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THE COTTON TAX AND THE INDUSTRIES OF THE NORTH.

We are pursuaded that the effect of the cotton tax on Northern interests has not been sufficiently considered. It is customary to look at this impost as one merely of revenue, shutting out from view entirely its influence upon our own industries. The argument sustaining it has always been based on the idea that the tax was not paid by the North, nor even by the South, but that it was collected in great part out of the European consumer. There are, however, weighty reasons, at present apparently lost sight of, why the North should question the expediency of this tax, and demand that the policy or impolicy of it be brought under the immediate and earnest consideration of Congress.

It must be clear, we think, by this time that the Liverpool manufacturer cannot be compelled to pay the tax. Before the war we had a monopoly; our cotton drove out all competition. No country could produce the staple in sufficient quantities, as good or as cheap as we could. A tax of three cents then, would have been easily collected. The planter could have added it to his price without materially affecting the production in other countries. A four years cotton famine has, however, worked a very decided change. Now, instead of monopolizing the trade, we have many competitors. Even the India staple, which was supposed to be incurably defective, has been improved, and English machinery has been far better adapted for working it, the war having developed methods of using India cotton not before known. Then, again, there are several countries, as is well known, sending supplies to market which command as high, and some of them higher prices than our own uplands.

The effect of all this is seen in the present state of the Liverpool market. With a crop in the United States of only about two million bales (and many estimate it much below that figure), the Liverpool price is about 14d., with a downward tendency. In fact, many good judges believe that it will decline to 10d. or 11d. at least, before the winter has passed, so nearly independent of us have foreign markets become. Another year we shall have less control of the price. Many countries which are, from various causes, furnishing decreased supplies now, promise larger returns another twelve months, the present tax offering a premium on production elsewhere. That this is the effect of the law, so far as the foreign purchaser is concerned, is easily seen. Assuming the planter to put the tax upon the price of his cotton, it results that the quotation for American cotton at Liverpool is increased 1½d. per pound. That advance necessitates a substitution of the staple of other countries for American, which again puts up the price of these descriptions, and directly stimulates the production of cotton in such countries, consolidating the cotton interest there, and promoting a permanent extension of the foreign crop. The consequent increase of supply from those sources reacts upon the value of our own crop; and this natural process of adjustment deprives the planter of the ability to collect his tax from foreign buyers. The result, therefore, is to place the American grower at a disadvantage of three cents per pound in competing with the grower of other countries. This, if long continued, will be sufficient to foster production elsewhere to such an extent as to force down prices to about their old level, when the planter, being no longer able to grow cotton at a profit, will abandon that for some other branch of agriculture. It would thus appear that we have no power to compel foreigners to pay this tax. The result of it must be to transfer our cotton trade to other countries, and to place Great Britain in that position of independence of the American cotton supply which she has now nearly attained, and which, for political reasons, she has long sought.

It is hardly necessary for us to say that the maintenance of the cotton trade is vital to the future prosperity of the United States. The South is by no means the only interested party—nor, as we think, is she chiefly interested. The prosperity of this trade means the prosperity of the whole Union; its recuperation means the recuperation of the whole industry of the country. Who can estimate the advantage we received from the two and a half million bales brought to market since the war closed! Do we not all know that it bridged difficulties which to many minds appeared impassable? Our exports of cotton during the year ending Sept. 1, 1866, were 1,552,457 bales, and we received in gold for these expots over 230 million of dollars. To how great an extent are we in the North indebted to these very exports for the decided prosperity enjoyed and our own quick recuperation since the war closed? Is it not, then, a question that we should seriously consider, whether it is wise to cripple an industry like this?

The cotton tax, moreover, has a directly injurious bearing upon our cotton manufacturers. With them a cheap supply of the raw material is of vital importance to enable them to compete with other countries. Either reducing the production or increasing the relative price of the American staple by taxation, must check the growth of the manufacturing interest. In fact, practically we are shut up to the consumption of the American cotton. Our machinery is not adapted for the use of the short staple of other countries; and, if it were, there would be the necessity of adding to the price paid at Liverpool the cost of transporting the India staple here. Our manufacturers are thus placed at a disadvantage as compared with those of Lancashire, who have a variety of staples to which they can resort rather than pay the tax. By mixing a certain proportion of Eastern cotton with American, they can set off the extra price of our cotton arising out of the tax, and yet on many heavy goods, and on dyed goods, especially, produce an article as marketable as though made wholly from Southern cotton. Thus the tendency of the tax is to divert cotton manufacturing from New England to Lancashire, and to give English cotton goods the ascendancy over American, not only in foreign countries, but in our own market. It is true the revenue law allows upon domestic cotton goods exported a drawback equivalent to three cents per pound upon the weight of cotton contained in them. But this advantage has thus far availed our manufacturers little, the entire export of cotton goods from this port and Boston from Jan. 1st to the beginning of November having been only 12,634 packages, against 110,772 packages for the corresponding period of 1860, showing that we have regained little of the trade in these manufactures with foreign countries, transferred to England during the war.

Then again it is evident that if we cripple the South, if this tax deprives the planter of a profit on his crop, he must purchase just so much less of our products. One portion of this country cannot suffer and the other be prospered. To what extent the present stagnation in business is due to this very cause, we do not undertake to say. But when we remember that on a crop of 2 million bales (of five hundred pounds each) 30 million of dollars is exacted, in addition to the income tax which we all pay, we see how heavy is the burden they are laboring under, and with the price falling how important they would find it to confine their purchases to the merest necessities of life. And it should be remembered too that this tax bears with peculiar hardship upon the freedmen—the laborer who produces the crop. In many cases he is the planter struggling to work his way up; in all other cases he is the employee, and must of necessity suffer in common with the employer.

Finally, such a diversion from cotton growing, as must inevitably follow from the permanence of this tax, would result in important embarrassment to our agricultural interest. The South would then be driven to the cultivation of breadstuffs upon her broad cotton lands; and as she would produce a large surplus of those commodities, she would become a competitor with the West for the foreign markets, resulting in a decline in the value of agricultural products throughout the country. It is thus, indeed, that heavy taxes upon special industries always work out derangement in production with consequent injury to trade at large.

For these, among many other reasons, it is much to be hoped that Congress will at an early day reconsider this question in a broad and national light, not merely with a view to remedying the present obstructive method of collecting the tax, but for the purpose of utterly and finally abolishing the impost.

LONDON STOCK EXCHANGE—HISTORICAL AND CRITICAL.

William III., having by the establishment of the Bank of England, obtained great facilities for borrowing large sums of money, did not hesitate to incur enormous pecuniary obligations, which he transferred to the shoulders of his royal subjects, under the title of the national debt. The floating stock of the Bank would of itself have formed ample materials for the employment of the resources and ingenuity of the speculator; but when we remember that the reign of King William, as well as Queen Anne, the sovereign who succeeded him, were periods distinguished not less for sanguinary and devastating wars than for reckless speculation, which brought into existence, under the countenance and support of ministers of the crown and members of Parliament, not only such infamous swindles as the "South Sea scheme," and the "mine adventurers of England," but a legion of other bubble companies, it must be apparent that the field of operations was a most extended one. When public securities were floating upon the surface, offering temptations to the speculator, such as the race course or gambling table rarely presents to its votaries—when the South Sea stock was quoted at 1,000 per cent., including dividend, and India rose to 445, and bank stock ascended to 260; when as Mr. Anderson states in his "History of Commerce" the advance in every description of stock was computed at £500,000,000 sterling, or about double the value of the fee simple of all the real property of the nation, taking it at ten years purchase; then the hour had arrived for the stock broker to enter the vinyard and reap his harvest. The fraternity of stock brokers appeared upon the commercial arena in 1695, and first congregated near the Bank of England to transact their gambling business; but in time the members became so numerous as to create inconvenience, and they were therefore obliged to remove from thence, and in 1700 they met to arrange their affairs in the locality now called "Change Alley." They were not respected or beloved by any class of their fellow countrymen, but rather regarded as wolves and sharks in human form, who sought to pray upon the rest of society, and overreach and fleece it.

Mr. Francis, a deservedly, popular author, and one who is by no means unfriendly to stockbroking or stock brokers, has been compelled to give this description of the body at the period to which we refer:

"In 1701," he says, "the character of those we meet in Change Alley was not very enviable. It was said, and said truly, that they undermined, impoverished, and destroyed all with whom they came in contact. They can ruin men silently, says a writer of that period, with great vehemence, undermine and impoverish them, fiddle them out of their money by the strange unheard of engines of entries, discount, transfers, tallies, debentures, shares, projects, and the devil-and-all of figures and hard names. Every thing which could inflate the hopes of the schemer was brought into operation by the brokers. If shares were dull, they jobbed in-the-funds, or tried exchequer bills; and if these failed, rather than remained idle, they dealt in bank notes at 40 per cent. discount. These new modes of gambling seized upon the nation with a violence which sober citizens could scarcely understand; their first impulse was to laugh at the stories currently circulated of fortunes lost and won; but when they saw men, who were yesterday threadbare, pass them to-day in their carriages; when they saw wealth, which it took their plodding industry years of patient labor to acquire, won by others in a few weeks—unable to resist the temptation, the greatest of city merchants deserted their regular vocations, and speculated in the newly produced stocks."

It was this demoralizing state of society which gave Pope the original of his "City Merchant," his Baalam, whose wild speculation brings him to the verge of ruin; and, endeavoring to escape from which, he takes a bribe from France, and terminates his dishonorable career upon the gallows.

The pious King William, of glorious memory, however, seems to have been singular, in regarding the stratagems of the stock broker, not only as nominal sins, but as in the highest degree praiseworthy and deserving of a royal reward, when he could derive advantage from them; and he did not deem it unbecoming to present the notorious Sir Henry Furnese, who served as Governor of the Bank of England, and who was famous upon the Stock Exchange, as the first fabricator of false news for the purpose of "cornering the market," with a valuable diamond, for perpetrating a similar act to that for which, it has been acknowledged, the late Lord Dundonald, unjustly, was prosecuted, convicted, and sentenced to fine and imprisonment.

In 1720, the stock brokers had succeeded in getting into such bad repute, that public indignation was excited to the highest pitch against them, and stock jobbing was denounced as an intolerable nuisance, calculated to destroy the morals of the people. To mitigate so great a national evil Sir John Barnard in 1732, brought in his famous and much required bill to render "time bargains," or what is termed "selling or purchasing for the account," illegal. This act, through the influence of the principal parties connected with the Stock Exchange, has been repealed. But it cannot tend to increase the respect for the members of that institution, when it is known that they and their predecessors were in the habit of violating daily the provisions of this salutary law because they interferred with their gambling pursuits.

It is evident that the attempts made to improve the morals of stock brokers by means of severe penal statutes were only partially successful, as Dr. Johnson, in one of his popular essays, published in 1750, thus, in indignant terms, describes the numerous black sheep who still hovered near the precincts of "Change Alley." "Among the brokers of stocks are men of great honor and probity, who are candid and open in all their transactions, and incapable of mean and selfish purposes; and it is to be lamented that a market of such importance as the state of the nation has made this, should be brought into any discredit by the intrusion of bad men, who instead of serving their country, and procuring an honest subsistence in the army or the fleet, endeavor to maintain luxurious tables and splendid equipages by sporting with the public credit. It is not long since the evil of stock jobbing was risen to such an enormous height as to threaten great injury to every actual proprietor, particularly many widows and orphans, who being bound to depend on the funds for their whole subsistence, could not possibly retreat from the approaching danger. But this evil, after many unsuccessful attempts of the legislature to conquer it, was like many others, subdued by its own violence; and the reputable stock brokers seem now to have it in their power effectually to prevent its return, by not suffering the most distant approaches of it to take footing in their own practice, and by opposing every effort made for its recovery by the desperate sons of fortune, who, not having the courage of highwaymen, they are less in danger of punishment by the loss either of liberty or life."

This truly is a sad picture which the great English moralist draws of the demoralization of a number of his countrymen who frequented Change Alley in his day, and engaged in the business of stockbroking. Dr. Johnson, who could occasionally, when it suited his purpose, cast aside his rough manners and become extremely obsequious and courteous, had a great respect for wealth, and held wealthy men in much reverence; and we have seen him excepting a favored class of stockbrokers from his scathing censure, while he pours the whole phial of his wrath upon their guilty and depraved brethren. If the doctor had survived to the present time, and been cognizant of the practices which have rendered the Stock Exchange celebrated as the scene of deception and falsehood during the last fifteen years; if he had heard of the services of pigeon expresses, and had been familiar with the arts adopted "to rig the market" by the promulgation of false news; if the history of the turpetude of the great speculators and their tools, the "stags" and "lame ducks" of 1825 and 1847 had been studied by him, then he would have been compelled with regret to admit that the evil which he denounced in 1758, and which he hoped had been subdued by its own violence, still existed as the bane and disgrace of society.

It is true that among stockbrokers, at all times, there must have been a sprinkling of good men, and many who were not utterly depraved; but they could only be regarded as the Robin Hoods and Captain Macheaths of the forest and the highway, who, even in the midst of crime, retained some traces of native purity and and virtuous instincts. But to mingle with such characters as Sir Henry Furness, *Vulture* Hopkins, Sir Manasseh Lopez and similar kindreds, and yet receive no taint, would have been as impossible as to touch pitch without being defiled. Foote makes his Mrs Coke pious while clinging for gain to an immoral calling, and the shocking contrast between her sanctimonious professions and daily practices, only presents her character to us in more disgusting features, and tends to make us look upon her vicious pursuits as far less odious than her hypocrisy.

Up to the year 1773 the persons who operated in stocks had no existance as an organized body, and had, in fact, only an ill name without any local habitation. At that period, however, they commenced a movement to improve their position and increase their strength and respectability. With this view they took a room in Sweeting's Alley, near the Bank, which they dignified with the title of the "Stock Exchange," and there any one engaged in stockbroking might transact his business upon the payment of the small commission fee of sixpence. We do not believe that stock brokers then conducted their affairs with the same mystery in which they have since been shrouded, and which for many years, from the exclusiveness observed, has caused them to be considered members of a secret society engaged in dark schemes which it would not be safe or convenient to reveal to the public. It is well known that defaulters belonging to the body, if they are so indiscreet as to make their appearance among their associates upon 'Change after their fortune had been ascertained, are liable to be assaulted in a barbarous manner, and treated with the greatest personal insult; but strangers who may inadvertantly stray into Capet Court during the hours of business, tempted by curiosity or ignorant of their danger, are liable to be equally roughly handled, and have their lives placed in jeopardy by attacks made upon them by millionare speculators and leviathan capitalists, who would feel ashamed of being thought capable of committing such acts in any other quarter. For the information of those who may not be aware of the danger to be apportioned by a stranger who intrudes upon the forbidden precints of the Stock Exchange, the following description of a scence which took place there some years ago is taken from a small and entertaining volume entitled "City Men and City Manners," the author of which, it has been rumored, is a popular contributor to the commercial department of the daily press.

"The members of the Stock Exchange, as an exclusive body, do not permit strangers to visit their establishment, and summary proceedings are adopted against intruders. One who suffered from the ungentlemany proceedings of the members thus describes the outrage: I turned to the right and found myself in a spacious apartment, which was nearly filled with persons, more respectable in appearance than the crew I had left at the door. Curious to see all that was to be seen, I began to scrutinize the place and the society in which I had intruded. But I was prevented indulging the reflections which began to suggest themselves, by the conduct of those about me. A curly-haired Jew, with a face as yellow as a guinea, stopped plump before me, fixed his black, round leering eye full on me, and exclaimed, without the slightest anxiety about my hearing him, "So help me Got, Mo! who is he?" Instead of replying in a straight forward way, Mo raised his voice as loud as he could, and shouted with might and main—"Fourteen hundred new fives,—now for a lark!—where is he? Go it—go it!" were the cries raised on all sides by the crowd, which rallied round my person like a swarm of bees; and then Mo, by way of proceeding to business, repeating the war cry, staggered sideways against me, so as to almost knock me down. My fall, however, was happily prevented by the kindness of a brawny Scotchman, who, humanely calling out, "Let the mon alone!" was so good as to stay me in my course with his shoulder, and even to send me back towards Mo, with such violence that had he not been supported by a string of his friends, he must infallibly have fallen before me. Being thus pushed, however, he was enabled to withstand the shock, and to give me a new impulse in the direction of the Scotchman. Mo awaiting my return, treated me with another hoist as before. Finding these two worthies were likely to amuse themselves with me as a shuttlecock for the next quarter of an hour, I struggled violently to extricate myself from the unpleasant situation, and by aiming a blow at the Jew, induced Moses to give up his next hit, and to allow me for a moment to regain my feet. The rash step which I had taken was likely to produce very formidable consequences; all present were highly exasperated. The war became more cesperate than ever. Each individual seemed anxious to contribute to my destruction, and some of their number considerately called out—spare his life but break his limbs!" My alarm was extreme, and I looked anxiously around for the means of escape. "You ought to be ashamed of yourself to use the gentleman in that sort of way," squeaked a small imp-like person affecting sympathy, and then beginning to renew the shout. "How would you like it yourself," cried another, "if you were a stranger?" shaking his sandy locks and knocking off my hat as he spoke. I made a desperate blow at this offender. It did not take effect, from the expedition in which he retreated, and I had prudence enough to reflect that it would be better to recover my hat than to pursue the enemy. Turning round I saw my unfortunate beaver, or "canister," as it was called by the gentry who had it in their keeping, bounding backwards and forwards between the Caledonian and his clan, and the Jew and his tribe. Covered with perspiration, foaming with rage, and almost expiring from heat and exhaustion, I at last succeeded. I did not dare to reinstate it, but was forced to grasp it with both my hands, in order to save what remained of it. I baffled several snatches, one of which carried away the lining, and was now trying to keep the enemy at bay, afraid again to attack the host opposed to me, but not knowing how to retreat, when a person who had not made himself conspicuous, approached and interferred—"Really you had better go out," at the same time pointing to a door, I had not seen before.

"Comment," says the author of the publication from which we have just quoted, "is unnecessary, and however the practice may be repudiated by the merchant when out of the house, there are few who would not in it, act in a similar manner."

That such a practice could exist upon the Stock Exchange, and that men moving in the highest commercial circle in the capital of a civilized country could so far disgrace themselves as to take part in such a scene (which reminds us of one of those vivid descriptions in the romances of Sir Edward Bulwer Lytton or Eugene Sue, where some unfortunate individual had been tempted or strayed into a den swarming with the ruffian class of society, and having been sadly maltreated, narrowly escapes with his life) seems to us almost incredible, and would lead us to conclude that much iniquity must be committed in the locality daily frequented by those who so dread the presence of strangers. M——.

THE CANTON COMPANY.

A generation of Wall-street frequenters has passed away since the stock of the Canton Company first had a place on the official list, and but few remain on the street who can remember the day when "Canton" was not regularly called at the Board. At that early period, and for many subsequent years, it was one of the leading *fancy* stocks, and regarded by many as having little if any value. Transactions in Canton, however, are now quite limited in comparison to those in which our predecessors took part.

The Canton Company are the owners of a large property adjoining Baltimore. At the formation of the company these lands were vacant and unproductive. The object of the company was to improve them, and, as settlement increased, make a profit from their transactions.

Those who knew Baltimore twenty or thirty years ago, and who compare the Baltimore of to-day with it, must confess that its progress in wealth and importance has been at least *pari passu* with the country it has made tributary to it. In the meanwhile it has tripled its population, and by means of its railroads and the public spirit which projected them and gave them existence, its industry has been developed, and the city as an industrial centre sustained its position among the leading marts of American commerce. Like all properties located contiguous to large places the real estate of this company has partaken of the prosperity of the metropolis of which it is now a portion—indeed, a very flourishing portion.

We do not know how many acres are held by the company, but there are several thousands. These have been divided up by streets and roads into building plots and farms. Considerable portions have been built upon for residental purposes, and others appropriated to manufactures, among which are several large iron works, brick yards, &c.; and with the increase of these the value of the company's remaining property has been proportionately increased. The company have fastered this process by erecting buildings on their own account, selling them and appropriating the proceeds to further improvements.

The wharf property of the company, being on deep water, is also very valuable and is being rapidly improved. Branches of the great railroads diverging from the city are being constructed, which will contribute largely to the further development of the advantages of Canton as a commercial site. Canton is also connected with the central city by passenger or horse railroad.

About ten years ago the company was re-constructed and the nominal value of the stock of the company, originally $100 per share, was reduced to $20 per share. Of this only $16 25 per share has been paid up. There being 50,000 shares in all, makes the paid up capital of the company $812,500. For several years, however, it has been the policy of the company to buy up their own stock with moneys arising from the sale of lands. In this way and in lieu of dividends 5,000 shares have been purchased and cancelled, thus greatly enhancing the value of the outstanding shares. These operations, which are in the nature of a tontine, have undoubtedly had their influence on the market in so far as they have created a competition between the company and the public for the possession of the company's stock.

The actual value of the stock, however, has been increased solely by the development of the property. The rent roll of the company shows this to have been very rapid, especially for the last three years—in 1863 it was $21,357; in 1864, $26,493; in 1865, $38,316, and in 1866 $46,124. This rent roll, nevertheless, shows only the income from the utilized portion of the company's property. It does not tell us what additional value the progress of improvement has given to the still vacant remaining property.

The total receipts and expenditures of the company for the three years ending May 31, 1866, have been as follows:

	1864.	1865.	1866.
Receipts	$33,691	$52,149	$67,682
Expenditures	29,424	57,080	55,490

The following from the company's balance sheet, shows the financial condition of the company at the close of the years named:

	1863-64.	1864-65.	1865 66.
Stock account	$812,500	$812 500	$812,500
Other accounts	24,291	54,201	65,140
Total	$836,791	$866,701	$877,640

Against which are charged as follows, viz.:

Real estate	$464,430	$338,411	$208,214
Cancelled stock.	80,020	107,272	124,922
Annuities	44,260	163,318	260,022
Dividends	99,066	99,066	99,066
Paying account.	88,248	88,248	88,227
Other accounts	$28,263	$35,659	$41,355
Cash balance	11,606	6,065	18,258
Personal acco'ts	20,898	28,662	37,576
Total	$836,791	$866,701	$877,640

These exhibits are certainly very satisfactory. They show that the income of the company is constantly increasing, and the property held by them becoming more and more valuable as time progresses, and improvements take place. Not a single lien or debt of any kind encumbers the property. Its revenue from ground rents alone is now equal to six per cent. on the capital. This, as before stated, is expended in improvements and reduction of the outstanding stock. Under this durible process the property will eventually become a very valuable estate, and fully compensate those stockholders who have comprehended the situation, and have held their shares under all the varying phases of the company's career.

For several months Canton shares have sold at an average of 50, which is three times their original cost. Taking this as an index, the property which cost $812,500, is now valued at two and a-half million.

FINANCES OF CALIFORNIA.

The public debt of California on the first day of July, 1865 (as reported to the Legislature at their biennial session last winter) was as follows:

Description of Indebtedness.	In private hands.	Invested in State Funds.	Total Amount.
Civil bonds of 1857	$3,121,500	$606,000	$3,727,500
Civil bonds of 1860	198,500	.....	198,500
Soldiers' Relief bonds	144,500	69,000	213,500
Soldiers' Bounty Bonds	45,000	......	45,000
Total Funded Debt	$3,509,500	$675,000	$4,184,500

Warrants outstanding on Capital Fund	18.166
" " on Soldiers' Relief Fund	386.179
" " on Soldiers' Bounty Fund	236,040
" " on Line Officers' Fund	500
" " on Military Fund	61,5[illegible]9
Unfunded Scrip due School Fund	31,020
Due Swamp Land Fund	5[illegible],080
Total funded and floating debt	$4,947,954

From which deduct as follows, viz.:

Balance in General Fund	$153,852	
" in Interest and Sinking funds after paying July interest	86,971	—240,823
Net State indebtedness July 1, 1865		$4,734,131

Of the amount ($675,000) held in trust for State Funds $665,000 belong to the School Fund, and $10,000 to the Seminary Fund.

In addition to the debt above reported there are bonds of the State issued under an act (approved May 3, 1852) authorising the State Treasurer to issue bonds for the payment of the expenses of certain expeditions against the Indians, amounting to $38,100, and controller's warrants not converted into bonds $2,150.

The population of the State in 1860 was 379,994, and may now be estimated at 400,000, and hence on this basis the debt as outstanding July 1, 1865, was in the ratio of $12.43 to each head of the population. The assessed valuation of real and personal property, subject to tax in 1865, was $180,484,949. This is equivalent to $38.12 for each dollar of the debt, or in other words the debt is 2⅝ per cent of the aggregate wealth of the people.

The revenue of the State is mainly raised from the property tax, which for the year ending June 30, 1865, amounted to $1,614,492. This, however, was an extraordinary levy made to meet extraordinary services; and by the estimates for the current year not one half the amount stated would be required. It was on this account that the State controller in his report to the Legislature recommended the reduction of the total State taxation from 115 cents to 96 cents on the hundred dollars.

The total receipts from County Treasurers' on account of the property tax and other imposts in the fiscal years 1864-65 were	$2,044,702
Miscellaneous receipts including stamps, bonds issued, interest, &c	549,653
Total receipts	$2,594,365
Expenditures	2,603,065
Deficit in receipts	$8,700

The progress of the State from 1850 to 1865 as indicated by the assessed valuation of real and personal property therein is shown in the annexed table:

1850	$57,670,689	1855	$103,887,193	1860	$148,193,540
1851	49,231,052	1856	95,007,441	1861	147,811,617
1852	64,579,375	1857	126,059,462	1862	160,369,072
1853	95,335,646	1858	123,955,877	1863	174,104,955
1854	111,191,630	1859	131,060,279	1864	180,484,949

In 1852 the total population, according to the United States Census, was 255,122, and in 1860 it was 379,994, which gives an increase in eight years of 124,872, or nearly 49 per cent. The valuation in 1852 is stated to have been $64,579,375, and in 1860 $148,193,549, an increase of $83,614,165 or 129½ per cent. The wealth possessed by each head in 1852 was $253.13 and in 1860 $389.98, showing an increase of $136.85, or 54.02 per cent. If we assume the present population at 400,000 and the valuation at $200,000,000, neither estimate beyond the probability, we shall find the average wealth of the people to be $500. These calculations show a rate of acquisition seldom if ever equalled even in the manufacturing states of Rhode Island and Massachusetts. It is the best criterion by which to measure the debt-paying ability of a State.

CANVAS VS. STEAM.

The result of this year's race from Foo-choo to London of four clipper ships with the new seasons teas, has again proved, and more signally than on former occasions, that navigation and seamanship, without steam, can perform, with canvas alone, this most lengthy voyage at a rate of speed which only one or two of the steamers have exceeded, but the most of them failed to accomplish. The distance between Foo choo and London is about 15,000 miles.

This distance was run simultaneously by the ships referred to in 98 days, or at an average hourly speed of 6½ knots throughout, direct. The fastest steamer that has attempted this voyage has arrived 20 days before these ships, with what result (as compared with the clippers) to owner of vessel or cargo the future will best prove. From the fact that more than double the freight was paid for the tea by this conveyance, and that it was thus earlier delivered, it is fair to believe that, if the conveyance fulfilled expectations, there might be a mutual advantage. But there seems to be a serious impression both in London and the Clyde that although steam may succeed in lessening somewhat the time of transit of the goods, the disparity of rates of freight between sailing ships and steamers requisite to pay the latter, being entirely disproportionate to their relative performances, cannot ensure a corresponding advantage to the merchant, and therefore the question of canvas or steam in the tea trade between China and London will be answered, at least for a long time to come, in favor of the extreme sailing ships.

The magnitude and importance of this staple article of commerce, which has now become almost a necessary of daily life, render it a matter of great moment to have the transit from the place of production to the great depot of consumption effected as quickly, safely, and regularly as possible. Before steam threatened to rival the good old merchantmen in maintaining our commercial relations with distant lands in the exchange of this and other staples of trade for our own manufactures, the ships were constructed much more with a view to capacity for cargo than to attain great speed. But since the advent of steam, and now that vessels so propelled have proved themselves rapid, safe, and regular means of conveyance, the supporters of canvas have constructed their ships of extremely clipper model, many of which—in the long voyages at any rate—but particularly in the China trade, have proved by their swiftness very formidable rivals to steam. The merchant, whose property is conveyed, being deeply interested, very heartily must promote an improvement where the uncertainties of calms and storms are dispelled by application of a motive power independent of the wind, and the course, unless the sailing ship can be made in some way equal to the task of competing with a chance of success against the steamer, the preference will be awarded to the latter.

In communication with adjacent courtries there is no need to dispute the supremacy of steam. But in the long voyages—in which, naturally enough, from success in the short ones, the idea of similar success has induced the attempt—it is a matter of considerable doubt whether it is at all practicable, not only on account of the many obstacles (unknown in short voyages) which meet the projectors, but chiefly from the unequal battle they must fight with the extreme clippers, which are yet the favorite means of conveyance, simply because—very different from the old merchantmen—they have proved themselves to be speedy, regular, and reliable carriers. This subject has been investigated by many owners, both in England and China, who are engaged in the trade, and although many have, with commendable enterprise, made bold endeavors to gain that reliable position which has been awarded to steam in the trans-atlantic and other successful short trades, the results both to owners of cargo and steamer, in attempting the China trade, have been, to say the least, unsatisfactory. This can easily be conceived. The obvious difficulty that meets the projectors of steam in pursuing successfully so long a voyage, is the cost of maintaining by its power a rate of speed noticeably greater than that of the extreme sailing clippers, or, in other words, accomplishing the voyage in a space of time so much shorter than they can, that it will compensate for the extra rate of freight which steamers must obtain in order to pay. Next to the cost of producing this power, a similarly serious difficulty requiring similar compensation, meets the projector, in the necessity of limiting the cargo capacity of the steamer in order to carry the engines and fuel. And besides these serious considerations, the route between England and China being naturally in favor of sailing ships, their course lying for the greatest part of the way through the regions of the trade-winds, where nothing is equal to canvas, steamers come to compete with them on terms of inequality very much in favor of the latter. Even on those parts of the voyage, the be'ts of calms and variable winds which bound the trades and which of old, distressed the mariner in his lumbersome East Indiaman by tedious delay—where steam admittedly has the advantage of canvas—the advocates of the latter have so successfully modelled their ships, and spread on their lofty masts such press of sail, that the lightest airs, unfelt by common ships, in a very short time waft these clippers on their way. Thus the gain by the steamer in calms is of comparatively no account with the certain advantage this exceptional sort of ship has in winds.

Looking at the question of canvas vs. steam from another point of view, and assuming that steam could effect the transit in twenty days less than a sailing ship, on the voyage from Foochoo to London, and apart from the consideration of the rate of freight that would enable the owner to maintain such a vessel, what would the advantage to the merchant be? This economy in time, by such a mode of conveyance, would save the merchant interest, and probably insurance on his goods, to the extent perhaps of a farthing per pound, besides giving him by early delivery the speculative chance of another farthing, or perhaps ½d. per pound. These, together amounting to say ¾d., might enable him to pay a fair share of that to the steamship owner—beyond the rates paid by sailing vessels. One-half penny per pound is about 35s. per ton of fifty cubic feet of tea, which is an advance in rate of freight beyond which the merchant must feel unwilling to go as long as the clippers keep up the speed which they have, latterly especially, ensured. Beyond that, it is not at all probable that the steamship owner can calculate, unless in exceptional cases, where such earlier delivery prospectively promises a better result to the merchant, and the latter can afford thus to encourage this comparatively expensive means of transit. But it is clear to the most casual inquirer into this question that until steam can compete with canvas on equal terms, the preference will undoubtedly be awarded to the latter.

The reasons already mentioned—namely, the cost of fuel and the space it occupies in attempting this long voyage—are the (at present) insuperable difficulties to contend with, and which have been more or less the cause of so many failures in the endeavor of the promoters of steam to get a place firmly in this trade. And until these serious hindrances can be removed by some invention to economise fuel, every succeeding attempt must result as unsatisfactorily as those which have gone before. Against every new thing there naturally exists prejudice. And had steam not had a fair trial we should have been disposed to have viewed the prevailing feeling, which in China particularly is very obvious and common, against the steamers, as simply want of honest judgment. But from the comparison we have endeavored to make in the preceding remarks, it is clear that there are actual grounds of distrust in steamers, and plain reasons why sailing clippers in this trade should be preferred and substantially supported.

While we come to this conclusion on the subject of canvas vs. steam, it cannot be denied that the success of the sailing ship has been much owing to the incentive produced by competition with steam. No doubt while many unsuccessful attempts were being made the shipowner saw the necessity to meet the advancing spirit of the age, and struggle for the supremacy of sail. For from year to year the ships have been constructed of always finer model, dimensions being adopted where capacity was sacrificed for speed. In fact (of late more especially) the extreme clippers in this employment have been built with lines that more resemble those of our pleasure yachts than that of ships for carrying merchandise. So much has this been the case that these ships are renowned throughout the world for their remarkable sailing powers, and are peculiarly the pride and property of the China tea trade.

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

COTTON, BREADSTUFFS, PROVISIONS, ETC.

Notwithstanding the unsatisfactory position of affairs in England, the Board of Trade returns for the month of September, and the nine months ending September 30, show very satisfactory results as compared with previous years. Both in imports and exports a large business has been done, and as prices are higher, as regards many articles, than in former years, the value of the articles imported or exported shows a considerable increase. During the nine months ending September 30, the declared value of the total exports of British and Irish produce and manufactures was £141,936,898, against £119,717,377 last year, and £123,404,161 in 1864. For the month of September the declared value was £16,671,078, against £17,316,681 in 1865, and £14,687,942 in 1864. For each month, from January to September, inclusive, in each of the last three years, the figures stand thus:

	1864. £	1865. £	1866. £
Jan..........	10,413,586	10,489,339	14,354,748
Feb..........	12,698,121	11,376,214	15,116,063
Mar..........	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	13,227,062	14,630,120
July.........	14,394,364	14,113,410	14,957,834
Aug..........	16,274,269	14,158,648	17,450,156
Sept.........	14,687,942	17,316,681	16,671,078
Total........	123,404,161	119,717,377	141,936,898

The imports in August were larger than in the previous month, and within £60,000 of the corresponding month last year. The total value of the imports for the eight months is £50,000,000 greater than in the corresponding period in 1865. This large increase is chiefly to be accounted for by the greatly-augmented value of the cotton imported, viz.: £58,000,000, against nearly £30,000,000, and by the increase in the value of the wheat and flour imported, viz.: £11,600,000, against £6,400,000 last year. The computed real value of the imports into Great Britain from all quarters for the eight months was as follows:

	1864. £	1865. £	1866. £
Jan..........	7,520,356	6,398,922	9,847,564
Feb..........	13,214,541	12,891,252	16,610,159
Mar..........	16,396,928	13,005,394	19,891,204
Apr..........	17,587,565	13,078,755	22,455,968
May..........	22,392,601	14,595,334	23,224,762
June.........	21,498,185	15,407,688	23,243,701
July..........	20,458,253	18,964,190	19,597,929
Aug..........	21,944,048	20,997,691	20,940,303
Total........	141,012,477	115,302,753	155,811,590

With regard to the United States, it appears that the value of British and Irish produce exported in August was £2,554,506, against £1,636,-223 last year, and £735,803 in 1864. For the eight months, the exports were of the following declared value:

	1864.	1865.	1866.
To Atlantic ports, Northern........................	£13,404,761	£9,074,733	£18,553,884
" Southern.........................	78,320	75,188	780,762
Pacific ports...	661,487	351,163	558,799
Total...	£14,144,578	£9,483,084	£19,893,445

COTTON.

The principal imports into Great Britain are now from British India, the supplies received from this country being comparatively trifling. In September the imports reached a total of 980,713 cwts., of which 724,712 cwts. were from the East Indies, and only 161,679 cwts. from the United States. The total from this country for the year, however, is nearly 4,000,000 cwts., out of 9,790,314 cwts. It is fully anticipated that, as the crop in Egypt is of more than average extent, increased supplies of cotton will shortly be received from that quarter. The particulars of imports of this staple are subjoined:

IMPORTS OF COTTON INTO GREAT BRITAIN IN NINE MONTHS.

	1864.	1865.	1866.
From United States..cwts	116,843	182,000	3,995,679
Bahamas and Bermudas....................................	253.549	158,604	6,413
Mexico..	170,827	290,433	3,145
Brazil..	255,723	327,721	519,944
Turkey..	150,705	175,227	84,300
Egypt...	884,433	1,106,271	772,553
British India...	2,680,140	2,581,409	4,163,799
China...	571,332	301,525	33,387
Other countries...	239,659	336,880	211,094
Total...	5,323,211	5,460,070	9,790,314

The exports of cotton from Great Britain in September were rather less than in the corresponding month last year; but for the nine months there is a balance in favor of this year of about 680,000 cwts. In September the shipments were 382,908 cwts., against 405,732 cwts. in 1865, and 188,833 cwts. in 1864. For the nine months the following are the figures:

EXPORTS OF COTTON FROM GREAT BRITAIN IN NINE MONTHS.

	1864.	1865.	1866.
To Russia..........cwts	211,673	222,551	306,845
Prussia..........	11,445	33,742	49,785
Hanover..........	42,265	14,661	5,618
Hanse Towns..........	403,942	510,927	617,935
Holland..........	345,490	306,771	412,478
Other Countries..........	700,934	903,074	1,277,854
Total..........	1,715,749	1,991,726	2,670,515

The computed real value of the cotton imported into Great Britain in the eight months ending August 31 was as follows:

	1864.	1865.	1866.
From United States..........cwts	£1,485,788	£889,114	£29,349 669
Bahamas and Bermudas..........	2,960,704	1,379,306	46,816
Mexico..........	2,167,559	2,315,909	28,591
Brazil..........	3,105,877	2,352,072	3,973,456
Turkey..........	1,542,191	838,5 6	515,714
Egypt..........	10,892,499	8,094,171	6,626,740
British India..........	21,161,406	10,244,094	16,139,879
China..........	4,688,283	1,449,586	78,000
Other countries..........	2,499,883	2,381,720	1,445,679
Total..........	£50,504,190	£29,944,508	£ 8,204,544

BREADSTUFFS.

The wheat trade in England has now assumed a position of great importance to ourselves. At the latest date, wheat was about 12s. per quarter dearer than in 1865, and as importations from France had almost ceased, whilst Prussia was sending very moderate supplies of produce to the London market, the trade, though quieter than in previous weeks, was characterized by considerable firmness. The arrivals of wheat, however, at ports on the east coast had been large, chiefly from Russia, and rather considerable supplies of flour, of good quality, had been received from Moscow *via* St. Petersburg and Cronstadt. It was expected that previously to the closing of navigation in the Baltic large supplies of Russian, and moderate supplies of Prussian, wheat would be hurried forward. With regard to the French crop, there is certainly a deficiency from the recent abundant years. In some quarters it is said that France will require a very large supply of wheat from abroad; but from trustworthy sources it appears that the deficiency is greatly overstated. The French are certainly taking supplies of wheat at English ports; but it must be borne in mind that as the French crop is deficient in quality, there is the greater necessity to buy fine foreign wheats for seeds; hence, French buyers have made more important purchases for this purpose than customary. A few parcels of wheat and flour continue to be received at English, from French ports, and although unimportant in extent, serve to indicate that there is some exaggeration in the reports current in England of a very deficient French harvest. In Europe the finest crop appears to be in Russia, and as from the high prices ruling here, the English have, for the present, ceased to anticipate large supplies from this port. Much attention is naturally directed to the crop in Russia and on the Danube. In September, 1866, the import of wheat into Great Britain and Ireland was only 1,192,064 cwts., against 2,108,966 cwts. last year, and 2,665,799 cwts. in 1864. The principal import was from Russia, viz.: 687,431 cwts., and from Prussia, viz.: 229,233 cwts. From France only 15,327 cwts. were imported, and from the United States only 42,260, cwts. The import of flour was confined to 103,965 cwts., viz.: 21,843 cwts. from the Hanse Towns, 29,666 cwts. from France, 13,847 cwts. United States, 11,054 cwts. British North America, and 27,605 cwts. from other countries. The following figures show the imports of wheat, flour and Indian corn into Great Britain in nine months:

WHEAT.

	1864.	1865.	1866.
From Russia........................cwts	2,825,463	5,083,641	5,297,827
Prussia........................	3,616,145	3,757,907	3,127,739
Denmark........................	629,498	404,615	389,497
Schleswig, Holstein, & Lauenburg........	223,558	197,024	147,223
Mecklenburg........................	466,392	405,676	573,828
Hanse Towns........................	465,647	357,602	659,424
France........................	481,073	1,037,672	3,320,351
Turkey, Wallachia, and Moldavia........	377,646	485,770	357,343
Egypt........................	366,860	10,063	14,030
United States........................	7,100,042	854,212	388,010
British North America........................	824,806	292,392	8,789
Other Countries........................	346,203	786,865	2,437,302
Total........................	17,723,333	13,674,439	16,721,363
Indian corn........................	3,636,560	4,047,717	12,043,628

FLOUR.

	1864.	1865.	1866.
From Hanse Towns........................cwts	248,293	173,971	203,075
France........................	1,508,393	1,75 ,149	3,108,406
United States........................	1,631,103	214,721	206,898
British North America........................	336,655	159,183	26,822
Other Countries........................	87,454	124,276	196,412
Total........................	3,811,898	2,428,300	3,741,613

PROVISIONS.

Provisions of all kinds are selling at very high rates, and there are still no signs of an abatement in the quotations. The arrivals of butter have increased, and enormous quantities of eggs have been received at British ports. Lard, which during a great part of the year has sold at high prices, has been imported much more freely, and at latest date the quotations were lower. The imports of provisions into Great Britain in the nine months ending September 30, were as follows:

	1864.	1865.	1866.
Bacon and hams, cwts........................	937,924	553,734	561,309
Beef, salt, cwts........................	250,028	175,823	152,594
Pork, salt, cwts........................	170,771	13 ,967	149,120
Butter, cwts........................	673,713	747,748	787,232
Cheese, cwts........................	533,186	572,740	520,780
Eggs, number........................	272,050,560	296,428,920	360,247,440
Lard, cwts........................	165,373	93,294	219,868

EXPORTS OF BRITISH AND IRISH PRODUCE AND MANUFACTURES.

Annexed was the declared value of the exports of leading articles to this country, during the nine months ending Sept. 30, compared with the two previous years:

	1864.	1865.	1866.
Alkali	£294,919	£304,293	£709,145
Beer and ale	36,373	32,061	52,707
Coals	105,376	85,716	70,982
COTTON MANUFACTURES—			
Piece goods	1,556,275	1,328,546	2,588,685
Thread	173,935	104,649	270,806
Earthenware and porcelain	330,282	299,597	579,359
Haberdashery and millinery	724,176	595,866	978,056
HARDWARES AND CUTLERY—			
Knives, forks, &c	100,309	97,699	234,832
Anvils, vices, &c	72,846	61,476	75,799
Manufactures of German silver, &c	230,728	199,759	543,288
LINEN MANUFACTURES—			
Piece goods	2,052,699	2,121,809	3,117,288
Thread	161,392	103,256	183,170
METALS—			
Iron—Pig, &c	206,124	97,510	218,061
Bar, &c	673,236	124,682	418,867
Railroad	781,228	298,409	571,222
Castings	13,813	3,482	15,549
Hoops, sheets and boiler plates	208,948	58,857	245,101
Wrought	215,735	103,409	163,446
Steel—Unwrought	414,015	220,104	484,033
Copper, wrought	13,017	23,639	34,952
Lead, pig	206,562	71,984	123,314
Tin plates	580,102	671,993	1,139,253
Oilseed	46,692	21,738	282,850
Salt	29,600	35,542	86,974
SILK MANUFACTURES—			
Broad piece goods	70,876	50,051	109,708
Handkerchiefs	17,198	1,332	7,810
Ribbons of silk only	27,833	23,196	31,546
Other articles of silk only	74,821	89,513	87,848
Other articles mixed with other materials	36,693	30,177	68,753
Spirits, British	10,482	7,561	14,780
Wool	37,242	11,682	12,100
WOOLEN AND WORSTED MANUFACTURES—			
Cloths of all kinds	687,077	354,893	792,232
Carpets and druggets	269,619	205,415	631,091
Shawls, rugs, &c	60,580	21,686	39,501
Worsted stuffs of wool only, and of wool mixed	1,953,600	2,421,201	3,011,041

SHIPPING.

With regard to shipping, the following are the particulars, so far as this country is concerned:

	Number.	Tonnage.
American vessels entered inwards in September, 1864	62	62,083
do do do do do 1865	34	34,838
do do do do do 1866	28	31,989
do do in nine months ending Sept. 30, 1864	349	383,023
do do do do do do 1865	229	247,790
do do do do do do 1866	342	356,834
American vessels cleared in September, 1864	35	35,172
do do do do 1865	46	48,702
do do do do 1866	31	34,072
do do in nine months ending Sept. 30, 1864	326	353,516
do do do do do do 1865	258	261,466
do do do do do do 1866	413	410,771
Vessels of all flags entered from American ports in Sep., 1864	149	111,176
do do do do 1865	55	55,943
do do do do 1866	107	9[illegible],991
do do in nine months ending Sept. 30, 1864	918	826,541
do do do do 1865	409	462,580
do do do do 1866	1,269	1,136,472
Cleared in September, 1864	74	84,770
do do 1865	133	135,631
do do 1866	111	119,345
Cleared in nine months ending Sept. 30, 1864	899	935,689
do do do do 1865	669	759,723
do do do do 1866	1,073	1,127,931

ANALYSES OF RAILROAD REPORTS. No. 16.

HARTFORD AND NEW HAVEN RAILROAD.

This is the middle link in the great inland route of travel between New York and Boston, connecting at New Haven with the New York and New Haven Railroad, and at Springfield with the Western Railroad. Its constituents are as follows :

	Miles.
Main line—New Haven, Ct., to Springfield, Mass	61.38
Branch line—Berlin Junction to Middletown	10.75
do do Junction to Hartford City	0.87
Total length of road owned by Company	73.00
New Britain and Middletown Railroad (recently purchased)	2.47
Length of second track and sidings	60. 2

The Hartford and New Haven Railroad Company was chartered by the Legislature of Connecticut in May, 1833 and authorized to construct a railroad from Hartford to New Haven, 36¼ miles. About one-half this distance was completed and opened for public use in 1838, and the whole in the next year. The Massachusetts portion of the line (5.87 miles) was chartered April 5, 1839, under the title of the Hartford and Springfield Railroad, but the road was constructed under special agreement by the Connecticut Company ; and in 1847 the two companies were consolidated. This portion of the existing line was finished early in December, 1844. The branch to Middletown, 9¾ miles, was chartered in 1844, and opened in March, 1850. The extension to the Connecticut River, about a mile in length, was made in 1860. The New Britain and Middletown Railroad was built by a separate organization, but chiefly with capital supplied by the H. and N. H. Company. Since the close of the last fiscal year, however, this road has been purchased by the trustees, who hold it temporarily for the H. and N. H. Company, to be transferred on the settlement of accounts between the two companies.

BUSINESS OF THE ROAD.

The returns relating to the business of the line are meagre. So far as they relate to the mileage of trains and the amount of passenger and freight traffic, the following is the best statement we can prepare :

Fiscal Years.	Mileage of engines hauling trains: Pass'ger.	Freight.	Other.	Total.	Pass'gers carried.	Tonnage carried.
1856-57	22[illegible],585	88,052	16,598	325,235	545,837	....
1857-58	217,166	90,796	15,188	32[illegible],150	462,534	....
1858-59	209,500	92,563	12,700	314,763	486,772	....
1859-60	218,814	100,844	6,285	325,950	[illegible]44,975	....
1860-61	234,6[illegible]4	86,484	2,253	323,491	499,888	....
1861-62	256.694	83,378	2,288	347,460	511,451	190,270
1862-63	263,905	117,621	22,771	404,297	663.290	2[illegible]2,639
1863-64	290,102	123,737	34,406	458,245	856,365	280,607
1864-65	298,178	116,112	37,948	452,238	924,501	238,253
1865-66	295,394	161,928	40,080	498,002	929,457	352,921

This statement shows that both passenger and freight traffic has nearly doubled during the past five years, and that since the close of the war the business of the road has increased at a more rapid rate than during its progress, when the conveyance of soldiers and war material was a leading element in its business.

OPERATING ACCOUNTS—EARNINGS, EXPENSES, &C.

The gross earnings, operating expenses and profits of transportation yearly for the ten years ending August 31, 1866, are shown in the annexed statement:

Fiscal years.	Gross Earnings: Pasenger.	Freight.	Other.	Total.	Operating expenses.	Earnings less exp.
1856–57	$455,035 65	$274,662 94	$39,367 01	$769,065 60	$372,807 67	$396,257 93
1857–58	371,906 62	215,537 06	40,781 57	628,845 25	306,854 91	321,990 34
1858–59	397,567 76	283,713 09	42,179 44	723,460 29	342,193 45	381,266 84
1859–60	428,042 30	320,853 53	41,640 93	790,536 76	388,731 46	401,805 30
1860-61	405,335 00	262,169 00	45,372 00	712,876 00	358,740 00	354,136 00
1861–62	412,452 18	2 2,596 54	42,252 08	747,300 80	357,001 92	390,298 88
1862–63	557,906 19	354,509 87	46,043 35	958,450 41	451,143 26	507,316 15
1863–64	787,626 65	457,110 09	47,570 21	1,292,306 95	719,708 36	572,598 59
1864–65	944,627 39	456,742 62	58,341 30	1,459,711 31	912,377 07	547,334 24
1865–66	909,352 21	630,911 69	51,540 23	1,591,804 13	958,321 52	633,482 61

Taxes, State and National, are not included in the operating expenses as given above, but will be found noted in the income account.

INCOME ACCOUNT—RECEIPTS, DISBURSEMENTS, &C.

The following statement exhibits the total financial operations of the company yearly for the five years ending August 31, 1866:

	1861-62. $	1862-63. $	1863-64. $	1864-65. $	1865-66. $
Bal. from prev. year	123,241 13	157,444 27	187,440 38	69,203 66	137,138 29
Income from road	747,300 80	958,459 41	1,292,306 95	1,459,711 31	1,591,804 13
Dividend Tomlinson Bridge Co	8,850 00	......	......	......	......
Sale of stock	......	......	......	291,150 00	14,660 00
Sales of property, &c	395 00	275 00	5,958 33	659 00	240 00
Debts due Co. dec'd	.... .	......	......	9,908 88	9,902 81
Total resources	879,787 43	1,116,178 68	1,485,705 66	1,830,632 96	1,757,745 23
Disbursements	722,343 16	928,738 30	1,416,502 00	1,693,494 67	1,641,752 47
Cash balance	157,444 27	187,440 48	69,203 66	137,138 29	115,992 76

The disbursements were distributed as follows:

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
Opera'g and repairs	368,976 69	470,942 00	722,950 07	947,991 04	974,568 51
Balance of interest	52,910 99	49,548 65	50,337 69	53,996 99	52,480 92
Dividends on stocks.	248,908 00	308,480 00	400,057 50	327,437 50	355,092 00
Real estate	... ..	11,849 72	6,852 39	13,567 36	40,157 25
New works	9,458 59	30,028 22	.. ..	148,337 08	89,335 19
Steamboat "Orient"	......	......	......	62,058 15	4,313 05
Sundries	......	8,241 95	......	6,300 00	......
Debts due Co. inc'd	42,088 89	3,774 40	151,368 23	......	......
State and U. S. taxes	... ..	45,913 35	64,935 12	133,846 55	121,805 08
Total disbursem'ts	722.343 16	928,738 30	1,416,502 00	1,693,494 67	1,641,752 47

The new works in 1864–65 were the Connecticut Bridge and in 1865–66, on account of the New Britain & Middletown Railroad. Besides the cash dividend there was distributed in October, 1864, a stock dividend of 20 per centum.

ABSTRACT OF GENERAL LEDGER.

The financial condition of the Company at the close of each of the last ten years as given on the General Ledger is exhibited in the following statement:

Close of Year.	Capital Stock.	Bonded Debt.	Contingent & Reserve Funds.	Profit & Loss.	Dividends unpaid.	Debts by Co.	Total Amount.
1856-57	$2,350,000	$944,000	$242,364	$233,335	$4,494	$9,405	$3,773,598
1857-58	2,350,000	964,000	367,049	145,851	4,320	2,047	3,833,267
1858-59	2,350,000	964,000	395,400	206,569	5,382	11,081	3,932,432
1859-60	2,350,000	936,000	484,[illegible]69	229,202	5,119	8,820	4,013,510
1860-61	2,350,000	927,000	582,037	87,439	14,354	13,356	3,975,087
1861-62	2,350,000	927,000	608,725	161,138	12,196	4,156	4,063,215
1862-63	2,350,000	927,000	667,622	200,354	9,216	26,863	4,181,055
1863-64	2,350,000	927,000	712,802	249,999	8,659	31,748	4,280,209
1864-65	3,000,000	927,000	418,901	211,410	8,092	88,930	4,654,333
1865-66	3,000,000	927,000	540,311	194,757	13,000	119,497	4,794,565

Against the above are charged as follows:

Close of Year.	Main Line.	Middle-town Ext'n.	Real Estate.	Rolling Stock.	Ma-terial & Tools.	Stocks &b'nds.	Debts due & adv'g.	Bridges and Steamb't.	Cash on hand
	$	$	$	$	$	$	$	$	$
1856-57	3,074,742	....	62,728	254,000	129,793	102,889	56,968	......	92,478
1857-58	3,105,046	.....	62,728	254,000	113,550	102,889	74,022	......	121,032
1858-59	3,108,[illegible]19	.....	62,728	254,000	132,503	102,889	115,102	......	157,192
1859-60	3,118,446	.....	62,728	254,000	121,305	102,889	149,804	......	204,338
1860-61	3,119,378	25,590	62,428	254,000	123,702	102,889	163,858	......	123,242
1861-62	3,128,616	25,977	62,253	254,000	135,677	102,889	196,359	......	157,444
1862-63	3,158,645	27,6[illegible]4	73,787	254,000	155,476	102,889	221,154	......	187,440
1863-64	3,158,645	27,683	74,681	254,000	158,719	139,889	397,38[illegible]	......	69,204
1864-65	3,129,017	27,683	87,590	245,000	195,883	139,889	322,923	360,180	137,138
1865-66	3,129,047	27,683	127,507	254,000	212,130	168,389	3[illegible]5,323	364,493	115,993

The capital stock of the Company previous to the *pro rata* distribution of stock to the shareholders in October, 1864, consisted of 23,500 shares

at par equal to	$2,350,000
That distribution absorbed (29 shares in fractional rights having been paid for in cash) 4,671 shares	467,100
Which made the capital 28,171 shares, equal to	$2,817,100
Sold (at an average of 243@244) 337 shares, equal to	33,700
Sold to stockholders (at $150) 2,492 shares	149,200
Present amount of Capital Stock, 30,000 shares	$3,000,000
The proceeds of the sales of Stock was	305,810

The original amount of bonds was $1,000,000 but only $964,000 were issued, and of these $37,000 were re-purchased in 1860-61, leaving the amount outstanding $927,000. These bonds are dated January 1, 1853, and payable January 1, 1883; interest semi-annually in February and August.

The Contingent Fund amounts to $150,000; the reserved fund varies yearly according to its increase or decrease.

GENERAL REVIEW—FROM 1838 TO 1866.

In the following table we give the cost of the road at the close of each fiscal year since its first section was opened, in 1838; also the length of road operated, and the earnings, cost of operating, and the net earnings for each year, and the amount and rate paid in dividends:

Fiscal year.	Cost of road, &c.	Miles of road.	Gross earnings.	Operat'g expenses.	Net earnings.	Dividends Am't.	Dividends Rate.
1838-39	$729,606	18.13	$31,933	$11,500	$20,433	.....	..
1839-40	851,121	36.22	65,147	23,152	41,995	.....	..
1840-41	866,336	36.22	91,305	29,270	62,035	$24,000	3
1841-42	960,963	36.32	90,760	30,429	60,331	32,000	4

1842-43	969,049	36.22	89,294	32,808	56,486	27,000	3
1843-44	1,138,921	36.22	99,632	32,733	66,899	40,000	4
1844-45	1,621,720	61.75	183,834	62,712	121,122	72,000	6
1845-46	1,690,260	61.75	228,611	89,187	139,424	86,865	7
1846-47	2,109,865	61.75	324,725	130,426	194,299	111,060	8
1847-48	2,354,813	61.65	430,212	145,668	284,544	136,000	8
1848-49	2,405,313	61.75	432,803	142,401	290,402	160,000	8
1849-50	2,631,541	72.01	490,930	196,454	294,476	235,000	10
1850-51	2,742,245	72.01	556,004	235,011	3[illegible]0,993	352,500	15
1851-52	2,905,589	72.01	600,408	268,185	332,223	235,000	10
1852-53	3,[illegible]64,832	72.01	639,528	304,180	335,348	235,000	10
1853-54	3,295,636	72.01	757,951	399,060	358,891	2[illegible]5,000	10
1854-55	3,318,932	72.01	930,912	373,113	357,799	235,000	10
1855-56	3,328,377	72.01	720,794	393,555	337,239	352,500	15
1856-57	3,328,742	72.01	869,066	372,808	396,258	235,000	10
1857-58	3,359,046	7[illegible].01	6[illegible]8,845	306,855	321,990	235,000	10
1858-59	3,362,019	72.01	723,4[illegible]0	342,193	381,267	235,000	10
1859-60	3,372,446	73.00	790,537	388,732	401,805	235,000	10
1860-61	3,398,968	73.00	712,876	358,740	354,136	329,000	14
1861-62	3,408,593	73.00	747,301	357,002	390,299	248,908	10
1862-63	3,440,309	73.00	958,459	497,056	461,403	308,480	12
1863-64	3,440,328	73.00	1,292,307	684,644	507,663	400,057	16
1864-65	3,410,309	73.00	1,459,711	1,046,183	413,528	327,437	12
1865-66	3,410,339	73.00	1,591,804	1,080,126	511,678	355,092	12

The operating expenses for the last four years include the State and national taxes, as follows: In 1862-63, $45,913; in 1863-64, $64,935; in 1864-65, $133,806, and in 1865-66 $121,805.

PROPORTIONAL DEDUCTIONS.

The following table shows the cost of the road per mile, the gross earnings, operating expenses, and profits (net earnings) per mile, the ratio of expenses to earnings, and of profits to cost of road, &c., for each of the ten years ending August 31, 1866:

Fiscal years.	Cost of road per mile.	Amount per mile. Gross earnings.	Oper'g expenses.	Profits (net earni'gs.	Exps. to earnings, p. c.	Profits to cost of road.	Profits to stock and bonds.	Rate of div'd.
1856-57	$46,232	$10,681	$5,178	$5,503	48.65	11.90	12.09	10
1857-58	46,653	8,734	4,262	4,472	48.80	9.59	9.82	10
1858-59	46,694	10,048	4,752	5,296	47.30	11.34	11.63	10
1859-60	46,198	10,829	5,325	5,504	49.17	11.91	12.26	10
1860-61	46,561	9,765	4,914	4,851	50.25	10.42	10.81	14
1861-62	46,693	10,237	4,890	5,3[illegible]7	47.91	11.45	11.91	10
1862-63	47,127	13,129	6,809	6,320	51.86	13.41	14.08	12
1863-64	47,1[illegible]8	17,703	9,379	8,324	62.69	14.76	15.49	16
1864-65	46,716	19,996	14,331	5,665	71.67	12.12	10.53	12
1865-66	46,716	21,805	14,796	7,0[illegible]9	67.85	15.01	13.03	12

The Hartford and New Haven Railroad commenced paying dividends in 1840-41, and in the twenty-six years since elapsed has paid $5,477,899. or an average of 9.5 per cent. per annum on the current capital. Applying the same sum to the present stock ($3,000,000) it gives a little more than 7 per cent. per annum for the same term of years. This is a record probably unexampled in the history of railroad finance, and is certainly worthy of honorable mention. The lowest rate of net earnings to stock and bonds within the last ten years was in 1857-58 (the panic year), and then it was 9.82 per cent., which afforded, after paying 6 per cent. interest on bonds, to the amount of $927,000, a dividend of 10 per cent. (the lowest paid since 1850), with a liberal surplus to credit of company. These calculations do not include the stock distribution in October, 1864, when the stockholders received 20 per cent. on stock worth at that time at least double its par value. This stock is selling now on its increased capital at 175@180. It is so seldom, however, on the market that we find it impossible to give the table of monthly fluctuations usually attached to our analyses.

VIRGINIA CENTRAL RAILROAD:

The Virginia Central Railroad (including the Blue Ridge Railroad, 16.81 miles) extends from Richmond to Covington, 205 miles; but that portion beyond Jackson's River, 10 miles, has not been brought into use since the war.

The earnings and expenses of operating this road for the year ending Sept. 30, 1866, are shown in the following statement:

EARNINGS.		EXPENSES.	
Passenger	$247,625 43	Transportation	$149,415 55
Freight	196,134 96	Repairs of engines & cars	53,235 97
Express	26.336 11	" of shops and tools	2,500 00
U. S. Mail	15,238 48	" of road & buildings	127,343 70
Miscellaneous	985 00	Salaries	12.016 68
Rent of real estate	1,129 12	Taxes	20.552 30
		Insurance	2,071 50
Total	$487,449 10	Repairs on real estate	177 32
	367,313 02		
		Total	$367,313 02
Balance	$120,136 08		

—net earnings, which were more than expended in extraordinary repairs, &c., viz., $260,337 13, making the total expenses $627,650 15, or $140,201 05 more than the receipts.

The following table compares the freight business of 1866 with that before the war, the latter being based on the average of the three years 1858–60:

	1858–60.	1866.	Decrease.
Tonnage carried westward	32.053.09	15,468.08	52 per cent.
" " eastward	32,216.94	21,399 89	33 "
Tonnage carried east and west	64,270.03	36,887.97	43 "

Included in the tonnage of 1858–60 are 5,777.74 tons of guano and 4,727.15 tons of plaster. The same commodities in 1866 amounted to only 1,122.14 and 1,492 tons respectively. The average amount of tobacco carried in the first period was 8,363 hogsheads against 1,359 in 1866. In 1858 the receipts per ton per mile were in 1858 6.4 cents, in 1859 6.63 cents, and in 1860 6.4 cents—average 6.36 cents. In 1866 the receipts were 6½ cents per ton per mile. This shows a very small advance over the old specie charge of 1858–60.

The number of passengers carried westward was 59,003, and eastward 60,033—total 119,036. The mileage made by these passengers was 6,769,756 miles, at an average of 4.17 cents per mile, against 4.29 cents in 1860. The mileage in 1860 was 5,769,464. The return for 1866 does not include passengers carried on government account.

The locomotives and cars are reported as being generally in fair order. The addition to the motive power since last year has been three engines, acquired by purchase, and two engines which had been in use on other roads during the war. Four passenger and four baggage cars have also been added, and a large number have undergone extraordinary repairs. The present stock of cars consist of the following: 15 passenger, 2 mail and express, 3 mail and second class passenger, 6 baggage, 6 conductor's or bunk cars, 97 box freight cars, 14 stock cars, and 48 platform cars.

The work done on the road during the year just passed is summed up as follows: 128,817 cross-ties have been replaced, being 65,720 more than were ever laid in repairs in any previous year. New bridges have been built at Christian's Creek and Gordonsville, and two new road bridges over grade. Ninety-six (96,000) bricks have been laid in culverts to replace the wooden and other defective works; and a large amount of trestle-work has been renewed, and a large number of new cattle-guards have been built. The total labor, exclusive of ditching, amounts to 54,692½ days, at wages averaging 100.1 cents, which amounted to $277.63 per mile of road. The labor on repairs in 1859 and 1860 cost $210 to the hand hired. A considerable per centage of this labor was always lost from holidays, sickness and desertion. The cost of labor in 1864, (estimating 260 days as a year's work) which is 20 more than an average, was $260.26 per annum. In view of the advance in prices of food and clothing, this must be regarded as a very moderate cost, for under the old system of labor, the hire remaining the same, the increased prices of provisions and clothing would have made the cost per hand $270 for the past year.

The following statement shows the financial condition of the company as it was on the 30 September, 1866:

State's subscription to capital stock		$2,013.987 52
Individual subscription		1,339,691 50
Total capital stock		3.353,679 02
Funded debt		1,799,822 26
Transportation from commencement to date		11,663,889 67
Rent of real estate		10,144 96
Due to stockholders for dividends not applied for		33,076 50
Due Board of Public Works for tolls on the Blue Ridge R. R		31,801 71
Bills payable	115,064 82	
Open accounts	124,842 11—	239,906 93
Total receipts		17,132,321 05

Against which are charged as follows:

Road and buildings, between Richmond and Staunton		$2,406,710 57
" " between Staunton and Covington		3,016,418 16
Locomotives, cars, machinery, &c		541,813 82
Total cost of road, &c		5,964,942 55
Real estate not included in road		25,196 95
Tolls to state for Blue Ridge R. R		225,049 32
Survey of short line between Richmond and Charlottesville		1,921 98
180 shares stock of C. V. R. R. Co. purchased at $50		9,000 00
Interest from commencement		1,175,266 75
Dividends from commencement		1,322.681 30
Sinking fund: Company's bonds		97,500 00
" " state loan		7,936 13
Transportation and general expenses from commencement		$163,454 99
Bills receivable	$3,601 92	
Due from agents, &c	108,285 81—	111,887 73
Cash in United States Currency	6,6[illegible]1 31	
" in Confederate Currency	20,832 00—	27,483 35
Total disbursements		17,132,321 05

The funded debt of the company is made up of the following descriptions and amount of debt:

Bonds guaranteed by State	$100,000
Coupon bonds of 1851 payable 1872	206,500
" " of 1854 payable 1884	983,000
Loan from State of Virginia 1859-60	210,000
Coupon bonds of 1865 payable 1876	33,000
" " issued for funded interest payable 1877	79,500
Registered bonds " " " " 1870	3,625
Bonds issued for dividends payable 1866 and 1875	122,613
Temporary loans, now due	61,584
Total funded debt	$1,799,822

Much of the interest falling due on the bonds of the company during the war remained unpaid, having been held over by the holders of the bonds, or bought up by others as a safe investment. This, with the semi-annually accruing interest up to January, 1867, the Company found it impossible to pay, they therefore proposed to its holders to fund at par in 8 per cent. bonds, redeemable chiefly in 10 years from July, 1866, all interest up to January, 1867, inclusive, and gave assurance that the regular payment of interest would be resumed on the 1st July, 1867. This proposition was regarded as just and fair, and has been received with favor by the parties interested. A considerable amount has already been funded, and the funding is still progressing. The amount to be issued for the purpose of funding is $300,000.

With regard to the construction of the Covington and Ohio Railroad, the President, in his report, states as follows: "The General Assemblies of the States of Virginia and West Virginia, at their last sessions, invested a commission, composed of prominent gentlemen in each State, with the power to transfer the franchise of the Covington and Ohio Railroad Company to such persons as would make the most favorable propositions for the speedy construction of the work. In May last these commissioners entered into certain contingent agreements with gentlemen in New York, of the highest personal and financial positions, who immediately sent one of their number to Europe to make the necessary financial arrangements. The subsequent political and monetary complications in that country have retarded their operations; but now there is every reason to hope that in a short time those arrangements will be completed, and that the work will be energetically pressed forward. Should there, however, be a failure in these arrangements, and should the Commissioners not succeed in getting competent parties to take the work, so vital is the interest of this company in this great enterprise that your board will regard it as the duty of the Directors of the Company to ask the stockholders to take into consideration the propriety of themselves undertaking a work, without the completion of which your road must remain a merely local one."

In conclusion, the President says: "The general condition of the roadway is good; your rolling-stock is in excellent condition. You have on hand a good supply of wood, and a fair supply of other necessary materials. Several of your depots are rebuilt, and others will be in the course of this fiscal year. We think that your revenues will increase considerably this year, and we feel assured that the expenditures will be much less. With an improvement in the condition of the country your property will become as valuable as it ever was."

IMPROVEMENT OF THE SOCIAL CONDITION OF YOUNG MEN.

BY VERRANUS MORSE, M.D., NEW YORK.*

Society is required by the Gospel rule to place the means of personal advancement within the reach of all its members. The same rule teaches it to value men according to their merits, rather than their success or the position or merits of their ancestors. The theory of our national government enforces the same precepts. Self-interest, also, which has more influence than Gospel rules or governmental theories with some communities, as well at individuals, requires and teaches the same.

If society will discharge these obligations, young men may work their way up from the lowest to the highest social positions. Those born in poverty may accumulate riches. The sons of the ignorant and debased may come to excel in literary culture, refinement and Christian virtues, and thus become good and useful citizens, and reach the position which good citizenship confers.

It is true no improvement can be made, no elevation reached without effort; neither wealth nor knowledge nor virtue nor power comes unsought. By labor and care they are acquired, and by the same retained; but youthful ambition, aided by youthful vigor and zeal, is willing to accept of these conditions, and go forth to its life-work, relying on society's obedience to these thrice-enjoined demands.

But society disobeys the divine injunction; it disregards the national theory; it neglects its own interests. To qualify young men for high social positions certain acquirements are necessary;—a good moral character is one of these. Certain others, though they may be desirable, are not indispensable;—wealth is one of this class. Those who are destitute of these indispensible acquirements, however well they may be supplied with those that are not such—those whose characters are bad, however much wealth they may possess, cannot be allowed to occupy a ruling position in society without degrading it. Qualifications that are not essential cannot be safely substitued for those that are. Therefore, society should guard itself against tolerating such substitutions, and should guard young men against the danger of losing or neglecting these essential acquirements while seeking those that are not essential.

How does it discharge this duty? It shows young men that wealth is the key which most readily opens the jealously-guarded doors of exclusive society, and the social consideration which it confers induces many to seek it, even at the risk of ruin to the moral character. The facilities for acquiring wealth are greater in cities than in rural districts. There is a demand for labor and skill and intellect in the great commercial and manufacturing centres, and multitudes leave their homes in the country, and crowd into these centres. In doing this, they resign the social privileges and advantages of their own home circle, and trust society to make good the sacrifice. How does it execute this trust? Does it offer them

* Delivered before the Eleventh Annual Convention of the Young Men's Christian Associations of the United States and British Provinces, at Albany, June 5th 1866.

safe substitutes for the homes and companions they have thus left? No. Although they may be virtuous, intelligent and refined, and though they are laboring for the good of the community, and, at the same time, to acquire that which will secure for themselves the respect of all classes, and though society knows that those of them who are successful will in a few years, be honored and influential citizens, yet, until they win success, it chooses to treat them as strangers seeking subsistence, or adventurers in pursuit of fortune; and no domestic circle capable of throwing a cheering, refining, and elevating influence around them will receive them when the toils of the day are over, but they are compelled to depend for companionship upon those who will corrupt their morals and debase their manners; upon dissipated young men, who have, perhaps, gone out, like themselves, from happy firesides, with high hopes and spotless characters, but have fallen into the snares or yielded to the temptations to which they are now exposed. With such companions they are compelled to mingle, in banks, stores, and work shops; and with such they are crowded together in lodging-rooms and boarding-houses, the virtuous and the vicious, the learned and the ignorant, the refined and the vulgar, standing at the same desk, working at the same bench, sitting at the same table, occupying the same room, and sleeping together in the same bed. In boarding-houses, which small salaries compel mechanics and young clerks to occupy, the rooms, unreached by gas-pipes or furnace flues, are cold, dimly lighted, scantily furnished, and badly cared for; and as they contain two or three or more beds, and the occupants have no choice in the selection of fellow-occupants, it often happens that young men brought up in comfort and refinement are compelled to lodge with those whose systems are saturated with whisky, tobacco juice, and foul diseases, and whose minds are still more impure than their bodies. In such rooms, thus occupied, there is but little quiet thought or study, while there is much cigar-smoking, and vain and lewd conversation. A few weeks of such intercourse is sufficient to benumb the moral sensibilities, and prepare young men of no thoroughly fixed principles to accept invitations to the theatre, the concert saloon, or other places of low amusement, where they may induced to take their first step in vice, from a feeling that they should not be entirely ignorant of what others seem so well versed in. If they turn to the Church for safe companions, they will find that young men, fresh from the homes and the churches of their childhood, nowhere feel such utter loneliness, such complete isolation, as in the midst of a city congregation; that nowhere does it require stronger efforts to keep tears of sadness from their eyes, than in a city church. Week after week they go in and out, and no one greets them, no one notices them. Sad and discouraged, they try others, with similar results, until, at last, they desert the sanctuary altogether, or fall into a vagabondizing way, wandering about from one church to another, looking for celebrated preachers, artistic music, strange doctrines, or strange architecture.

And they are not only coldly neglected and virtually excluded from every place capable of exerting a good influence over them; they are not only, by the smallness of their salaries, subjected to physical discomfort and suffering, and the consequent temptations, but, as if to insure their destruction, seductive establishments are provided, whose whole influence, whose sole object is evil, whose only occupation is to tempt, entice, and ruin the unwary, and whose success is measured by the losses and injuries they are able to inflict on their victims. Such is the social ordeal through which all must pass who, inexperienced and unaided, seek employment in our cities. Yet it is an ordeal which benefits none, but injures all and ruins many. It is as though every one who came to the city, from the pure air of the mountains, should, lest he might have the seeds of disease in his system, be shut up every night in the wards of a fever hospital, thus exposing him to the contagion of the deadly typhus, and so endangering his own life and the lives of those he comes in contact with during the day.

How, then, shall we rescue young men from this low pestilential social condition, where society quarantines them until they are disabled by floating wrecks, and then cuts them adrift, to shipwreck in their turn others that may come after them? Taking up their residences in cities, they need the sympathy and counsel of true friends. If left to grope their way alone, they may, by one false step, fall, to rise not again. To furnish them such friends and counsellors, Young Men's Christian Associations were organized. And to reach them with the least possible delay, each association should have cards in all the depots and hotels in the place where it is located, inviting them to its rooms. By such means the boarding-house committees might secure the opportunity of assisting many to select boarding-houses managed in accordance with Christian principles, and occupied by those with whom they might safely associate.

Every Association should have an employment committee, whose members should have the acquaintance and confidence of business men. This committee should assist young men who are out of employment, or in business of an immoral character or conducted on immoral principles, to find employment where they would not be in danger of forming bad habits, through the example or influence of their employers, fellow-clerks, or workmen.

Young men should be induced, if possible, to join the Association and engage in its work. They would thus become associated with moral and religious young men, whose friendship would cheer them and whose counsel would profit them. They would also have the advantages of lectures, literary classes, and social and devotional meetings for their evenings; and cheerful reading-rooms, well supplied with useful and interesting books, papers, and periodicals for their otherwise unoccupied hours. And the result would be social and intellectual improvement, moral elevation, and increased self-respect.

The Associations should have members in attendance at their rooms, capable of interesting young men in conversation, and of leading them to observe and think and judge for themselves.

There should also be a Church committee in every Association, which should have members in every church in the place. It should be the duty of this committee to look after young men—strangers—coming to their respective churches, to speak to them, to introduce them to their pastors and others, and to invite them to join the Bible class, or, if qualified, to become teachers in the Sunday school.

These are means capable of rescuing many from destruction, but they are only temporary agencies, to be used until society is prepared to correct its false teachings and remedy their disastrous consequences. We cannot protect young men altogether by watching and guarding them; if we attempt it, we shall often be obliged to say of one and another, in the language of the son of a prophet, "As thy servant was busy here and there, he was gone"—gone to the house of the tempter, gone to return no more!

It is not the whole of our mission to be prepared by our committees and our members to seek out young men and shield them from the temptations to which they are exposed by those who are ordained to the work by society itself, sometimes perhaps by its negligence, but often by specific contract. Neither is it our ultimate aim to secure concessions or gratuities, but justice; it is not to induce society to imperil its own safety for others, but to do its duty to itself. We do not ask it to endow penitentiaries and asylums to restrain and elevate young men, but we do ask it to cut down the trees of evil fruitage which it so diligently cultivates for their ruin. We do ask it to shut up gambling, concert, and drinking-saloons, and all similar demoralizing agencies, which make penitentiaries and asylums necessary. It is vain to say the appetites and passions of young men will have these places. If so, why is so much expense incurred to make them attractive? If young men cannot be kept out, why make such expensive efforts to get them in? No, it is the unhallowed appetites and passions of landlords and proprietors for unjust gains that will have them. It will be said that young men must have amusement and recreation; true, but amusement and recreation need not and does not mean dissipation. Gymnasiums need not be appendages of liquor-saloons, and literary entertainments may be free from the vulgarity and profligacy of the theatre.

We know that thousands of young men come to our cities every year with fair prospects, and in a few years many of them are found in low haunts of dissipation, prison-cells, or drunkards's graves. But this is not because they are particularly prone to vicious practices, but because evil and designing men and women are allowed to do all they can to debase and ruin them while they are yet strangers, and ignorant of the forms and disguises which vice readily assumes in all great cities. They come prepared to see wickedness and meet temptation, but they expect to be able to avoid the one and resist the other; and so they would be if vice always appeared in its own proper character, but such is not the case, and here is the danger. If they can be induced to enter a gambling-house, they are not made acquainted at first with the vileness which it fosters or the villainies which it generates, but they are introduced to men of influence in social and political circles, and to the sons of wealthy men who associate with the most fashionable families, and they are led to believe that they have found a better class of associates, that they are really improving their social condition; and, perhaps, they never awake to a sense of their danger until they are over the precipice and falling, crushed and bewildered, from one jagged rock to another. When they have fallen to a certain level, society has institutions to take charge of them. When they become thieves, robbers, and forgers, it has the penitentiary. When they become paupers, the almshouse. When assassins, the gallows; and when they die, the potter's field. In each of these cases they become burdens, and, while they live, useless members of society. Would it not be better for society to throw its protecting arms around them while they are yet standing erect in their integrity? Not wait for them to fall over its own stumbling-blocks. Would it not be better for it to make an effort to keep them moral and useful while they are so, rather than to wait until they fall into criminal habits, and then be obliged to make a much greater effort to protect itself from their depredations?

Many young men spend their evenings in billiard-saloons and theatres, because they have no comfortable place to stay at home. The whole salary of many, now, would not board and lodge them as well as their employers board and lodge their domestic servants. Let them receive in addition to their present salaries what their employers pay for sustaining penal and reformatory institutions, made necessary by the demoralizing influences to which they are exposed by inadequate salaries, and they would be able to secure comfortable rooms where they could read, write, study or think, with no one to molest them, and multitudes would thus be kept from social and moral degradation. Would it not be more in accordance with the teachings of Christianity for the strong men who have themselves escaped the breakers—to send out the life-boat to rescue those who are still exposed; not wait until they go down for the last time, then commence their pious search for the dead bodies, that they may send them home to their sorrowing friends?

Now, can any one deny that it is our duty to ask, nay, to demand that young men, coming to our cities to engage in business, shall not be neglected and left to ruin, simply because they are strangers and yet fortuneless, but that they shall receive such treatment as their moral character, their manners, and their education deserve? Such treatment is required not only for their social but also for their moral and spiritual advantage; and society is under a moral obligation, not only to them, but to itself, to render them such treatment; and these obligations are readily acknowledged, but they are almost universally neglected. Excuses are made, difficulties are discovered, dangers are anticipated, but there is not a single difficulty, a single danger in the way which a resolute determination to do right could not easily remove.

It is for the interest of every man who employs another to know something of his character. Every merchant should know where his clerks live and how they spend their time; and if he finds that they have been fitted by their home training to associate with virtuous and refined families, let him grant them the privilege of associating with his—provided his is of that class. If his clerks are so numerous that his family would be discommoded if they were permitted to call at their own convenience, let him set apart an evening every month, or oftener, for their reception. They should be treated as branches of his own family.

If each one who employs young men will do this, the work which looks so formidable when viewed as a whole, will be easily accomplished when thus divided among the thousands of employers. And the condition of young men will be improved, the safety of property intrusted to their care will be increased, and the moral purity of society will not be endangered; nay, society itself will be improved, for, whatever elevates young men, elevates society, and whatever degrades them, degrades it, for though it has many members, it is but one body, and if one member suffers the whole body suffers with it. Let it become the custom for merchants to receive their clerks into their families, and they will select them with reference to character as well as ability; and when young men find that virtue as well as talent is needed to insure success, the inducement to avoid evil company and evil habits will be increased, and the counting-house will become not only a school for business discipline, but also for moral training.

It is said, and well said, that families must exercise great caution in regard to the character and condition of those they receive into their sacred circles; but who does not know that the dissipated son of the wealthy banker is admitted, unquestioned, into the best society, while the poor clerk is allowed to groan unheeded beneath the mighty burden of caution which society heaps upon him with unsparing hand? But let him become a successful and wealthy merchant, and Caution will fold up its tent like the Arabs, and silently steal away, even though, in the meantime, his moral sensibilities may have become blunted, his manners rude, and his habits irregular; even though his wealth may have been acquired by some bold stroke—no one caring to inquire how—yet, if his account stands good at the bank, if he can count his millions, the stately doors of polished society open as blandly to his touch as the meek-eyed violet to the morning sun.

This, then, is what we complain of, and what we have a right to complain of, that society discriminates in favor of wealth, regardless of character, and thereby injures itself in every part. The sons of the poor learn to neglect virtue, if by so doing they can gain wealth; and the sons of the wealthy disregard it, since it is not needed for their social advancement. We do not wish to charge society with the design of being untrue to itself or unjust to any, but it has adopted and is cultivating a system composed of the neglect of positive obligations, and the commission of positive injustice—a system calculated to undermine the moral character of every young man, whatever his circumstances may be, who goes out from his father's house to engage in the business of life—a system repugnant to its own best interests and every principle of Christianity. Shall we, then, as Christian Associations, remain silent and inactive? No! It is our duty, as young men, to stand together, like the Roman phalanx, protecting each other with their overlapping shields, not simply that we may be at rest, safe from every assaulting missile, but that we may move forward, unyielding and resistless, until society shall learn to treat young men as justice and Christianity dictate, and cease to authorize or tolerate their temptation as a business.

Then, thousands and thousands who never can be reached by the direct efforts of our organizations, who never can be induced to enlist under our banners, will rise to a higher level, and society itself will be purified and elevated.

CHARLES G. COLBY, A.M.

The subject of this sketch was born in the city of Rochester, N. Y., on the 19th of December, 1829, and died in the city of New York on the 30th of October, 1866, in the 37th year of his age. In the brief space allotted to his life he accomplished much deserving of remembrance, and which will be valued for intrinsic worth. Of his boyhood the writer knows nothing, but the evidences are apparent that he had received an excellent training, both moral and intellectual. At the early age of 19 he graduated at the Wesleyan University, Middletown, Conn., and shortly afterwards became a teacher of youth. Still later we find him delivering lectures on astronomy, a science which he fully comprehended and passionately loved. In 1850 he was engaged as an assistant with Prof. Bond, of the Cambridge Observatory. While here he was employed in calculating the eclipses for 1851, the results of which were published with appropriate diagrams in Harper's Magazine for July of that year. He also wrote an article on "Telescopes" for the New York Independent, which at the time attracted considerable attention among scientific men. In the latter part of 1851 he removed to New York, where he was employed, first in the office of the American Railroad Journal, and soon after became assistant to Dr. R. S. Fisher, who was then engaged in the preparation of his "Statistical Gazetteer of the United States," which was published by T. H. Colton early in 1853. The "American Statistical Annual," published in the same year, was the joint production of Dr. Fisher and Mr. Colby. Subsequently he went into the office of "Hunt's Merchants' Magazine" as assistant editor, and there remained until on the death of Mr. Hunt, the property was transferred to other hands. His next employment was in writing the description and statistical letterpress for "Morse's Geography of the World," "Morse's Diamond Atlas," (in 2 vols.), and several smaller works. He also wrote a number of articles on the city and State of New York for the "Encyclopædia Britannica" and several for "Appleton's American Cyclopædia." In 1861 he removed to Boston, where he was engaged on the Boston Commercial Bulletin. Ill-health now compelled him to intermit his labors and seek a more congenial climate than he found in New England. He again came to New York in 1864, and here remained until the time of his death, employing himself in many useful labors. Never a strong man, he succombed to an attack of inflamation of the lungs after an illness of five days. His remains were taken to Brockport, near his native place.

PETROLEUM IN MIDDLE TENNESSEE.

We find the following letter from Professor Winchel in a late number of the *Mining and Manufacturing Journal* of Pittsburg:

It may interest some of your readers to ascertain some definite facts in reference to the petroleum belt stretching along the eastern border of the Highland river, of Tennessee, from Wolf Creek to McMinnville. I offer, therefore, a summary of information obtained from observation and other sources.

The valley of the Calfkiller Creek, a tributary of Cany Fork, contains some old salt wells, which have a history not a whit less remarkable than that of the "Old American Well," near Burksville, in Kentucky. About three miles north of Sparta, in White county, is a well, known throughout the region as the "Great

Burning Well." I have seen affidavits signed by seven different persons, and certified by the clerk of White county court, to the following effect:

That the Great Burning Well was bored for salt somewhat over thirty years ago, but when down to the usual depth a dark and strong smelling substance burst forth with great violence, throwing the tools above the derrick, which was seventy feet high, and in such abundance as to prevent the manufacture of salt from the brine obtained. This substance, which was evidently petroleum, flowed upon the surface of the creek and floated down the stream. At length it became ignited, and the flames ascended in an unbroken sheet to such a height as to illuminate the country for many miles, enabling people to read as by daylight.

The accounts assert that it continued to burn at the mouth of the well for many months, and was finally extinguished by the efforts of the proprietor. Some controversy arising in reference to the property, the well was plugged with a tallow bag, and subsequently filled with sediments from the stream. A company are now at work reaming out the well, expecting that the result of re-opening it will be similar to that experienced with the old American well. The same farm embraces another well which is said to have burned in a similar way; and half a mile distant, on another farm, is still another from which the oil burst forth with great violence and in great quantity. This was also filled, and is now covered by a mound of earth; but the oil is still oozing slowly.

These facts furnish an exact parallel with the great Burksville well; and it is worth while to inquire as to the topographical and geological situation of the locality. This inquiry leads to the discovery that the hope of success in re-opening the Great Burning Well is justified no less by the reasoning of science than by the experience of the past. These wells are bored in a formation which, like that of Venango county, Pennsylvania, lies immediately above the celebrated Black Slate, so prolifically charged with bitumenized matters that it has been regarded as the mother rock of most of the oil produced in the country.

As a further parallel, this formation is of a sandy and porous nature, so as to be fitted for the reception of the products eliminated below. Moreover, it is even cavernous to a greater extent than the Pennsylvania oil rocks; and is covered by a series of limestone strata practically impervious to the escape of the oil throughout most of their extent.

The formation in which the oil accumulates, and which is so favorably circumstanced for productiveness, has been styled by Prof. Safford the "Silicious Group," and the limestones above belong to the mountain limestone series. Fossils collected by myself, or placed in my hands by Prof. Saffard, indicate that the Silicious group belongs to a more recent geological age than the Venango county shales and sandstones, but the conditions of oil accumulation have no dependence on this fact. The Silicious group, in fact, corresponds to the Keokuk and Warsaw limestones, and is overlaid by the representatives of the St. Louis and Kaskaskia limestones—all members, in ascending order, of the great mountain limestone series of the West.

The valley of the Calfkillar is not the only region in which the Silicious group has proved productive in oil. The wells of the Glasgow region in Kentucky are all bored in this group, and many of them terminate in it—a few passing into the Black Slate, and others descending to the Silurian strata. McMinnville is located upon the same group, and oil to some extent has already been obtained at that place. On Spring Creek also, in the southern part of Overton county, are three wells bored in the same group. Two of these are forty feet deep, and produce 150 barrels each. The third is 480 feet deep, and produces better than either of the others. Unless I am misinformed, some of the wells on Wolf Creek occupy the same geological position.

Geologically and experimentally this region is proved to be one of great interest and promise; and during the present lull in petroleum matters, our stirring men of oil will be glad of some occasion to arouse their drooping spirits.

A. WINCHELL.

University of Michigan, Ann Arbor, Oct. 25, 1866.

DEPARTMENT REPORTS.

REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
WASHINGTON, Dec. 3, 1866.

In conformity with the requirements of law, the Secretary has the honor to make the following report;

In his report under date of the 4th of December, 1865, the Secretary estimated, according to the data furnished him by this Department and by the other Departments, that the expenditures of the Government for the three-quarters of the fiscal year ending June 30, 1866, would exceed the receipts $112,194 947 20. The result was widely different. The receipts exceeded the estimatates $89,905,905 44; the expenditures fell short of the estimates $200,529,35 30. The following statement exhibits the items of increase of receipts and decrease of expenditures in comparison with the estimates:

Statement of the estimated and actual receipts and expenditures of the United States from October 1, 1865, *to June* 30, 1866.

RECEIPTS.

	Estimated.	Actual.	Excess of receipts.
Customs	$100,000,000 00	$132,037,068 55	$32,037,068 55
Lands	500,000 00	532,140 40	32,140 40
Internal revenue	175,000,000 00	212,607,927 77	37,607,927 77
Miscellaneous	30,000,000 00	48,285,125 90	18,285,125 90
Direct tax	....	1,943,642 82	1,943,642 82
	$305,500,000 00	$395,405,905 44	$89,905,905 44
Cash balance Oct. 1, 1865	67,158,515 44	67,158,515 44	
	$372,658,515 44	$462,564,420 88	

EXPENDITURES.

	Estimated.	Actual.	Excess of estimates.
Civil service	$32,994,052 38	$30,485,500 55	$2,508,551 83
Pension and Indians	12,256,790 94	11,061,285 79	1,195,505 15
War Department	307,788,750 57	119,080,464 50	188,708,286 07
Navy Department	35,000,000 00	26,802,716 31	8,197,283 69
Interest on public debt	96,813,868 75	96,894,260 19	....
Deduct deficiency in estim'te			$200,609,626 74
for interest on public debt	,....	....	80,391 44
	$484,853,462 64	$284,324,227 34	$200,529,235 30

RECAPITULATION.

Actual receipts, including cash balance	$462,564,420 88	
Estimated receipts, including cash balance	372,658,515 44	
Excess of receipts over estimates		$89,905,905 44
Estimated expenditures	484,853,462 64	
Actual expenditures	284,324,227 34	
Actual expenditures less than estimated		200,529,235 30
		$290,435,140 74

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1866:

Balance in Treasury, agreeable to warrants, July 1, 1865		$858,309 15	
To which add balance of sundry trust funds not included in the above balance		2,217,732 94	
Making balance, July 1, 1865, including trust fund			$3,076,042 09
Receipts from loans			712,851,553 05
Receipts from customs		179,046,651 58	
Receipts from land		665,031 03	
Receipts from direct tax		1,974,754 12	
Receipts from internal revenue		309,226,813 42	
Receipts from miscellaneous sources		67,119,369 91—	558,032,620 06
			$1,273,960,215 20
Redemption of public debt		$620,321,725 61	
For the civil service	41,056,961 54		
For pensions and Indians	18,852,416 91		
For the War Department	284,449,701 82		
For the Navy Department	43,324,118 52		
For interest on the public debt	133,067,741 69		
		520,750,940 48—	1,141,072,666 09
Leaving a balance in the Treasury on the first day of July, 1866			$132,887,549 11

The following is a statement of the receipts and expenditures for the quarter ending September 30, 1866:

RECEIPTS.

Balance in Treasury, agreeable to warrants, July 1, 1866		$132,887.549 11
Receipts from loans		174,011,622 24
Receipts from customs	50,843,774 24	
Receipts from lands	228,399 72	
Receipts from direct tax	340,454 39	
Receipts from internal revenue	99,166,993 98	
Receipts from miscellaneous sources	7,981,764 24—	158,561,386 57
		465,460,557 92

EXPENDITURE.

For the redemption of the public debt	243,782,833 44	
For the civil service	11,893,736 44	
For pensions and Indians	11,787,975 66	
For the War Department	13,833,214 03	
For the Navy Department	7,878,609 17	
For interest on the public debt	33,865,399 99—	323,041,768 73
Leaving a balance in the Treasury on the first day of Oct. 1866, of		$142,418,789 19

The following statement exhibits the items of increase and decrease of the public debt for the fiscal year ending June 30, 1866:

Amount of public debt, June 30, 1865	$2,682,593,026 53	
Amount of cash in Treasury	858,309 15	
Amount of public debt, June 30, 1865, less cash in Treasury		—$2,681,734,717 38
Amount of public debt, June 30, 1866	$2,783,425,879 21	
Amount of cash in Treasury	132,887,549 11	
Amount of public debt, June 30, 1866, less cash in Treasury		— 2,650,538,330 10
Net decrease		31,196,387 28

This decrease was caused as follows, by payments and increase of cash in Treasury:

Bonds, 6 per cent, acts July 21, 1841, and April 15, 1842	$116,139 77
Treasury notes, 6 per cent, acts Dec. 23, 1857, and March 2, 1861	2,200 00
Bonds, 5 per cent, act September 9, 1850 (Texas indemnity)	283,000 00
Treasury notes, 7-30, act July 17, 1861	380,750 00
Certificates of indebtedness, 6 per cent, act March 1, 1862	89,381,000 00
Treasury notes, 5 per cent, 1 and 2 year, March 3, 1863	38,884,480 00
Compound interest notes, 6 per cent, act June 30, 1864	34,743,940 00
Bonds, 5 per cent, act March 3, 1864	1,551,000 00
United States notes, acts July 17, 1861, and February 12, 1862	200,441 00
United States notes, acts Feb. 25, July 11, 1862, and March3, 1863	32,068,760 00
Postal currency, act July 17, 1862	2,884,707 88
Cash in treasury, increased	132,029,239 96
Gross decrease	$332,525,658 61

From which deduct for increase, by—

Bonds, 6 p c, acts July 1, 1862, and July 2, 1864, issued to Central Pacific RR. Co., &c., interest payable in lawful money		$4,784,000 00
Treasury notes, 7-30, acts June 30, 1864, and March 3, 1865, interest payable in lawful money		134,641,150 00
Temporary loan, 4, 5 and 6 per cent, acts July 11, 1862, and June 30, 1864		30,459,135 25
Gold certificates, act March 3, 1863		4,949,756 08
Fractional currency, act March 3, 1863		10,713,180 00
Bonds, 6 per cent, act July 17, 1861	$146,050	
Bonds, 6 per cent, act March 3, 1864	3,882,500	
Bonds, 6 per cent, act June 30, 1864	8,211,000	
Bonds, 6 per cent, act March 3, 1865	103,542,500	-115,782,050 00
Gross increase		301,329,271 33
Net decrease		$31,196,387 28

The following statement exhibits the items of increase and decrease of the public debt for the four months from June 30, 1866, to October 31, 1866:

Amount o fpublic debt, June 30, 1866	$2,783,425,879 21	
Amount of cash in Treasury	132,887,549 11	
Amount of public debt, June 30, 1866, less cash in Treasury		$2,650,538,330 10
Amount of public debt, Oct. 31, 1866	$2,681,626,966 34	
Add amount of old funded and unfunded debt included in debt of June 30, 1866, not in statement	114,115 48	
	$2,681,751,081 82	
Amount of cash in Treasury	130,326,960 62	
Amount of public debt, Oct. 31, 1866, less cash in Treasury		$2,551,424,121 20
Net decrease		$99,114,208 90

Which decrease was caused as follows, by payments:

Bonds, 6 per cent., act July 21, 1841, andApril 15, 1842	$14,500 00	
Bonds, 6 per cent., act Jan. 28, 1847	1,672,450 00	
Bonds, 6 per cent., act March 31, 1848	617,400 00	
Bonds, 5 per cent., act Sept. 9, 1850, (Texas indemnity)	175,000 00	
Bonds, 5 per cent., act March 3, 1864, (Ten-forties)	149,750 00—	2,629,100 00
Treasury notes, 6 p. c., acts Dec. 23, 1857, and Mar. 2, 1861		6,150 00
Temporary loan, 4, 5 and 6 per cent., acts Feb. 25, March 17, July 11, 1862, and June 30, 1864		75,172,997 76
Certificates of indebtedness, 6 per cent., acts March 1, 1862, and March 3, 1863		26,209,000 00
Treasury notes, 5 per cent., one and two year, act March 3, 1863		500,000 00
Treasury notes, Seven-thirty, act July 17, 1861		11,200 00
Compound interest notes, 6 per cent., act June 30, 1864		10,500,000 00
Treasury notes, Seven-thirty, acts June 30, 1864, and March 3, 1865		82,237,250 00
United States notes, acts July 17, 1861, and Feb. 12, 1862		3,804 00
United States notes, acts Feb. 25, 1862, July 11, 1862, and March 3, 1863		10,691,779 00
Postal currency, act July 17, 1862		691,031 75
Gross decrease		$208,652,312 51

From which deduct for increase of debt and decrease of cash in Treasury:

Bonds, 6 per cent., July 17, 1861	$7,050,000 00
Bonds, 6 per cent., act March 3, 1865	101,738,500 00

Bonds, 6 per cent., acts July 1, 1862, and July 2, 1864, issued to Central Pacific Railroad Company, &c., interest payable in lawful money	3,840,000 00	
Gold certificates, act March 3, 1863	183,800 00	
Fractional currency, acts March 3, 1863, and June 31, 1864	1,208,165 12	
Cash in Treasury, deceeased	2,560,588 49—	109,538,103 61
Net decrease		$99,114,208 90

The following statement exhibits the items of increase and decrease of the public debt from the highest point August 31, 1865, to October 31, 1866:

Amount of public debt August 31, 1865, as per statement	$2,845,907,626 56	
Amount of old funded and unfunded debt	114,115 48	
		$2,846,021,742 04
Amount of cash in Treasury		88,218,055 13
Amount of public debt August 31, 1865, less cash in Treasury		$2,757,803,686 91
Amount of public debt Oct. 31, 1866, as per statement	2,681,636,966 34	
Amount of old funded and unfunded debt	114,115 48	
	2,681,751,081 82	
Amount of cash in Treasury	130,326,960 62	
Amount of public debt, October 31, 1866, less cash in Treasury		2,551,424,121 20
Net decrease		206,379,565 71

Which decrease was caused as follows by payments and increase of cash in Treasury:

Bonds, 6 per cent, act January 28, 1847	$1,672,450 00
Bonds, 6 per cent, acts July 21, 1841, and April 15, 1842	144,039 77
Bonds, 6 per cent, act March 31, 1848	617,400 00
Bonds, 5 per cent, act March 3, 1864	1,700,750 00
Bonds, 5 per cent, act September 9, 1850, (Texas indemnity)	455,000 00
Treasury notes, 6 per cent, acts Dec. 23, 1857, and March 2, 1861	8,200 00
Temporary loan, 4, 5 and 6 per cent, acts February 25, 1862, and June 30, 1864	62,146,714 27
Certificates of Indebtedness, 6 per cent, acts March 1, 1862, and March 3, 1863	84,911,000 00
Treasury notes, 5 per cent, one and two years, act March 3, 1863	31,000,000 00
Treasury notes, Seven-thirty, act July 17, 1861	295,100 00
Compound interest notes, 6 per cent, act June 30, 1864	68,512,020 00
Treasury notes, Seven-thirty, act June 30, 1864, and March 3, 1865	105,985,700 00
United States notes, acts July 17, 1861, and February 12, 1862	134,610 00
United States notes, acts Feb. 25, 1862, July 11, 1862, and March 3, 1863	42,830,174 00
Postal currency, act July 17, 1862	3,029,739 63
Suspended requisitions	2,111,000 00
	$405,553,897 67
Increase of cash in Treasury	42,108,905 49
Gross decrease	$447,662,803 16

From which deduct for increase:

Bonds, 6 per cent, acts July 17 and Aug. 5, 1861	$114,750 00	
Bonds, 6 per cent, act March 3, 1864	3,882,500 00	
Bonds, 6 per cent, act June 30, 1864	8,211,000 00	
Bonds, 6 per cent, act March 3, 1865	205,281,000 00	
Bonds, 6 per cent, acts July 1, 1862, and July 2, 1864, issued to Central Pacific Railroad Company, &c., interest payable in lawful money	8,624,000 00	
Fractional currency, acts March 3, 1863, and June 30, 1864	4,273,007 45	
Gold certificates, act March 3, 1863	10,896,980 00	
		$241,283,237 45
Net decrease		$206,379,565 71

These statements are in the highest degree encouraging. They are conclusive evidence of the greatness of our resources, and they clearly indicate the patience of the people under self imposed burdens, and their unwillingness that this debt should be a perpetual uincumbrance pon the country.

It is not expected, nor is it perhaps desirable, that the same rate of reduction should be con inued. A considerable diminution of taxes was effected by the amendments of the internal revenue law, at the last session of Congress. A further diminution of internal taxes, and a modification of the tariff, which will doubtless lead to a reduction of customs duties on many articles, will be required, in order that production may be increased and new life infused into certain branches of industry that are now languishing under the burdens which have been imposed upon them. But, after the proper and necessary reductions shall have been made, the revenues will doubtless be sufficient, if the Government shall be economically administered, to pay the current expenses, the interest on the public debt, and reduce the principal at the rate of from four to five millions per month. In order that this may be done, however, there must be no additional donations to railroads, no payments but in the fulfillment of contracts, and no unnecessary expenditure of money for any purpose whatever. With proper economy in all the Departments of the Government, the debt can be paid by the generation that created it, if wise and equal revenue laws shall be enacted and continued by Congress, and these laws are faithfully enforced by the officers charged with their execution. That it is the will of the people that it should be paid, and not perpetuated, is clearly indicated by the favor with which its rapid reduction during the past year has been regarded. The idea that a national debt can be anything else than a burden--in which there are some compensations, but still a burden, a mortgage upon the property and industry of the people—is fortunately not an American idea. In countries in which the public expenditures are so heavy or the resources are so small that no reduction of their public debts is practicable, and where national securities become monopolized capital in the hands of moneyed aristocracies, who not only absorb the means, but give direction to the sentiment of the people, public debts may be regarded as public blessings ; but no such fallacy will ever be countenanced by the free and intelligent people of the United States.

Nothing in our history has created so much surprise, both at home and abroad, as the reduction of our national debt. The wonder excited by the rapidity with which it was created is greatly exceeded by the admiration of the resolution of the taxpayers themselves that it shall be speedily extinguished. The conviction is becoming fastened upon the popular mind that it is important—for economy in the national expenses, for the maintenance of a true democracy in the administration of the Government, for the cause of good morals and of public virtue—that the policy of a steady annual reduction of the debt should be definitely and inexorably established. Nothing short of this, and that economy in the national expenditures, which will render it practicable, will reconcile the people to the burdens of taxation. A national debt must ever be a severe strain upon republican institutions, and ours should not be subject to it one day longer than is necessary. To the perpetuation of the existing debt of the United States there are also, it may be proper to remark, serious objections growing out of the circumstances under which it was created. Although incurred in a great struggle for the preservation of the Government, and therefore especially sacred in its character, its burdens are to be shared by those to whom it is a reminder of humiliation and defeat. It is exceedingly desirable that this, with other causes of heartburnings and alienation, should be removed as rapidly as possible, and that all should disappear with the present generation, so that there may be nothing in the future to prevent that unity and good feeling between the sections which are necessary for true national prosperity.

The Secretary regrets, notwithstanding the large reduction of the national debt, and the satisfactory condition, in other respects, of the National Treasury, that little progress has been made since his last report toward specie payments. The views presented by him in that report, although indorsed in the House of Representatives by a nearly unanimous vote, were not sustained by corresponding legislation. Instead of being authorized to reduce the paper circulation of the country, according to his recommendations, the amount of United States notes which he was permitted to retire was limited to $10,000,000 for the six months ending October 12, and to $4,000,000 per month thereafter. In the meantime, the reduction of these notes and of the notes of the State banks, has been nearly balanced by the increase of the circulation of the National Banks; and specie commands about the same premium it did when the last Treasury report was prepared. Having been thus prevented from taking the first important step toward a return to specie payments, the Secretary has mainly directed his attention to measures looking to an increase of efficiency in the collection of the revenues, to the conversion of interest bearing notes into Five-twenty bonds, and to a reduction of the public debt. What has been accomplished in these respects, and is not already understood by the country, is explained elsewhere in this report. The Secretary has also deemed it to be his duty to use such means, within his control, as were, in his judgment, best calculated to keep the business of the country as steady as possible, while conducted on the uncertain basis of an irredeemable currency. To accomplish this, he has thought it necessary to hold a handsome reserve of coin in the Treasury. For doing so, he has been criticised by many very intelligent persons, some of whom have condemned the policy as involving a heavy loss to the country, in the way of interest; others have objected to it as a failure on his part to avail himself of means within his control for reducing the price of coin, and thus approximating specie payments; on the contrary, not a few have pronounced all sales of gold by the Government unwise, on the theory that if the coin received from customs, and not required for the payment of interest, should be permitted to accumulate until it should reach about the same proportion to the outstanding United States notes that, in former days, the coin in the vaults of well-managed banking institutions sustained to their immediate liabilities, specie payments might be resumed, without a reduction of the currency, and without regard to the condition of trade between the United States and other nations.

Under these circumstances, feeling sensible of the great responsibility of his position, the Secretary has deemed it safer and better for the country, to act according to the dictates of his own judgment, carefully regarding the condition of the markets and of the Treasury, rather than to take his direction from those who, however intelligent and able, were under no official obligations to the Government, and might be less accurately advised in regard to the actual state of its financial affairs. He has regarded a steady market as of more importance to the people than the saving of a few millions of dollars in the way of interest; and observation and experience have assured him that, in order to secure this steadiness in any considerable degree, while business is conducted on a paper basis, there must be power in the Treasury to prevent successful combinations to bring about fluctuations for purely speculative purposes. He has also been clear in his convictions that specie payments are not to be restored by an accumulation of coin in the Treasury, to be paid out at a future day in the redemption of Government obligations; but rather by quickened industry, increased production and lower prices, which can alone make the United States what they to be—a creditor and not a debtor nation. These views explain the course that has been pursued with the gold which, during his administration of the Department, has come into the Treasury. He has permitted it to accumulate when the use or sale of it was not necessary for paying Government obligations, or to prevent commerial panics, or successful combinations against the national credit, and he has sold whenever sales were necessary to supply the Treaury with currency, to ward off financial crisis, or to save the paper circulation of the country, as far as practicable, from unnecessaryand damaging depreciation. For making sales he alone is responsible. If, in conducting them, any favoritism has been shown, or if the interests of any particular class have been especially regarded, it has been without his knowledge, and in violation of his instructions. He has not the slightest reason to suppose, however, that they have not been conducted honesty, fairly and judiciously.

It may be hardly necessary for the Secretary to remark that his opinions have undergone no change in regard to the importance of a restoration of the specie standard, or the means necessary to effect it. He trusts, however, that he has not been understood as entertaining the opinion that a reduction of the currency would of itself necessarily bring about specie payments, although the chief and essential means to effect the desired result. He regards a redundant legal tender currency as the prime cause of our financial difficulties, and a curtailment thereof indispensable to an increase of labor and a reduction of prices, to an augmentation of exports and a diminution o imports, which alone will place the between the United States and other nations on an equal and satisfactory footing.

In order that his views on this point may not be misapprehended, the Secretary trusts that he will be pardoned for referring (even at a risk of a repetition of what he has heretofore presented in other communications to Congress and in other ways to the country) to certain laws, well understood but too often disregarded, which regulate international trade and control the movements of coin. We have traveled so far from the specie standard, and are also blindedin regard to our actual financial condition and our relations with other countries, by inflated and irredeemable currency, and by the exportation of our securities, that frequent recurrence to inexorable commercial and financial laws is necessary.

Ever since trade commenced between the people of different nations, gold and silver have been the only reliable and recognized measure of value and medium of exchanges. While in their internal trade other representatives of value have, to a greater or less extent, been used by all nations, money made of these metals has been pronounced by the judgment of the world the only currency possessing the attributes necessary for a uniform and universal circulating medium. From this judgement there is no appeal. Not only is it the true and universally acknowledged measure of value and medium of exchanges, but by its regulating flow, it indicates the condition and the results of trade between different nations. Water does not more naturally seek a level, than does specie flow from one nation to another for the payment of balances created by an unequal exchange of commodities. Trade between nations is generally and chiefly conducted by an exchange of their productions; but as these exchanges are never exactly equal, there are constantly occurring balances to be paid in something else; and, in their payment, nothing but the precious metals is a legal tender It is this necessity for paying balances in coin which regulates the trade of nations. It is this great commercial and financial law which makes the nation that sells more than it buys the creditor nation, and the nation that buys more than it sells the debtor nation, and recognizes no medium but coin in the payment of balances, that determines the question of the ability of the United States to resume and maintain specie payments. If the balance is in our favor, or if not in our favor, if the balance against us is so small that it can be paid without an exhausting drain upon our precious metals, specie payments can at once be resumed. Such, unfortunately, is not the fact. Notwithstanding our heavy exports during the past year (that of cotton having been 650,672,820 pounds, or nearly 1,600,000 bales, a quantity greater than our entire crop of the present year), the United States are largely a debtor to Europe.

A few facts will put us right on this point. Between the year 1848, when gold was first discovered in California, and the 1st of July, 1866, the product of the gold and silver mines of the United States was about $1,100,000, nearly all of which has gone into the world's general stock; and it is not probable that the amount of gold and silver now in the United States is very much larger than it was eighteen years ago.

During the fiscal year ending June 30, 1866, the United States imported:

Foreign merchandise free of duty		$58,801,759
Foreign merchandise paying duty		368,508,051
		$427,309,810

Of foreign merchandise there was re-exported:

Free of duty	$1,907,157	
Dutiable	9,434,263	
Total (mixed gold and curreney value)	11,341,420	
Which, reduced to curreucy value, was equal to		10,263,233
Total net imports foreign merchandise, valued in gold		$417,046,57

Imports, specie	$10,329,156	
Of which there was re-exported	3,400,697	
Net imports, specie		6,928,459
Total net imports, foreign merchandise and specie		$423,975,036
During the fiscal year ending June 30, 1866, the United States exported domestic merchandise, currency value, $468,040,903, reduced to gold value	$333,322,085	
Specie exported	82,643,374	
Total domestic exports, valued in gold		415,965,459
Apparent balance of trade, valued in gold		$8,009,577

But these figures, taken from the reports of the custom houses, do not present the whole truth. For many years there has been a systematic under-valuation of foreign merchandise imported into the United States, and large amounts have been smuggled into the country along our extended sea coasts and frontiers. To make up for under-valuations and smuggling, and for cost of transportation paid to foreign shipowners, twenty per cent. at least should be added to the imports, which would make the balance for the past year against the United States nearly $100,000,000. It is evident that the balances have been largely against the United States for some years past, whatever may have been the custom house returns. On no other ground can the fact be accounted for, that a very large amount of American bonds is now held in Europe which are estimated as follows, to wit:

United States bonds	$350,000,000
State and municipal bonds	150,000,000
Railroad and other stocks and bonds	100,000,000
	$600,000,000

It is evident, from these figures, that the balances are against us, and, chiefly by the exportation of our Government bonds, are being temporarily and improvidently arranged; temporarily, because a large portion of these bonds have been bought on speculation, and will be likely to be returned whenever financial troubles in the countries in which they are held shall make it necessary for the holders to realize upon them, or whenever satisfactory profits can be made by returning them, which will be when they nearly approach their par value in coin; improvidently, because they are being purchased at very low prices, and because their exportation stimulates imports, and thus cripples home industry. Nothing is more certain than the fact that there can be no permanent resumption of specie payments in the United States until the balances between them and other nations shall be made easy by an exportation of commodities, including the products of the mines, equal at least to our importations, and until provision shall be made for returning bonds, or for preventing their return at unpropitious times. This state of things, it is conceived, cannot be effected without a change in our financial policy.

There being but one universally recognized measure of value, and that being a value in itself, costing what it represents in the labor which is required to obtain it, the nation that adopts, either from choice or temporary necessity, an inferior standard, violates the financial law of the world and inevitably suffers for its violation. An irredeemable, and consequently depreciated currency, drives out of circulation the currency superior to itself; and if made by law a legal tender, while its real value is not thereby enhanced, it becomes a false and demoralizing standard, under the influences of which prices advance in a ratio disproportioned even to its actual depreciation. Very different from this is that gradual, healthy, and general advance of prices which is the effect of the increase of the precious metals. The coin which is obtained in the gold and silver-producing districts, although it first affects prices within such districts, following the course of trade, and in obedience to its laws, soon finds its way to other countries, and becomes a part of the common stock of the nations, which, increasing in amount by the regular product of the mines, and in activity by the growing demands of commerce, advances the price of labor and commodities throughout the commercial world. Thus, the products of the American Australian, and Russian mines tend first to advance prices in their respective localities, but the operation of trade soon distributes these products, and enterprise everywhere feels and responds to the increase of the universal measure of value. All this is healthful, because slow, permanent, and universal. The coin produced in any country will be retained there no longer than its productions and sales keep the balance of trade in its favor. As soon as it becomes cheaper (if this word can be properly used in regard to the standard of value) in the country in which it is produced than in other accessible countries, or rather when it will purchase more in other countries (adding interest, the cost of transportation, duties and other necessary expenses) than in that in which it is produced, or when it is required to pay balances to other countries, it flow to them by a law as regular and as certain as gravitation. Hence, although the precious metals are produced in considerable quantities in but a few countries, they affect the prices in all. Not so with a paper currency, which is local in its use and in its influence. Its advantages, when convertible, are admitted; or, if convertible, although it swells the volume of currency, it rather increases enterprise than prices. Its convertibility prevents expansion, while its larger volume gives impetus to trade and creates greater demand for labor. But when a paper currency is an inconvertible currency, and especially when, being so, it is made by the sovereign power a legal tender, it becomes prolific of mischief. Then specie becomes demonetized, and trade is uncertain in its results, because the basis is fluctuating; then prices advance as the volume of currency increases, and require as they advance further additions to the circulating medium; then speculation becomes rife, and "the few are enriched at the expense of the many;" then industry declines, and extravagance is wanton; then, with a diminution of products, and consequently of exports, there is an increase of imports, and higher tariffs are required on account of the general expansion, to which they, in their turn, give new stimulus and support, while the protection intended to be given by them to home industry is in a great measure rendered inoperative by the expansion. This, notwithstanding our large revenues and the prosperity of many branches of industry, is substantially the condition of the United States, and the important question arises, What are the remedies?

With entire deference to Congress, the Secretary suggests that they are to be found—

First—In compelling the National Banks to redeem their notes at the Atlantic cities, or, what would be better, at a single city.

Second—In a curtailment of the currency to the amount required by legitimate and healthful trade.

Third—In a careful revision of the tariff, for the purpose of harmonizing it with our internal taxes—removing the oppressive burdens now imposed upon certain branches of industry, and relieving altogether, or greatly relieving, raw materials from taxes, in order that the product of labor may be enhanced and production and exportation increased.

Fourth—In the issue of bonds, payable in not over twenty years and bearing interest at the rate of not over five per cent., payable in England or Germany, to an amount sufficient to absorb the six per cent. bonds now held in Europe, and to meet the demand there for actual and permanent investment; and—

Fifth—In the rehabilitation of the Southern States.

First—The utility of compelling National Banks to redeem their notes at commercial centres, as well as at their own counters, is apparent. The object of Congress, in the establishment of the National Banking system was to furnish the people with a solvent currency of uniform value throughout the United States. The solvency of the notes of the National Banks is secured by a deposit of bonds with the Treasurer at Washington; but, as the Banks are scattered throughout the country, and many of them are in places difficult of access, a redemption of their notes at their respective counters is not all that is required to make them throughout the United States a par circulation. It is true that the notes of all National Banks are receivable for all public dues, except duties upon imports, and must be paid by the Treasurer in case the Banks which issued are unable to redeem them, but it will not be claimed that the notes of Banks, although perfectly solvent, but situated in interior towns, are practically as valuable as the notes of banks in the seaboard cities.

It may be urged that, to compel remote banks thus to redeem would be a hardship; but as very few well-managed banking institutions in the United States fail to keep accounts and balances in some of the Atlantic cities, this hardship would be found upon trial to be imaginary rather than real. But if it should be a hardship, it would be a necessary one, and the interests of the banks must bend to the interests of the people. Beside, without such redempption, there will be practically none at all, at least until specie payments are resumed; and when there are no redemptions there is always a constant tendency to inflation and illegitimate banking. The frequent and regular return of their notes is needed to keep the business of the banks in a healthy condition, and thus invariably proves no less advantageous to the stockholders than to the public. Unless the banks shall be compelled to redeem in United States notes, many of them will neither lend their influence in favor of a return to specie payments, nor be prepared for them when, without their agency, specie payments shall be brought about. If the determination of the question was left to the Secretary, all the banks would be required to redeem in New York, the acknowledged commercial metropolis of the Union. The designation of that city as the redeeming point for all National Banks would not only give absolute uniformity to their circulation, but would so facilitate the assorting and returning of notes that practical and general redemption would be enforced. It is certain that this will not be done under the existing provisions of the law; it is not certain that it will be, unless all banks shall be compelled to redeem at a single point. This might be objected to by the banks in other Atlantic cities on the ground that it would aggrandize New York at their expense. But New York is already the financial and commercial emporium of the Union. Most of the interior banks keep their chief balances in that city, because they are more available and valuable there than elsewhere, and in compelling all the banks to redeem at the metropolis of trade, Congress would be only yielding to an unwritten but controlling law to which statutes should conform. The course of trade compels, and will compel, those National Banks whose business is based upon the products of the country (and these must always constitute a majority) to keep their chief balances in New York, whether they redeem there or not. If exchanges between that city and other cities should be in favor of the latter, the redemption by their banks would be made at their own counters, and no sacrifice but that of local pride would be involved in their being required by law to redeem at the common centre. When New York shall be a debtor city to Boston and Philadelphia, the notes of the Boston and Philadelphia banks will go home, and not to New York for payment. What is required is an active, regular and actual redemption of the notes of all the National Banks. To effect this, local pride should be sacrificed and minor interests should be disregarded. What is said upon this subject by the Acting Comptroller of the Currency is fully endorsed.

The second remedy suggested is a curtailment of the currency.

The views of the Secretary upon the question of a reduction of the currency have been so frequently expressed, that it is only necessary now to consider whether the curtailment should be of the United States notes or of the notes of the National Banks. On this subject his opinions have undergone no change since he communicated them in his report as Comptroller of the Currency. Banks of issue, organized under State laws, have been in existence ever since the formation of the Government. By the decisions of the highest tribunals of the country, their constitutionality has been affirmed, and they have become so interwoven with the business of the country, and such large investments have been made in them, that their destruction would involve consequences of a very serious character. Whether or not the country would have been more prosperous without them—whether the stimulus they have given to enterprise and the facilities they have extended to trade have or have not been counterbalanced by the artificial prices which they have created, and the actual losses which the people have sustained by the crisis they have occasioned, and by their suspensions and failures—it is too late to consider. When the National Currency Act was passed by Congress, State Banks were in full operation, and not less than four hundred millions of dollars were invested in them as capital. In some States, by judicious legislation and careful management, they had afford ed a local circulation satisfactory and safe. In other States, where no reliable security, or insufficient security, had been required for the protection of the public and their management had been confided to incompetent or dishonest hands, there had been numerous failures, and heavy losses had been sustained by the holders of their notes.

Soon after the commencement of the rebellion, it became apparent that a heavy national debt was to be created, the interest and principal of which could only be paid by a general system of internal taxes, involving a necessity for a circulating medium equal in value throughout the country, and safe for the Government to receive in payment of dues. This subject, of course, demanded and received the earnest and careful consideration of the distinguished gentelman at that time the financial minister of the Government, who caused to be prepared and submitted to Congress a bill " to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," which, after having been carefully considered and thoroughly discussed, became a law on the 25th of February, 1863. Prior to the passage of this act, issues by the Government had been authorized, and a large amount of Government notes had been put in circulation. But there is nothing in the acts authorizing their issue, or in the communications of the Secretary, or in the discussions in Congress, to justify the opinion that they were intended to be a permanent cir culation. On the contrary, the provisions in the law for their conversion into bonds, and the arguments of the advocates of their issue, afford ample evidence that they were regarded as merely temporary, and justifiable only by an emergency which it was supposed nothing else could adequately meet. Had it been proposed that these notes should be a permanent circulation and take the place of bank notes, there is good reason to suppose that the proposition would have had few, if any, advocates. Nor was the National Banking system prepared by its author, nor adopted by Congress, to destroy the State Banks, nor to divert capital from banking, but rather to compel all banking institutions issuing notes as money to secure them, beyond any conceivable contingency, by deposits with the Treasurer of the United States thus, without the agency of a National Bank, providing a national currency which would save the Government and people from losses, of which there was constant danger, from a local and unsecured circulation. The national banking system was intended, while not invading the rights of the States, nor damaging private interests, to furnish the people with a permanent paper circulation. The United States notes were intended to meet a temporary emergency, and to be retired when the emergency had passed.

The present Secretary was not the advocate of the National Banking System, and claims only the credit of having used his best efforts, as Comptroller, to put it into successful operation. But he has no hesitation in pronouncing it a vast improvement upon the systems which it superseded, and one admirably adapted to our peculiar form of Government. There are substantial objections to all banks of issue, and if none existed in the United States, it might be very questionable if any should be introduced ; but having taken the place of the State Banks, and furnished as they do a circulation as free from objection as any that s likely to be provided, the Secretary is of the opinion that the National Banks hould be sustained, and that the paper circulation of the country should be reduced, not by compelling them to retire their notes, but by the withdrawal of the United States notes.

The Secretary is not unmindful of the saving of interest which results to the Government by the use of its own currency, nor of the favor with which this currency is regarded by the people; but all considerations of this nature are more than counterbalanced by the discredit which attaches to the Government by failing to pay its notes according to their tenor, by the bad influence of this voluntary discredit upon the public morals, and the wide departure which a continued issue of legal tender notes involves, from past usages, if not from the teachings of the Constitution itself. The Government cannot exercise powers not conferred by its organic law or necessary for its own preservation, nor dishonor its own engagements when able to meet them, without either shocking or demoralizing the sentiment of the people; and the fact that the indefinite continuance of the circulation of an inconvertible but still legal tender currency is so generally advocated, indicates how far we have wandered from old landmarks, both in finance and ethics. The views of the Secretary on this point were so fully expressed in his former report that it is not necessary to restate them. It is suffi cient to say that his opinions are unchanged, and that reflection and observation during the past year have assured him of their correctness. Anxious as he is to lighten the public burdens and reduce the public debt, he does not hesitate to advise that these notes be withdrawn from circulation, and that the furnishing of what paper currency may be required be left to corporations, under existing laws, and such amendments of these laws as experience may dictate for the better protection and advancement of the public interest. How rapidly they may be retired must depend upon the effect which contraction may have upon business and industry, and can be better determined as the work progresses. The reduction could probably be increased from four millions per month, as contemplated by the act of April 12, 1866, to six millions per month for the present fiscal year, and to ten millions per month thereafter, without preventing a steady conversion of the interest-bearing notes into bonds, or injuriously affecting legitimate business. No determinate scale of reduction would, however, in the present condition of our affairs, be advisable. The policy of contracting the circulation of Government notes should be definitely and unchangeably established, and the process should go on just as rapidly as possible without producing a financial crisis, or seriously embarrassing those branches of industry and trade upon which our revenues are dependent. There is a great adaptability in the business of the United States, and it will easily accommodate itself to any policy which the Government may adopt. That the policy indicated is the true and safe one, the Secretary is thoroughly convinced. If it shall not be speedily adopted and rigidly, but judiciously enforced, severe financial troubles are in store for us.

The Secretary cordially approves what is said by the Acting Comptroller of the Currency, in his report, in regard to the importance of furnishing the people of the South with the bank-note circulation which their business may require, and agrees with him in the opinion which he expresses of the beneficial results, political, financial and social, to be effected by the organization of National Banks in the Southern States, but he cannot recommend an increase of the bank-note circulation of the country beyond three hundred millions of dollars, and hopes that the necessities of those States may be supplied rather by a reduction of the amount awarded to other States, than by an increase of the volume of currency.

The third remedy suggested is a revision of the tariff for the purpose of harmonizing it with internal taxes, a reduction of taxes upon raw material, &c., &c.

The 66th section of the act entitled, An act to reduce internal taxation," &c., approved July 13, 1866, provides: "That the Secretary of the Treasury is hereby authorized to appoint an officer in his department, who shall be styled "Special Commissioner of the Revenue," whose office shall terminate in four years from the 30th day of June, 1866. It shall be the duty of the Special Commissioner of the Revenue to inquire into all the resources of national revenue, and the best method of collecting the revenue; the relation of foreign trade to domestic industry; the mutual adjustment of the system of taxation by customs and excise, with the view of insuring requisite revenue with the least disturbance or inconvenience to the progress of industry and the development of the resources of the country; and to inquire, from time to time, under the direction of the Secretary of the Treasury, into the manner in which officers charged with the administration and collection of the revenues perform their duties. And the said Special Commissioner of the Revenue shall, from time to time, report, through the Secretary of the Treasury, to Congress, either in the form of a bill or otherwise, such modifications of the rates of taxation, or of the methods of collecting the revenues, and such other facts pertaining to the trade, industry, commerce, or taxation of the country, as he may find, by actual observation of the operation of the law, to be conducive to the public interest."

On the 16th of July last, Mr. David A. Wells was appointed Special Commissioner of the Revenue, under the authority above recited, and he was instructed to proceed at once to perform the contemplated work, giving his chief attention to the tariff, with the view of ascertaining what modifications are required to adjust it to the system of internal taxes, stimulate industry, and make labor more productive.

The ability displayed by Mr. Wells in the performance of his duties as one of the commissioners for the revision of the internal revenue laws, and the heartiness with which he is prosecuting his investigations, give the best assurance that he will perform the work in a manner creditable to himself, and satisfactory to Congress and the people. The Secretary addressed to him on the 14th day of September, 1866, a letter, from which the following is extracted: "In view of the fact that the revision of the tariff is certain to engage the attention of Congress at its next session, I consider it especially desirable that the Treasury Department should be prepared to furnish as much information pertinent to the subject as can be obtained and collected within the limited time available for the necessary investigations. You are, therefore, hereby requested to give the subject of the revision of the tariff especial attention, and to report a bill which, if approved by Congress, will be a substitute for all acts imposing customs duties, and which will render the administration of this branch of the revenue system more simple, economical, and effective.

"In the discharge of this duty, you will consider the necessity of providing for a large, certain and permanent revenue, recollecting the fact that the existing tariff has proved most effective in this direction. You will therefore endeavor, first, to secure for the Government a revenue commensurate with its necessities; and, secondly, to propose such modifications of the tariff laws now in force as will better adjust and equalize the duties upon foreign imports with the internal taxes upon home productions. If this last result can be obtained without detriment to the revenue, by reducing taxation upon raw materials and machinery of home productions, rather than by increasing the rates of imports, it would, in my opinion, by decreasing the cost of production and increasing the purchasing power of wages, greatly promote the interests of the whole country."

There is no subject which has in times past provoked so much discussion, and in regard to which opinions have differed so widely, as the tariff It has been a standing matter of sectional and political strife for nearly half a century, and the sentiment of the people in regard to it is still quite as much divided as when the discussion of it commenced. Always a complex and difficult question, it is particularly so at the present time. Prior to the rebellion it had no relation to internal taxes, for this form of federal taxation was then unknown to our people. It had little connection with the currency, for, until the year 1862, although the banks had repeatedly suspended specie payments, specie was the only legally-recognized standard of value in the United States. Now the question of the tariff is to be considered in connection with a permanent system of internal taxes and a depreciated, but it is hoped a temporary legaltender currency. It is obvious that a scale of duties upon imports which might have been sufficient, judicious, and beneficial, when there were no internal federal taxes and business was conducted upon a specie basis, may be insufficient, injudicious and injurious now. A large revenue is at present indispensable for the payment of the ordinary expenses of the Government, the interest upon the public debt, and for a gradual and regular reduction of the principal. Free trade, although in accord with the principles of the Government and the instincts of the people, cannot be adopted as a policy as long as the public debt exists in anything like its present magnitude. The long hoped-for period when there shall be no legal obstructions to a free exchange of commodities between the United States and other countries is still far in the future. Duties upon imports are not only necessary for revenue, but also for the protection of those home interests upon which heavy internal taxes are to be assessed. The question now before the country is therefore one of adaptation, rather than principle. How shall the necessary revenue be raised under a system of internal and external taxes without sustaining monopolies, without repressing industry, without discouraging enterprise, without oppressing labor? In other words, how shall the revenue be raised in a manner the least oppressive to the people, without checking the prosperity and growth of the country? The Secretary is not disposed to discuss the question in this report. This will, it is expected, be done elaborately and thoroughly in the report of the Commissioner. He desires, however, to call attention to a few important facts in regard to some branches of business in the United States, the consideration of which may tend to give a proper direction to the public mind upon a question so absorbing and important.

No single interest in the United States, fostered although it may be by legislation, can long prosper at the expense of other great interests. Nor can any important interests be crushed by unwise or unequal laws, without other interests being thereby prejudiced. For illustration: the people of the United States are naturally a commercial and maritime people—fond of adventure, bold, enterprising, persistent. Now, the disagreeable fact must be admitted, that, with unequalled facilities for obtaining the materials and with acknowledged skill in ship-building—with thousands of miles of seacoast, indented with the finest harbors in the world—with surplus products that require in their exportation a large and increasing tonnage—we can neither profitably build ships nor successfully compete with English ships in the transportation of our own productions. Twenty years ago it was anticipated that ere this the United States would be the first maritime power in the world. Contrary to our anticipations, our foreign commerce has declined nearly fifty per cent. within the last six years. The tonnage of American vessels engaged in the foreign carrying trade which entered United States ports was:

In 1860	tons. 5,921,285
In 1865	2,943,661
In 1866	3,372,060

The tonnage of such vessels which were cleared from the United States was:

In 1860	tons. 6,165,924
In 1865	3,025,134
In 1866	3,383,176

The tonnage of foreign vessels which entered our ports was:

In 1860	tons. 2,353,911
In 1865	3,216,967
In 1866	4,410,424

The tonnage of foreign vessels which were cleared was:

In 1860	tons. 2,624,005
In 1865	3,595,123
In 1866	4,438,384

It is true that a large proportion of this diminution of shipping and ship building was the effect of the war. The great destruction of merchant vessels by rebel cruisers not only induced sales to neutrals, but discouraged building. After the war, however, the scarcity of American vessels ought to have produced, and, but for a redundant currency and high taxes, would have produced activity in our ship-yards and a rapid increase of tonnage; but this has not been the case. The prices of labor and materials are so high that ship-building cannot be made profitable in the United States, and many of our ship-yards are being practically transferred to the British Provinces. It is only a few years since American ships were sought after, on account of their superiority and cheapness; and large numbers of vessels were built in Maine and other States on foreign account, or sold to foreigners, while, at the same time,our own mercantile marine was being rapidly increased. Now many of our ship-yards are abandoned, and in others very little activity prevails. It is true there has recently been some increase in our foreign tonnage, but a good part of this increase is apparent only, and is the result of the new rule of admeasurement. It is an important truth that vessels can be built very much cheaper in the British Provinces than in Maine. Nay, further, that timber can be taken from Virginia to the Provinces, and from these Provinces to England, and there made into ships which can be sold at a profit; while the same kind of vessels can only be built in New England at a loss, by the most skillful and economical builders. But the evil does not stop here; if the only loss was that which the country sustained by the discontinuance of ship-building, there would be less cause of complaint. It is a well established general fact, that the people who build ships navigate them, and that a nation which ceases to build ships ceases, of consequence, to be a commercial and maritime nation. Unless, therefore, the causes which prevent the building of ships in the United States shall cease, the foreign carrying trade, even of our own production, must be yielded to other nations. To this humiliation and loss the people of the United States ought not to be subjected. If other branches of industry are to prosper, if agriculture is to be profitable, and manufactures are to be extended, the commerce of the country must be restored, sustained and increased. The United States will not be a first-class power among the nations, nor will her other industrial interests continue long to prosper as they ought, if her commerce shall be permitted to languish.

The same causes—a redundant currency and high taxes—that prevent shipbuilding, tend to prevent the building of houses and even of manufactories. So high are prices of every description that men hesitate to build dwellings as fast as they are required, and thus rents are so advanced as to be oppressive to lessees, and the healthy growth of towns and cities is retarded. So it is in regard to manufactories. Mills which were built before the war can be run profitably, but so expensive are labor and materials that new mills cannot be erected and put into operation with any prospect of fair returns upon the investment, unless upon the expectation that taxes will remain as they are and prices be sustained, if they are not advanced. The same causes are injuriously affecting agriculture and other interests which it is not necessary to particularize. It is everywhere observed that existing high prices are not only oppressing the masses of the people, but are seriously checking the development, growth, and prosperity of the country. It is not denied that the losses which the country has sustained of able-bodied men by the war is one cause of existing high prices; but mainly they are the result of a redundant currency and high taxes.

To raise the large revenue which is now required, by systems of internal and external duties, which, working in harmony, shall neither repress industry nor check enterprise, and which shall be so devised as to make taxation bear most heavily upon those who are most benefitted by taxes and by the debt which renders taxation necessary, requires great practical knowledge and wise statesmanship. This subject, always an interesting one to the heavily indebted nations of Europe, has bec me, as one of the results of the war, deeply interesting to the people of the United States. The Secretary does not, as before stated, intend to discuss it, but he ventures to suggest that the following general principles, some of which have been acted upon by Congress, and the correctness of all of which has been proved by other nations, may be safely adopted as a guide to the legislation that is now required.

First—That the fewest number of articles, consistent with the amount of the revenue to be raised, should be subjected to internal taxes, in order that the system may be simple in its execution, and as little offensive and annoying as possible to the tax payers.

Second—That the duties upon imported commodities should correspond and harmonize with the taxes upon home productions; and that these duties should not be so high as to be prohibitory, nor to build up home monopolies, nor to prevent that free exchange of commodities which is the life of commerce. Nor, on the other hand, should they be so low as to seriously impair the revenues, nor to subject the home manufacturers, burdened with heavy internal taxes, to a competition with cheaper labor and larger capital which they may be unable to sustain.

Third—That the raw materials used in building and manufacturing, and which are to be largely enhanced in value by the labor which is to be expended upon them, should be exempted from taxation, or that the taxes upon them should be low in comparison with the taxes upon other articles. This is the policy of other enlightened nations, and it is believed that the diminution of direct revenue which it would involve, if adopted by the United States, would be more than made up by the augmented value which it would give to labor, and by the increase of productions and of exports which would be sure to result from it. It should be constantly borne in mind, that taxes upon raw materials directly increase the cost of production, and thus tend either to reduce the product of labor or to prevent exportations to foreign markets.

Fourth—That the burdens of taxes should fall chiefly upon those whose interests are protected by taxation, and upon those to whom the public debt is a source of wealth and profit, and lightly upon the laboring classes, to whom taxation and the debt are without so many compensatory advantages.

The next of the series of proposed remedies is an issue of bonds, bearing interest at the rate of not exceeding five per cent. and payable in Europe, to an amount sufficient to absorb the six per cent. bonds in foreign hands, and supply the European demand for United States securities for permanent investment. No one regrets more than the Secretary, the fact that so large an amount of our bonds is held abroad, or the unfortunate condition of our trade that has transferred them thither. The opinion that the country has been benefitted by the exportation of its securities, is founded upon the supposition that we have received real capital in exchange for them. This supposition is, to a great extent, unfounded. Our bonds have gone abroad to pay for goods, which, without them, might not have been purchased. Not only have we exported the surplus products of our mines and our fields, with no small amount of our manufactures, but a large amount of securities also, to pay for the articles which we have purchased from other countries. That these purchases have been stimulated and increased by the facility of paying for them in bonds, can hardly be doubted. Our importation of goods have been increased by nearly the amount of the bonds which have been exported. Not one dollar in five of the amount of the five-twenties now held in England and upon the continent, has been returned to the United States in the form of real capital. But if this were not a true statement of the case, the fact exists, as has been already stated, that some three hundred and fifty millions of Government bonds not to mention State and railroad bonds and other securities—are in the hands of the citizens of other countries, which may be returned at any time for sale in the United States, and which, being so held may seriously embarrass our efforts to return to specie payments. After giving the subject careful consideration, the Secretary has concluded that it is advisable that he should be authorized to issue bonds not having more than twenty years to run, and bearing a low rate of interest, payable in England or Germany, to be used in taking up the six per cents. now held abroad, and in meeting any foreign demand for investment that may exist. The question now to be considered is not how shall our bonds be prevented from going abroad, for a large amount has already gone, and others will follow as long as our credit is good and we continue to buy more than we can pay for in any other way, but how shall they be prevented from being thrown upon the home market, to thwart our efforts in restoring the specie standard. The Secretary sees no practical method of doing this at an early day, but by substituting for them bonds which, being payable principal and interest in Europe, will be less likely to be returned when their return is the least desired. The holders of our securities in Europe are now subject to great inconvenience and not a little expense in collecting their coupons, and it is supposed that five per cent. or perhaps four and a half per cent. bonds, payable in London or Frankfort, could be substituted for our six per cents. without any other expense to the United States than the trifling commissions to the agents through whom the exchanges might be made. The saving of interest to be thus effected would be no inconsiderable item; and the advantages of having our bonds in Europe placed in the hands of actual investors is too important to be disregarded

Fifth—The fifth and last remedy suggested is, the rehabilitation of the States recently in insurrection.

In alluding to this subject, the Secretary feels that he steps upon dangerous ground, and that he may be charged with introducing a political topic in a financial report; but, in his opinion there is no question now before the country more important in its bearings upon our finances than the political and consequently industrial status of the Southern States. Embracing, as they do, one-third part of the richest lands of the country, and producing articles of great value for home use and for exportation to other countries, their position with regard to the General Government cannot remain unsettled, and their industrial pursuits cannot continue to be seriously disturbed, without causing such a diminution of the production of their great staples as must necessarily affect our revenues, and render still more unsatisfactory than they now are, our trade relations with Europe. As long as the present anomalous condition of these States continues—as long as they have no participation in the Government, to the support of which they are compelled to contribute—it is idle to expect that their industry will be restored or their productions increased. On the contrary, there is reason to apprehend that until harmonious relations again exist between the Federal Government and these States, the condition of their industrial interests will become day by day more uncertain and unsatisfactory. There will be no real prosperity in these States, and consequently no real prosperity in one-third part of the United States, until all possess again equal privileges under the Constitution. Can the nation be regarded as in a healthy condition when the industry of so large a portion of it is deranged? And can the labor question at the South be settled as long as the political status of the South is unsettled? Can the national credit be elevated and the public debt be rapidly reduced unless the Southern States shall largely contribute to the public revenues, and can such contributions be relied upon as long as they remain in their present disfranchised condition? Will the tax-payers of the North continue to be patient, unless their burden of taxation can be lessened by being equally shared by the people of the South? Regarded thus as a purely financial question, the relation of these States to the Federal Union is an exceedingly interesting and important one, and as such it demands the calm and careful consideration of Congress

The Secretary has thus presented in such manner as his pressing official duties would permit, his views of the financial condition of the country, the causes of trouble, present and prospective, and the remedies for the same. If these remedial measures shall be approved by Congress, and enforced by appropriate legislation, he is confident that specie payments may be resumed by the time our interest-bearing notes are retired, which must be done in less than two years, and probably will be in a much shorter period.

These measures look to an increase of labor, and consequently of production—to a fulfilment of obligations by the Government and the Banks—to a reduction of the public debt at the same time that taxes are being equalized and lessened—to lower prices, and apparently harder, but really more prosperous times—to a restoration of specie payments without the financial troubles which usually precede a resumption after a long period of suspension and inflation. The Secretary does not mean to assert that the adoption of all these measures (although he regards each as important) is absolutely necessary to return to specie payments, nor that other remedies may not be adopted by Congress to rescue the country from impending financial troubles. He presents, as he considers it to be his duty to do, his own views, and asks that they may receive careful consideration, and be adopted if they commend themselves to the wisdom of Congress, and rejected if measures better calculated to secure the desired end can be devised. The most sanguine and hopeful must perceive that the business of the country cannot for a much longer time be run upon the present high level with safety. The speculative interest, large and powerful in itself, is receiving daily new accessions of strength by the increase of individual credits; and when speculators and debtors control the financial policy of the country, a financial collapse is inevitable. These untoward and dangerous influences can now be resisted, and the true interests of the people require that they should be resisted promptly and decisively.

Unsatisfactory as is, in many respects, our condition, there is cause for congratulation that we have thus far escaped those severe financial troubles which usually befall nations at the close of expensive and protracted wars. With our vast resources and the buoyant and persistent energy of a free people, it will be our own fault if we do not escape them altogether.

The Secretary has pointed out the financial dangers around and before us, in order that they may be considered and avoided before they culminate in general disaster. Strong as is his conviction that we have been for some time, and still are, moving in the wrong direction, and that much of our prosperity is unreal and unreliable, his confidence in the ability of the country to right itself speedily is unshaken. We have but touched the surface of our resources—the great mines of our national wealth are yet to be developed. The experiences of the past four years have only assured us of our strength. It is only necessary that our true situation be understood in order that the proper remedies may be applied. There is no insurmountable obstacle in the way of restoration to perfect financial health, without the painful trials to which it is apprehended we must first be subjected. To be a co-worker with Congress and the people in effecting this most desirable result has been, andwill continue to be, the highest aim of the Secretary.

After a careful survey of the whole field, the Secretary is of the opinion that specie payments may be resumed, and ought to be resumed, as early as the first day of July, 1868, while he indulges the hope that such will be the character of future legislation, and such the condition of our productive industry, that this most desirable event may be brought about at a still earlier day.

The following is a statement of the public debt, June 30, and October 31, 1866, exclusive of cash in Treasury:

Denominations.	June 30, 1866.	Oct. 31, 1866.
Bonds, 10-40's, 5 per cent. due in 1904	$171,219,100 00	$171,069,350 00
Bonds, Pacific R. R. 6 per cent., due in 1895 and 1896	6.042,000 00	9,882,000 00
Bonds, 5-20's 6 per cent, due in 1882, 1884 and 1885	722,205,500 00	823,944,000 00
Bonds, 6 per cent., due in 1868	$8,908,341 80	$8,290,941 80
Bonds, 6 per cent., due in 1867	9,415,250 00	7,742,800 00
Compound interest notes, due in 1867 and 1868	159,012,140 00	148,512,140 00
7-30 Treasury notes, due in 1867 and 1868	806,251,550 00	724,014,300 00
Total	$983,587,281 80	$888,560,181 80
Bonds, Texas indemnity, past due, not presented	$559,000 00	$384,000 00
Bonds, Treasury notes, &c., past due, not presented	3,815,675 80	....
Bonds, Treasury notes temporary loan, certificates of indebtedness, &c., past due, not presented	....	36,604,909 21
Total	$4,374,675 80	$36,988,909 21
Temporary loan, ten days' notice	$120,176,196 65	....
Certificates of indebtedness, past due, not presented	26,391,000 00	....
Total	$146,567,196 65	....

Bonds, 6 per cent., due in 1881	265,317,700 00	265,324,750 00
Bonds, 6 per cent., due in 1880	18,415,000 00	18,415,000 00
Bonds, 5 per cent., due in 1874	20,000,000 00	20,000,000 00
Bonds, 5 per cent., due in 1871	7,022,000 00	7,022,000 00
Navy pension fund, 6 per cent	....	11,750,000 00
Total	$1,210,221,300 00	$1,327,407,100 00
United States notes	$400,891,368 00	$390,195,785 00
Fractional currency	27,070,876 06	27,588,010 33
Gold certificates of deposit	10,713,180 00	10,896,980 00
Total	$438,675,424 96	$428,680,775 33
Total debt	$2,783,425,879 21	$2,681,636,966 34
Cash in Treasury	132,687,549 11	130,326,960 62

Receipts from customs	$110,000,000 00	
Receipts from lands	500,000 00	
Receipts from internal revenue	186,000,000 00	
Receipts from miscellaneous sources	20,000,000 00—	$316,500,000 00

The Secretary estimates that the receipts for the three quarters ending June 30, 1867, will be as follows:

The expenditures, according to his estimates, will be—

For the civil service	37,405,947 39	
For pensions and Indians	12,262,217 21	
For the War Department, including $15,000,000 for bounties.	58,804,657 05	
For the Navy Department	23,144,810 31	
For interest on the public debt	105,551,512 00—	$237,169,143 96
Leaving a surplus of estimated receipts over estimated expenditures of....		79,330,856 40

The receipts for the next fiscal year ending June 30, 1868, are estimated as follows:

From customs	$145,000,000 00	
From internal revenue	265,000,000 00	
From lands	1,000,000 00	
From miscellaneous sources	25,000,000 00—	$436,000,000 00

The expenditures are estimated as follows:

For the civil service	$50,067,342 08	
For pensions and Indians	25,388,489 09	
For the War Department including $64,000,000 for bounties...	110,861,961 89	
For the Navy Department	30,251,605 26	
For interest on the public debt	133,678,243 00—	$359,247,641 32
Leaving a surplus of estimated receipts over estimated expenditures of...		$85,752,358 68

In regard to the commercial intercourse between the United States and British America, the Secretary adheres to the general opinion expressed in his report of 1865, that until our revenue system is fully revised and adjusted to the financial situation of the country, this subject should not to be placed beyond the control of Congress, but should be left to concurrent legislation and such regulations as the Treasury Department may be authorized by law to prescribe. Another reason for arrangements thus flexible is presented by the uncertainty of the political situation of British America. The scheme of confederation, which proposes to transfer questions of revenue and external trade to a single central authority, has not been adopted, and the opposition to the measure may prevail with the new ministry of England, either to modify materially the terms of the Quebec convention, or to subject the whole measure to the hazards of a popular vote in the Provinces.

However the political problem may be solved, it is not unlikely that when the United States shall have simplified existing methods, and reduced existing rates of taxation, so as to receive the largest amount of revenue with the least burden to industry, British America will be prepared to undertake a system of public improvements along the channel of the St. Lawrence and through Northwest British America to the Pacific coast, which, by the financial necessities attending its adoption and the administration of a federal government, will suggest a Zollverein, or a complete assimilation of excise and custom duties on each side of the northern frontier. At present, inaction upon this subject would appear to be the true policy of the United States. * * * * * *

The Secretary is under obligations to the officers and clerks of the Department for the very satisfactory manner in which, with few exceptions, they have during the past year performed their important and responsible duties.

HUGH McCULLOCH, Secretary.

Hon. Schuyler Colfax,
Speaker of the House of Representatives.

REPORT OF THE COMPTROLLER OF THE CURRENCY.

OFFICE OF THE
COMPTROLLER OF THE CURRENCY,
WASHINGTON, 1866.

SIR: In compliance with the provisions of section 61 of the National Currency act, I have the honor to present through you to the Congress of the United States the following report:

Since the last annual repo t sixty-two (62) National Banks have been organized, of which fifty-one (51) are new associations, and eleven (11) are conversions of existing State Banks to the national system, making the total number organized up to October 1, one thousand six hundred and sixty three, (1,663.)

The following table will exhibit the number of banks, with the amount of capital and circulation in each State and Territory:

States and Territories.	Organized.	Clos'g or clos'd.	Operation.	Capital paid in.	Bonds deposited.	Circulation issued.
Maine	61	....	61	$9,085,000 00	$8,396,250	$7,451,820
New Hampshire	39	....	39	4,715,118 07	4,727,000	4,121,253
Vermont	39	....	39	6,310,012 50	6,411,000	5,676,800
Rhode Island	62	....	62	20,364,800 00	14,144,6[illegible]0	12,369,850
Massachusetts	208	1	207	79,932,000 00	64,270,300	56,740,570
Connecticut	83	1	82	24,584,220 09	19,471,500	17,177,450
New York	313	5	308	116,267,941 00	75,970,400	67,[illegible]35,485
New Jersey	54	....	54	11,233,350 00	10,324,150	9,030,745
Pennsylvania	202	2	201	49,200,765 00	43,324,350	38,099,640
Maryland	32	....	32	12,590,202 50	10,052,750	8,745,450
Delaware	11	...	11	1,428,185 00	1,348,200	1,179,300
District of Columbia	6	2	5	1,550,000 00	1,442,000	1,276,500
Virginia	20	....	20	2,500,000 00	2,397,000	2,044,900
West Virginia	15	....	15	2,216,400 00	2,236,750	1,980,650
Ohio	136	1	1[illegible]5	[illegible]1,804,700 00	20,771,900	18,375,230
Indiana	72	1	71	12,86[illegible],000 00	12,400,850	10,888,280
Illinois	82	....	82	11,570,000 00	10,818,400	9,448,415
Michigan	43	1	42	4,985,010 00	4,313,600	3,778,900
Wisconsin	37	....	37	2,935,000 00	2,848,750	2,512,750
Iowa	46	1	45	3,697,00 00	3,68[illegible],150	3,204,395
Minnesota	15	....	15	1,660,000 00	1,682,200	1,484,000
Kansas	4	....	4	325,000 00	332,000	269,000
Missouri	17	2	15	4,079,000 00	2,903,100	2,712,490
Kentucky	15	...	15	2,840,000 00	2,645,000	2,311,270
Tennessee	10	....	10	1,700,000 00	1,306,200	1,096,790
Louisiana	3	....	3	1,800,000 00	853,000	727,000
Nebraska	3	....	3	200,000 00	180,000	150,000
Colorado	3	....	3	350,000 00	134,0[illegible]0	59,[illegible]00
Mississippi	2	....	2	150,000 00	75,000	65,500
Georgia	9	....	9	1,700,000 00	1,[illegible]05,500	1,124,000
North Carolina	5	....	5	370,750 00	309,000	228,600
South Carolina	2	....	2	500,000 00	140,000	126,000
Arkansas	2	....	2	20[illegible],000 00	2[illegible]0,000	179,500
Alabama	3	....	3	500,000 00	304,000	262,500
Utah	1	...	1	150,000 00	5[illegible],[illegible]00	44,970
Oregon	1	....	1	100,000 00	100,[illegible]00	88,500
Texas	4	...	4	548,700 00	403,500	337,750
Nevada & Montana	2	....	2	235,000 00	195,000	166,000
	1,663	16	1,647	$417,24[illegible],154 07	$332,467,700	$292,671,758

From the number of banks organized, heretofore stated to be sixteen hundred and sixty-three, should be deducted sixteen, leaving the number in active operation sixteen hundred and forty seven.

The banks to be deducted are the following:

NEVER COMPLETED THEIR ORGANIZATION SO AS TO COMMENCE BUSINESS.

The First National Bank of Lansing, Michigan.
The First National Bank of Penn Yan, New York.
The Second National Bank of Canton, Ohio.
The Second National Bank of Ottumwa, Iowa.

SUPERSEDED BY SUBSEQUENT ORGANIZATIONS WITH THE SAME TITLES.

The First National Bank of Norwich, Connecticut.
The First National Bank of Utica, New York.

IN THE HANDS OF RECEIVERS.

The First National Bank of Attica, New York.
The Venango National Bank of Franklin, Pennsylvania.
The Merchants' National Bank of Washington, District of Columbia.

CLOSED AND CLOSING UNDER THE PROVISIONS OF SECTION 42 OF THE ACT.

The First National Bank of Columbia, Missouri.
The First National Bank of Carondelet, Missouri.
The First National Bank of Leonardsville, New York.
The National Union Bank of Rochester, New York.
The Pittston National Bank, Pittston, Pennsylvania, consolidated with the first National Bank of Pittston, Pennsylvania.
The Berkshire National Bank of Adams, Massachusetts, consolidated with the First National Bank of Adams, Massachusetts.
The Fourth National Bank of Indianapolis, Indiana, consolidated with the Citizens' National Bank of Indianapolis, Indiana.

An abstract, by States, of the quarterly returns made to this office for the quarters ending January 1, April 2, July 2, and October 1, 1866, with a detailed statement of the condition of each bank at the close of the last quarter, is herewith submitted.

A statement showing the names and compensation of the clerks and employes, and the total expenses of the bureau for the fiscal year ending June 30, 1866, is also appended.

Two banks which had given notice of going into liquidation under section 42 of the act, prior to the date of the last report, have paid over to Treasurer of the United States the amount of their outstanding circulation in lawful money and taken up the bonds which they had on deposit with the Treasurer for the security of such notes, as follows, viz :

The First National Bank of Columbia, Missouri, $11,990.

The First National Bank of Carondelet, Missouri, $25,500. These banks are now closed.

During the past year the First National Bank of Leonardsville, New York, and the National Union Bank of Rochester, New York, have voluntarily given notice of going into liquidation as required by law.

The First National Bank of Leonardsville has a

Capital of	$50,000
Bonds deposited	50,500
Circulation	45,000

The National Union Bank of Rochester has a

Capital of	$400,000
Bonds deposited	250,000
Circulation	192,500

The Merchants's National Bank of Washington and the Venango National Bank of Franklin, Pennsylvania, having failed to redeem their circulating notes when presented for that purpose, have been placed in the hands of receivers as required by law. The circumstances attending the failure of these two banks were fully investigated and reported by a committee of the House of Representatives during the last session of Congress.

The receiver of the First National Bank of Attica, New York, has brought his labors nearly to a close, and a dividend will be declared to the general creditors of the bank on or about the first of January, 1867. The bonds deposited to secure its circulating notes, namely, $31,500 of six per cent. and $18,500 of five per cent bonds, were sold at public auction in the city of New York on the 8th day of October last, in accordance with the provisions of section forty-eight of the Currency act. The net amount realized from the sale was $51,556 25. Of this sum, $44,000 was deposited with the Treasurer of the United States for the redemption of the outstanding circulation of the bank, and, under instructions of the receiver, $7,556 25 was paid into the treasury, according to the provisions of section fifty of the act for the benefit of the general creditors of the bank. The amount of outstanding circulation redeemed to October 1 was $5,320.

With these exceptions the national banks throughout the United States seem to be in a sound and healthy condition, as evidenced by their quarterly reports to this office, verified by careful examinations made by agents appointed for that purpose. Their total resources on the 1st of October last were $1,525,493,960 their liabilities to the public for circulation and deposits were $1,024,274,386; leaving a surplus of $501,221,574 for capital and earnings, which are likewise a pledge for the payment of all debts to the public.

The increase of capital bonds, and circulation of national banks for the year ending October 1, 1866, has been as follows:

Increase of capital paid in	$21,515,557
Increase of bonds deposited to secure circulation	56,247,750
Increase of circulation issued	101,824,698

This statement shows an increase of something more than one hundred millions of national currency; but during the same period national banks which have been converted from State banks have retired fully fifty millions of their State circulation, making the actual increase in the volume of currency only about fifty millions.

To correct a misapprehension which exists in the minds of many that the entire amount of national circulation issued has been added to the volume of currency, it may be well to take into consideration the amount of State bank circulation at a period just prior to the inauguration of the national system. The bank circulation of the United States in January, 1862, was one hundred and eighty-four millions of dollars, distributed as follows:

Northern and Western States	$144,000,000
Southern States	40,000,000

Subsequent to this date no further returns were received from the Southern States.

Immediately following the suspension of specie payments there was an expansion of bank note circulation, which reached, in January, 1863, in the Northern States alone, two hundred millions of dollars, making an increase in one year of fifty six millions. Relieved of all liability to redeem, the evident tendency of the banks was to still greater expansion. No reliable returns later than January, 1863, are accessible; but the prevailing tendency of the times towards inflation, and the great temptation to banks to avail themselves of the opportunity to put in circulation very large amounts of their notes, without any restraints in the way of redemptions, would favor the opinion that this was not the highest point reached by the circulation of State banks. The forty millions of currency in the Southern States may now be added, giving an aggregate of two hundred and forty millions State bank circulation, which has been in great part replaced by national currency. Without making any invidious comparisons, it is no injustice to say that the substitution of a currency based upon United States bonds, secure beyond any contingency, for the miscellaneous issues of State banks, has done much towards sustaining public confidence, and preventing distrust and possible financial disaster.

REDEMPTION.

The law as it now stands provides for the redemption of national currency in the cities of St. Louis, Louisville, Chicago, Detroit, Milwaukee, New Orleans, Cincinnati, Cleveland, Pittsburg, Baltimore, Philadelphia, Boston, New York, Albany, Leavenworth, San Francisco and Washington. An amendment to the law was proposed during the last session of Congress, requiring all National banks to redeem either in Boston, New York or Philadelphia, but was postponed until the present session. Some system of practical and effective redemptions is desirable for the preservation of a healthy currency, and as a safeguard against redundancy. Under the existing requirements, thirteen hundred and twenty banks out of sixteen hundred and forty-seven voluntarily redeem in New York, Boston and Philadelphia The banks represent two hundred and forty millions of currency, of which three-fourths are redeemed in New York.

The same arguments urged in favor of requiring redemptions in these *three* cities would, if carried to their logical conclusion, establish the expediency of requiring redemptions at *one* central point. Every national bank in the United States is obliged by the necessities of business to keep an account in New York city, clearly showing the current of trade and the tendency of money, and affording evidence that New York is the great commercial and financial centre.

A currency of uniform value in all sections of the Union is of the highest importance to the commercial and industrial interests of the country. The notes may be of uniform design and have the same ultimate security, but these conditions, though steps in the right direction, will not compass the end in view, unless the notes are available at par for the payment of debts and settlement of balances at the financial centre.

Banks of issue are a necessity of our financial system, recognized, encouraged and protected by the Government for the public good. In return for privileges conferred they should be required to make their issues conform to the demands of trade. The demands of trade require currency that will pay debts at the centre of trade. If the banks do not furnish a circulation that will conform to this standard, their issues will be depreciated and the loss will fall upon the business of the country.

The question is whether this tax shall be borne by the people, while the banks reap the profit, or whether the banks shall perform their whole duty by furnishing a currency which shall be available for the payment of debts everywhere, and thus complete the conditions necessary for a " uniform value." This question is one of growing importance, and one that presses for an early solution.

National banks in Boston, New York and Philadelphia recognize their obligations to meet every demand in lawful money of the United States, whether it be gold and silver or legal tender notes. They are obliged by law to receive in payment of debts the notes of every other National bank ; but they cannot compel their customers to receive the same notes for their balances due from the banks; and here lies a difficulty which will subject the banks in those cities periodically to very great embarrassment.

The tendency of money to accumulate in these centres of trade —except at certain seasons of the year, when it is needed to bring forward the products of the Middle, Western and Southern States—is a fact which cannot be questioned. These banks are obliged to receive all that is offered, but cannot pay it out. An escape from this dilemma may be found in either of three different ways. First, the banks may be relieved from the obligation to receive this currency in payment of debts; or, secondly, national currency notes may be made a legal tender from the bank to its customers; or else, thirdly, national currency may be kept at par by redemption at the great centres of trade.

Without discussing the expediency of acting in accordance with either of the two suggestions first named—because the first method would leave the currency in a worse condition than it now is, and because the second method would be arbitrary, and would place national bank notes on a par with United States notes, the necessity for which is not apparent at this juncture—the natural and most feasible method would seem to be that requiring the banks to keep their own issue at par by redemptions as above stated.

Under existing circumstances this requirement cannot be onerous; lawful money, which now stands as the representative of specie, as the agency of redemptions, being materially in excess of the currency to be redeemed, would make the inauguration of a system of central redemption feasible and practicable to an exceptional degree. Four-fifths of the banks have voluntarily recognized the propriety and expediency of such a course by selecting their redemption agencies in New York, Philadelphia and Boston. Justice requires that those banks which are willing to conform to the highest standard should be sustained; and this can be done effectually only by requiring all to place themselves on the same ground. It is questionable, however whether this object would be best attained by the plan proposed in House bill No. 771, which was postponed to the present session. This bill provides that every bank shall redeem its circulating notes at an association in one of the seventeen cities named in section thirty-one of the currency act, but that each bank in those cities shall redeem in New York, Philadelphia, or Boston, its own notes and the notes of every other bank for which it may be the redemption agent. The object of the last provision is indirectly to compel every bank to redeem either in New York, Philadelphia or Boston; not so indirectly, however, but that its purpose is perfectly evident, and therefore open to every objection that would be urged against a direct requirement of law to that effect.

In recommending redemptions in New York, there is no intention to ignore the claims of any other section of the country. There are cities of great commercial importance in the Middle, Western, and Southern States, whose financial interests demand consideration. The notes of banks located in those cities are, by the provisions of the law as it now stands, redeemable in New York, and the managers of those banks would not have it otherwise. If the law did not require it, they would voluntarily redeem there. The proposed amendment only requires all other banks to do the same thing. It will give those cities and the banks in those cities a currency that is worth par in New York, instead of a depreciated currency that would be a continual clog upon all business operations.

If any particular section is not tributary to New York the fact that the banks of that section are required to redeem in New York will not make it tributary, but will make such redemptions easy and in nowise burdensome. The commercial importance of any place will force its own recognition; money can be drawn from it only for the payment of its debts. Trade flows in natural channels, and money goes with it; wherever trade centres, there money will accumulate sufficiently for its wants.

If money is arbitrarily concentrated contrary to this principle, it will flow back again, just as water will find its level. If the argument against redeeming in New York is based upon the preponderating importance of any other place as a centre of trade, it ceases to be an argument, as, in the natural order of things, the circulation issued by banks in that place will be worth more at home than at any other point, and will go home for the payment of balances rather than to New York for redemption; consequently there will be no hardship in the requirement. If the argument is not based upon that assumption, it is an argument for the other side of the question: for if it is a hardship to redeem in New York, the hardship is evidence of the necessity.

If all national banks are required to redeem their issues in New York, reciprocal obligations will be imposed upon the banks of that city. The balances kept in those banks will amount, in the aggregate, to a very large sum, and there will be competition between them for the accounts of the country banks. Such competition already exists, and has led to the dangerous practice of paying interest on deposits. This practice is condemned by all prudent bankers; but where one does it others must do it, or lose the accounts of good correspondents.

A bank that pays interest on current balances is obliged to keep its funds in constant use, or lose money. In order to do this, loans payable on call are made upon collateral security of more or less value; and there is so much competition for such loans that it has the effect to lower the standard of security required. Everything which causes extraordinary facilities in monetary transactions tends to produce excitement, overtrading and speculation, sure to bring compensation sooner or later, if not checked, in pressure, distress and disaster. Loans of this description are made chiefly to speculators, and that is reason enough why the practice should be regarded as unsafe. Conservative banks should not countenance or aid speculation; and New York City banks, made by law the custodians of the available means for redeeming the circulation of all the banks in the United States, should be the most conservative of all banks. They should not be allowed to jeopardize the funds of the country banks by loaning them for speculation, and they would not, if they were not obliged to pay interest on them. Stop the payment of interest, and the temptation to make improper use of such funds is removed.

The only way in which the evil in question can be reached, if it can be remedied at all, is by a law prohibiting every national bank from paying or receiving interest on bank balances, and the propriety of such a law is recommended to the consideration of Congress.

Concurrently with a practicable system of redemptions, a gradual reduction of the volume of legal-tender notes would operate beneficially upon the character of the national currency, by checking its expansion beyond the necessities of business. If legal-tenders were reduced to such an extent that the amount in circulation should not exceed the sum required to perform the functions of lawful money as the substitute for specie, redemptions would be more stringent, and banks would be compelled to regulate their issues by the demands of trade.

A law enacted during the last session of Congress provides that the Secretary of the Treasury may diminish the volume of the United States notes in circulation, not to exceed four millions of dollars in any one month. Taking four hundred millions as the point from which the diminution commences, a regular reduction of four millions each month would leave at the expiration of two years three hundred millions of legal-tender notes in existence; or one dollar in lawful money for the redemption of each dollar of national currency authorized. This ratio would hardly render redemptions sufficiently stringent to produce much effect on bank circulation; but if this point could be reached by the expiration of one year, the effect would be more decided

Four millions per month would be at the rate of one hundred and thirty three thousand dollars per day; but if bankers should see the means for the redemption of their issues diminishing at the rate of two hundred and sixty thousand dollars per day, they would naturally and unavoidably curtail their circulation to the lowest point their business would permit, and the benefits arising from a practical system of redemptions would begin to be realized.

This proposition is based upon the presumption that it will be the policy of the government to withdraw all its notes issued for circulation as fast as it shall have the power to do so. The fact is not overlooked, however, that an opinion prevails to some degree adverse to this view of the case. It is frequently and strenuously urged that the government should keep its notes in circulation, and thus have the use of so much money without interest.

It is proposed very briefly to consider this question. United States notes originated in the necessities of the government, not in the necessities of trade and commerce. Their amount was regulated, not by the business necessities of the country, but by the necessities of a great emergency, and was only limited by reaching the maximum of expenditure during a time of war. The amount issued was entirely arbitrary so far as the business interests of the country were concerned, and altogether in excess of the demands of trade, as is evident by the high prices borne by every kind of commodity, and from the surplus of money subject to the control of speculators. This currency cannot contract or expand from natural causes. It was issued to save the country from bankruptcy during a protracted struggle with armed rebellion, and can only be contracted by legal enactment of Congress. There is no element about it in sympathy with the commercial and industrial interests of the country.

The power of issuing notes to circulate as money is too dangerous to be placed at the mercy of political parties in a government like ours, and is fraught with possibilities of corruption and disaster calculated to excite the gravest apprehension in the minds of prudent men. Having served the purpose for which it was called into existence, provision should be made for its withdrawal.

On the other hand, banks are in direct sympathy with trade, dependent upon it for their profits; they meet its wants by discounts and by furnishing a circulating medium; if currency is issued in excess of the demand, it is immediately returned for redemption, and contracts and expands as trade requires. In a word, banks are amenable to the laws of trade, while the government issues are not.

Furthermore, the banks have rendered important aid to the government throughout the war, and they have been largely instrumental in developing our national resources and increasing our national wealth. The managers and stockholders comprise a large, useful and public-spirited class in the community, numbering over 200,000 citizens. During the past year they have loaned to the business of the country an average of $600,000,000. They now hold one-fourth of the entire indebtedness of the United States. They have redeemed and returned to the treasury of the United States over fourteen millions of mutilated legal-tenders, and have redeemed twenty-five millions of 7-30 coupons, to the very great convenience of both the public and the Treasury Department. They have been instrumental in placing in the hands of the people more than eleven hundred millions of United States securities. They have received and disbursed from the revenues seventeen hundred and seventy-four millions of public moneys free of expense to the government.

The expense of transporting and concentrating for disbursment this immense sum by ordinary means, without the agency of National banks, would have been, at a moderate estimate, not less than three millions of dollars.

The net loss sustained by the government through the failure of two banks, which were depositories of public moneys, will probably not exceed six hundred thousands dollars, or about one-thirtieth of one per cent. of the total amount involved, and about one-fifth of the amount it would have cost the government to do the business without the aid of the banks.

From this statement it will be evident that National banks, although organized and managed by individuals for their own profit, are yet capable of rendering important services both to the government and to the public, and have demonstrated their entire willingness to perform such service; and that if losses have occurred to the Government through their agency, the amount is small compared with the outlay that would have been necessary to carry on the business without them.

DISTRIBUTION OF THE CIRCULATION AUTHORIZED BY LAW.

The original act of March 25, 1863, provided for an apportionment of the National currency to the several States and Territories as follows: one hundred and fifty millions according to representative population, and one hundred and fifty millions according to banking capital resources and business.

This requirement was repealed by the act of June 3, 1864, which left the distribution to the discretion of the Comptroller of the Currency. By the amendment of March 3, 1865, the clause requiring an apportionment to be made was reenacted, but at the same date an amendment to section 7 of the Internal Revenue Act provided that all existing State banks should have the right to become National banks, and should have the preference over new organizations up to the 1st day of July, 1865.

These two amendments were not in harmony; for, if the apportionment was made as required by the amendment to section 21, the State banks then in existence could not have been converted without exceeding in many instances the amount of circulation apportioned to the different States. But, as it seemed to be the intention and policy of the act to absorb all existing banking institutions, rather than to create new banking interests in addition thereto, the Comptroller of the Currency so construed the amendments as to permit the conversion of State banks without limitation. The effect of this action was to make a very unequal distribution of the currency, some of the States receiving more than they were entitled to by the apportionment, and leaving but a very limited amount to be awarded to the Southern and some of the Western States.

Now, as the government has assumed entire control of the currency of the country, involving a direct supervision of its banking interests, it becomes the duty of the government to provide adequate bank facilities to all sections. The states lately in rebellion not being in a condition to avail themselves of the privileges granted in the National Currency act at the time when they were offered, and when it was still possible to obtain them, are now left almost entirely destitute of currency and banking facilities. This deficiency is the occasion of great inconvenience and loss to the people of those states, and it is very desirable, for many reasons, that it should be supplied.

First. It is important to all sections of the country, particularly to the Northern States, that the South should be supplied with all the facilities necessary for the production of the great staples of that section, because the export of these staples would reduce the exportation of gold.

Second. Although, to a limited extent, means are supplied by capitalists from other sections for the productions of this region, yet the supply is not equal to the demand, and foreign capitalists are thus enabled to gain entire control over a very large proportion of valuable products, yielding large profits to themselves, and leaving the country barely the cost of the production. This state of things naturally causes much discontent and dissatisfaction among the producers.

Third—Prosperous industry is the most speedy and certain remedy for the existing evils in the Southern States. It will allay bitterness of feeling, dissatifaction with the results of the war, and promote contentment among the people. The assistance that could be rendered for the promotion of this end by local banking associations would be important both in character and extent. Besides, a community or identity of financial and pecuniary interests would bring into exercise an element of great power for the assimilation of the aims, purposes and hopes of all the people of all the States. The extension of the National banking system throughout the entire Union would bring about such an identity of interest in the credit of the Government, and of the entire system of banks, as would secure the active and zealous co-operation of all sections toward the preservation of such credit unimpaired.

Two methods have been suggested by which the Southern States can be supplied with banking facilities. One is by an equalization of the circulation already authorized by law among the different States and Territories. To this plan there are two serious objections: First, the question arises as to the right of Congress to rescind any portion of the contract made with National Banks at the time of their organization, by abrogating or restricting any of the rights secured by them in compliance with the law. It is true that Congress expressly reserved the right at any time to "amend, alter, or repeal" the National Currency Act. The Act of February 25, 1863, under which quite a number of banks were organized, was repealed by the Act of June 3, 1864. But the repealing act contained this saving clause: "Such repeal shall not affect any appointment made, acts done, or proceedings had, or the organization, acts, or proceedings of any associations organized, or in process of organization, under the act aforesaid;" thus recognising the principle that the repeal should not affect any rights secured under the former act.

It is not proposed to enter into any elaborate argument upon this question, but merely to suggest the doubts which may arise in connection with any legislation looking to an equalization of the national currency by withdrawing it from banks which have secured the right in strict conformity to law.

The second objection is this; that, granting the right of Congress to withdraw circulation, as above stated, the plan is impracticable as a measure of present relief, owing to the impossibility of securing the return of a sufficient amount of circulation within the necessary time. National currency notes, when once put in circulation, are scattered from the Atlantic coast to the Rocky Mountains, and from St. Lawrence to the Gulf. No one ever looks to see by what banks the notes are issued, and, there being no established system of redemptions, they are not and will not be returned to the bank of issue until they become so mutilated as to make them difficult to circulate.

The second plan suggested is, by an increase of the amount of circulation to be issued. This plan is met by the assertion that it would tend directly to a further inflation of the currency. But this objection may be obviated by proper care in so adjusting the increase that it shall not at any time, or in any month, exceed the amount by which legal tender notes are diminished. If the proper mission of legal tenders were fully understood, and the necessity of placing our currency on a permanent basis—either of specie or legal-tenders, which stand as the substitute for specie—were properly appreciated, there would be no difficulty in providing for the proper reduction of the volume of legal tenders so as to leave room for a very moderate increase of national currency, and yet secure a net reduction in the whole volume of the currency.

The well-known views of the Secretary of the Treasury on this subject, based upon the soundest principles of financial policy, only need to be seconded and carried out by Congress in order to make the plan suggested entirely safe and feasible.

Bearing in mind the regular monthly reduction of legal tenders at the rate of four millions per month, as provided for by law, an increase of national currency not to exceed twenty five millions, to be issued at the rate of one or two millions per month, would probably meet all the wants of all the States for two years to come As this seems to be the only practicable method for the accomplishment of what is generally admitted to be a desirable end, it is respectfully recommended to the favorable consideration of Congress. If, eventually, the amount of national currency thus increased appears to exceed the requirements of the country, the system of redemptions recommended will unerringly correct the evil, and ultimately bring about that equalization of national currency among the different States and Territories which cannot be effected by immediate and arbitrary measures.

AMENDMENTS.

There are many requirements and restrictions contained in the National Currency Act, a strict compliance with which is essential to the safety and success of the system. The Comptroller of the Currency is expected to see that all the provisions of the law are enforced but in a majority of instances is left without the power to compel obedience in case of persistent neglect or wilful disregard of the law on the part of the banks. To remedy this defect certain amendments are suggested:

First—An amendment to section 18 authorizing the appointment of a receiver, whenever satisfactory evidence is furnished that any association is not carrying on the proper business of banking; that any of its reports required by law have been false or fraudulent; that its funds have been wilfully misapplied by the officers or directors in violation of law, or that it has committed any act of insolvency.

Second—An amendment to section 29, extending the provisions contained therein so that the limitation to one-tenth of the capital shall apply to all liabilities for money loaned or deposited, except balances due from one national banking association to another. Large amounts are frequently placed in the hands of private bankers, ostensibly in the regular course of business, but really, in a majority of instances, because private bankers, not being restricted in their operations by law, are able to offer greater inducements for the use of money; or, as is not unfrequently the case, private bankers have secured a controlling interest in a bank to divert its funds from legitimate banking, and use them in speculation, &c. Every national bank that has failed may trace its ruin to excessive deposits with private bankers and brokers, and there is urgent necessity for such an amendment to section 29 as will prohibit this practice.

Third—An amendment to section 34 doing away with quarterly statements, and requiring monthly statements showing the condition of each bank in detail. The present monthly statements are much too vague and general to be of practical benefit, while the quarterly reports now required, coming at comparatively long intervals and upon certain specified days, enable banks to prepare for a good exhibit upon those particular days. If detailed reports were required monthly the preparation on the part of the banks to make a good showing would be almost constant, and the Comptroller of the Currency would be enabled to exercise much greater vigilance in carrying out the provisions of the law.

Provision should also be made for the collection of penalties imposed for delinquencies in making reports, and for the disposition to be made of the funds arising from such penalties when collected.

Fourth—An amendment to section 38, providing that where the capital stock of an association has become impaired by losses or otherwise, it shall be the duty of the directors to reduce the nominal capital and the circulation of the bank in such an amount as may be necessary, so as to represent the actual capital of the association, as provided in section 13 of the act, or, upon a vote of the stockholders owning twothirds of the capital stock of the bank, to make a *pro rata* assessment upon the stockholders for an amount sufficient to make up the loss sustained; and in case of failure to do one or the other within thirty-days after the amount of the loss is ascertained, the Comptroller of the Currency may appoint a receiver to wind up the affairs of the bank.

Fifth—An amendment to section 59, making it a penal offence for any person to have in his possession, with intent to pass or utter, any false, forged or counterfeit national bank note and requiring every national banking association to cause every counterfeit note that may be presented at its counter to be stamped with the word "counterfeit."

The forms for these amendments, and for such changes in the law as may be necessary to provide for redemption in New York city, or in the cities of New York, Boston and Philadelphia as may be deemed most expedient, and to provide for the issue of circulating notes to banks that may be organized in states unsupplied with banking facilities, are not reported; but the views expressed upon those points are submitted for such action as may be judged best adapted to secure the ends proposed.

In conclusion, I have only to state that the national banking system is now fully inaugurated and in successful operation. The first bank was organized in June, 1863. There are now in active operation sixteen hundred and forty-seven, with an aggregate paid in capital of four hundred and eighteen millions, which is owned by two hundred thousand stockholders. The system has the confidence of the people, because it furnishes a currency of uniform value in all parts of the country. It has superseded all existing state banking systems, and places the entire control of the currency of the country in the hands of the federal government. It has proved, during its three years of existence, a most important auxiliary in the financial operations of the Treasury Department.

A system that has grown into such magnitude in so brief a time, involving interests so vast and so vital to every portion of the community, demands a careful consideration and deliberate action. It may not be perfect, for it was devised by men, but it embraces all the best provisions and safeguards of the banking systems of the several states, and experience and careful study have developed but few defects.

H. R. HULBURD,
Deputy and Acting Comptroller of the Currency

HUGH MCCULLOCH, Secretary of the Treasury.

FUNDED DEBT OF PHILADELPHIA.

The following is an official exhibit of the funded debt of the city of Philadelphia and assets, November 1, 1866:

To amount of city loans outstanding Nov. 1, 1866	$35,981,799 24
To amount authorized but not issued for special purposes, viz.: school, water, gas, &c	2,277,800 06
Total	$38,259,599 24
By cash in hands of Sinking Fund Commissioners	$559,372 56
By city loans	2,736,137 31
By other securities, valued at	18,961,345 00
By outstanding taxes collectable	850,000 00
Balance	15,152,744 43
Total	$38,259,599 24

ASSETS OF THE CITY OF PHILADELPHIA FOR THE YEAR 1866.

Cash on hand Nov. 1, 1866	$538,446 46
Estimated receipts of registered taxes in 1867	400,000 00
Estimated receipts from sources other than taxes prior to January, 1867, and for the year 1867	1,627,670 00
Estimated receipts from taxes and registered taxes prior to January, 1867	450,000 00
Estimated receipts from Trustees of Gas Works for 1867	185,000 00
Total	$3,201,116 46
Amount required to be provided from taxes or by loan	$7,604,351 58
By funding $1,500,000, leaves to be provided from taxation	$6,104,351 58

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurer's returns in the Treasury Department, on the 1st of October, 1st of November and the 1st of December, 1866, comparatively :

	Oct. 1.	Nov. 1.	Dec. 1.
DEBT BEARING COIN INTEREST.			
5 per cent. bonds	$198,091,350	$198,091,350	$198,091,350
" " of 1867 and 1868	18,323,592	16,033,742	15,837,944
" " of 1881	283,738,750	283,739,750	283,740,000
" " 5.20's	798,162,250	823 944,0[illegible]0	861,64 ,300
Navy Pension Fund	11,750,000	11,75[illegible],0 0	11,750,000
	$1,310,065,94	$1,333,558,842	$1,371,068,592
DEBT BEARING CURRENCY INTEREST.			
6 per cent. bonds	$8,922,000	$9,882,000	$10,302,000
Temporary Loan	22,500,000	....	....
3-year Compound Interest Notes	155,512,140	148,512,140	147,387,140
3-year 7.30 notes	743,996,050	724,014,300	699,933,750
	$930,930,190	$882,408,440	$857,622,890
DEBT ON WHICH INTEREST HAS CEASED.			
Various bonds and notes	$23,302,372	$36,988,909	$22,605,794
DEBT BEARING NO INTEREST.			
United States Notes	$399,165,292	$390,195,785	$385,441,849
Fractional currency	27,029,273	27 588,010	28,620,249
Gold certificates of deposit	11,057,640	1[illegible],896,980	19,636,50[illegible]
	$437,252,205	$428,680 775	$43[illegible],698,598
Aggregate debt	$2,701,550,709	$2,681,636,966	$2,684,995.875
Coin and Currency in Treasury	128,213,767	130,326,[illegible]6	135,364 637
Debt, less coin and currency	$2,573,336,941	$2,551,310,000	$2,549,631,238

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

	Oct. 1.	Nov. 1.	Dec. 1.
Gold Coin	$86,259,909	$99,413,018	$95,168,816
Currency	41,953,858	30,913 942	40 195,821
Total gold coin andcurrency	$128,213,767	$130,326,960	$135,364,637

COMMERCIAL CHRONICLE AND REVIEW.

State of the Markets—Merchandise Market Dull—Decline in Prices—Stock Exchange—Monetary Affairs—Course o United States Bonds and Consols—Course of Gold and Exchange—Railroad Earnings, etc.

November has been chiefly remarkable for an unsettled condition of the markets, the result of a combination of circumstances.

In the merchandise markets a dullness has prevailed, not to be adequately accounted for from the natural falling off in business which usually occurs in November. In most branches of business stocks are found to be larger at this late period of the Fall business than was anticipated ; and as it is not deemed safe to carry over goods at the current high prices, there has been an effort to realize upon both domestic and foreign merchandise at a heavy sacrifice. The serious losses upon some kinds of goods have brought home to manufacturers the conviction that the current rate of production can not be sustained concurrently with the existing high range of prices ; and there has, consequently, been developed a very general disposition to curtail production. The cotton mills are producing much less, and the woolen manufacturers have very generally resolved upon either closing their mills entirely for a few weeks, or reducing the time of working to about eight hours per day. The development of this policy has produced at the close of the month a somewhat improved tone in the goods markets, but in nearly every branch of the jobbing trade the disposition, notwithstanding, is to realise upon goods, and to close the year with the smallest possible stocks. It appears to be very generally understood among both manufacturers and merchants, as well as by the consuming public, that we have now passed the climax of high prices, and that henceforth there must be a persistent fall in the value of all products. This idea, of course, produces special caution in the matter of credits, and has a depressing effect upon every branch of business; but its tendency is nevertheless to avert any severe convulsions in the markets from a sudden and extreme fall in values. The following comparison shows the prices of certain leading products at the close of October and of November:

		Oct. 31.	Nov. 30.
Flour, shipping	bbl.	12 25 @13 00	10 30 @11 40
Wheat, Amber State	bush.	2 75 @ 3 25	2 70 @ 3 00
Corn, Mixed Western	"	1 30 @ 1 33	1 20 @ 1 21
Pork, Prime Mess	bbl.	32 25 @35 00	21 00 @21 50
Beef, " "	"	13 50 @18 50	12 00 @18 00
Tallow, American	lb..	00 12 @00 12½	00 11½@00 12
Lard, Western	"	00 13½@00 15½	00 12 @00 14
Coal, Anth	ton.	8 50 @ 9 50	7 50 @ 9 00
Cotton, Mid. Upland	lb..	00 39 @— —	00 33½@— —
Brown sheetings	yard.	00 23 @— —	00 21 @— —
Printing cloths, 64x64	"	00 13¾@— —	00 12½@— —
Petroleum	gall.	00 22 @— —	00 21 @— —
Wool, Savony fleece	lb..	00 52 @00 67	00 50 @00 65

Monetary affairs have been unsettled almost to the verge of panic. A very unusual activity in stocks has called for an enlarged amount of accommodation from the banks; while, at the same time, there has been a steady loss of legal tenders, the reduction from Oct. 27 being $16,705, 671; and under these circumstances the rate of interest on demand loans steadily advanced from 4 per cent. to 7 per cent. This tendency toward stringency was, however, violently stimulated by the Treasury calling in a large amount of funds from the bank depositories, and at the same time selling gold, resulting in the withdrawal of about $15,000,000 of currency into the Treasury. This process produced a general derangement of loans, and compelled a realizing upon securities, with a consequent fall of 8@10 per cent in values on the Stock Exchange. Very heavy losses were entailed upon speculative dealers in stocks, who proved to be not the brokers but their customers; and the month closes with a general weakness in railroad and miscellaneous securities. The aggregate transactions of the two last months compare as follows:

	October.	November.
Shares, sold at Regular Board	1,421,880	1,221,315
" " at Open Board	1,652,226	1,497,308
Total sold at both boards	3,074,106	2,718,623
Government Bonds sold	$10,282,300	$8,337,580
" Notes "	2,703,250	2,973,550
State and City Bonds "	2,792,300	2,576,400
Railroad and other Bonds sold	1,234,700	1,365,600
Total Bonds and Notes sold	$17,012,550	$15,253,100

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

	Oct. 19.	Oct. 26.	Nov. 2.	Nov. 9.	Nov. 16.	Nov. 23.	Nov. 30.
Cumberland Coal........	58½	61	67½	69¼	....	66	....
Quicksilver	55¾	56	55⅝	53⅝	51	46	44½
Canton Co..............	....	53	55¾	57	54½	45½	....
Mariposa pref...........	29½	31¾	31	29½	28¾	24½	27
New York Central.......	119¾	120	119⅝	118⅜	111¼	109¾	113
Erie	83⅜	84	85⅛	85	78	72⅝	71⅞
Hudson River	....	125	125½	....	123¼	122	....
Reading................	115¾	115⅞	117	117	113⅞	112½	111¾
Michigan Southern	90¼	92⅜	93⅝	91¼	85¼	84¼	81⅝
Michigan Central........	....	....	116½	115	113	111	112½
Cleveland and Pittsburg .	91¼	92¼	91	92¾	87⅝	83½	85
Cleveland and Toledo....	120	120	120½	119½	114	112	113¾
Northwestern	51¼	57¼	58½	57¾	52	41⅝	45
" preferred..	76	80⅛	80½	79⅜	74⅛	70⅜	73
Rock Island	108⅝	109½	111½	110¼	106⅝	102¼	104¼
Fort Wayne	109¾	109½	111¼	109⅞	106½	103	105⅝
Illinois Central	127	125½	126½	124½	122	119	119

The following are the rates of loans and discounts during the month :

RATES OF LOANS AND DISCOUNTS.

	Nov. 2.	Nov. 9.	Nov. 16.	Nov. 23.	Nov. 30.
Call loans.....................	4 @ 5	4½@ -	5 @ 6	7 @ -	5 @ 7
Loans on Bonds and Mortgage...	6 @ 7	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos.......	3½@ -	3¾@ 5	6 @ -	7 @ -	6 @ -
Good endorsed bills, 3 & 4 mos...	5½@ 6½	4 @ -	6½@ -	7 @ 7½	6½@ 7½
" " single names.	- @ 7	4½@ 5	- @ 7	7 @ 8	7 @ 8
Lower grades..................	9 @12	9 @12	9 @12	8 @10	8 @10

The price of Government securities has fluctuated in sympathy with the change in the premium on gold ; with every fall in price, however, there has been an active demand from the interior, which has induced a prompt recovery. The price of Five-twenties at London has advanced from 68½, at the opening of the month, to 70¾, notwithstanding that free shipments of bonds have been made from this side. The following table shows the daily prices of consols and American securities at London on each day of the month :

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

Date.	Cons for mon.	Am. securities U. S. 5-20s	Ill.C. sh's.	Erie shs.	Date.	Cons for mon.	Am. securities U. S. 5-20s	Ill.C. sh's.	Erie sh's.
Thursday 1		Holi	day.		Sunday...............18	...		....	....
Friday 2	89¼	68¾	77¼	51½	Monday............. 19	90¼	70½	78¼	50
Saturday.............. 3	89¼	68½	77½	51¾	Tuesday..............20	90¼	70½	78½	50
Sunday................ 4	....	....	....	....	Wednesday 21	90¼	70¼	78¾	50
Monday.............. 5	89½	68¼	77	50¾	Thursday 22	90	70¼	78¾	50¼
Tuesday.............. 6	89½	68¼	76¾	50½	Friday 23	90	70¾	78½	50¼
Wednesday 7	89½	68¼	77	51	Saturday............ 24	90	70¾	78	48½
Thursday 8	89½	69	77	50¾	Sunday...............25	....	...	....	....
Friday 9	89½	69	77	52	Monday...............26	89¾	70¾	77½	47½
Saturday.............10	89½	69	77	52	Tuesday.............27	89¾	70¼	78	48
Sunday...............11	....	....	....	....	Wednesday 28	89½	70¼	76¾	47
Monday..............12	89¾	69¾	77¾	52	Thursday 29	(Th	anks	givin	g.)
Tuesday............ 13	89¾	69½	78	52	Friday 30	89¾	70	76½	46
Wednesday...........14	90	70	78	51					
Thursday 15	90	70½	78	51½	Highest................	90½	70¾	78¾	51¾
Friday 16	90¼	70	77¾	49¾	Lowest.................	89¼	68¼	76½	40
Saturday 17	90¼	70¼	77¾	49½	Range..................	1	2½	2¼	5¾

The prices of Government securities at New York on each day of the month have been as follows :

PRICES OF GOVERNMENT SECURITIES, NOVEMBER, 1866.

Day of month.		6's, 1881. Coup.	6's, 1881. Reg.	6's, 5-20 yrs. Coup.	6's, 5-20 yrs. Reg.	5's, 10-40 yrs. Coup.	5's, 10-40 yrs. Reg.	7-30's. 1867
Thursday	1..................	.....	.....	110⅞	.....	100⅜	....	107
Friday	2..................	114½	.....	110½	...	100¼	....	107⅞
Saturday	3..................	114½	.....	110¾	.....	.....	100⅛	107¾
Sunday	4..................	.....	.....	.....	.....	.....	....	.....
Monday	5..................	114¾	114¾	110¾	107¾	100½	....	107⅞
Tuesday	6..................	114⅝	.....	110½	107¾	100⅝	100½	108½

Wednesday 7	114⅝	114¾	110½	108	100⅝	100⅝	107
Thursday 8	114½	.....	110½	.....	100½	....	108
Friday 9	114⅜	.....	110⅜	.....	100⅜	....	107¾
Saturday 10	114½	.....	110⅜	.....	100¾	....	107¾
Sunday 11	.....	.....	.....	.....	.....	....	.....
Monday 12	.....	.....	109⅞	.....	100¾	....	107½
Tuesday 13	114¼	114¼	110⅛	....	.....		.....
Wednesday 14	114	.....	110⅛	.	100½	100½	107½
Thursday 15	114⅛	.....	109⅞	.....	100¾	100¾	107¼
Friday 16	113¾	.....	109¾	107	100½	....	106⅝
Saturday 17	113½	112½	108¼	.....	.....	....	106½
Sunday 18	.....	.....	.....	.....	.....	....	.....
Monday 19	112¾	.....	108¼	.....	100	....	105⅞
Tuesday 20	113	.....	108¾	.....	100¼	....	106⅛
Wednesday 21	112¾	.....	108⅝	.....	100¼	..	105⅝
Thursday 22	112	....	107¾	106	99½	...	105¼
Friday 23	112½	112	108⅝	106	99¾	....	105½
Saturday 24	112¾	.....	108⅞	106½	99⅞	....	105⅝
Sunday 25	.....	.....	.....	.....	.....	....	.....
Monday 26	112⅝	112¾	109	107	100	....	.....
Tuesday 27	.....	.....	109	107	100	....	105½
Wednesday 28	113	112½	108⅞	106½	100	....	105⅞
Thursday 29		(National Thanksgiving Day. No business.)					
Friday 30	113	112¾	108⅞	.....	100	....	.....
Opening	115½	114¾	110⅞	107¾	100⅜	10 ⅛	107
Highest	114⅝	114¾	110⅞	108	100¾	100¾	108½
Lowest	112	112	107¾	106	99½	100⅛	105¼
Closing	113	112¾	108⅞	106½	100	100	105⅞

The following shows the range of daily closing prices for government securities, monthly and for the first eleven months of the current year :

		6s 1881 Coup.	6s 1881 Reg.	6s (5-20s) Coup.	6s (5-20s) Reg.	's(10-4 s) Coup.	's(10-4 s) Reg.	7-3 's 1 67.	Certificates
January	Highest	104⅝	104⅝	105	02½	93¾	93⅜	99⅜	98⅞
	Lowest	103⅝	103⅞	101⅝	101½	92¾	93	98¾	98½
February	Highest	104½	104½	103⅜	103⅛	94⅞	91½	99¾	98⅞
	Lowest	103¾	1 3⅞	102¾	102⅜	93¼	91½	99¼	98⅜
March	Highest	105⅛	105	104⅜	104	92⅜	91	101¼	99⅜
	Lowest	104¼	104¼	103	1 3	90	90½	99⅝	98⅞
April	Highest	108⅜	10 ⅛	106½	102½	96½	96½	100⅞	101⅞
	Lowest	104⅝	104¾	103	100⅛	91⅛	91⅝	100⅛	99¼
May	Highest	109¾	109½	102½	10 ½	96½	96⅛	102½	100½
	Lowest	108	08	100½	101½	94¼	94⅝	101⅛	100⅛
June	Highest	110⅞	107	104⅜	103¼	97⅜	96¼	103¼	100¼
	Lowest	109½	105⅞	102	1 2⅛	96⅜	96¼	102¼	100⅛
July	Highest	110	109⅝	108⅝	106¾	99	98⅜	104⅜	....
	Lowest	106⅞	108½	104⅜	105	97⅛	98⅜	103	....
August	Highest	113¼	112	113⅝	109	103¼	98¾	107⅜	....
	Lowest	109⅝	10 ¾	108¼	105¼	99	95⅜	104	....
September	Highest	11	112	112½	108⅝	99¼	99	107⅜	....
	Lowest	111	111	111⅛	108	97⅞	99⅛	105½	....
October	Highest	113½	113½	11 ¼	106¼	100⅛	100⅛	107	
	Lowest	111½	111⅝	111½	105⅞	99⅛	99⅛	106	....
November	Highest	11 ⅝	114¾	110⅞	08	100¾	100¾	108½	....
	Lowest	112	112	107¾	106	99½	100⅛	105¼	....
11 months	January 2	104½	101½	105	102½	93½	93¼	99⅛	98½
	Highest	114⅝	114¾	113⅝	109	100¾	100¾	10 ½	100¼
	Lowest	103⅝	103⅞	101⅝	101½	90	90½	98¾	98⅜
	Latest	113	112¾	108⅞	106½	100	100	105⅞	100⅛

The quotations for Three years Compound Interest Notes on each Tuesday of the month have been as follows :

Issue of—	Nov. 1.	Nov. 8.	Nov. 15	Nov. 22.	Nov. 28.*
June, 1864	116⅞@117⅛	116¾@117	116½@116¾	115 @114½	116 @116¼
July, 1864	116⅜@116⅝	116¼@11 ½	116 @11 ¼	114½@114¾	115½@115¾
Aug. 1864	115⅞@116⅛	115 @116	115½@115¾	114 @114¼	115 @115¼
Oct. 1864	114⅞@115⅛	114¾@115	114½@114⅜	113 @113¼	114 @114¼
Dec. 1864	113⅞@114⅛	113¾@114	113½@113¾	112 @112¼	113 @113¼
May, 1865	112¼@112½	112¼@112½	112 @112¼	111 @111¼	111½@111¾
Aug., 1865	110¾@111	110¾@111	110½@110¾	110 @110¼	110¼@110½
Sept., 1865	110¼@110½	110¼@110½	110 @110¼	109½@109¾	109¾@110
Oct., 1865	110 @110¼	109¾@110	109½@109¾	109 @109¼	109½@109¾

* Wednesday, Thursday being Thanksgiving.

Gold has steadily fallen in price since the opening of the month, the highest price having been 148¾ and the lowest 137⅝. The decline appears to be chiefly attributable to the payment of the November coupons, according to about $24,-000,000, together with the export movement having been much more limited than was anticipated. The Treasury has sold about $3,500,000 during the month, making a total supply from that source of about $27,500,000. This very large addition to the supply has placed gold beyond the control of speculative cliques, and the premium is consequently left to take its natural bent. During the present week the premium showed considerable firmness under rumors of complications with France upon the Mexican question, but the effect was only temporary:

COURSE OF GOLD FOR NOVEMBER.

Date.	Openi'g	High'st.	Lowest.	Closing.	Date.	Openi'g	High'st.	Lowest.	Closing.
Thursday............ 1	146⅜	147¾	146⅜	146⅞	Monday 19	141	141⅞	140	141⅜
Friday............... 2	147	147⅛	146¾	147⅛	Tuesday 20	141¼	141⅜	141⅛	141⅛
Saturday 3	147½	148½	147½	148½	Wednesday..........21	141⅛	141⅛	139½	139½
Sunday............... 4	.....	.....	.....	.....	Thursday...........22	138⅜	138⅞	137⅝	138⅜
Monday 5	148½	148¾	147¾	148⅜	Friday..............23	138½	139½	138⅜	138⅝
Tuesday. 6	148¼	148¼	147⅝	147⅞	Saturday........... 24	138⅝	139⅜	138½	138⅝
Wednesday..... 7	148	148	146⅞	146⅞	Sunday..............25	.....	.....	.....	.....
Thursday............ 8	146¼	146½	146⅛	146⅜	Monday..............26	138⅝	140¾	138⅝	140¾
Friday 9	146¼	146⅝	146	146¼	Tuesday.............27	141⅜	143⅞	140⅞	142⅜
Saturday 10	146	146	144¾	144¾	Wednesday..........28	142¼	142¾	141	141¼
Sunday...............11	.....	.....	.....	.....	Thursday...........29	(Thanksgiving.)			
Monday 12	144¼	144⅝	143⅞	144⅝	Friday..............30	140⅜	141½	140¼	141¼
Tuesday..............13	144⅜	145⅜	144⅜	144⅞					
Wednesday...........14	144⅝	145½	144⅜	144⅞	Nov ...1866...........	146⅜	148¾	138⅜	141¼
Thursday.............15	144¾	144⅞	143⅝	143⅝	" 1865..	145¾	148⅞	145½	147¼
Friday...............16	143⅝	143⅝	142⅛	143⅜	" 1864...........	238½	260	210	230
Saturday.............17	142⅜	142½	141	141¼	" 1863...........	146	154	143	148½
Sunday 18	.....	.....	.....	.....	" 1862	129⅜	133¼	129	129

MOVEMENT OF TREASURE AT NEW YORK.

	New Supply.			Exports to	Excess of	
Months, &c.	California.	Foreign.	Total.	for. ports.	Supply.	Export.
January.......................	$1,485,314	$72,771	$1,558,087	$2,706,336	$........	$1,148,249
February......................	3,603,000	172,122	3,775,122	1,807,030	1,968,092	....
March....	3,958,291	285,854	4,244,145	1,045,039	3,199,106	....
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	345,961	7,100,630	5,821,459	1,278,171	....
August................	4,477,659	269,221	4,746,880	1,587,851	3,159,029	....
September.....	2,884,432	5,193,473	8,077,905	834,550	7,243,355	....
October......................	4,902,207	1,434,158	6,336,365	1,463,450	4,872,915	....
November	1,669,391	1,795,618	2,465,009	3,492,422	....	1,027,412
Jan.-Nov. '66................	$37,108,704	$9,218,617	$46,327,321	$58,982,162	$...	$12,654,841
do do '65................	18,185,503	2,009,927	20,195,430	27,251,522	....	7,056,092
do do '64................	10,702,124	2,150,506	12,852,670	44,699,745	....	31,847,075
do do '63................	11,349,632	1,409,318	12,758,950	44,495,003	.. ....	31,736,053
do do '62................	23,644,160	1,311,961	24,956,121	55,763,909	....	30,877,788
do do '61................	31,801,560	36,729,883	68,531,443	3,343,237	65,188,206	....
do do '60.	30,449,420	2,678,289	33,127,709	41,988,770	....	8,861,061
do do '59.............. ..	36,315,057	2,631,787	38,947,844	67,653,737	....	28,705,898

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

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury Customs receipts.	Interest payments.	Gold Certificates issued.	returned.	In banks at close of week.
Jan. 6............	....	$552,027	$2,107,341	$3,597,240	$3,122,440	$1,34,8832	$15,778,741
" 13............	$685,610	640,503	2,334,694	1,130,789	3,206,180	1,578,194	16,852,568
" 20............	799,706	685,894	2,754,369	574,162	2,706,400	1,928,641	15,265,372
" 27............	....	656,812	3,226,040	279,842	2,598,400	2,137,048	13,106,750
Feb. 3............	944,878	292,568	3'347,422	115,204	2,081,280	2,221,423	10,937,474
" 10............	1,449,074	493,409	3,251,734	120,179	1,916,700	2,376,735	10,129,806

" 17	....	445,489	2,893,008	94,828	2.992,900	2,158,009	10,308,758
" 24	1,209,048	560,198	2,608,796	119,879	5,893,280	1,995,796	14,213,351
Mar. 3	....	75,453	3,386,934	1,183,343	2,125,000	2,664,934	17,181,130
" 10	1,469,286	556,284	2,297,836	882,712	2,101,000	1,706,835	16,563,237
" 17	1,425,353	236,671	2,464,482	328,593	1,498,400	1,919,483	15,015,242
" 24	389,837	170,297	2,509,419	174,911	361,280	1,886,419	13,945,651
" 31	673,615	3,500	2,451,345	225,414	1,376,000	1,895,334	11,930,292
Apr. 7	......	216,842	2,863 010	63.140	3,016,840	2,120,100	11,436,295
" 14	729,862	122,628	2,857,704	49,800	5,038,460	2,274,704	11,035,129
" 21	809,459	117,312	2.535,568	35,169	4,200,000	1,971,568	9,495,463
" 28	......	73,880	2,246,307	40,506	4,137,140	1,760,307	8,243,937
May 5	1,318,271	1,247,249	2,711,181	7,061,900	4,653,000	2,227,181	10,914,997
" 12	1,072,820	1,064,496	2,417,391	2,648,000	3,110,000	1,943,391	13,970,402
" 19	....	8,763.295	2,542,814	1,702,000	2,842,000	2,069,814	13,595,465
" 26	1,276,505	9,421,766	2,358,455	940,100	9,177,000	1,929,454	19,376,929
June 2	324,562	6,870,997	2,182,395	70.500	1,327,000	1,911,395	28,858,093
" 9	949,906	4,220,756	2,141,086	283,800	2,626,000	1,863,087	15.821,663
" 16	......	6,055,743	2,071,621	67,000	3,719.000	1,788,621	11,217,305
" 23	892,365	1,408,286	2,209,676	106,134	2,793,000	1,809,676	8,504,096
" 30	......	550.574	2,002,265	298,748	3,232,000	2,309,264	7,797,218
July 7	1,617,899	1,630,730	2,471,626	3,964,634	4,174,000	2,081,626	9,865,266
" 14	1.429,833	2,239,270	2,486,296	1,267,600	3,614,400	2,182,226	12,451,684
" 21	2,051,456	416,013	2,480,149	324,100	2,452,000	2,187,149	10,860,140
" 28	......	1,515,446	2,926 884	277,044	2,120,000	2,54[illegible],884	9,70[illegible],547
Aug. 4	1,655,481	530,174	2,794,658	135,500	1,889,000	2,400,658	9,448,900
" 11	....	152,375	2,676,332	61,400	970,000	2,328.331	8,424,290
" 18	....	117,990	2,461,877	50,300	2,064,000	2,145,876	7,545,518
" 25	3,091,601	787,312	3,069,893	60,987	2,188,000	2,545,893	6,884,075
Sep. 1	....	303,912	3,199.168	241,000	2.265,000	2,853,168	6,381,607
" 8	....	157,062	3.222,266	1,935,108	3,005.000	2,766,265	7,455,910
" 15	1,669,359	197,236	3,105,457	262,000	1,494,000	2,807,457	7,357,360
" 22	1,215.073	112,500	2,399,2[illegible]0	95,400	3,973,000	2,148,270	7,662,619
" 29	....	38,240	2,876,777	281,706	1,701,000	2,[illegible]50,717	7.643,961
Oct. 6	1,109,537	224,385	2.266,334	270,000	2.382,000	1.924,334	6,203,690
" 13	1,135 093	198,050	2,546,361	198,050	2,362,000	2,175,361	5,576,008
" 20	1,428,705	66,202	2,629,828	66,202	1,692,000	2,361,829	7,371,482
" 27	....	523,198	2,460,886	458,198	2,877,140	2,223,886	7,848,237
Nov. 3	1,228,869	947,44[illegible]	2,262,774	8,285,000	7,2[illegible]3,000	2,084,774	9,186.629
" 10	555,776	1,037,850	2,055,292	3,712,000	4,170,000	1,851,292	13,145,3[illegible]3
" 17	....	526,385	1,964,529	1,643,000	2,094,000	1,721,530	15,511,121
" 24	1,113,615	781,865	1,624,704	1,080,300	2,280,000	1,450,705	15,202,861

The course of Foreign Exchange has varied materially from the general anticipation. It was taken for granted that the remittances on account of coupons forwarded from Europe for collection and the payments of importers would call for a very large supply of bills, causing rates to advance beyond the specie shipping point. Although there has been a light supply of New York bills and of Southern cotton bills, yet this expectation has not been realized, the rates having but for one or two days ruled at figures admitting of specie remittances. Quotations, however, have at periods been high enough to allow of moderate shipments of bullion:

COURSE OF FOREIGN EXCHANGE FOR NOVEMBER, 1866.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1	109⅜@109⅝	516¼@513¾	41⅛@41½	79½@79¾	36 @36½	72½@73
2	109½@109⅝	516¾@515	41 @41¼	79½@79¾	36⅛@36⅝	72½@73
3	109¼@109⅝	517½@515	40¾@41⅛	79¼@79¾	36 @36½	72¼@72¾
4	....	....	....	......	....	....
5	109½@109¾	516¼@511⅞	41 @41½	79¼@79¾	36½@37	72½@73
6	109⅜@109½	516¼@515¾	41⅛@41½	79 @79¾	36½@36⅝	72½@72¾
7	109¼@109½	516¼@515¾	41⅛@41½	79¼@79¾	36⅜@36⅝	72¼@72¾
8	109⅜@109½	516¼@515¾	41⅛@41½	79 @79¾	36½@36¾	72½@72¾
9	109 @109⅜	516¼@515	41 @41¼	79¼@79¾	36¼@36¾	72¼@72¾
10	109 @109½	518¾@515	40¾@41	78¾@79¾	36¼@36¾	72 @72¼
11	....	....	....	....	....	....
12	109 @109¼	517½@515	41 @41½	79 @79¾	36¼@36¾	72¼@72¾
13	109 @109⅛	516½@515	41¼@41⅝	79 @79¼	36⅜@36¾	72½@72¾
14	109 @109¼	518¾@515	41½@41⅝	79 @79½	36¼@36¾	72½@72¾
15	109 @109¼	516½@515	41½@41⅝	79 @79¼	36⅝@36¾	72½@72¾
16	109 @109⅛	516½@515	41½@41⅝	79 @79¼	36⅝@36¾	72½@72¾
17	108⅜@109	522½@517½	40⅝@41⅛	78⅜@78¾	36⅛@36⅜	71½@72¼
18	....	....	....	....	....	....
19	108¾@109	522½@517½	40⅝@41⅛	78½@78¾	36⅛@36⅜	71½@72¼
20	109¼@109¾	517½@516¾	40⅝@41⅛	78½@78¾	36⅛@36⅜	71½@72¼

21	108⅞@109	523¾@516¼	40¾@41¼	78⅜@78¾	36⅛@36⅜	71½@72¼
22	108¾@109	518¾@517½	41 @41¼	78¾@79	36⅛@36¼	72 @72¼
23	109¼@108½	516¼@515	41⅜@41½	79 @79¼	36⅜@36⅝	72½@72¾
24	109 @109½	521¾@516¼	41 @41¼	78⅝@79	36¼@36⅝	71½@72½
25	....	....	....	....	....	....
26	109¼@109½	516¼@515	41⅛@41½	79 @79½	36½@36¾	72 @72½
27	109¼@109½	517½@513¼	41¼@41⅜	79 @79¼	36⅜@36⅝	72¼@72½
28	109¼@109½	517½@513¾	41 @41½	78¾@79¼	36¼@36½	72 @72½
29		National Thanksgiving Day. No business.				
30	109¼@109⅝	516¼@513¾	41¼@41½	79 @79¼	36⅜@36¾	72 @72½
Nov.	108⅝@109¾	235¼@511⅞	40⅝@41⅝	78⅜@79¾	36 @37	71½@73
Oct.	106¼@109⅞	535 @513¾	39½@41½	76½@79¾	35 @37	70 @73¼
Sep.	105½@108⅝	545 @518¾	39 @41½	75½@78¾	35 @36½	68 @72
Aug.	105½@108¼	545 @517½	39 @41	75 @79	34½@37	68 @73
July	107¾@109½	525 @507½	40 @42	77 @79	36 @37½	72 @75¼
June	107¾@110	205 @507½	40 @42¾	77 @80¼	35¾@37½	73 @75
May	108¾@109⅞	520 @510	40⅞@42⅛	78⅛@80	36 @37½	71 @74
Apr.	106⅛@108¾	537½@517½	39½@41	76¼@78¼	35 @36⅞	69¾@71½
Mar.	106½@108⅞	530@ 518¾	40 @41	77 @78¾	35½@36⅜	70⅜@71½
Feb.	107¼@108⅞	532½@517½	40¼@41	77 @79	35½@36½	70½@71½
Jan.	108 @109¼	523¾@515	40½@41	78 @79½	36 @36¾	71 @71¾
11 m	105½@110	545 @507½	39 @42¾	75 @80½	34½@37½	68 @75¼

The gross earnings of the undermentioned railroads for the month of October, 1865 and 1866, comparatively, and the difference (increase or decrease) between the two years are exhibited in the following statement:

Railroads.	1865.	1866.		Differ'ce
Atlantic and Great Western	$587,121	$541,491	Dec.	$45,630
Chicago and Alton	357,956	347,085	Dec.	10,871
Chicago and Great Eastern	113,992	126,997	Inc..	13,005
Chicago and Northwestern	923,886	1,210,654	Inc..	286,768
Chicago, Rock Island & Pacific	366,265	422,124	Inc..	55,859
Erie (including Buffalo Division)	1,580,317	1,480,261	Dec.	100,056
Illinois Central	641,589	639,195	Dec.	2,394
Marietta and Cincinnati	116,495	111,444	Dec.	5,051
Michigan Central	490,693	493,640	Inc..	2,947
Michigan Southern	524,760	500,404	Dec.	24,356
Milwaukee and Prairie du Chien	310,594	286,133	Dec.	24,461
Milwaukee and St. Paul	395,579	416,138	Inc..	20,559
Ohio and Mississippi	372,618	310,762	Dec.	61,856
Pittsburg, Fort Wayne & Chic	858,501	741,968	Dec.	116,533
Toledo, Wabash and Western	375,534	436,065	Inc..	60,531
Western Union	92,724	100,303	Inc..	7,579
Total (16 roads)	$8,108,623	$8,284,844	Inc..	$176,22

The earnings of the same roads for the first ten months of the same years are shown in the following table:

Railroads.	1865.	1866.		Difference
Atlantic and Great Western	$4,385,704	$4,682,528	Inc..	$296,824
Chicago and Alton	3,295,348	3,069,631	Dec.	225,717
Chicago and Great Eastern	891,346	1,047,841	Inc..	156,495
Chicago and Northwestern	6,665,181	7,386,635	Inc..	628,915
Chicago, Rock Is. and Pacific	2,900,404	2,788,272	Dec.	112,132
Erie (including Buffalo Division)	13,338,454	12,124,983	Dec.	1,213,471
Illinois Central	6,020,233	5,329,710	Dec.	690,523
Marietta and Cincinnati	964,211	1,002,919	Inc..	38,708
Michigan Central	3,728,008	3,436,797	Dec.	291,211
Michigan Southern	3,979,851	3,887,275	Dec.	92,576
Milwaukee and Prairie du Chien	1,648,968	1,640,691	Dec.	8,277
Milwaukee and St. Paul	2,017,159	2,077,944	Inc..	60,785
Ohio and Mississippi	3,096,133	2,796,544	Dec.	299,589
Pittsburg, Ft. Wayne & Chicago	7,186,737	6,2 8,179	Dec.	978,558
Toledo, Wabash and Western	2,318,045	3,075,404	Inc..	757,359
Western Union	589,783	684,320	Inc..	94,537
Total (16 roads)	$63,025,565	$61,240,673	Dec.	$1,784,892

The aggregate earnings of these sixteen railroads in October, as compared with those of the previous month, show the following result:

	1865.	1866.		Difference.
October	$8,108,623	$8,284,844	Inc..	$176,221
September	7,762,949	7,063,488	Dec.	699,461
Increase in October	$345,674	$1,221,356	Inc..	$875,682
do do per cent	4.45	17.29		

These results are exceedingly favorable. They show that October has been the best month of the current year, the aggregate earnings having increased over the earnings of September 17.29 per cent., and over those of October, 1865, 2.17 per cent. The net aggregate result of the ten months shows a falling off from last year to the amount of $1,784,892, or 2.82 per cent. The principal loosing roads so far, have been the Erie, the Illinois Central, and the Pittsburg, Fort Wayne and Chicago.

JOURNAL OF BANKING, CURRENCY, AND FINANCE

Returns of the New York, Philadelphia, and Boston Banks—National Banks.

Below we give the returns of the Banks of the three cities for the past month:

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	$233,185,059	$15,778,741	$18,588,428	$195,482,254	$71,617,487	$370,617,523
" 13........	234,938,193	16,852,568	19,162,917	197,766,999	73,019,957	608,082,837
" 20........	239,337,726	15,265,327	20,475,707	198,816,248	72,799,892	538,949,311
" 27........	240,407,836	13,106,759	20,965,883	195,012,454	70,319,146	516,323,673
Feb. 3........	242,510,382	10,937,474	21,494,234	191,011,695	68,796,250	508,569,123
" 10........	242,608,872	10,129,806	22,240,469	188,701,463	68,436,013	493,431,032
" 17........	243,068,252	10,308,758	22,983,274	189,777,290	64,802,980	471,886,751
" 24........	239,776,200	14,213,351	22,959,918	183,241,404	61,602,726	497,150,087
Mar. 3........	235,339,412	17,181,130	22,994,086	181,444,378	58,760,145	526,539,959
" 10........	233,068,274	16,563,237	23,033,237	180,515,881	64,341,802	594,204,912
" 17........	233,517,378	15,015,242	23,303,057	185,438,707	68,402,764	579,216,509
" 24........	234,500,518	13,945,651	23,243,406	185,868,245	69,496,033	593,448,864
" 31........	237,316,099	11,930,392	23,736,534	188,554,592	72,158,099	529,240,640
Apr. 7........	242,643,753	11,486,295	24,127,061	189,094,961	71,445,0[illegible]5	602,315,748
" 14........	244,009,839	11,035,129	24,533,981	193,153,469	73,910,370	578,537,853
" 21........	242,067,063	9,495,463	24,045,857	196,808,578	77,602,688	535,834,778
" 28........	245,017,692	8,243,937	25,377,280	202,718,574	80,589,022	545,339,668
May 5........	2[illegible]3,974,134	10,914,997	25,415,677	210,373,303	81,204,447	603,556,177
" 12........	257,621,317	13,970,402	24,693,259	217,552,853	85,040,659	523,098,538
" 19........	255,690,463	13,595,465	25,189,864	217,427,729	85,710,107	579,342,488
" 26........	257,969,593	19,736,929	26,223,867	208,977,905	73,829,947	713,575,444
June 2........	250,959,022	21,858,093	26,244,255	198,127,289	69,188,[illegible]92	713,575,444
" 9........	249,538,959	15,821,663	25,967,253	202,503,949	74,628,674	633,656,381
" 16........	247,301,547	11,217,305	25,887,876	202,415,673	79,179,304	613,698,301
" 23........	248,436,808	8,504,096	26,585,394	201,969,288	80,840,578	696,447,630
" 30........	250,884,168	7,797,218	26,706,622	204,357,272	81,882,640	568,842,490
July 7........	257,534,833	9,865,266	27,296,530	205,799,611	79,541,638	511,182,914
" 14........	259,133,434	12,451,684	27,804,172	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........	256,808,717	9,448,900	27,311,549	214,156,705	86,235,079	523,226,814
" 11........	258,263,063	8,424,209	27,528,522	214,232,263	86,861,834	494,810,975
" 18........	261,951,924	7,545,513	27,796,904	214,310,576	84,800,071	554,655,346
" 25........	265,901,065	6,884,077	27,958,464	218,119,450	86,283,483	617,950,320
Sept. 1........	265,399,607	6,381,600	27,807,834	225,191,282	92,[illegible]22,808	586,[illegible]64,052
" 8........	26[illegible],941,668	7,45[illegible],910	28,506,288	225,107,991	90,194,254	591,[illegible]03,135
" 15........	270,806,[illegible]04	7,357,369	29,360,371	2[illegible]4,844,647	90,773,232	567,299,212
" 22........	272,177,166	7,662,611	28,770,381	224,394,663	90,428,189	605,290,424
" 29........	269,807,383	7,643,960	29,213,950	223,336,785	87,826,[illegible]21	....
Oct. 6........	274,210,161	6,203,698	29,[illegible]0[illegible],358	228,484,780	85,339,679	829,081,759
" 13........	276,443,219	5,576,002	30,176,908	226,858,897	83,189,422	770,359,908
" 20........	279,135,796	7,371,487	30,415,240	225,083,853	78,625,469	824,721,933
" 27........	274,725,456	7,84[illegible],239	30,243,437	223,840,572	78,064,925	762,264,041
Nov. 3........	271,790,4[illegible]5	9,18[illegible],623	30,466,207	224,841,695	74,99[illegible],[illegible]42	761,934,453
" 10........	275,[illegible]98,288	13,145,381	30,968,940	226,325,[illegible]17	71,512,495	776,604,339
" 17........	273,3[illegible]8,39[illegible]	15,511,121	31,233,502	221,892,500	68,120,361	842,575,299
" 24........	267,920,415	15,202,86[illegible]	31,361,418	213,414,984	62,359,254	917,436,876

The Philadelphia Banks returns for the month are as follows:

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866....................	$17,181,229	$45,941,001	$890,822	$7,226,369	$35,342,306
" 8....................	17,236,320	46,774,150	983,685	7,319,528	36,618,004
" 15....................	17,267,412	47,350,428	1,007,186	7,357,972	36,947,700
" 22....................	17,052,559	47,254,622	1,012,980	7,411,337	36,214,653
" 29....................	16,244,277	47,607,558	1,008,825	7,432,534	35,460,881
Feb. 3....................	16,481,005	47,233,661	1,000,689	7,668,365	34,681,135

" 10	16,852,737	47,249,383	996,312	7,819.599	34,464,070
" 17	16,777,175	46.981,337	953,207	7,843,002	33,926,542
" 24	17,282,602	46,865,5[illegible]2	1,026,408	7,732,070	33,052,252
Mar. 3	17,447,635	46,604,752	1,041,392	8,1[illegible]1,049	32,835.094
" 10	17,292,534	46,546,878	1,055,694	8,248,100	32,504,508
" 17	16,375,608	46,690,788	1,026,068	8,438,184	32,102,427
" 24	15,969,814	46,642.150	981,932	8,580,200	32,144.250
" 31	15,954,832	46,043,488	990,630	8.666.230	32,257,653
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	34,640,86[illegible]
" 21	18,660,513	45,762,733	936,876	8,761,213	35,448,955
" 28	18,949,719	46,832,734	890,241	8,779,166	36,032,862
May 5	19,144,660	48,006,654	912,023	8,794,348	36,987,007
" 12	19,646,263	48,236,256	896,741	8,930,420	38,414,588
" 19	19.648,232	48,336,567	897,913	8,918,938	37,296,645
" 26	19,715,093	48,036,984	867.094	8,988,742	37,078,418
June 2	21,154 909	47,564,996	890,121	9,022,553	38,189,556
" 9	21,568,085	48,118,897	859,633	9.007.515	38,326,[illegible]64
" 16	20,568,591	48,616,145	897,381	9,219,553	36,972,476
" 23	21,105,316	48,166,814	899,999	9,290.094	36,715.308
" 30	21,455,836	48,266,904	863,454	9.325.475	37.242,979
July 7	20,546,695	48,892,594	86[illegible],981	9,431,664	38.275,788
" 14	20,311,668	49,493,405	852,783	9.442,146	37.707,[illegible]67
" 21	21,312,505	49,009,316	849,770	9,427,363	37,575.560
" 28	20,9[illegible]2,37[illegible]	48,935,067	826,096	9,382,473	37,270.8[illegible]5
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	48,530,454	811,230	9,566,783	36,942,311
" 25	20,412,323	48.591,763	807,071	9,575,534	36,025,288
Sept. 1	24,040,254	50,095,890	806,815	9,589 574	41,162,627
" 8	24,134,918	50,320,068	826,345	9,608,410	41,604,903
" 15	24,528,358	49,889,015	802,922	9,605,817	41.093,120
" 22	24,906.925	50,787,371	793,395	9,601,273	42,836,971
" 29	24,073,963	51,[illegible]37,567	783.024	9,598,497	43.693,875
Oct. 6	24, 11,480	51 242,282	769,272	9,631,863	43,800,428
" 1[illegible]	23,377,073	51,316,490	770,676	9,639,176	43,152,028
" 20	23,63[illegible],130	51,474.948	791, 18	9.631,498	43,345.80[illegible]
" 27	24,140,637	50,973,[illegible]84	799,652	9,648.655	43,953,737
Nov. 3	24,369.566	50,655,176	824,184	[illegible],659,086	44,385,162
" 10	24,671,396	54,[illegible]89,217	847,458	9,[illegible]65 040	44,217,3[illegible]8
" 17	23,452,466	51,681,866	852.095	9,67 ,236	43,45[illegible],0 6
" 24	21,850,41[illegible]	51,897,969	893.060	9,851.089	42,622,060

BOSTON BANK RETURNS.

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

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation National.	Circulation State.
January 1	$91,421,477	$801,415	$19,807,300	$38,451,794	$21,497,354	$1,404,721
" 8	92,245,129	1,031,327	19,914,065	41,718,132	21,806,180	1,328,798
" 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	40,300,6[illegible]9	22,034,642	1,215,675
" 29	92,877,783	1,008,013	20,544,830	39,153,816	21,899,318	1,157,848
February 5	94,578,358	805,237	20,568,1[illegible]5	40,436,163	22.325,4[illegible]8	1,125,728
" 12	94,083.827	632,591	20,412,589	38,768,019	22,348,638	1,057,328
" 19	95,250,429	508,428	20,418,909	38,494,696	22,602.531	1,033,391
" 26	93,539,000	521,292	20,262,177	36,398,481	22.887,971	1,048,022
March 5	92,990,512	556,856	20,034,968	35,581,876	22,606,835	1,006,719
" 12	90,705.159	623,938	19,905,120	35,297.498	22,730,329	721,809
" 19	91,902,811	606,992	20,470,018	[illegible]6,696,321	24,018,916	910,740
" 26	91,931,236	513,153	20,913,521	35,887,368	23,019,887	901,620
April 2	92,351,979	532,556	20,761,014	36,697,227	23,087,693	869,329
" 9	92,142,975	487,455	20,334,570	37,426,560	23.266.642	830,060
" 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	86,723.001	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	41,61 ,149	23,195,968	661,819
" 28	91,833,402	436.391	23,658,956	41.631,746	23,722,277	644,658
June 4	92 287,648	503,991	26,148,678	42,992,749	23,679,0 5	609,371
" 11	89,878,993	374,966	25,470,926	42,858,986	22,916,559	480,599
" 18*	87.568,533	371,596	24,426,749	41,992,820	21,845,977	544,941
" 25	94,336.170	323,335	25,019,436	42,587,020	23,633,008	507.371
July 16	96,047,000	453,600	21,610,000	40,407,000	24,145,000	413.000
" 23	95,995.866	441,689	22,786.738	40,935 853	24,057,765	401,544
" 30†	95,002,698	363,776	[illegible]2,242,659	39.7[illegible]0,363	23,804,526	355,864
August 6	96,672,749	318,779	22,432,317	40,549,379	24,116,795	380,980
" 13	95,771,749	295.241	21,101,481	39,192,620	24,104,[illegible]97	202,734
" 20	94,915,075	333,670	20,817,159	38,619,847	24,290,816	368,168
" 27	94,819,253	323,083	2 ,688,693	39,028,518	24,262,817	363,405
Sept. 3	95,387,808	264,863	22,071,251	39,856,550	24,240,925	344,773

"	10	94,878,709	314,204	21,580,730	39,149,497	24,295,875	356,075
"	17	94,788,268	328,830	20,303,416	38,357,208	24,345,328	351,401
"	24	93,825,673	316,771	20,977,954	40,014,189	24,344,545	336,465
Oct.	1	93,676,888	277,806	21,037,880	42,095,214	24,238,047	343,408
"	8	94,708,912	250,638	20,612,639	43,098,520	24,329,124	340,977
"	15	95,039,3 5	240,417	19,801,819	43,330,226	24,3 9,751	337,656
"	22	95,464,225	219,302	19,700,205	44,303,573	24,459,495	334,172
"	29	95,381,855	250, 16	19,654,336	44,694,104	24,443,519	332,453
Nov.	5	95,720,044	4 2,369	19,889,005	44,117,030	24,511,200	330,2 5
"	12	98,537,998	443,892	19,140,8 9	44,954,47[illegible]	24,402,311	328,319
"	19	99,622,706	486,164	18,035,014	43,543,251	24,416,151	324,435
"	26	99,898,56	569,205	17,908,763	42,647,995	24,633,970	323,076

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

The course of the National Banks has been as follows:

Date.	B'ks.	Capital.	Circulation.	Date.	B'ks.	Capital.	Circulation.
May 5........	1,650	$...........	$271,262,165	Aug. 18.........	1,656	....	288,403,775
May 12	1,650	....	272,878,895	Aug. 25.........	1,658	....	289,021,085
May 19.........	1,650	....	274,653,195	Sept. 1.........	1,658	....	289,510,820
May 26.....	1,650	414,921,479	276,540,510	Sept. 8.........	1,659	....	29 ,179,045
June 2.........	1,650	....	277,379,660	Sept. 15	1,659	....	291,851,315
June 9	1,650	....	278,905,675	Sept. 22.........	1,659	....	292,214,720
June 16.........	1,653	....	280,263,890	Sept. 29.........	1,659	....	293,032,903
June 23.........	1,653	....	281,234,460	Oct. 13.........	1,659	....	294,072,059
June 30.........	1,653	....	282,555,440	Oct. 20.........	1,659	....	294,377,304
July 7.........	1,653	....	283,627,605	Oct. 27.........	1,659	....	294,636,689
July 14.........	1,654	....	284,506,675	Nov. 3.........	1,659	....	295,254,85[illegible]
July 21.........	1,655	....	....	Nov. 10.........	1,6 9	....	296,086,104
Aug. 4.........	1,656	$...........	$286,895,545	Nov. 17.........	1,659	....	297,065,059
Aug. 11.........	1,656	....	287,048,950	Nov. 24.........	1,659	....	29 ,199,069

CONTENTS FOR NOVEMBER