If he loses it, nobody but himself can draw the interest when due, nobody but himself can claim the principal at maturity. The safety is thus as complete as, in the nature of things, human care and legislative

arrangements can make it. But there is another difficulty. Suppose the owner of a registered bond wants to convert it back again. He cannot do it, and this very circumstance prevents many persons from converting their coupon bonds, for the latter are more easily bought and sold. If you wish to sell a coupon bond, all you have to do is to deliver it to the buyer, to get your money on the spot, and the transaction is closed. With a registered bond, there is the delay of sending it to Washington for transfer, and, for two months of every year, you cannot even do this, for the books close during the months of April and October, preparatory to the May and November payment of interest, and in the interval you cannot transfer your bonds to a purchaser on the Government books. This difficulty has been met by an assignment in blank, as it is termed, which really takes away for the time being the special security of the registered bond, as a fraudulent holder might avail himself in the blank assignment which you have signed, and might thus be enabled probably to sell the bond. Rather than submit to these inconveniencies, most persons prefer to hold the coupon bonds.

Now it has been suggested that these and other inconveniences attaching to the ownership of registered bonds might be obviated by having the transfer books kept in New York. Nine-tenths of the business in Government securities is done in this city, and it is obviously for the convenience of the people, for the interest of bond-holders, and, therefore, for the interest of the Government, that the transfers should be made here, instead of at a place so far removed as Washington from the great metropolitan centre of trade, finance and commerce. As to the foreign purchaser of United States securities, we can do nothing to protect him from the losses and incertitude incident to the possession of coupon bonds; but in the case of our own citizens we must, for we can, protect them. And it seems to us that one of the best means of doing this is to induce them to prefer registered to coupon bonds by some such expedient as we have suggested.

The total amount of Government bonds sold at the the Stock Exchange during August amounts to \$10 987,850, and of Treasury notes \$2,577,000; which, though not varying materially from the transactions in July, is yet very largely in excess of the average monthly transactions.

The course of exchange during the month has tended steadily downward, under the large exports of bonds, which have kept the supply of bills steadily in advance of the demand. The imports for the month have materially exceeded the exports, even including the shipments of securities; from which it is occasionally argued that, the balance of trade being against us, exchange should rule higher. It is, however, overlooked that our exports to Great Britain are usually paid for promptly, while our imports are upon four to eight months' credit. At the close of the month bills on London and Paris range 3@3½ per cent. below par of exchange. The following table shows the daily fluctuations in bankers bills (long) on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for August:

COURSE OF FOREIGN EXCHANGE FOR AUGUST.

| Days.    | London, cents for 54 pence. | Paris, centimes for dollar. | Amsterdam, florin. | Bremen, cents for rix daler. | Hamburg, M. banco. | Berlin, cents for thaler. |
|----------|-----------------------------|-----------------------------|--------------------|------------------------------|--------------------|---------------------------|
| 1        | 107½ @ 108¼                 | 525 @ 517½                  | 40 @ 40½           | 77 @ 79                      | 36½ @ 37           | 72 @ 73                   |
| 2        | 107½ @ 108¼                 | 525 @ 517½                  | 40 @ 40½           | 77 @ 79                      | 36½ @ 37           | 72 @ 73                   |
| 3        | 107½ @ 108                  | 525 @ 517½                  | 40 @ 40½           | 77 @ 79                      | 36 @ 37            | 71 @ 72½                  |
| 4        | 107½ @ 108                  | 525 @ 517½                  | 40 @ 40½           | 77 @ 79                      | 36 @ 37            | 71 @ 72½                  |
| 5        | 107½ @ 108                  | 525 @ 517½                  | 40 @ 40½           | 77 @ 79                      | 36 @ 37            | 71 @ 72½                  |
| 6        | 107½ @ 108                  | 525 @ 519¼                  | 40 @ 40½           | 77 @ 78½                     | 36 @ 36½           | 72 @ 72½                  |
| 7        | 107½ @ 108                  | 525 @ 518¼                  | 40 @ 40½           | 77 @ 78½                     | 36 @ 36½           | 72 @ 72½                  |
| 8        | 107½ @ 108                  | 525 @ 518¼                  | 40 @ 40½           | 77 @ 78½                     | 36 @ 36½           | 72 @ 72½                  |
| 9        | 107½ @ 108                  | 525 @ 520                   | 40 @ 41            | 77 @ 78½                     | 36 @ 36½           | 72 @ 72½                  |
| 10       | 107½ @ 108                  | 530 @ 525                   | 40 @ 40½           | 76½ @ 78½                    | 35½ @ 36½          | 71½ @ 72½                 |
| 11       | 107½ @ 108                  | 530 @ 525                   | 40 @ 40½           | 76½ @ 78½                    | 35½ @ 36½          | 71½ @ 72½                 |
| 12       | 107½ @ 108                  | 530 @ 525                   | 40 @ 40½           | 76½ @ 78½                    | 35½ @ 36½          | 71½ @ 72½                 |
| 13       | 107½ @ 108                  | 530 @ 522½                  | 40 @ 40½           | 77 @ 78                      | 35½ @ 36½          | 71 @ 72                   |
| 14       | 107½ @ 108                  | 530 @ 521¼                  | 40 @ 40½           | 76½ @ 78                     | 35½ @ 36½          | 71 @ 72                   |
| 15       | 107½ @ 108                  | 530 @ 521¼                  | 40 @ 40½           | 76½ @ 78                     | 35½ @ 36½          | 71 @ 72                   |
| 16       | 107½ @ 108                  | 530 @ 521¼                  | 40 @ 40½           | 76½ @ 78                     | 35½ @ 36½          | 71 @ 72                   |
| 17       | 107 @ 107½                  | 535 @ 522½                  | 39½ @ 40½          | 76½ @ 78                     | 35 @ 36            | 70½ @ 71½                 |
| 18       | 107 @ 107½                  | 535 @ 522½                  | 39½ @ 40½          | 76½ @ 78                     | 35 @ 36            | 70½ @ 71½                 |
| 19       | 107 @ 107½                  | 535 @ 522½                  | 39½ @ 40½          | 76½ @ 78                     | 35 @ 36            | 70½ @ 71½                 |
| 20       | 107 @ 107½                  | 535 @ 522½                  | 39½ @ 40½          | 76½ @ 78                     | 35 @ 36            | 70½ @ 71½                 |
| 21       | 107 @ 107½                  | 530 @ 525                   | 39½ @ 40½          | 76½ @ 77½                    | 35 @ 36            | 69½ @ 70½                 |
| 22       | 107 @ 107½                  | 530 @ 525                   | 39½ @ 40½          | 76½ @ 77½                    | 35 @ 36            | 69½ @ 70½                 |
| 23       | 107 @ 107½                  | 530 @ 525                   | 39½ @ 40½          | 76½ @ 77½                    | 35 @ 36            | 69½ @ 70½                 |
| 24       | 106½ @ 107½                 | 540 @ 530                   | 39½ @ 40½          | 76 @ 77                      | 35 @ 36            | 69½ @ 70½                 |
| 25       | 106½ @ 107                  | 540 @ 530                   | 39½ @ 40           | 76 @ 77                      | 35 @ 35½           | 69½ @ 70½                 |
| 26       | 106½ @ 107½                 | 535 @ 528½                  | 39½ @ 40           | 75 @ 76½                     | 35 @ 36            | 69½ @ 70                  |
| 27       | 105½ @ 107                  | 540 @ 532½                  | 39½ @ 39½          | 75 @ 76½                     | 35 @ 35½           | 68½ @ 70                  |
| 28       | 105½ @ 107                  | 540 @ 532½                  | 39½ @ 39½          | 75 @ 76½                     | 35 @ 35½           | 68½ @ 70                  |
| 29       | 105½ @ 107                  | 540 @ 532½                  | 39½ @ 39½          | 75 @ 76½                     | 35 @ 35½           | 68½ @ 70                  |
| 30       | 105½ @ 106½                 | 545 @ 535                   | 39 @ 40            | 75 @ 76½                     | 34½ @ 35½          | 68½ @ 69½                 |
| 31       | 105½ @ 106                  | 545 @ 535                   | 39 @ 40            | 75 @ 76½                     | 34½ @ 35½          | 68 @ 69                   |
| Aug      | 105½ @ 108¼                 | 545 @ 517½                  | 39 @ 41            | 75 @ 79                      | 34½ @ 37           | 68 @ 73                   |
| July     | 107½ @ 109½                 | 525 @ 507½                  | 40 @ 42            | 77 @ 79                      | 36 @ 37½           | 72 @ 75½                  |
| June     | 107½ @ 110                  | 205 @ 507½                  | 40 @ 42½           | 77 @ 80½                     | 35½ @ 37½          | 73 @ 75                   |
| May      | 108½ @ 109½                 | 520 @ 510                   | 40½ @ 42½          | 78½ @ 80                     | 36 @ 37½           | 71 @ 74                   |
| Apr      | 106½ @ 108½                 | 537½ @ 517½                 | 39½ @ 41           | 76½ @ 78½                    | 35 @ 36½           | 69½ @ 71½                 |
| Mar      | 106½ @ 108½                 | 530 @ 518¼                  | 40 @ 41            | 77 @ 78½                     | 35½ @ 36½          | 70½ @ 71½                 |
| Feb      | 107½ @ 108½                 | 532½ @ 517½                 | 40½ @ 41           | 77 @ 79                      | 35½ @ 36½          | 70½ @ 71½                 |
| Jan      | 108 @ 109½                  | 523½ @ 515                  | 40½ @ 41           | 78 @ 79½                     | 36 @ 36½           | 71 @ 71½                  |
| 8 months | 106½ @ 109½                 | 545 @ 507½                  | 39 @ 42½           | 75 @ 80½                     | 34½ @ 37½          | 68½ @ 75½                 |

The gold market has been subject to violent fluctuations, owing to a speculative combination for making gold scarce and forcing up the premium.

The prospect of an importation of gold from abroad and the maturing of interest upon Ten-forty bonds on the 1st of September have induced the clique holders to realise upon their coin, and the market closes easier. The following are the daily quotations for gold for the month of August:

COURSE OF GOLD FOR AUGUST.

| Date.     | Open'g  | High'st | Lowest | Closing. | Date.        | Open'g  | High'st | Lowest | Closing. |
|-----------|---------|---------|--------|----------|--------------|---------|---------|--------|----------|
| Wednesday | 1 149   | 149     | 148½   | 148½     | Monday       | 20 148½ | 148½    | 148½   | 148½     |
| Thursday  | 2 148¾  | 149¾    | 147¾   | 148      | Tuesday      | 21 147¾ | 148¾    | 147¾   | 147¾     |
| Friday    | 3 148¾  | 148¾    | 147¾   | 147¾     | Wednesday    | 22 147¾ | 149¾    | 147¾   | 147¾     |
| Saturday  | 4 148   | 148     | 147    | 147½     | Thursday     | 23 150¾ | 151     | 149¾   | 150¾     |
| Sunday    | 5       |         |        |          | Friday       | 24 150¾ | 150¾    | 148    | 148      |
| Monday    | 6 147¾  | 148     | 147¾   | 147¾     | Saturday     | 25 147¾ | 148     | 147    | 147      |
| Tuesday   | 7 147¾  | 148     | 147¾   | 147¾     | Sunday       | 26      |         |        |          |
| Wednesday | 8 148   | 149     | 148    | 148½     | Monday       | 27 146¾ | 148¾    | 146¾   | 148¾     |
| Thursday  | 9 148¾  | 148¾    | 148¾   | 148¾     | Tuesday      | 28 148¾ | 149¾    | 148¾   | 148¾     |
| Friday    | 10 148¾ | 148¾    | 148¾   | 148¾     | Wednesday    | 29 148¾ | 148¾    | 148¾   | 148¾     |
| Saturday  | 11 148¾ | 149     | 148¾   | 148¾     | Thursday     | 30 148  | 148¾    | 147¾   | 147¾     |
| Sunday    | 12      |         |        |          | Friday       | 31 147¾ | 147¾    | 147¾   | 147¾     |
| Monday    | 13 149½ | 149½    | 149½   | 149½     | August, 1866 | 149     | 152½    | 146½   | 147½     |
| Tuesday   | 14 149½ | 150½    | 149½   | 150½     | "            | 1865    | 145½    | 140½   | 144½     |
| Wednesday | 15 150½ | 152     | 150½   | 151½     | "            | 1864    | 255     | 261½   | 231½     |
| Thursday  | 16 151½ | 152½    | 151½   | 152½     | "            | 1863    | 129¾    | 122¾   | 127¾     |
| Friday    | 17 151½ | 151½    | 150½   | 151½     | "            | 1862    | 115¾    | 116¾   | 115¾     |
| Saturday  | 18 151  | 151     | 148¾   | 149½     | "            | 1861    | 100     | 100    | 100      |
| Sunday    | 19      |         |        |          |              |         |         |        |          |

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

TREASURY MOVEMENT FOR 1866.

| 1866.<br>week<br>ending | Receipts,<br>from<br>California. | Exports,<br>to foreign<br>countries. | Sub-Treasury         |                       |                                           | In banks<br>at close<br>of week. |
|-------------------------|----------------------------------|--------------------------------------|----------------------|-----------------------|-------------------------------------------|----------------------------------|
|                         |                                  |                                      | Customs<br>receipts. | Interest<br>payments. | Gold Certificates<br>issued,<br>returned. |                                  |
| Jan. 6.....             | \$552,027                        | \$2,107,341                          | \$3,597,240          | \$3,122,440           | \$1,34,8832                               | \$15,773,741                     |
| " 13.....               | \$685,610                        | 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.....               |                                  | 656,812                              | 3,226,040            | 279,842               | 2,598,400                                 | 2,137,048                        |
| Feb. 3.....             | 944,878                          | 292,568                              | 3,347,422            | 115,204               | 2,081,280                                 | 2,221,423                        |
| " 10.....               | 1,449,074                        | 4,34,409                             | 3,251,734            | 120,179               | 1,916,700                                 | 2,376,735                        |
| " 17.....               |                                  | 445,489                              | 2,893,008            | 94,828                | 2,992,920                                 | 2,158,009                        |
| " 24.....               | 1,209,048                        | 560,193                              | 2,608,796            | 119,779               | 5,893,280                                 | 1,995,796                        |
| Mar. 3.....             |                                  | 75,453                               | 3,386,934            | 1,183,943             | 2,125,000                                 | 2,664,934                        |
| " 10.....               | 1,469,356                        | 556,284                              | 2,297,896            | 882,712               | 2,101,000                                 | 1,706,895                        |
| " 17.....               | 1,425,353                        | 236,671                              | 2,464,482            | 328,593               | 1,498,400                                 | 1,919,483                        |
| " 24.....               | 889,837                          | 170,297                              | 2,509,419            | 174,911               | 361,280                                   | 1,886,419                        |
| " 31.....               | 673,615                          | 3,500                                | 2,451,345            | 225,414               | 1,376,000                                 | 1,895,334                        |
| Apr. 7.....             |                                  | 216,842                              | 2,863,010            | 63,140                | 3,16,840                                  | 2,120,100                        |
| " 14.....               | 729,862                          | 122,628                              | 2,857,704            | 49,800                | 5,038,460                                 | 2,274,704                        |
| " 21.....               | 809,459                          | 117,312                              | 2,535,568            | 35,169                | 4,071,000                                 | 1,971,568                        |
| " 28.....               |                                  | 73,880                               | 2,246,707            | 40,506                | 4,137,140                                 | 1,760,307                        |
| May 5.....              | 1,318,271                        | 1,247,249                            | 2,711,181            | 7,061,900             | 4,655,000                                 | 2,227,181                        |
| " 12.....               | 1,072,820                        | 1,064,496                            | 2,417,391            | 2,648,000             | 3,110,000                                 | 1,943,391                        |
| " 19.....               |                                  | 8,763,295                            | 2,542,814            | 1,702,000             | 2,842,000                                 | 2,069,814                        |
| " 26.....               | 1,276,505                        | 9,421,766                            | 2,358,455            | 940,100               | 9,177,000                                 | 1,929,454                        |
| June 2.....             | 324,562                          | 6,870,997                            | 2,182,295            | 70,500                | 1,327,000                                 | 1,911,295                        |
| " 9.....                | 949,906                          | 4,220,756                            | 2,141,086            | 283,800               | 2,600,000                                 | 1,863,007                        |
| " 16.....               |                                  | 6,055,743                            | 2,071,621            | 67,000                | 3,719,000                                 | 1,788,621                        |
| " 23.....               | 892,365                          | 1,408,286                            | 2,209,676            | 106,134               | 2,793,000                                 | 1,809,676                        |
| " 30.....               |                                  | 5,50,574                             | 2,002,265            | 298,748               | 2,232,000                                 | 2,309,264                        |
| July 7.....             | 1,617,899                        | 1,630,730                            | 2,47,626             | 3,964,634             | 4,174,000                                 | 2,051,626                        |
| " 14.....               | 1,429,833                        | 2,239,270                            | 2,486,296            | 1,267,600             | 3,614,400                                 | 2,182,226                        |
| " 21.....               | 2,051,556                        | 416,013                              | 2,480,149            | 324,100               | 2,452,000                                 | 2,145,149                        |
| " 28.....               |                                  | 1,515,446                            | 2,926,884            | 277,044               | 2,120,000                                 | 2,54,884                         |
| Aug. 4.....             | 1,555,481                        | 530,174                              | 2,794,658            | 1,55,500              | 1,800,000                                 | 2,00,658                         |
| " 11.....               |                                  | 152,375                              | 2,676,332            | 61,400                | 9,000,000                                 | 2,323,331                        |
| " 18.....               |                                  | 117,990                              | 2,461,877            | 50,300                | 2,064,000                                 | 2,145,876                        |
| " 25.....               | 3,091,601                        | 787,312                              | 3,069,893            | 6,387                 | 2,188,000                                 | 2,545,893                        |
| Since Jan 1.....        | \$26,266,616                     | 52,882,448                           | 89,040,608           | 29,136,479            | 10,127,140                                | 79,221,868                       |

The following table, compiled from the records for the past eight 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.        | California.  | New Supply. |              | Exports to<br>for. ports. | Excess of— |              |
|--------------------|--------------|-------------|--------------|---------------------------|------------|--------------|
|                    |              | Foreign.    | Total.       |                           | Supply.    | Export.      |
| January.....       | \$1,485,316  | \$72,771    | \$1,558,087  | \$2,706,336               | \$.....    | \$1,148,249  |
| February.....      | 3,603,000    | 172,122     | 3,775,142    | 1,807,000                 | 1,968,092  | .....        |
| March.....         | 3,958,290    | 285,854     | 4,244,145    | 1,045,039                 | 3,199,105  | .....        |
| April.....         | 1,539,321    | 161,817     | 1,701,138    | 588,875                   | 1,112,263  | .....        |
| May.....           | 3,992,148    | 393,073     | 4,385,221    | 23,744,194                | .....      | 19,358,973   |
| June.....          | 1,842,271    | 94,549      | 1,936,820    | 15,890,956                | .....      | 13,954,136   |
| July.....          | 6,754,669    | 123,592     | 6,878,261    | 5,801,459                 | 1,076,802  | .....        |
| August.....        | 4,427,659    | 167,319     | 4,588,978    | 1,587,851                 | 3,001,127  | .....        |
| Jan. Aug, '66..... | \$27,692,674 | \$1,465,097 | \$29,157,771 | \$53,171,740              | \$.....    | \$24,109,979 |
| do do '65.....     | 11,711,304   | 1,501,235   | 13,212,539   | 20,175,143                | .....      | 6,962,604    |
| do do '64.....     | 7,775,371    | 1,800,924   | 9,576,295    | 32,100,464                | .....      | 22,524,169   |
| do do '63.....     | 8,854,053    | 1,149,890   | 10,003,943   | 29,366,111                | .....      | 19,362,165   |
| do do '62.....     | 16,013,733   | 823,259     | 16,836,992   | 39,748,220                | .....      | 22,911,223   |
| do do '61.....     | 25,421,160   | 33,955,718  | 59,376,878   | 3,264,058                 | 56,112,820 | .....        |
| do do '60.....     | 23,601,043   | 896,932     | 23,497,975   | 35,697,641                | .....      | 12,199,666   |
| do do '59.....     | 25,131,345   | 1,649,501   | 26,780,846   | 47,658,179                | .....      | 20,877,333   |

The receipts of gold from California for the month amount to \$4,427,659, and from foreign ports to \$161,316, making a total new supply of \$4,588,978 against a foreign export of \$1,587,851 ; so that there has been a gain at this port of \$3,001,127 for the month. According to cable advices, there is now in transit about \$1,500,000 of gold from London for New York, indicating a course of exchanges which may add materially to the supply of coin upon the market.

## 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. It will be seen that the specie in New York is at a lower point than ever before :

### NEW YORK CITY BANK RETURNS.

| Date.           | Loans.        | Specie.      | Circulation. | Deposits.     | Legal Tend's. | Ag. clear'g's |
|-----------------|---------------|--------------|--------------|---------------|---------------|---------------|
| Jan. 6, 1866... | \$233,185,050 | \$15,778,741 | \$18,588,428 | \$195,482,254 | \$71,617,487  | \$370,617,023 |
| " 13.....       | 234,938,193   | 16,852,568   | 19,162,917   | 197,766,999   | 73,019,957    | 608,082,837   |
| " 20.....       | 239,337,726   | 15,265,327   | 20,475,707   | 198,816,243   | 72,799,892    | 588,949,311   |
| " 27.....       | 240,407,826   | 13,106,759   | 20,965,883   | 195,012,454   | 70,319,146    | 516,283,672   |
| Feb. 3.....     | 242,510,382   | 10,937,474   | 21,494,234   | 191,011,695   | 68,796,250    | 508,563,123   |
| " 10.....       | 242,608,872   | 10,129,806   | 22,240,469   | 188,707,493   | 68,436,013    | 493,431,032   |
| " 17.....       | 243,068,252   | 10,308,758   | 22,983,274   | 189,777,260   | 64,802,980    | 471,886,751   |
| " 24.....       | 239,776,200   | 14,213,351   | 22,959,918   | 183,241,404   | 61,602,726    | 497,151,087   |
| Mar. 3.....     | 235,339,412   | 17,181,130   | 22,994,086   | 181,444,378   | 58,760,145    | 526,539,959   |
| " 10.....       | 233,068,274   | 16,563,237   | 23,033,237   | 180,515,881   | 64,341,802    | 594,204,912   |
| " 17.....       | 233,517,378   | 15,015,242   | 23,303,057   | 185,488,707   | 68,402,764    | 579,216,569   |
| " 24.....       | 234,500,518   | 13,945,651   | 23,243,406   | 185,868,245   | 69,496,033    | 593,448,864   |
| " 31.....       | 237,316,099   | 11,930,392   | 23,736,534   | 188,554,592   | 72,158,099    | 529,240,640   |
| Apr. 7.....     | 242,643,753   | 11,486,295   | 24,170,301   | 189,094,961   | 71,445,050    | 602,315,748   |
| " 14.....       | 244,009,839   | 11,095,129   | 24,533,981   | 193,153,469   | 73,910,370    | 578,537,553   |
| " 21.....       | 242,067,663   | 9,495,463    | 24,045,857   | 196,808,578   | 77,626,888    | 585,834,778   |
| " 28.....       | 245,017,692   | 8,243,937    | 25,377,280   | 202,718,574   | 80,589,022    | 545,339,668   |
| May 5.....      | 243,974,134   | 10,914,997   | 25,415,677   | 210,373,303   | 81,244,447    | 603,556,177   |
| " 12.....       | 257,621,317   | 13,970,402   | 24,693,259   | 215,552,853   | 85,040,659    | 523,093,538   |
| " 19.....       | 255,690,463   | 13,595,465   | 25,189,864   | 217,427,729   | 85,710,107    | 570,342,488   |
| " 26.....       | 257,909,598   | 19,736,929   | 26,223,867   | 208,977,905   | 73,829,947    | 713,575,944   |
| June 2.....     | 250,959,922   | 21,858,093   | 26,244,555   | 198,127,289   | 69,188,92     | 713,575,444   |
| " 9.....        | 249,538,959   | 15,821,663   | 25,967,253   | 202,503,949   | 74,628,674    | 636,656,381   |
| " 16.....       | 247,301,547   | 11,217,375   | 25,887,876   | 202,415,673   | 79,179,304    | 613,698,301   |
| " 23.....       | 243,436,808   | 8,504,096    | 26,585,394   | 201,969,288   | 80,540,578    | 696,447,630   |
| " 30.....       | 250,884,163   | 7,797,213    | 26,706,622   | 204,357,272   | 81,882,640    | 568,842,940   |
| 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   | 27,804,172   | 207,160,043   | 75,541,977    | 637,655,787   |
| " 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   | 214,582,926   | 84,705,814    | 430,324,808   |
| Aug. 4.....     | 256,808,177   | 9,448,900    | 27,311,549   | 214,156,705   | 86,235,079    | 523,264,614   |
| " 11.....       | 258,263,063   | 8,424,209    | 27,523,522   | 214,232,263   | 86,861,834    | 494,810,975   |
| " 18.....       | 261,951,924   | 7,545,513    | 27,796,904   | 214,310,716   | 84,801,071    | 546,655,346   |
| " 25.....       | 265,901,065   | 6,884,077    | 27,958,464   | 218,119,450   | 86,283,483    | 617,950,320   |

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  | \$25,342,306 |
| " 8.....          | 17,236,330     | 46,774,150   | 983,685   | 7,319,528    | 26,618,004   |
| " 15.....         | 17,267,412     | 47,350,428   | 1,007,186 | 7,357,972    | 26,947,700   |
| " 22.....         | 17,052,559     | 47,254,622   | 1,012,980 | 7,411,337    | 26,214,653   |
| " 29.....         | 16,244,277     | 47,607,558   | 1,008,825 | 7,432,534    | 35,460,881   |
| Feb. 3.....       | 16,481,045     | 47,233,661   | 1,000,689 | 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     | 46,981,337   | 953,207   | 7,843,002    | 33,926,542   |
| " 24.....         | 17,282,602     | 46,895,502   | 1,026,408 | 7,732,070    | 33,052,252   |
| Mar. 3.....       | 17,447,635     | 46,604,752   | 1,041,392 | 8,161,049    | 32,835,094   |
| " 10.....         | 17,392,534     | 46,546,878   | 1,055,694 | 8,248,100    | 32,504,508   |
| " 17.....         | 16,375,608     | 46,690,788   | 1,026,068 | 8,438,184    | 32,102,427   |
| " 24.....         | 15,969,814     | 46,642,150   | 931,932   | 8,580,200    | 32,144,250   |
| " 31.....         | 15,954,832     | 46,043,488   | 990,630   | 8,666,230    | 32,257,653   |
| April 7.....      | 16,622,233     | 46,028,641   | 946,282   | 8,720,270    | 32,762,280   |
| " 14.....         | 18,323,759     | 45,114,699   | 949,116   | 8,743,396    | 31,640,861   |
| " 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    | 34,987,007   |
| " 12.....         | 19,643,263     | 48,236,256   | 896,741   | 8,931,420    | 38,414,588   |
| " 19.....         | 19,648,232     | 48,336,567   | 897,913   | 8,918,938    | 37,296,645   |
| " 26.....         | 19,715,093     | 48,036,984   | 867,094   | 8,988,742    | 37,018,418   |
| June 2.....       | 21,154,909     | 47,551,996   | 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   | 897,881   | 9,219,553    | 36,972,476   |
| " 23.....         | 21,105,316     | 48,166,814   | 899,999   | 9,290,094    | 36,715,303   |
| " 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   | 20,922,377 | 48,935,067 | 826,096 | 9,382,473 | 37,270,885 |
| Aug. 4 | 20,393,826 | 49,682,529 | 825,978 | 9,516,724 | 37,244,034 |
| " 11   | 20,060,536 | 49,164,321 | 835,158 | 9,543,472 | 36,639,226 |
| " 18   | 19,863,685 | 48,520,454 | 811,220 | 9,566,783 | 36,942,311 |
| " 25   | 20,412,323 | 48,591,763 | 807,071 | 9,575,534 | 36,025,288 |

The returns of the Boston Banks are as follows :

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

|            | Loans.       | Specie.   | Tenders.     | Deposits.    | Circulation  |             |
|------------|--------------|-----------|--------------|--------------|--------------|-------------|
|            |              |           |              |              | National.    | State.      |
| January 1  | \$91,421,477 | \$801,415 | \$19,807,300 | \$38,451,794 | \$21,497,354 | \$1,404,721 |
| " 8        | 92,245,129   | 1,031,327 | 19,914,065   | 41,718,132   | 21,806,180   | 1,328,793   |
| " 15       | 92,959,364   | 1,029,105 | 20,438,014   | 40,939,870   | 21,946,595   | 1,273,948   |
| " 22       | 92,665,111   | 1,040,114 | 20,750,698   | 40,300,639   | 22,034,642   | 1,215,675   |
| " 29       | 92,877,783   | 1,008,013 | 20,544,830   | 39,153,816   | 21,899,318   | 1,157,848   |
| February 5 | 94,578,258   | 805,237   | 20,568,185   | 40,436,163   | 22,325,428   | 1,125,728   |
| " 12       | 94,083,827   | 632,591   | 20,412,589   | 38,768,019   | 22,348,638   | 1,057,323   |
| " 19       | 95,250,429   | 508,428   | 20,418,909   | 38,494,696   | 22,602,531   | 1,053,391   |
| " 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   | 20,024,968   | 35,581,876   | 22,606,835   | 1,006,719   |
| " 12       | 90,705,159   | 623,928   | 19,905,120   | 35,297,498   | 22,730,329   | 721,509     |
| " 19       | 91,902,811   | 606,992   | 20,470,018   | 36,696,321   | 24,018,916   | 910,740     |
| " 26       | 91,931,236   | 513,153   | 20,913,521   | 35,887,368   | 23,019,887   | 901,620     |
| April 2    | 92,251,979   | 532,556   | 20,761,014   | 36,697,227   | 23,087,693   | 869,329     |
| " 9        | 92,142,975   | 487,455   | 20,324,570   | 37,426,560   | 23,266,642   | 820,069     |
| " 16       | 91,250,882   | 457,648   | 19,902,647   | 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       | 86,728,001   | 401,113   | 19,549,614   | 38,396,210   | 22,856,656   | 744,425     |
| May 7      | 90,369,569   | 576,150   | 21,415,716   | 41,205,276   | 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   | 661,519     |
| " 28       | 91,833,402   | 436,391   | 23,658,956   | 41,631,746   | 23,732,277   | 644,655     |
| June 4     | 92,287,648   | 503,991   | 26,148,678   | 42,992,749   | 23,679,015   | 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       | 94,236,170   | 323,335   | 25,019,436   | 42,587,020   | 23,633,008   | 507,371     |
| July 16    | 96,047,000   | 453,600   | 21,610,000   | 40,407,000   | 24,145,000   | 413,000     |
| " 23       | 95,995,866   | 441,689   | 22,786,735   | 40,925,853   | 24,057,765   | 401,544     |
| " 30†      | 95,002,698   | 363,776   | 22,242,659   | 39,770,363   | 23,804,526   | 355,864     |
| August 13  | 96,672,749   | 318,779   | 22,432,317   | 40,549,379   | 24,116,795   | 380,980     |
| " 18       | 95,771,749   | 295,241   | 21,101,481   | 39,192,620   | 24,104,567   | 292,734     |
| " 20       | 94,915,075   | 333,670   | 20,817,159   | 38,619,847   | 24,290,816   | 368,163     |
| " 27       | 94,819,253   | 322,083   | 21,688,693   | 39,028,518   | 24,262,817   | 363,405     |

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

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurers' returns in the Treasury Department, on the 1st of June, the 1st of August and the 1st of September, 1866, comparatively :

|                                    | DEBT BEARING COIN INTEREST. |                 |                 |
|------------------------------------|-----------------------------|-----------------|-----------------|
|                                    | June 1.                     | Aug. 1.         | Sept. 1.        |
| 5 per cent. bonds                  | \$198,241,100               | \$198,241,100   | \$198,091,350   |
| 6 " " of 1867 and 1868             | 18,323,592                  | 18,323,592      | 18,323,592      |
| 6 " " of 1881                      | 283,745,500                 | 283,734,100     | 283,734,800     |
| 6 " " 5.20's                       | 695,515,000                 | 742,329,650     | 773,422,800     |
| Navy Pension Fund                  | .....                       | .....           | 11,750,000      |
|                                    | \$1,195,825,192             | \$1,242,628,442 | \$1,288,322,542 |
| DEBT BEARING CURRENCY INTEREST.    |                             |                 |                 |
| 6 per cent. bonds                  | \$5,402,000                 | \$6,042,000     | \$8,202,000     |
| Temporary Loan                     | 124,561,486                 | 118,665,470     | 45,538,000      |
| Certificates of Indebtedness       | 43,025,000                  | .....           | .....           |
| 3-year Compound Interest Notes     | 162,012,140                 | 156,012,140     | 155,512,140     |
| 3-year 7.30 notes                  | 812,221,600                 | 798,949,350     | 769,518,900     |
|                                    | \$1,147,222,226             | \$1,079,668,960 | \$978,771,040   |
| DEBT ON WHICH INTEREST HAS CEASED. |                             |                 |                 |
| Various bonds and notes            | \$4,900,430                 | \$4,670,160     | \$19,653,444    |

## DEBT BEARING NO INTEREST.

|                                    |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|
| United States Notes.....           | \$402,128,318        | \$400,361,728        | \$399,603,592        |
| Fractional currency.....           | 27,334,965           | 26,684,139           | 26,483,998           |
| Gold certificates of deposit.....  | 22,568,320           | 16,403,180           | 15,480,220           |
|                                    | <u>\$452,031,603</u> | <u>\$443,449,047</u> | <u>\$441,567,810</u> |
| Aggregate debt.....                | \$2,799,979,451      | \$2,770,416,609      | \$2,728,314,826      |
| Coin and Currency in Treasury..... | 129,691,083          | 137,317,333          | 132,631,668          |
| Debt, less coin and currency.....  | \$2,670,288,368      | \$2,633,099,276      | \$2,595,683,168      |

The following statement shows the amount of coin and currency separately at the dates in foregoing table :

|                                   | June 1.              | Aug. 1.              | Sept. 1.             |
|-----------------------------------|----------------------|----------------------|----------------------|
| Gold Coin.....                    | \$50,679,958         | \$61,322,127         | \$76,333,918         |
| Currency.....                     | 79,011,125           | 75,995,206           | 56,297,750           |
| Total gold coin and currency..... | <u>\$129,691,083</u> | <u>\$137,317,333</u> | <u>\$132,631,668</u> |

## THE MEXICAN FINANCES.

The London *News* gives the following exhibit of the finances of the Mexican Empire. The political, military, and financial condition of Mexico has been sketched with a masterly hand by the present French Minister of Foreign Affairs in more than one dispatch since the beginning of the year, and the facts constitute a full justification of the resolution announced by the French Government to withdraw from its intervention in Mexico. But there are certain results of that intervention which will remain after the final settlement of accounts between the two Emperors, and which greatly concern the British creditor. At the beginning of the year Mr. Middleton, Secretary of the British Legation in Mexico, sent home an approximate estimate of the amount of the revenue and expenditure of the Mexican Empire to be calculated on for the year 1866. We reprint it :

## REVENUE.

|                                                                 |                     |
|-----------------------------------------------------------------|---------------------|
| Maritime Custom Houses.....                                     | \$12,500,000        |
| Internal Custom-houses.....                                     | 5,200,000           |
| Direct taxes upon property in town and country.....             | 1,200,000           |
| Direct taxes upon commercial and industrial establishments..... | 250,000             |
| Mining duties.....                                              | 650,000             |
| Stamped paper, Post-office and other miscellaneous taxes.....   | 1,000,000           |
| Total.....                                                      | <u>\$20,800,000</u> |

## EXPENDITURE.

|                                     |                     |
|-------------------------------------|---------------------|
| Imperial House.....                 | \$1,740,000         |
| Ministry of the Imperial House..... | 30,000              |
| " State.....                        | 340,000             |
| " Foreign Affairs.....              | 290,000             |
| " the Interior.....                 | 3,700,000           |
| " Justice.....                      | 900,000             |
| " Public Instruction.....           | 438,000             |
| " War.....                          | 12,970,000          |
| " Public Works.....                 | 1,628,000           |
| " Finance.....                      | 3,400,000           |
| Total.....                          | <u>\$25,434,000</u> |

Mr. Middleton suggests that the customs revenue may produce a million dollars more than the amount stated above; but, when he expressed that opinion, he did not know that the French occupation, which had given such an impulse to consumption and importation, was about to cease. On the other hand, he points out that the cost of the French contingent is not included in the estimate. He observes, moreover, that "owing to the little progress being made in the pacification of the country," the amount set down for military expenditure will not

prove sufficient. The charges of the public debt remain to be added. They are as follows :

| PUBLIC DEBT.                                                                                                                                                                        |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Interest and sinking fund on British Convention.....                                                                                                                                | \$750,000           |
| Interest and sinking fund on Padre Moran Convention.....                                                                                                                            | 150,000             |
| Interest and sinking fund on Spanish Convention.....                                                                                                                                | 450,000             |
| Interest and sinking fund on the Internal Debt.....                                                                                                                                 | 1,200,000           |
| The Government estimate of Interest payable on the Mexican Stocks in London, including the Deferred Bonds, and on the amounts of the Miramar and Paris Loans, is calculated at..... | 10,280,000—         |
| Unpaid balances on Laguna, Seca and Guadalajara Conductas, estimated at                                                                                                             | 150,000             |
| Sundry Recognized Claims, . . . . .                                                                                                                                                 | 265,000             |
| Subvention to Vera Cruz Railway. . . . .                                                                                                                                            | 1,350,000           |
| <b>Total.....</b>                                                                                                                                                                   | <b>\$14,595,000</b> |

The general result is thus stated by Mr. Middleton :

|                                                            |                     |
|------------------------------------------------------------|---------------------|
| Total Revenue.....                                         | \$20,890,000        |
| Imperial House and the different Departments of State..... | 25,434,000          |
| Interest on Public Debt.....                               | 14,595,000—         |
| <b>Total deficit.....</b>                                  | <b>\$19,229,000</b> |

Here, then, we find the Mexican Government, in the third year of the French expedition, with an annual deficit nearly equal in amount to the gross revenue. But this is not all. Since Mr. Middleton wrote, the French Government has come to an agreement with that of the Emperor Maximilian, under which the debt owing to France for the expenses incurred in setting up the Emperor Maximilian's throne is taken at ten millions sterling, upon which sum interest is to be paid at the rate of three per cent. So, then, it comes to this, that the French intervention which was to have regenerated Mexico, but which, in fact, has merely intensified all the evils previously existing there, has saddled Mexico with an additional annual burden of two millions and a half sterling—a souvenir of the French occupation which the Mexicans will doubtless be careful to preserve.

#### THE RICE CROP FOR 1866.

The Charleston *Daily News*, in an article on the growth of rice in South Carolina, gives the following estimate of the yield this year in South Carolina and Georgia. The figures for South Carolina are prepared after making careful inquiries in the different districts, while those for Georgia are estimated simply :

##### ESTIMATE OF THE RICE CROP IN SOUTH CAROLINA AND GEORGIA FOR 1866.

|                                                        |                |                       |
|--------------------------------------------------------|----------------|-----------------------|
| Waccamaw, Pee Dee and Santee districts.....            | tierces        | Clean rice.<br>12,000 |
| Cooper River district.....                             |                | 3,000                 |
| Pon Pon, Ashpoo, Combahee, and vicinity.....           |                | 5,000                 |
| Savannah back River, amount to come to Charleston..... |                | 5,000                 |
| Crop of Georgia.....                                   |                | 8,000                 |
| <b>Total.....</b>                                      | <b>tierces</b> | <b>33,000</b>         |

There is, perhaps, a limited amount planted on the Cape Fear River. North Carolina, and some inland rice produced in the interior ; the latter will, to a certain extent, if the price keeps up, be brought to this market by railroad, but the above estimate will not be much changed by these elements. The dangers now are an equinoctial gale, and bad work during harvest. To show our readers the complete prostration of this branch of agriculture by the war, we give the receipts at this point during the years '59 and '60, and '60 and '61, and the same for '65 and '66, and conjecturally for '66 and '67 :

|                                                                       |         |         |
|-----------------------------------------------------------------------|---------|---------|
| Receipts at Charleston from the Sep. 1, 1859, to 31st Aug., 1860..... | tierces | 154,970 |
| Receipts from Sep. 1, 1860, to August 31, 1861.....                   |         | 126,269 |
| Receipts from September 1, 1865, to August 31, 1866.....              |         | 4,035   |
| Estimated for 1866 and 1867.....                                      |         | 25,000  |

## SHARK FISHING IN NORWAY.

Among the official reports lately published in England occurs a brief account of the shark fishery as at present carried on by the Norwegian fishermen along the coast. This fishery has not attracted the attention in the southern part of the country which it deserves, not from the scarcity of fish, but the deficiency of appliances and absence of that experience which is considered necessary to success. A prevailing opinion, however, exists that, if properly prosecuted, it would become equally as lucrative in the south as it has proved to be in the north. The vessels employed in it generally range from 25 to 35 tons, manned with a crew of six men. They lie at anchor on the banks, with 150 to 200 fathoms water, by a grappling weight about 2 cwt, with a warp about 300 fathoms in length, and about four to five inches in circumference. A box perforated with holes, or a canvas bag containing the residuum or refuse blubber, after the oil has been extracted by boiling, is attached to the line not far from the bottom, near the grappling; globules of oil are found to ooze out, or to percolate through the holes, or bag and to float away in the continuous stream, serving as a decoy, in a similar manner as the cod-roes are applied in France, where they are thrown into the sea as ground bait to attract the sardines. Led by this stream, the sharks are guided to the main bait, which is attached to a thin iron chain, of from one to two fathoms in length. This is fastened to a line of about the thickness of the stem of a common tobacco pipe. At the end of the chain the hook is fastened, which is usually of the size of a salmon gaff, and is baited with some kind of fish, or, what is preferable, about a pound of seal blubber. On hooking the shark, he is hauled to the surface of the water by the aid of a single purchase. Each vessel is furnished with four of these, two on each side. The line, being small, is only calculated to bring the fish to the level of the water; his nose is then hauled a little above the surface, and a smart blow is immediately struck, by which he becomes stunned. A large hook at the end of a pole, attached to a strong tackle, is then driven into the fish, and by this means he is hoisted on deck. The belly is cut open, and the liver taken out, a hole is made in the stomach for the purpose of inflating it with wind, which done, the hole is again tied up, and the fish got into the water, and permitted to float away. The length of the fish varies from ten to eighteen feet. The value depends upon the size, quantity, and quality of the livers, which yield from one-half to two barrels, or from fifteen to sixty gallons of fine oil each.

The result of a fishery carried on in open boats depends greatly on the wind and weather. When a boat's crew obtain from two to four barrels of liver they are satisfied. Under favorable circumstances, however, they obtain from seven to eight; and if, during the course of the winter, they can get from forty to fifty barrels, the catch is considered a good one. Besides the liver, when the fish can be towed to the shore, the flesh is converted into food for the cattle, when a scarcity of dried fish heads, which are prepared for that purpose, arises. It is occasionally used also as human food, but then as "rakling," which is prepared by being cut up into long strips and wind-dried in the open air, or buried in the ground until partially decomposed, when it is taken up and prepared in a peculiar manner, so as to become edible and fit for human food. It requires, however, (says Mr. Cowe) an Arctic stomach to digest it.



## Total Distribution of Refined Petroleum.

|                         | 1862-3. | 1863-4. | 1864-5. |
|-------------------------|---------|---------|---------|
| To Eastern markets..... | 246,384 | 279,004 | 286,727 |
| To Western markets..... | 17,533  | 29,183  | 27,776  |
| Totals.....             | 263,917 | 308,271 | 314,503 |

Distribution of Crude Petroleum for 1862-3, 1863-4, 1864-5, showing exports by corresponding quarters, for those years, by railroad alone, to the various States, from Pittsburg:

|                        | Sept. '62 |           | Sept. '63 |           | Sept. '64 |           | Jan. 1, '63, to |           | Dec. 1, '63, to |           | Dec. '64  |           |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|-----------|-----------------|-----------|-----------|-----------|
|                        | to              | to        | to              | to        | to        | to        |
|                        | Jan. '63. | Dec. '63. | Dec. '64. | Apr. '63. | Mar. '65. | Mar. '65. | Mar. '65.       | Mar. '65. | Mar. '65.       | Mar. '65. | Mar. '65. | Mar. '65. |
| Pennsylvania..... bbls | 31,523    | 24,039    | 50,376    | 52,139    | 9,046     | 18,904    |                 |           |                 |           |           |           |
| New York.....          | 12,315    | 7,547     | 37,195    | 34,428    | 14,194    | 8,500     |                 |           |                 |           |           |           |
| Maryland.....          | 4,707     | 9,998     | 17,412    | 10,895    | 7,430     | 11,731    |                 |           |                 |           |           |           |
| Massachusetts.....     | 5,183     | 3,087     | 4,990     | 2,030     | 4,735     | .....     |                 |           |                 |           |           |           |
| Ohio.....              | 67        | 965       | 251       | 1,210     | 290       | 1,193     |                 |           |                 |           |           |           |
| Indiana.....           | 232       | 784       | 15        | 570       | 11        | .....     |                 |           |                 |           |           |           |
| Illinois.....          | 417       | 820       | 492       | 2,693     | 177       | .....     |                 |           |                 |           |           |           |
| To other points.....   | 7         | 1,479     | 223       | 26        | 364       | 94        |                 |           |                 |           |           |           |

  

|                        | Apr. '63  |           | Mar. '64  |            | Mar. '65   |            | July '63   |            | June '64   |            | June '65   |            |
|------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                        | to        | to        | to        | to         | to         | to         | to         | to         | to         | to         | to         | to         |
|                        | July '63. | June '64. | June '65. | Sept. '63. |
| Pennsylvania..... bbls | 62,090    | 38,765    | 19,453    | 22,451     | 34,322     | 27,790     |            |            |            |            |            |            |
| New York.....          | 25,261    | 38,477    | 6,900     | 3,143      | 719        | 1,480      |            |            |            |            |            |            |
| Maryland.....          | 6,347     | 12,266    | 7,246     | 6,815      | 3,607      | 2,160      |            |            |            |            |            |            |
| Massachusetts.....     | 4,976     | 5,746     | .....     | 726        | 453        | 86         |            |            |            |            |            |            |
| Ohio.....              | 3,884     | 924       | 1,094     | 476        | .....      | 123        |            |            |            |            |            |            |
| Indiana.....           | 76        | 182       | .....     | 10         | .....      | .....      |            |            |            |            |            |            |
| Illinois.....          | 1,477     | .....     | .....     | 792        | .....      | .....      |            |            |            |            |            |            |
| To other points.....   | 540       | 34        | .....     | 25         | 18         | .....      |            |            |            |            |            |            |

## Total Distribution of Crude.

|                         | 1862-3. | 1863-4. | 1864-5. |
|-------------------------|---------|---------|---------|
| To Eastern markets..... | 288,059 | 214,819 | 166,917 |
| To Western markets..... | 12,418  | 5,571   | 2,304   |
| Totals.....             | 300,477 | 220,390 | 169,221 |

## INTERNAL REVENUE DECISIONS—LICENSES AND SPECIAL TAXES.

The following, issued by the Commissioners of Internal Revenue, explains some of the changes made in the Internal Revenue Law by the last Congress with regard to licenses.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE, }  
WASHINGTON, July 31, 1866. }

Attention is hereby called to the changes made in the internal revenue laws relating to licenses, by the act of July 13, 1866, which act goes into effect, so far as special taxes provided for in said act are concerned, on the 1st of August, 1866.

Licenses are abolished, and a "special tax" is substituted therefor.

By the provisions of section 80, it becomes the duty of assessors to reassess any person, firm, or company holding license, for any excess of the special tax substituted therefor over the license tax which has been paid, from the 1st day of August, 1866, ratably, up to the 1st day of May, 1867.

Under these provisions, persons having a license as wholesale dealers in liquor, brewers, distillers, and proprietors of gift enterprises, will be liable to reassessment from the 1st day of August, 1866. Every wholesale dealer in liquors, for instance, who has paid out \$50 for his license, will be immediately liable to reassessment for the nine months ending May 1, 1867, the amount of reassessment being \$27.50.

A special tax is to be assessed from the same date against distillers of burning fluid and camphene, grinders of coffee and spices, and peddlers of liquors. Peddlers travelling by public conveyances are classed as peddlers of the Fourth Class. Persons whose business it is to manufacture cigars, snuff, or tobacco, in any form, should be immediately assessed a special tax as tobaccoists; but where such persons now hold license as manufacturers, they will not be subject to the special tax until the expiration of their present licenses as manufacturers, unless they are engaged at the same time in the manufacture of other articles, in such manner as to be liable to special tax, both as manufacturers and tobaccoists. But no special tax is imposed upon journeymen employed in cigar manufactory.

Persons now licensed as tobaccoists should be assessed a special tax as wholesale dealers when their sales exceed \$25,000.

Any person who is engaged in the manufacture or preparation for sale of any articles or compounds, or who puts up for sale in packages, with his name or trade-mark thereon, any articles or compounds, is liable, under the new law, to special tax as a manufacturer.

Producers of ornamental and fruit tress and charcoal, selling the same at wholesale, by them-

selves or authorized agents, at places other than the place of production, are exempt from special tax in respect thereof.

All boats, barges, and flats not used for carrying passengers, not propelled by steam or sails, which are floated or towed by tugboats or horses, and used exclusively for carrying coal, oil, minerals, or agricultural products to market, will be assessable under the new law, with an annual special tax from and after the expiration of the time covered by their present enrolment fees and tonnage duties, in lieu of such fees and duties. Such boats of a capacity exceeding 25 tons, and not exceeding 100 tons, will be subject to a special tax of \$5, and when exceeding 100 tons, to a special tax of \$10, said tax to be assessed and collected as other special taxes provided for in the act. The above special tax on boats, barges, and flats does not, however, affect the liability of the proprietors to special tax as express carriers or agents when doing business as described in paragraph 50 of section 79 of the act of June 30, 1864, as amended in the act of July 13, 1866.

Wholesale dealers are required, as soon as the amount of their sales within the year exceed \$50,000, to make monthly return of sales to the assistant assessor, and pay the tax on sales monthly, as other monthly taxes are paid; and in estimating the amount of sales, any sales made by or through another wholesale dealer, need not again be estimated and included as sold by the party for whom the sale was made. Wholesale dealers, now holding license, based on a certain amount of sales, will be liable to make monthly returns of sales as soon as their sales exceed the amount named in the license; wholesale dealers in liquor, as soon as their sales shall reach an amount which is less than the basis of their license by the sum of \$37,500.

The bond required of lottery dealers is further conditioned, by the new law, that the dealer will pay the tax imposed by law on the gross receipts of his sales, and the managers of any lottery, now or hereafter existing, can give the bond required.

Cattle brokers should be assessed on the excess of sales over \$10,000, in the same manner as of wholesale dealers.

Under the new law, "every person (other than one having paid the special tax as a commercial broker, or cattle broker, or wholesale dealer, or retail dealer, or peddler;) whose occupation is to buy or sell agricultural or farm products, and whose annual sales do not exceed \$10,000, is to be regarded a produce broker."

The payment of a special tax of a hotel-keeper permits the person so keeping a hotel, &c., to furnish the necessary food for the animals of travellers or sojourners, without the payment of an additional special tax as a livery-stable keeper.

Lawyers, who have paid a special tax as such, are exempted under paragraph 25 from paying this special tax as real estate agents.

If the annual receipt of an insurance agent shall not exceed \$100, a special tax of \$5 only is imposed under the new law; and the paragraph relative to insurance brokers is omitted. No special tax is imposed by the new law for selling tickets or contracts of insurance against injury to persons while traveling.

Apothecaries, who have paid the special tax as such, are not required by the law to pay the tax as retail dealers in liquor, in consequence of selling or of dispensing upon physicians' prescriptions the wines and spirits official in the United States or other national pharmacopœias, in quantities not exceeding half a pint of either at one time, nor exceeding in aggregate cost value the sum of \$300 per annum.

No special tax is required of a common carrier by the new law, where the gross receipts do not exceed the sum of \$1,000 per annum. Draymen and teamsters owning only one dray or team will not be liable to this tax.

By proviso to section 47 of the act of July 13, 1866, brewers are exempted from a special tax as wholesale dealers, when selling at wholesale, even at a place other than their breweries, malt liquors manufactured by them.

Manual-labor schools and colleges are exempt from special tax, as manufacturers, where the proceeds of the labor of such institutions are applied exclusively to the support and maintenance of such institutions (section 18).

There is no provision in the new law for refunding license taxes where they exceed the special taxes provided for by said law in respect to the same business.

No person doing a business requiring payment of special tax under the new law should be assessed therefor if he now holds a license covering a business of the same nature, unless the special tax provided for exceeds the license tax, in which case the difference of tax should be assessed immediately.

Receipts for special taxes will be furnished from this office. No more licenses will be furnished. With slight alteration, receipts for special taxes may be used as receipts for license taxes assessed under former laws.

E. A. ROLLINS.

## THE BOOK TRADE.

*Taxation in the United Kingdom: Its Levy and Expenditure, past and present; being an enquiry into our [British] Financial Policy.* By SIR MORTON PETO, BART., New York, D. APPLETON & Co., Publishers.

Sir Morton Peto appears to be a writer of some claim to rank as an expositor of finance. Not only has he aspired to treat learnedly the entire American policy, but, freshly nibbling his pen, he plunges deep into the abstrusenesses of British taxation, as though to bring up pearls of great price from those waters. Being

an admirer of Sir Robert Peel, he cannot extol too highly the transcendent beauties of free trade. It has created a greater demand for manufactured goods, raising the price of labor, and enabling the operatives to procure many articles for consumption which were before inaccessible. This has increased again the volume of imports, and enabled the Government to derive from them a revenue greatly exceeding the amount obtained under the protective system. Thus, in 1841, there were 1,162 articles paying duty at the Custom Houses, and the revenue from them was £21,848,845; whereas, in 1862, when the number had been reduced to 44, the revenue was £24,036,000. The extension of commerce effected by the remission of duties afforded additional employment to the people, and the exports increased from £51,545,616, in 1841, to £135,842,000, in 1860.

"Free Trade" in the British nomenclature evidently signifies the exemption of breadstuffs and necessaries from taxation, and the levying of duties on specific articles of import to such an extent as can be borne without checking their use or leading to contraband trade. The idea of abolishing Custom Houses does not appear to have any connection whatever with "British Free Trade."

But the burden upon the British nation, instead of diminishing with their increased prosperity, has actually increased from £48,000,000, in 1841, to £72,000,000, and has become also more offensive. The income tax appears to have been the most unacceptable, inflicting trouble, vexation, annoyance, and offering an overwhelming temptation to evasion, falsehood, and even perjury. "In short, it may be said to have injured the moral sense of the people who view offenses against the revenue lightly, and are even disposed to espouse the cause of those who defraud the State."

Meanwhile, there has been no reduction of the national debt. In 1860, there fell in those terminable annuities to which the people had looked as affording opportunity to begin; but they were absorbed in expenditure without effecting any saving to the country, and have only furnished a pretext for the addition of millions to the national debt since 1842. The expenditure has increased from fifty to seventy millions of pounds—\$100,000,000 in gold.

This is "a war expenditure" increased for maintaining a war establishment in time of peace. Such being the fact, it would be necessary, in case war should actually occur, to borrow money and impose new burthens on the nation to pay off the interest. But permanent burthens involve taxes which fall on trade and industry, jeopardising the former and fettering the latter. "Up to a certain point such taxes may be borne, but they may go too far, as the case of Holland has exemplified."

To make a revenue which shall be sufficient for the wants of a nation there must be, first: measures which can effect such an improvement in the condition of the people as will enable them to increase their consumption of taxed commodities; second, such improvements in taxation as to lighten its burthen on the people; and third, retrenchment of expenditures. Accordingly, Sir Morton proceeds in due order to analyse the several modes of taxation employed in Great Britain, and their specific operation. Beginning with customs' duties, he shows by the example of tea how a rate of duty has been made prejudicial to commerce; and by that of tobacco how the rate of duty is prejudicial to revenue. The cost of tea in China does not exceed seven pence halfpenny a pound. The

British duty is 200 per cent upon the cost and 100 per cent on the average price in London.

In New York, tea costing, after payment of duty, 78 cents a pound in currency, and affording the importer a profit of 12 cents, yields to the broker and retailer the additional sum of 60 cents. So sensitive is this article that diminution of the duty in England in 1746 to one-half, actually tripled the importation; and a further reduction in 1784 doubled it; whereas a slight increase at a subsequent period only led to smuggling and adulteration. The tobacco duty has served to direct the bulk of the trade into the hands of the smugglers. The first cost is about fourpence-halfpenny a pound, and the duty 3s. 1½d.; and five ninths of convictions for smuggling were in the matter of tobacco.

Some years ago a reciprocity treaty was made between Great Britain and France. For a century and a half the protective policy had ruled, to the detriment of revenue, and of manufacturing and commercial policy. Of so little practical use was it, that English watchmakers actually suffered from competition with smuggled watches. When the duties came to be reduced, while imports from France were largely increased, more than three times the former amount of British manufactures found a market annually in that country.

The income tax was imposed in 1842—9d. in the pound on incomes of £150 a year, and 6d. on those between £150 and £100. Sir Robert had great misgivings about this impost, acknowledging that it was "unpopular," "obnoxious," "inquisitorial," and justifiable only when required by a political necessity of magnitude. It has never met expectations, always producing less revenue than had been estimated, or than ought to have been produced. Indeed, it effects a depreciation of property, being in itself a confiscation of property.

The reduction of postage, with all its benefits, has been a serious detriment to the revenue; having fallen from £1,659,510 in 1838 to £500,789 in 1840, and being only £1,525,311 in 1861. Indeed, the net revenue was only £576,030. The expenses of the postoffice department have increased under the new system.

The best efforts of English statesmen have been put forth to relieve trade and industry from the operation of the old excise duties. The result of these duties had been inferiority in articles of manufacture, and consequent loss of markets. The duty on glass was first repealed with striking advantages, as the exhibition at the international exhibitions evinced. The auction duties were next repealed. They had come to produce little revenue from being constantly evaded. Then followed the repeal of the duty on bricks, then on soap, with manifest advantages. The impost on paper, and that on hops have since been taken off, but at a period too recent to state results. Experience has shown that excise duties may be so applied as to be the most baneful and obnoxious of all taxes. The spirit and malt taxes still continue. A tax is also laid on railway passengers, which proves easy to levy—indeed, too easy. Licenses on carriages are still in force. About £1,500,000 is yearly realized from licenses to carry on a trade. The principle is a vicious one.

The assessed taxes are among those most cheerfully paid and most readily collected. The articles assessed are servants, carriages, horses, dogs, horse dealers, hairpowder and armorial bearings. The rates were reduced in 1853, without at all diminishing the aggregate of revenue. The house-tax was substituted in 1857 for the window tax, with marked advantage. The land-tax, first imposed in 1688, at four shillings in the pound, has been continued, under various enactments, till the present time, without material change in the aggregate, although the rate has been only nominal.

The stamp duties were borrowed from Holland; they have also undergone great modifications. At present the sugar duty is the most productive.

The attempt has been made to prohibit the payment of officers from the revenues for collecting them. It has not yet succeeded, as the following table for 1861 shows:

|                    | Gross receipts. | Payment to Exchequer. | Difference. |
|--------------------|-----------------|-----------------------|-------------|
| Customs .....      | £23,657,513     | £22,765,338           | £892,175    |
| Excise .....       | 20,133,989      | 17,266,586            | 2,867,403   |
| Stamps .....       | 8,626,014       | 8,307,287             | 318,727     |
| Taxes .....        | 3,148,754       | 2,927,573             | 221,181     |
| Income tax .....   | 11,158,883      | 9,687,750             | 1,471,133   |
| Post-offices ..... | 3,528,427       | 6,351,669             | 2,176,758   |
| Crown lands.....   | 417,440         | 293,479               | 113,961     |
| Total.....         | £70,671,620     | £62,599,682           | £8,061,338  |

Sir Morton devotes the second section of his book to the subject of expenditure. In 1792 the total annual expenditure of the United Kingdom was £19,859,123, of which £9,767,333 was applied to interest on the national debt, £2,421,641 to redemption of that debt, and £7,670,109 for public expenditure—an amount which was then considered excessive. The war increased it to £61,329,179 in 1801, and it ran up to £106,832,260 in 1814. Since that time the amount has been reduced to £49,169,552 in 1840. It was increased by the Crimean War to £84,505,788 in 1855, and on the restoration of peace it has not been reduced to the old peace-footing by £66,120,092 in 1861. The army in 1862 cost £15,302,870; the navy, £12,608,042 in 1861; miscellaneous expenditures in 1862, £7,848,297; while the interest on the national debt, in consequence of the falling-in of the terminable annuities, fell to £26,000,000. During the last half century, though the nation has wonderfully increased in wealth, there has been no well-directed effort to reduce the debt. Yet a century ago, when the debt was but a tithe of its present amount—£80,000,000—Bolingbroke deprecated its existence as reflecting on the dignity of the nation, and Hume as threatening its very existence. Yet even now Sir Morton is of opinion that it could be reduced, if necessity required. Why no reduction has been made, he considers attributable to the following causes:

1. In the fact the levy of taxation, in consequence of the war, had become so burdensome upon the people and so restrictive upon trade as to make it a primary necessity to reduce its amount and improve its character.

2. In the fact that the expenditure of the nation has at no time been reduced within such limits as would leave a fair proportion of revenue applicable to the object.

In future wars, the struggle must be more costly than on any previous occasion. The entire burden cannot be obtained in the form of a levy of taxation, but must be raised by an addition to the debt. That debt, being now £800,000,000, is in the way of success. There must be a limit somewhere to taxation. If a war should be commenced and the present debt run up with rapidity till the taxation necessary to defray the the interest and expenses is a burden upon the trade and industry of the nation, either the country will be obliged to conclude a disadvantageous peace, or the people and nation will be reduced to a state of the most direful distress.

The fact is, that of late years finance has not been treated in Great Britain as "a great policy." Taxation has been levied to suit temporary exigencies; no principle has been applied to its levy or its expenditure, but everything has been adapted to party objects and temporary requirements. Since 1848, Parliament has exercised very little control over the public expenditure. Estimates are submitted by the Government, and the amount demanded is voted in a lump, without apparently the smallest knowledge of the way in which the money is to be applied, as though all that was necessary was to provide the amount. An immense amount of the revenue and expenditure is wasted for want of well-considered plans.

The unavoidable inference from Sir Morton's statements is, that the British nation is hastening to decay; and without a change in its policy, must speedily become incapable of arresting its own destruction. At the same time, the legislators of America, those of Congress and of the several States, will do well to consider whether they are not carrying their taxing power too far for the continuation of the prosperity of our own people. There is a limit, beyond which ruin is inevitable, and, as he suggests, we may be nearer to it than we imagine.

*Resources and Prospects of America: Ascertained during a visit to the States in the Autumn of 1865.* By Sir MORTON PETO, Bart., M. P. for Bristol. New York: Alexander Strahan & Co., 1866.

Sir Morton Peto declares his object in his work on America to be to afford his British countrymen an opportunity of forming a more correct judgment of the progress, means, and probable future of the great nation on the other side of the Atlantic. He has drawn liberally on the American Census of 1860 for his material; freely criticising and differing from the conclusions there pronounced, and loses no opportunity to show that what is required for the fullest development of prosperity this side of the Atlantic is free trade. While the Superintendent of the Census appears to doubt whether the Western States are capable of supplying the steadily increasing home demand for breadstuffs, as well as having a surplus to export, Sir Morton believes that they will always have quite a surplus. He shows this by an argument, based upon the fact, as he states it, that the price in the dearest market must rule in other markets, and hence infers that the European prices will be such as to enable those States to produce wheat at a profit, which the simple demand at home would not afford them. He then argues ingeniously for giving them abundant facility of communication to those markets—the lowest remunerative price for carriage, and the absolute certainty of speedy transportation—which would, he declares, enable them to grow wheat at a profit, and so stimulate production as practically to ensure an unlimited supply. Doubtless the Atlantic and Great Western Railway will, in his estimation, ensure such facility.

Sir Morton next gives a full summary of the products of this country, manufactures, mines, coal, petroleum, &c., after which, he takes up American shipping. He speaks admiringly of the facilities for navigation afforded by our harbors, rivers, and lakes, and then reminds his readers that, during the Napoleonic wars, our tonnage rose to 850,000. "If America had not gone to war with Great Britain in 1812," he says, with secret exultation, "it is probable that she would have retained, to this day, her great ascendancy in general commerce. But she lost the great opportunity by inviting war, and has never resumed it. Our navy swept their commerce from the seas; and, two years after the outbreak of this war, the Americans had only 59,700 tons of shipping engaged in foreign trade instead of the 1,100,000 tons employed seven years previously."

Is Sir Morton aware that Americans are vividly awake to the fact that vessels built in British ports with the full knowledge of the Government, if not with its consent, "swept their commerce from the seas within two years after the outbreak of the civil war?" He alludes to the transfers made by American shipowners of their property to avoid captures, with an amusing appearance of unconsciousness; and again takes opportunity to show that our failure to advance

our foreign trade is owing to the restrictions and limitations placed on American shipping.

Nevertheless, Sir Morton is our friend, although he sees with English eyes, and he takes favorable views when he can. He is, evidently, as much gratified with our prosperity as if it was that of his own country. In his review of our commerce, he declares his entire conviction of our certain prosperity. He notes that our trade has been regularly and steadily progressive, and that the nation has uniformly paid its way—the exports in almost every year having exceeded the imports. Even with the increased export of gold, every other native product increased in proportion from year to year. Many unsophisticated persons will be surprised to learn that our imports do not principally consist of articles of luxury. “It cannot be said that articles of luxury enter largely into the count of American importations. Silk dresses and furniture appear to be the two items most largely in demand. But no jewelry is found in the list of imports, and very little plate.”

But the export and import trade of the United States is nothing in comparison with her internal trade. The extent of territory implies great diversity of productions, and the exchange of these makes an inland trade almost as various as that of Great Britain with her colonies. Sir Morton considers that the inland navigation is very inadequate to the wants of the people, and that but for the railroads the producing districts would be at a stand still for want of means of transportation.

A chapter is devoted to trade with the British Provinces. The Commercial Convention at Detroit, which is by us regarded as almost a failure is his principal reliance in relation to our public sentiment. He reviews the Reciprocity Treaty, taking the same views substantially that have been taken in these columns, and ably controverting the declarations of Mr. Morrill, of Vermont.

Upon the railway system and management, where Sir Morton is at home, his views are entitled to more careful consideration. He criticises very justly the imperfect construction of the roads, the miserable stations, &c., and the fact that the lines were made without regard to any general system of communication for the country. The accommodations do not meet the wants of the nation. He remarks the hostility of the South to railroads. While the Northern States are covered with lines, the Southern have only a few main trunk roads, the greatest care having been taken to prevent those lines from communicating with the free States. “It will be necessary to correct all this.” From West to East the present facilities are quite insufficient, and no time should be lost in making additional provisions. Railway facilities are the measure of the prosperity of the country. But there must be a large liberal progressive policy. The American public ought never to be satisfied till they are able to calculate on fixed moderate prices for freight, and fixed periods for the delivery. Sir Morton very justly questions the propriety of express companies officered by railway managers, and carrying for high prices, when the profit ought to go to the owners of the lines.

The 7th section is devoted to the South. After contrasting the disproportion to the North, owing to the failure to develop the resources, he gives his opinion that the South will henceforth prosper much better under the system of free labor. The Northern States have declined to hold her as conquered territory, but acknowledge her place in the common nationality; and nothing is wanted but the stimulant of free institutions. “Within five years from the present time the cotton production of America will be doubled, and the consumers of the world will have the article at a less price [?] than they ever had it before.” With facilities for bringing to market the breadstuffs of the North, and the restoration and increase of the product of the cotton plant in the South, “not only will America bear with even all the burden of her debt and pay it, but she will immediately commence a career of commercial prosperity unexampled in the experience of nations.”

*Recent British Philosophy: a Review with Criticisms, including some comments on Mr. Mill's answer to Sir William Hamilton.* By DAVID MASSON. New York: D. APPLETON & Company, 1866.

German scholars are said to have a species of mania for translating Faust; American divines seem to be fond of combating "Rationalism;" and English lecturers take every opportunity to write and talk about metaphysics. Yet they are born to waste much of their sweetness on a very desert air, partly from the aridity of their subject, but chiefly because the reader and reviewer must first learn their specific technology before attempting to learn or set forth their ideas. Mr. Masson will hardly escape. His fault, however, consists less in the diction which he uses than in the profusion of words with which he dilutes his thoughts. Yet, those interested in such questions will read him with interest. After a cursory view of the Empirical and Transcendental systems and a notion of the writers who taught them, he devotes the great part of his work to Sir William Hamilton and John Stuart Mill.

Sir William, he declares, was a Theist, a Supernaturalist—no philosopher of modern times more strenuously, more passionately so. He venerated Hume as a good man and a great philosopher, and entertained little respect for the clergy, yet, at the same time, had a special admiration of Calvin, and a profound interest in the old theologians, from Tertullian downward. He held in the existence of Truth beyond what appeared to the senses—phenomenal existence. "The sphere of our belief," said he, "is much more extensive than the sphere of our knowledge; and, therefore, while I deny that the infinite can by us be known, I am far from denying that by us it is, must, and ought to be believed." Yet, he positively declared that it was impossible to speculate about the Absolute. Sir William holds that the central fact of the phenomenal of dualism or antithesis of two series of phenomena, given immediately in consciousness—the one constituting the ego or mind, and the other, the external world or matter. But here Mr. Mill takes issue. He holds that the radical fact of the phenomenal is not a dualism at all, but simply a stream, a flow, a succession of feelings, sensations, or states of consciousness. All knowledge, all belief, all known existence has been generated out of this succession of sensations, or states of consciousness. Hence, after some further illustrations, Mr. Masson concludes that *Transcendental Natural Realism* in Hamilton, announcing itself as anti-ontological, but with strong theological sympathies, and *Empirical Constructive Idealism* in Mill, also announcing itself as anti-ontological, but consenting to leave the main theological questions open on certain pretty strict conditions, were the two Angels that have for thirty years contended for the soul of Britain.

The remaining three chapters of the book are devoted to further demonstrations of the author's positions, and notices of other metaphysical writers. He, however, does little more than exhibit them; taking no pains to show any inaccuracy or proper conclusions.

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